

French Aid

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by Teresa Hayter



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Superficially there are a number of similarities between British and French Aid - both programmes, for example, concentrate largely upon the ex-colonies of the donor countries although the French programme is approximately twice the size of that of Britain. However, the differences between the two programmes are very considerable, and there is a good deal that can be learnt in Britain from an examination of the French approach to aid. In particular the differences arise from the disparities between the two countries' past colonial policies, especially since the Second World War, and from the closely integrated nature of the Franc zone system.

This study describes French aid in the context both of France's past colonial policy and of French interest in the Third World. The significance of the size of the French programme is also fully discussed.

French aid has not been worked out from first principles, but rather has arisen according to a variety of circumstances. *The Jeanneney Report* (ODI Publication 1964) attempted to provide a rationale for France's post colonial aid. Some redeployment of French aid has occurred, but so far not to any great extent.

French aid does not constitute a simple and integrated whole. The Author explains and comments upon the great diversity of methods and policies that exists, and a chapter is devoted to the attempts to integrate and rationalise the administration of France's aid.

In particular, the Author pays attention to France's aid programmes to its ex-colonies in tropical Africa. These are central to French aid; they are most deeply thought out; and contain the most innovations. Moreover, they are of particular interest to Britain which is attempting to do very different things in similar countries.

The Author also examines the closeness of Franco-African relations and looks at its advantages and disadvantages.

The study is one of ODI's series on donor countries financed by the Nuffield Foundation. The Author, Teresa Hayter, is a member of the Institute's research staff.

00020967



Overseas Development Institute

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by Teresa Hayter

**Published by
The Overseas Development Institute Ltd
160 Piccadilly London W1
England**

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1966

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Introduction

French aid is very large. When France's various expenditures in its ex-colonies, plus a little in other countries, are added up according to DAC criteria for aid,¹ they amount to about twice what Britain spends on aid, according to the same criteria. The size of French aid is to be accounted for largely by the nature of French colonial policies in Africa and the special features of the Franc Zone. Like British aid, it is overwhelmingly concentrated on ex-dependencies. Oddly, Algeria, with a population of 10 million, and the 14 ex-French African and Malagasy States, with a population the size of Nigeria's, get more aid from France than the whole of the Commonwealth, with a population of 700 million, gets from Britain.

The French nevertheless take aid seriously. De Gaulle stated at his press conference in January 1964: 'Co-operation is from now on a great ambition for France.' Co-operation is the word currently used for aid. The French believe strongly in the value of French civilisation, and indeed in its universal validity. The ideals of the French Revolution were meant for everybody, not just for France, not even just for Europe. France, it is continually said, has never been resigned to confinement within its own frontiers. '*Le besoin de rayonnement*', the need to spread one's ideas and civilisation into other parts of the world, is a fundamental motive for France to give aid. Aid is sometimes said to be merely the modern form of cultural expansion; about 40% of total French aid is technical assistance; and cultural imperialism, as opposed to military or economic imperialism, is something of which the French are not ashamed. Above all, there is the French language. The French language is the vehicle of French culture. The French attachment to its propagation is something unique to France. It is perhaps the fundamental and determining factor in French decisions about aid policy. In a real sense, for the French, cutting off aid to one of the countries in which French culture is important would be cutting off their nose to spite their face. When aid to Tunisia was stopped, the 2,400 French teachers remained; the same is likely to be true of the 5,000 French teachers in Morocco. M. Pompidou, in a major debate on aid in the National Assembly in June 1964, said: 'Of all countries, France is the country which cares most about exporting its language and culture. This characteristic is genuinely specific to us. When a Frenchman travelling abroad meets someone who speaks French, who has read French authors, he feels as if he has found a brother. This is a need of our thought, perhaps of our genius. Our co-operation is

¹ Cf. Development Assistance Efforts and Policies of the members of the Development Assistance Committee of the OECD, 1965 *Review*, published by the OECD.

undeniably orientated, and ought fundamentally to be so, towards this expansion of our language and our culture.'

France has, on occasion, aspired to the leadership of the Third World; the *Tiers-Monde* is really a French expression. De Gaulle's travels to Iran, Mexico and South America were large gestures, demonstrating an exceptional interest in the Third World. The bitter unpopularity which the French suffered during the Indochinese and Algerian wars seems to be a thing of the past. De Gaulle is regarded as the great de-coloniser, the man who gave independence to the African states and to Algeria, and who is their greatest friend and support. De Gaulle's re-election was widely desired in French-speaking Africa, and his majority was significantly increased by massive votes for him in the remaining French Overseas Territories and Departments. Elsewhere his unwillingness to bow to United States domination, and his opposition to American policies in Vietnam and the Dominican Republic, are undoubtedly much admired. Prince Sihanouk of Cambodia makes speeches praising de Gaulle's independence of mind and sense of reality. France has been more successful than Britain in re-establishing good relations with Egypt. Although French aid outside French-speaking Africa is relatively insignificant, its size in Africa, and claims for its effectiveness, are useful adjuncts to France's interest in the Third World.

But French aid is still essentially based on continuing commitments in Africa. After the Second World War, French Government expenditures in the French territories were exceedingly high. This spending was based on the ideal of a great French Union, in which vast areas of Africa would be part of France and share in the benefits of French civilisation. The development of the French Union was planned as a whole, and in principle its resources were pooled. The objective was to achieve the assimilation of the overseas parts of the Union with metropolitan France; and the main concern was with equality, not with the economic viability of the different parts. Salaries, administrative procedures, standards of education were in theory the same throughout the Union; many services were charged directly to the central French budget. In addition, the Franc Zone developed after 1946 into an extremely protective system. Exchanges with the outside world were minimal, and prices within the area were high. Return flows to metropolitan France, in the form of the savings of French personnel employed in the territories, the profits of French firms, expenditures on imports from France and repatriations of capital, became substantial. French industries were dependent on markets in Africa, and to some extent on African sources of supply. While many of these reasons for large French expenditures overseas have lost their original justification, they largely account for the present size of French aid.

In 1963 the French Government, mainly in order to find a rationale

for aid 'now that the period of de-colonisation was completed', commissioned the *Jeanneney Report*.¹ The *Report* remains the most important statement of French aid policy. It contains criticisms of the present aid programme and recommendations for its improvement, but its most impressive sections are those which deal with the reasons for French aid. The fundamental reason for aid is stated to be humanitarian: 'Even if France thought that the poverty of others threatened neither her own development nor her security, she would have to assist them, simply because it would be intolerable for her to ignore their fate.' Second, there is the French need for '*rayonnement*': 'France desires more than any other nation to disseminate her language and culture.' Third, there are certain long-term political and economic advantages which France, having decided to give aid, may legitimately expect (but the *Report* does not state that these on their own would provide sufficient reasons for using French resources in this way rather than any other). The *Report* dismisses arguments that French aid is justified by short-term economic advantages, and in particular those to be derived from the concentration of French aid on the Franc Zone. It argues that the Franc Zone system is no longer beneficial to France. A few individuals and firms do well out of the system, but France as a whole does not. From a purely economic point of view, France would do better to spend its money elsewhere, and in particular in countries like Mexico, Greece and Spain which are developing more rapidly. The *Report's* major policy recommendation is that French aid should be redeployed outside the Franc Zone.

On the whole the arguments of the *Jeanneney Report* are convincing, and have been accepted by the French Government, although not necessarily put into practice. Certainly de Gaulle seems to have lost interest in a great Franco-African community. The 14 States which remain, to a remarkable extent, loyal to France and which, with Algeria, are the main recipients of French aid, are most of them – the Ivory Coast and Gabon are almost the sole exceptions – very poor. Their weight in international affairs is not great; in spite of their number, their combined population is about the same as that of Nigeria. Countries like Upper Volta are really the creation of France, and might not survive without French support. The impression is that political and economic authorities in France, with the exception of a few people with special interests, are on the whole convinced that the States are a burden to France. The *Jeanneney Report* did not suggest that aid to them ought to be reduced; merely that it should increase more slowly than aid to other countries. De Gaulle would no doubt like to expand French influence in other parts of the world with more solid support than Revolutionary principles and common resistance

¹ *La Politique de Coopération avec les Pays en Voie de Développement*, published in December 1963. See also *French Aid, the Jeanneney Report*, an abridged translation published by the Overseas Development Institute.

to American influence. But he told the Latin Americans that France could do little for them because it could not abandon its obligations in Africa. The French fight bitter battles to make the Common Market take over some of their responsibilities in Africa. It appears that the Government is unwilling to resolve its differences with Guinea because it would mean increased expenditures in Africa: not only aid, but unblocking the Guinean account in the French Treasury and resuming payment of the pensions of Guineans who were in the French civil service or the French army; and it appears also that de Gaulle would be happy to use a breakdown in the present financial talks with Mali as a pretext to cut off aid. The reasons for continuing to support these countries are largely sentimental attachment, and pride; French prestige is clearly involved in the successful development of the States as long as they continue to rely on French support.

The desire in France for a certain disengagement in Africa is on the whole a hopeful sign as far as aid to the 14 States is concerned. There has been in the past little concern to ensure that the lavishness of French creations in Africa did not in fact perpetuate the African territories' dependence on France, since they bore little relation to the size of the territories' resources and committed them to spending large sums on their upkeep. This applied not only to buildings, roads and hospitals, but also to the system of administration, which is now generally admitted to be too complex and too closely modelled on that of France for such small and poor countries; and to the system of education which, largely because of the determination of educated Africans to achieve equality with France, has deviated very little from the centralised French system – not necessarily the system best fitted to enable the Africans to run their own economy and society. There has also been a tendency for the French to do practically everything themselves – a tendency which persists. The French continue to feel responsible for all sectors of the States' development, including for instance educational policies. But the aid administration is now making efforts to create more viable systems, to enable the Africans to fill the gaps left by a too theoretical and formalised system of education, to simplify administrative procedures, to enable Africans gradually to replace the 10,000 or so Frenchmen who still work in their administrations, technical services and educational systems. It is also trying to limit investments to projects which are likely to bring a more immediate economic return. The French have at last begun to encourage the setting up of industries in Africa which will compete with hitherto heavily protected industries in France.

Such ideas for reform are based not only, perhaps even not primarily, on the idea that they will reduce France's financial commitment in the 14 States. Indeed those who form them often ask for increased French aid to carry them out, although in the long run, if they are successful, they must reduce the need for French support. They are

also based on the view that the States will not indefinitely be grateful for a mere flood of French administrators and French investments, if these do not in fact contribute to the development and the viability of the economies and societies of the States. The French language, if it is to be preserved in Africa, must be tied to dynamic and practical policies. It is shortsighted merely to oppose change. The blind preservers of influence nevertheless have a certain case: it is conceivable that the total emancipation of the States might also mean the abandonment of French culture, even of the French language. The French are, in a sense, performing a delicate balancing act; they want to increase the self-sufficiency of the States, but not to the extent of destroying their attachment to France and French values.

Much of the rest of French aid is absorbed by Algeria. Since 1959 France has spent at a very high rate in this country. When Algeria became independent the French undertook to continue to provide aid at the same level as before, for three years. They have not quite done so, and they have now succeeded in reducing aid substantially, since the immediate effects of the departure of the French settlers have been dealt with. But aid to Algeria has been out of all proportion to aid to Morocco and Tunisia, or any other single recipient of French aid. Aid at this level was needed to fulfil existing commitments and to preserve Algeria from financial and administrative collapse; very little of it has been used on new operations. There are specific reasons for the size of French aid: first, the number of Frenchmen in Algeria and, second, when these left, oil. Nevertheless, the 1965 agreements for the joint exploitation of Algeria's oil and natural gas are very advantageous to Algeria. France's general and wider aspirations in its relationship with the Third World are possibly more important reasons for continued 'co-operation'; Algeria, at least until recently, was one of the most progressive and influential countries of the Third World, and rupture with Algeria would have seriously compromised French policies. But sentimental attachment plays relatively little part; even the French language is a less prominent consideration here than elsewhere.

All three countries in North Africa continue to use great numbers of Frenchmen in their administrations and educational systems; together they account for about two-thirds of the total number of French technical assistance personnel in developing countries. Morocco and Tunisia, however, receive very little else; French aid to these countries has consisted almost entirely of technical assistance, plus, recently, a few official loans. The same is true of aid to Cambodia, Laos and Vietnam, and there is naturally even less to spare for 'traditionally foreign'¹ countries.

Redeployment of French aid is occurring, but slowly. The absolute

¹ The countries which had no institutional relationship with France after the Second World War are generally described as 'traditionally foreign'.

level of French aid has remained roughly static since 1962. There has therefore been no increase to devote to new recipients; new aid to them has been mainly at the expense of aid to Algeria. There have been increases in the allocations of funds for technical assistance to 'traditionally foreign' countries. There have also been commitments for official loans to these countries, a form of aid which did not exist before 1961. These official loans have, however, nearly always been in association with private export credits, and they amount to little more than an official softening of the latter's terms. The French policies for aid to non-traditional recipients bear little relationship to the *Jeanneney Report's* 'real reasons' for aid, and do not yet amount to a world policy for aid.

Finally, there are the remaining small Overseas Departments and Territories. France appears for the moment to have solved the problem of small scattered remnants of Empire. Many of them have for long been 'assimilated' with France. Four of them are Overseas Departments treated in nearly all respects in the same way as metropolitan Departments, with standards of living and social services rapidly approaching those of the rest of France. The Overseas Territories have rather more internal autonomy in certain fields, but they also send representatives to the French Parliament. French financial support for them is considerable; and, per head, is much higher than for the other recipients of French aid, high though this also is. The French tend not to count aid to them in their aid figures, on the grounds that they are no different from, for instance, Corsica.

There is no unified administration of aid in France. Most of the administrative departments responsible for aid to independent countries were, when the new French Government was constituted in January 1966, put under the authority of the Ministry of Foreign Affairs. But the multiplicity of institutions and mechanisms which deal with aid have not yet been integrated with one another, and are explicable almost solely in historical terms. The *Jeanneney Report* recommended the centralisation of aid in a single set of institutions, as part of the process of rationalising and redeploying French aid. But for the moment aid to the African and Malagasy States, and to a lesser extent to Algeria, is bound to retain specific characteristics; and the institutions for dealing with these two parts of French aid are much more highly developed than the institutions responsible for the rest of French aid.

The *Jeanneney Report* was one of the few important attempts to discuss French aid as a whole. In general, discussion of aid in France, and documents on aid, centre around aid to the African and Malagasy States and Algeria; alternatively, they are concerned with particular countries or institutions. There have been two major reports on aid by the *Conseil économique et social*, in 1962 and 1965. The budgets of the various departments concerned with aid are debated in detail in

Parliament, and reported on by parliamentary commissions. There was a special debate on aid policies in the National Assembly in June 1964, after the publication of the *Jeanneney Report*. The publication of this Report in fact set off a round of discussion, not all of which was favourable to aid as it is now practised. On the whole, the principle of aid was not questioned; but its concentration on ex-dependencies in Africa was. Also its wastefulness: three now famous articles in *Paris-Match* by its editor, M. Raymond Cartier, in March–April 1964, claimed that France spent 3% of its national income on co-operation and could not afford so much; France itself was under-developed and was short of telephones, schools, hospitals, all of which were being created at vast expense in Africa; and in any case it was doing no good to Africa. The argument that much of French aid was wasted, was even harmful to its recipients, was taken up in particular in three long articles in *Le Monde*,¹ which were basically favourable to aid but criticised French methods in Africa: French aid was spent on large grandiose projects, ill-adapted to the needs of the recipients, which merely burdened already unbalanced budgets with bigger recurrent costs and had little effect on the population. In addition, the *Le Monde* articles claimed that, because of the peculiar nature of the Franc Zone, most of the aid came back to France in any case; this rather confused argument is often heard from Africans, foreigners and Frenchmen.² Aid to Algeria has been steadily criticised, more than any other part of French aid; debates in Parliament have been almost universally hostile, and Left and extreme Right have united to vote against the Algerian aid budget. But opinion polls conducted by the aid administration³ have shown that in general French public opinion is remarkably well disposed towards aid, in particular 'cultural' aid and aid to the tropical African States, which have superseded North Africa as the most popular recipients of French aid.

This study is primarily concerned with the present administration, mechanisms and policies of official French aid. But in order to understand French aid it is necessary to describe the historical relationship of France with its former dependencies, and the complex system of commercial and monetary relationships which constitute the Franc Zone. This description will occupy the first two chapters. The study concentrates on aid to the African and Malagasy States, which is considered to be central to the French aid programme.

This study is part of a series of ODI studies of other donors' aid policies (see in particular the introduction to *German Aid* by John White).

¹In August 1964. Cf. Also René Dumont, *L'Afrique Noire est Mal Partie*, Editions du Seuil, Paris 1963. Also published by Andre Deutsch in London in 1966.

² See page 56 of this study. See also Kwame Nkrumah, *Neo-colonialism, the Last Stage of Imperialism*, published by Nelson, London 1965, page 18.

³ Several reports on public attitudes to aid have been published by the Ministry of Co-operation (now Secretariat of State for Foreign Affairs in charge of Co-operation).

I am extremely grateful for much help given to me by many tolerant and busy French officials, mainly in Paris, but also in Africa. I was also much helped by being allowed to use the unpublished material of the *Centre pour la Formation des Experts de la Coopération Technique Internationale*. I am indebted to Professor Kenneth Robinson for much of the material in the historical chapter, and to all the people who kindly commented on my draft.

1—Historical Background

French aid is, like British aid but possibly more so, bound by the past. In the simplest sense, this means that France has been spending a certain amount of money and sending a certain number of people to countries which have been under French rule, and that these countries therefore, to greater or lesser degrees, are dependent on the continuation of this aid. This is particularly important because of the size of French aid. Some of the ex-French African States are almost totally dependent on French support, and might not survive in their present form – as nations, with all the trappings of nationhood – without it. Even in a relatively advanced country like Morocco, which receives very little capital aid from France and has other sources of foreign aid, the departure of French personnel would seriously disrupt the administration and educational system: there are over 7,000 French ‘technical assistance’ personnel in Morocco, part of whose salaries is paid by the French Government. Tunisia is rather less dependent on French personnel than Morocco; Laos, Cambodia and Vietnam relatively little so. Algeria receives huge sums of capital aid from France, and has even more French personnel than Morocco. The small Overseas Departments and remaining Overseas Territories obviously could not manage without French aid.

But there is much more to it than that. The constraints of the past are not merely financial and technical. The nature of French aid, as well as its size, is governed by all kinds of historical circumstances, by the doctrines of the French Empire and then of the French Union and Overseas France, by the policies of assimilation, by the principles of the French Revolution, by the strength, or absence, of emotional links between the French and particular parts of their Empire, by the fact that aid, at least until recently, was not designed to achieve the self-sufficiency of its recipients, but rather their integration with France.

Obviously all this is more important for some of the present recipients of French aid than for others. It is not at all relevant to aid to ‘traditionally foreign’ countries. In Algeria French colonial ideas and methods affected mainly the French settlers, most of whom have left; the factors which now mainly determine the French interest in Algeria – the discovery of oil and the emergence of Algeria as a leader of the Third World – are recent. In Morocco and Tunisia, in Laos, Cambodia and Vietnam, the French involvement, which was historically very important, has diminished steadily since the Second World War. Many of the French ambitions frustrated in these countries were transferred to the French possessions in tropical Africa.

(The other small Territories, mainly islands, offered little scope for these ambitions; their dependence on France was inevitable and not very rewarding.) It is for the understanding of aid to what are now called the African and Malagasy States,¹ which is probably the central part of French aid, that a description of the colonial past is most relevant – indeed it is essential for such an understanding. The French relationship with these countries continues to be extraordinarily close; in some ways this closeness gives France exceptional opportunities to contribute to their development, in some ways it is severely limiting. At any rate the historical circumstances which created it must be described.

This chapter will concentrate on the tropical African territories, and will describe more summarily the historical relationship of France with the other main recipients of its aid. It is possible to make a rather arbitrary, but convenient, distinction between political and constitutional developments and economic developments, and to describe these in successive sections. These two sections will be preceded by a brief discussion of French colonial doctrines. A separate sub-section at the end describes in more detail the effects of post-war French aid on the African and Malagasy States.

1 Colonial Doctrines

The most persistent and distinctive feature of French colonial theory was assimilation. Assimilation was the ideal that the people of the French colonies should become Frenchmen, with the same rights and duties, the same institutions and opportunities, as Frenchmen. It implied centralisation of power in the French Parliament and representation of the colonies in this Parliament. It was of course not always a pure doctrine: in Algeria it was something the settlers wanted for themselves and not for the local inhabitants; sometimes it represented the laziness or the impatience of administrators who found it easier to apply the same methods everywhere and disliked working through local institutions. But basically it was an advanced doctrine, an ideal, which was supported as a matter of principle by the left wing in French politics, sometimes even by the communists, and reasserted at the beginning of every Republic. It was generally more progressive, in French terms, than the main alternative ideas of indirect rule and autonomy. These tended to represent either a conciliation of local French business interests, or a kind of sentimental monarchism and traditionalism which supported local sovereigns and dignitaries, or simply a desire to save money.

¹ Ex-French West Africa minus Guinea, ex-French Equatorial Africa, Togo, Cameroun and Madagascar. For a list of the 14 countries, see page 141.

Assimilation was based primarily on the radical, universalist, egalitarian ideas of Descartes and the French Revolution. Deschamps, an ex-Colonial Governor and now Professor at the Sorbonne, wrote in 1953¹: 'Cartesian ideology ruined in advance any idea of "self-government" (*sic*). The latter is derived from the recognition of existing societies, a natural development of English empiricism, but incompatible with the mathematical philosophy of Descartes, whose followers attempted to create social constructions *a priori*. . . . A system of government which is based on universal reason is valid for all climates, for Frenchmen and for Hurons. They are the same humanity and it would be unreasonable to treat them differently merely because some of them wear three-cornered hats and some of them wear feathers'. And Boissy d'Anglas declared in 1794: 'The Revolution was not only for Europe, but for the Universe. . . . There can only be one right way of administering: and, if we have found it for European countries, why should (the colonies) be deprived of it?'

The doctrine assumes of course that the French have found the answer. Another Frenchman, Brunschwig,² in 1949 criticised the persistence of uniformity and said that it was 'an effect of the logical turn of mind of the French. They are so intimately convinced of the universal value of their principles that they apply them everywhere. Bearers of truth, they cannot conceive that its evidence can elude foreign peoples'. He nevertheless believed, in 1949, that 'assimilation can succeed and has succeeded', and that Black Africa, after the Second War, was the '*terre d'élection*' for a policy of assimilation. The policy was never seriously applied in the more sophisticated Indochina or in the Protectorates of Morocco and Tunisia.

To objections that the Africans, as much as any other people, have their particular way of ruling themselves, that what is good for Europe is not necessarily also good for Africa, the answer tends to be that European methods have been tried for years, have produced remarkable prosperity, and that if one does not try to transfer their benefits to Africans, one is barring them from progress: succumbing to the illusion of the good savage. Deschamps, again, in the conclusion of a thesis written in 1938 on Madagascar, said: 'The great mistake would be to appear to wish to thwart them, keep them in their childhood, push them back to their Middle Ages or their Prehistory. . . . Let us be good educators, and let us prepare good Europeans'.

Most Frenchmen who are concerned with the problems of the independent African States have discarded assimilation to the extent of ceasing to believe in the universal validity of French institutions. They see, possibly more clearly than the Africans themselves, the need for adaptation to meet African conditions. What survives is a belief in the universality of French culture, and of the French language as

¹ H. Deschamps, *Méthodes et Doctrines Coloniales de la France*, Paris 1953.

² H. Brunschwig, *La Colonisation Française*, Paris 1949.

the vehicle of this culture. The *Jeanneney Report*¹ stated: 'Cultural expansion (*rayonnement*) is necessary (for France), and should be the work of men prepared to go overseas and of a culture which claims universality . . . France desires, more than any other nation, to diffuse its language and culture widely'.

2 Political and Constitutional Development

(a) French Revolution to Second World War

Assimilation first came formally into existence with the French Revolution. The only important colonies at this time were the plantation islands in the Antilles; trading-posts in Madagascar, Senegal and Guinea were little more than their appendages for the recruitment of slaves. In 1794 all their inhabitants, including the slaves, became French citizens and elected deputies to the French Parliament. They became Departments of the Republic One and Indivisible (as some of them still are today).

During the Napoleonic wars slavery was re-established; and as a result of the wars France's possessions in the Antilles were much reduced. Algiers was conquered in 1830 and in the 1840s French immigration into Algeria was encouraged.

In 1848, with the Second Republic, Revolutionary principles were reaffirmed. Slavery was abolished. The slaves became French citizens, and the adoption of universal suffrage made them electors. Martinique, Guadeloupe, Réunion, Guyane, Senegal, the French territories in India and Algeria sent deputies to the French parliament; in Algeria, however, only the French settlers were assimilated.

Napoleon III had a grandiose colonial policy. He protected kings in Madagascar and Cambodia, and thought of extending the system to Cochinchina, where there was no sovereign. He considered himself to be Emperor of the Arabs (in Algeria) as well as Emperor of the French. He also offered French citizenship to the Arabs (but they failed to take it). He created, briefly, a Ministry for Algeria and the Colonies; but in 1860 Algeria went back to the Ministry of War, the colonies to the Ministry of the Navy. As part of a general down-grading of parliament, the colonies lost their representation in it.

In 1870, with the Third Republic, assimilation and principles reappeared. The old colonies, Algeria and, for the first time, Cochinchina, had deputies. In Algeria and Cochinchina they were elected only by Frenchmen, and an infinitesimal number of Arabs in Algeria who had taken French citizenship. In the old colonies all the inhabitants were citizens and electors, and their General Councils, equivalent to the General Councils of metropolitan departments, were elected by universal suffrage. In 1881 all the Algerian administrative services,

¹ See page 11.

like those of the metropolitan departments, were attached to the corresponding ministry in France.

Assimilation was not applied to France's new acquisitions at the end of the nineteenth century. This was the great period of European expansion. It was mainly a capitalist expansion: Great Powers were in search of markets and raw materials. The French had the added incentive of recovering their national glory, lost as a result of their defeat by Prussia. French explorers and soldiers acquired for France huge territories which stretched unbroken from Dakar on the Western point of Africa to the Congo in the East, and from the Gulf of Guinea in the South to the Mediterranean in the North. France expanded on either side of Algeria – into Tunisia in 1881, when the Bey signed a Treaty of Protection and accepted a French Resident; and into Morocco at the beginning of this century, where the French Protectorate was established in 1912. In tropical Africa they penetrated inland from Senegal, southwards across the Sahara and northwards from their trading-posts in Guinea, the Ivory Coast and Dahomey, competing with the English for access to the Niger river; further East they competed with the Belgians in the Congo basin. In Indochina, they consolidated their position, signing Treaties of Protection with Annam in 1883 and with Cambodia in 1884. Similar treaties were signed with Madagascar in 1885. Most of this expansion was the work not of merchants and traders, but of soldiers and explorers. Their greatest expansion, in West Africa, was largely in unproductive desert and savannah. Salisbury said scornfully that it was 'light agricultural land' (a sarcastic euphemism) not worth England's while to compete for. Certainly glory was more important in France's activities in Africa than it was in England's largely commercial activity, and England got all the natural harbours (although Dakar provided some shelter), and most of the main river-mouths in West Africa.

But in spite of France's rather different motives for expansion, soldiers and explorers were fairly rapidly followed by traders, and there was little question of applying Revolutionary principles to the new acquisitions. In particular, the territories acquired by France in Equatorial Africa were distributed among commercial companies who, in return for undertaking to keep order and to carry out an ill-defined programme of public works, had full proprietary rights to the land. The French Government intervened little. There were certain provisions for the protection of the native population; but in the whole of Equatorial Africa there were in 1905 only 100 administrators, anyway inclined to favour the operations of the companies, to control their observance. Since this allowed quite ruthless exploitation by the companies and led to innumerable abuses, of which opinion in France gradually became aware and which threatened to lead to the destruction of the local population, the French Government was impelled to intervene more positively, and the official administration was pro-

gressively reinforced. But in practice the colonies were administered in whatever way seemed best to the men on the spot. West Africa was not submitted to the regime of the companies, but that was largely because by the time it had been sufficiently pacified for development to be contemplated, the scandals of Equatorial Africa were well enough known to necessitate more cautious procedures. Efficient administration, enabling an efficient utilisation of resources, was more important than, as Deschamps¹ puts it, 'the desire to orientate political and human construction towards a future inspired by principles'.

There was at the same time some change in theory. The doctrine of assimilation was, throughout the French Empire, being superseded by the doctrine of 'Association' – which became the official description of colonial policy for the first forty years of this century. It meant, in effect, less attempt by France to implant its own institutions and methods of administration in its overseas possessions. It also meant, in theory, more respect for local traditions. Cartesianism was out of fashion, and people admired the picturesque diversity of primitive peoples; it was felt that the same methods were not suitable everywhere. Some of those who applied the Protectorate system during this period, particularly Galliéni in Madagascar and Lyautey in Morocco, genuinely respected and studied local institutions and customs; Lyautey in particular was a traditionalist who believed in the established order.

But on the whole theories were at a discount. 'Association', and the Protectorate system, were really money-saving devices. The French used traditional institutions and hierarchies so long as it was convenient to do so; when they became too inefficient, they replaced them. French administrators proliferated, served indiscriminately in all France's possessions, whether colonies or protectorates, often grew impatient with the formalities and slowness of the Protectorate system. Protectorates ineluctably developed into colonies, directly administered. Deschamps says that by 1939, 'The local (French) administration, apart from intermittent control by ministers, is omnipotent. Governors are chosen more and more from the ranks of administrators. They know their colony well and inspire the decrees which govern it; but they rarely elaborate long-term plans, except in economic matters; political imagination anyway would have fitted badly into the system; therefore government is from day to day without any thought for the guidance of native evolution. . . . To tell the truth, we never consolidated, still less reconstructed, the feudal hierarchies as the English systematically did. We contented ourselves with using them, while reducing them almost totally to the status of paid servants of the state ("fonctionnarisme total") . . .'

Other rearrangements were designed to make the administration of the colonies less trouble, and less expensive. It was the least positive

¹loc. cit., page 19

of the theorists' ideas which were adopted: decentralisation by delegation of power to local French Governors-General, non-extension of parliamentary representation and citizenship. The local councils created in North Africa, Indochina and Madagascar were purely administrative, and the role of the native representatives on them was minimal. A Financial Law in 1900 suppressed subsidies to the colonies and obliged them to subsist on their own budgetary resources. In 1885 the colonies of Cochinchina and Cambodia, the Protectorate of Annam-Tonkin and later that of Laos, were lumped together in an Indochinese Union, with a Governor-General whose function was at first to co-ordinate the existing governors and residents, but who rapidly acquired a central budget and administrative services. A Governor-Generalship of West Africa was created in 1895, before the conquest was completed. The colonies forming it varied in composition; from 1947, when Upper Volta was reconstituted, there were eight of them: Mauretania, Senegal, Soudan (now Mali), Upper Volta, Niger, Dahomey, Ivory Coast and Guinea. The Governor-General received his own budget in 1902: this made possible a redistribution of resources from the relatively prosperous coastal areas to the totally impoverished inland areas, and enabled the federation to be self-sufficient. French Equatorial Africa was organised into a Governor-Generalship modelled on that of West Africa in 1910; it included the colonies of Gabon, Moyen-Congo (now Congo-Brazzaville) and Oubangui-Chari (now the Central African Republic) and the military territory of Chad. Algeria was also submitted to the regime of the Governor-General, in 1896, and the system by which administrative services were attached to the corresponding ministry in France was ended. Administrative specialisation in Paris began. In 1894 a Ministry of the Colonies was created, to which the African and Indochinese acquisitions were attached. (Tunisia and Morocco always depended on the Ministry of Foreign Affairs, Algeria, with minor interruptions, on the Ministry of the Interior.) In 1887 a corps of colonial administrators was created, in 1889 an *Ecole Coloniale* was created to train them. The old colonies however were unaffected by this purely administrative system; they and the French inhabitants of Algeria continued to be represented in the French parliament.

Under this system there was increasing discontent among local populations. In Indochina and, to a lesser extent, in North Africa, nationalist movements gained strength between the two World Wars, and sometimes led to violent revolts. In tropical Africa there was no strong nationalist movement before the war, and discontent was not particularly apparent, certainly not organised. But there were signs of change, caused by contact with French officials, economic progress, the enrichment of certain areas. The traditional rulers and hierarchies, often used by the French without regard for their dignity, found their influence retreating before that of the new rich, the few educated and

the fewer wage-earners (about 200,000 in West Africa). In France itself there were signs between the wars of a greater concern for the colonies, expressed in a revival of assimilationist ideas and principles. Albert Sarraut was the main protagonist of these ideas.¹ The Popular Front, briefly, took them up. There was a belief that the new elites in the colonies would be prepared to turn to France if only the policy of Association was abandoned, or at least given a more positive content. It is possible that this might slightly have retarded the progress of nationalism. In North Africa French ideas for a more equal form of association between France and the Arab populations of North Africa, which were rejected after the Second War, might have been quite enthusiastically accepted before the war. But it was inconceivable that the Indochinese would have contemplated integration with France. In Black Africa on the other hand, and even in Madagascar, it was not too late after the war to offer assimilation. In the 'old' colonies assimilation was already being practised.

(b) Second World War to independence

During the war, there was no revolt against French rule in the colonies. Whether they were Gaullist or Vichyist depended on their governors; West Africa was at first Vichyist. When the Provisional Government was set up in Algiers all of them, except Indochina occupied by the Japanese, rallied to it. At one time more than half of the Free French forces was constituted by Africans, and much of the French attachment to Africa dates from this period. In 1944, partly in gratitude for the part Africans had played, the Provisional Government called a conference at Brazzaville to consider the problems of the colonies and protectorates. It consisted mainly of the governors and administrators of Black Africa and Madagascar, but also had representatives from Morocco and Tunisia. Indochina was not represented, since it was still under Japanese occupation. The conference consisted entirely of French officials; one of them, Félix Eboué, Governor-General of Equatorial Africa, was a native of the Antilles. It was he who inspired the adoption of recommendations for the abolition of the status of '*sujet*' and of the '*indigénat*' (special native jurisdiction); the establishment of education in all big villages, exclusively in French; the abolition of forced labour (although a year's labour service was retained for natives not doing military service); the extension of medical services and foundations; the opening of the higher ranks of the administration to Africans. The conference also made numerous administrative proposals, including the extension of the powers of the governors. It specifically excluded the idea of self-government for the African territories: the opening paragraph of the final resolutions, generally attributed to de

¹ Cf. *La Mise en Valeur des Colonies*, a book by Albert Sarraut advocating the development of the colonies and published while he was Minister for the Colonies, in 1924.

Gaulle, stated: 'The aims of the civilising work accomplished by France in the colonies exclude any thought of autonomy, any thought of evolution outside the framework of the French Empire; the idea of establishing, even in the distant future, "self-governments" in the colonies must be discarded.'

In 1946 assimilation definitely revived. The colonies and protectorates were represented in the Constituent Assemblies for the Fourth Republic; 63 of the 600 seats were reserved for them. In Black Africa, including the mandated territories of Togo and Cameroun, in Madagascar and in Algeria two electoral colleges, one composed of French citizens and one of certain categories of the local inhabitants, elected equal numbers of representatives. The old colonies voted in a single college. In Morocco and Tunisia only the French citizens were represented. There was no question of representatives from Indochina. The African delegates and finally all the left-wing metropolitan parties, including the Communists, campaigned for assimilation, mainly in the form of parliamentary representation and French citizenship. The only real proponents even of autonomy were the Algerian and Malagasy delegates; independence was not a goal of any section of opinion. The First Constitution, rejected in a referendum, satisfied many of the assimilationist demands. The Second Constitution, which made several concessions to the right wing, was still assimilationist enough for all the overseas delegates to vote for it except the Algerians and Malagasy, who abstained. In the subsequent referenda their electors voted overwhelmingly for both constitutions; the right wing and the French settlers voted against them.

In the debate in the Assembly the Overseas delegates made remarkable declarations of loyalty. Houphouët-Boigny (now President of the Ivory Coast) claimed: 'There are no separatists on these benches! . . . Let us work whole-heartedly for a finer, greater, stronger French Union. . . . We are not attached to France by its money, by the franc, this poor franc which has lost so much of its value . . . there remains a powerful bond, capable of resisting all tests, a moral bond which unites us: it is the ideal of liberty, fraternity, equality, for whose triumph France has never hesitated to sacrifice its most noble blood. It does not seem to us rash to say that the French Union will one day become . . . a multi-national state. . . .' And Senghor (now President of Senegal) declared: 'The French Union must be a conjunction of civilisations, a melting-pot of cultures . . . It is a marriage rather than an association . . . together, we shall create a new civilisation whose centre will be Paris. . . .' The Guinean Yacine Diallo said: 'What are the aspirations of the peoples I represent in this Assembly? They ask to be integrated into the French family. . . .' And Fily-Dabo Sissoko of Soudan: 'As I speak before this Assembly, the pariah that I am can but pay his respects to France, which has been willing for black men to take this platform and express their aspirations without constraint. . . .

France, which has always been in the vanguard of civilisation, will once again be obliged to give an example to the whole world. . . . I am proud to be French.' Even the Algerian Ferhat Abbas affirmed that 'Nowhere more than in France have I felt the sweetness of life, precisely because the French people, men, women and children, ignore race prejudice – in the metropole, of course.'

Under the constitution finally adopted, the old colonies of Martinique, Guadeloupe, Guyane and Réunion were Overseas Departments administered by the metropolitan Ministries. Algeria had a local assembly responsible for most local legislation. The Black African colonies, Madagascar and some small islands became Overseas Territories. They had elected local assemblies; these legislated only in the financial and budgetary fields, but their powers were greater than the powers of the elected bodies of the Departments. In general the Territories continued to be ruled by decrees; they were still attached to the Ministry of Overseas France, and they had French governors. Together, all these formed the Republic One and Indivisible. All their inhabitants were French citizens, but in Algeria, the African territories and Madagascar, the representatives in the French parliament and the local assemblies were elected by a double college and on a restricted franchise. Togo and Cameroun were Associated Territories, administered like the Overseas Territories, sending deputies to Paris, but not part of the Republic. The three parts of Indochina – Vietnam, Cambodia and Laos – accepted the status of Associated States, and set up autonomous governments; a special Ministry, the Ministry of the Associated States, was created to deal with their affairs. Morocco and Tunisia refused to become Associated States; they kept their old status of Protectorates and remained the responsibility of the Ministry of Foreign Affairs. The Republic and the Associated States and Territories formed the French Union; its members were represented in an Assembly of the Union which sat at Versailles; its president was the President of the French Republic. A Plan for the Economic and Social Development of the French Union as a whole was adopted, with generous provision for metropolitan financing (see below).

In spite of all this, the States of Indochina, Morocco and Tunisia made increasing demands for their independence. The former achieved independence after the French military defeat at Dien Bien Phu in 1954. In principle the Geneva agreement guaranteed the security of Frenchmen and their economic interests in both North and South Vietnam. However, the North Vietnamese Government naturally treated French property in much the same way as it treated the property of its own nationals. In South Vietnam, and in Laos and Cambodia, French relations with the independent States remained, to differing degrees, amicable,¹ and French property has on the whole been well

¹ Although official diplomatic relations with South Vietnam were recently broken off.

treated. They have also remained closely attached to French culture. In Cambodia and Laos, education from secondary level upwards is almost entirely in French; in South Vietnam French is used for most subjects at university level; even in North Vietnam it is still widely used and taught, and the *Lycée Albert Sarraut* continues to function.

Nevertheless the defeat in Indochina was a bitter blow to France's prestige. It proved, as had the Japanese occupation, that French protection was not absolute. The nationalist movements in Morocco and Tunisia were strengthened, and France relinquished its protectorates over them in 1955 and 1956 respectively. Various 'technical co-operation' agreements were signed with them, which mainly regulated the position of Frenchmen who continued to work in their administrations and educational systems. (There were 28,000 French administrators in Morocco and 8,000 in Tunisia at the time of independence.)

The war in Algeria began officially in 1955; in 1962 the French reluctantly abandoned their claim that Algeria was part of France. Algeria is however still linked by very close agreements with France, and these agreements have recently been renewed and strengthened (see Chapter on the Secretariat of State for Algeria). Franco-Algerian co-operation appears to be flourishing.

The Black African Territories and Madagascar were the only important parts of the French Union which remained loyal to France. It seemed that here the dream of assimilation might come true. There were certainly numerous educated Africans who wanted it. They showed remarkable enthusiasm for French culture and French institutions, and their campaigns were for equality, not for independence. The natural tendencies of the French system of government were in any case towards centralisation and uniformity. There was much overlapping in the administration of Metropolitan and Overseas France; metropolitan ministries tended to take charge of certain services for the whole of the Republic, including its overseas components. Education in particular was strictly centralised and integrated. At first even the same syllabus was taught throughout the educational establishments of the Republic; Africans learnt to say '*Nos ancêtres les Gaulois*'. Diplomas issued anywhere were equally valid in Metropolitan and Overseas France. A French university was created at Dakar. Senghor taught in *lycées* in France, and is a distinguished poet in the French language. Education expanded rapidly from a very low base: in West Africa, from 5% of the school-age population at primary school in 1947 to 13% in 1956 (although in 1956 the proportion of children in school was still considerably lower than in Ghana – 86% – and Nigeria – 37%; and the latter percentages include fewer Europeans¹). But this expansion consisted principally of the complete classical

¹ Cf. Elliot J. Berg ('The Economic Basis of Political Choice in French West Africa'), in *American Political Science Review*, No. 54, 2 June 1960.

primary school system, and any deviation from the French model was resisted both by the teachers, nearly all of whom were French, and by the Africans themselves, who were determined to avoid being given an '*éducation au rabais*', or inferior sort of education. It was in fact a small, élite, perfectly at ease in French culture, which was created.

Political activities were centred on the French parliament. The African deputies' allegiance could make or break governments, especially in the later years of the Fourth Republic, and this circumstance enabled them to exert considerable pressure for more assimilation, more aid, more equality. The major African parties, for a large part of the period, were affiliated to metropolitan parties, principally the Communists and the Socialists. The African parties' first candidate for deputy was generally their leader; nearly half of the present heads of government in ex-French Africa were deputies in the French National Assembly;¹ Houphouët, Senghor and Modibo Keita of Mali were ministers for several years, Hamani Diori of Niger and Keita were Vice-Presidents of the Assembly. The number of representative bodies, in Africa as well as in the metropole, meant that nearly all educated Africans were drawn into politics, rather than into administration. In 1958 Africanisation of the local administrations had barely begun. Administration was conducted largely by Frenchmen, of whom there were 90,000 in West Africa alone in 1958 (compared with about 15,000 Englishmen in Nigeria and about 10,000 in Ghana). Since independence was not openly contemplated, there was no sense of urgency; in the perspective of integration with France, it was clearly more important that Africans should rise to the highest positions in France than that they should control the relatively humdrum activities of the local administrations.

The ideal of integration continued to dominate political attitudes, in Africa as well as in France, well into the 1950s. Before 1957 independence was not the open objective of any African political party. The Africans remained extraordinarily loyal to France. There were, however, signs that they were becoming disillusioned by the slowness of their progress towards assimilation and by their continued unequal political status. Some even began to talk of decentralisation, and Senghor spoke of a distinct African personality. The contradictions in assimilation became increasingly clear; if France really did treat the Africans as equal members of one great community, and gave them the weight in French politics which their numbers deserved, France would become, as Herriot had warned, 'a colony of its colonies'. During the 1950s it became steadily more necessary for something to be done. In 1956 the French Republic passed an important *Loi-Cadre*, or framework law. This law abolished dual electoral colleges and instituted universal direct suffrage (but it did not increase the repre-

¹ Some of them have recently been replaced by ex-officers in the French army.

sentation of the colonies in the National Assembly); it also gave more powers to the territorial assemblies: these were enabled to legislate on a number of social and economic questions, and could elect predominantly African executives, whose chairman was the French governor, but whose vice-chairman was African and naturally tended to acquire the status of a Prime Minister. This represented a considerable, and apparently to some extent planned, step towards self-government. It was possibly more autonomy than was strictly compatible with the Republic One and Indivisible; it was also about as far as France could afford to go in the direction of assimilation.¹ But it clearly did not go far enough in either direction to satisfy the Africans. It remained for de Gaulle to devise some way of preserving their loyalty and of staving off demands for independence.

It seems fairly clear that this was what he intended to do, and that this intention determined the nature of the choice which was offered to the territories in the 1958 referendum on the Constitution of the Fifth Republic. Those who voted 'Yes' to the Constitution could choose whether to retain the status of Overseas Territories, to become Departments of France or to become Autonomous Republics in the French Community, with wider powers than under the *Loi-Cadre*, residual rather than enumerated, and representation not in the French Parliament but in special Community institutions. A 'No' vote meant independence, as de Gaulle made plain on his African tour before the referendum; in Guinea he added that there would be 'consequences'. The consequences, apparently, would be a total break with France; there was to be no half-way stage. De Gaulle told a meeting of the *Comité consultatif constitutionnel*, on which the Africans were represented: 'But one cannot conceive of an independent territory and a France continuing to help it'. The Africans succeeded in getting a clause laying down the procedure for obtaining independence later, but this was stated to be incompatible with membership of the Community, and, implicitly, with aid from France. Few Africans were ready to face this: not only because they depended on French financial and technical support, but because many of them, certainly Houphouët and Senghor, believed in some kind of Franco-African association. Even Sékou Touré of Guinea hesitated before declaring for a 'No' vote. In his speech for de Gaulle's pre-referendum visit he said: 'Our heart, our reason, as well as our most obvious interests, make us choose . . . inter-dependence and liberty in this union, rather than defining ourselves without France and against France'. And it was some time before he accepted the fact of a total break after the vote.

These African hesitations were reinforced by the way in which the

¹ See: Thomas Hodgkin and Ruth Schachter, *French-speaking West Africa in Transition*, International Conciliation, Carnegie Endowment for International Peace, No. 528, May 1960; and Kenneth Robinson, *Constitutional Reform in French Tropical Africa*, Political Studies (London, February 1958).

referendum was organised. The territories were to make separate decisions; it was therefore they and not the Federations of West and Equatorial Africa which were legally to inherit France's powers; no provision was made for strengthening the federal institutions and in fact they were dismantled after the referendum and came formally to an end in April 1959. The Soudan (now Mali) in particular was against the territories achieving their independence in isolation, and considered that the Guinean vote damaged African solidarity. Senghor had bitterly accused France of 'balkanising' Africa in the *Loi-Cadre*. Since the original purpose of the Federations had been to enable the colonies to pay for themselves, through a re-allocation of their revenues, independence in isolation clearly had economic as well as political disadvantages. The system of linking the territories individually to France suited only the Ivory Coast and Gabon, who resented subsidising their poorer neighbours. A final disincentive was the fear of French electoral interference; this, combined with the influence of the chiefs, in fact defeated the ruling party in Niger which had declared for immediate independence.

With the choice so loaded, only Guinea voted against the Constitution; all the others became Autonomous Republics, members of the Franco-African Community. Mainly on Houphouët's insistence ('If France gave a preference to those who have seceded against those who have chosen the Community, then the Guinean secession could be contagious'), France removed everything from Guinea, from administrators and teachers to light-bulbs and documents, discontinued financial assistance, trade support and the pensions of Guinean war veterans, and blocked the Guinean account in the French treasury. Some French teachers have now returned to Guinea. Financial agreements were signed in 1963, but Guinea later decided that their provisions were unfair and has failed to implement them. Financial aid has not been resumed.

After the referendum, some of the new Republics tried to reunite; others tried to re-establish some form of functional co-operation. Two of them, Senegal and Soudan, achieved a brief union as the Federation of Mali. As an answer to the federalists, Houphouët formed the *Conseil de l'Entente*, a loose grouping of the Ivory Coast, Upper Volta, Niger and Dahomey. All except Guinea finally joined a West African Customs Union. The Equatorial African Republics salvaged certain economic and financial ties from the old French federation; they nearly, but not quite, achieved political union.

This stage of the political evolution of France's African territories was much shorter than had been expected in France.¹ The massive 'Yes' votes by no means meant that the territories had abandoned the idea of independence. The Federation of Mali was the first to ask for it.

¹ Cf. *Les Accords de Coopération entre la France et les Etats Africains et Malgaches*, by Maurice Ligot, published by La Documentation Française in 1964.

After long negotiations, France conceded that it might become independent and remain associated with the Community. 'Co-operation Agreements' were signed, in which France undertook to continue its aid. This shattered Houphouët's conception of the Community; the members of the Entente demanded immediate and unconditional independence. All 14 territories became independent in the course of 1960, either inside or outside the Community; all of them signed Co-operation Agreements with France simultaneously or soon after (Togo in 1963). When the Federation of Mali broke up in August, 1960, Soudan kept the name of Mali, and Senegal the agreements with France; Mali signed new agreements in 1962.

Thus by 1960 they had all achieved what de Gaulle in Dakar described as 'international sovereignty', with separate membership of the United Nations. But the break with France was not at all abrupt; the Guinean experience was not repeated. The Co-operation Agreements assured continued French support and continued French presence. Independence tended to represent not so much a change of direction as the opportunity at last to achieve equality, to do better in the same direction. The Africans have remarkably little antipathy towards France. Even de Gaulle's treatment of Guinea has left few scars. De Gaulle is widely regarded as the friend of Africa, whose presence guarantees continued French support and continued French concern with African problems.

It is not only in tropical Africa that de Gaulle and France are popular. French relations with Algeria since independence have been close and on the whole amicable; Franco-Algerian co-operation was reinforced by a remarkable series of agreements in the summer of 1965, binding the economies of the two countries more closely together; the climate of co-operation with France has been much praised in Algeria. Prince Sihanouk of Cambodia is a frequent visitor to Paris, and a professed admirer of de Gaulle. Even English-speaking Africans admire de Gaulle, in particular for his resistance to American imperialism.

But it is with the African and Malagasy States that emotional links are strongest and most persistent. African expressions of admiration for France continue to be generous and unabashed. An African at an African conference can say with pride, '*Je suis de culture française*'. The *négritude* of Senghor is a conscious reaction against too much assimilation, a reminder that the Senegalese are not only French, they are African as well. It is also a very French concept. Senghor in fact takes pride in this mixture of cultures: in an article in *Le Monde* in June, 1965,¹ he says: 'That Senegal is, in large measure, French in culture – I was going to add: and in temperament – this is what first strikes the foreigner. All the more so as the Senegalese, who have no complexes,

¹ *Le Monde*, 8 June 1965, supplement on Senegal.

do not try to hide it. . . . But they have not passively allowed themselves to be assimilated; they reacted to French civilisation and produced original minds: cultural half-castes like Dodds, Diagne, Berger, Sorano. . . . It is a question of . . . "dis-assimilating" . . . material comfort and bourgeois routines . . . and . . . assimilating . . . the French virtues, which, like leaven, will work on the values of Negritude. French virtues, at the head of which we place, with the spirit of method, the will of rationality and, hence, of effectiveness. . . . People often talk of the "Senegalese paradox", and they are right. Our educated classes are both the most fervent of francophones and among the foremost militants of Negritude. . . . We annoy many Frenchmen, who find us too "Latin", and many Africans who find us too "Negro". It doesn't matter. . . . Personal links continue between French and Africans, many of them based on parliamentary contacts under the Fourth Republic, and often have important effects on policies. Many of the African leaders still have powerful friends in Paris, who can use their influence at the highest levels to change decisions on aid or defence policies in Africa. All of them pay frequent visits to Paris – one of the most recent of which has been for the marriage of Houphouët's son with the niece of Grunitzky, the President of Togo; wedding invitations were sent to nearly all the French-speaking African leaders, enclosing air tickets to Paris.

This section might well be concluded with a quotation from Houphouët's speech at the lunch given by de Gaulle in honour of six African heads of State and Mr. Tshombe, on the occasion of this visit:¹

'If we have been able to achieve some successful results, it is largely thanks to you, thanks to the living example which you represent in this hard and difficult world. It is thanks to you that we have been able to set our peoples on the path of liberty and happiness. You have been a sort of light-house for us. . . . We who are assembled here and all the others – francophone and anglophone – who turn their eyes towards Paris know as we do that you are our guarantee of peace and security. We should all like you to remain as long as possible at the head of France, and we should like to welcome you in each of our States where our good populations are impatient to see you and to give you a welcome – I do not want to exaggerate – which you have known nowhere, not even in France'.

3 Economic Development

(a) Before the Second World War

France's policies in regard to the economic development of its overseas possessions were closely related to political and constitutional policies. Before the Second World War, the emphasis was on an efficient utilisation of resources; the colonies were expected to be profitable for

¹ Reproduced in *Le Monde*, July 1965.

France, not to be a drain on French resources. There was very little official assistance for development from the French Government. The law of 1900 had stipulated that the colonies must subsist on their own resources. Between the wars, the colonies were allowed to borrow on the French financial market, and the French Government guaranteed some of these loans; but no special privileges were accorded to the colonies, and they received only about a tenth of all French overseas loans. (It has been estimated that in West Africa, for instance, public authorities received the equivalent of about 46 billion 1956 CFA francs in loans from French sources between 1903 and 1946 – which is less than half of what West Africa received in grants from the French Government in the ten years after the war.) Albert Sarraut, who was the most distinguished advocate of a more generous colonial policy, in the 1930s proposed a national plan for the social and economic development of the colonies; but this had to wait until after the Second World War, and the revival of assimilation. Such economic development as did occur was mainly the result of private investment; indeed in Equatorial Africa, as has been seen, development was at first the exclusive responsibility of the commercial companies.

In West and Equatorial Africa, development before the Second World War was relatively slow. Private investment was most abundant in banking operations, and in railways. Railways were built inland from most of the coastal trading posts, but they were not linked up inland, although links were at various times projected. The ports of Dakar, Conakry and Abidjan were developed, and some roads were built. The structure of production changed little. Groundnuts from Senegal, introduced in the 1850s, continued to be the major export. The biggest development was in plantations of coffee and cocoa in the Ivory Coast and of bananas in Guinea, the Ivory Coast, Togo and Dahomey. In Equatorial Africa, the natural riches first exploited by the companies – ivory and wood – were practically exhausted before the Second War and were being replaced by plantations of coffee, cocoa, tobacco and especially cotton. Cotton was grown inland, but most of the other products in subsaharan Africa came from the coastal regions. Inland the soil was poor and provided no more than precarious subsistence for the inhabitants. There was one enormous, but largely unsuccessful, effort to remedy this imbalance: this was the *Office du Niger*, in the Soudan (now Mali), responsible for a vast system of irrigation works intended to allow the cultivation of cotton, lucern and rice; but these great works for long remained under-utilised, mainly because of the inability of the French to gain the co-operation of the Africans settled on the irrigated land. There was little industrial development, and practically none outside Dakar. No minerals were exported. In Madagascar the situation was much the same; new crops were introduced, some irrigation work was carried out, and a railway line was built.

Possibly the basic problem, common to both Equatorial and West Africa, was that of manpower. The climate made the importation of European labour impossible. The Congolese methods of forced labour and conscription had decimated the population, and the companies' profits were dwindling. The theories of sociologists, according to which civilisation would create needs and desires which could only be satisfied by working, were apparently inadequate. 'The natives', Brunschwig asserts,¹ 'were quite prepared to marvel at our automobiles, our speaking machines or our electric light; very few considered acquiring them for themselves. Improvidence, which is nevertheless very widespread among the European working-classes, was a fundamental feature of the native character; the French bourgeoisie completely failed to take it into account.' Since the Africans only really needed money in order to pay their taxes, Galliéni in Madagascar tried increasing them; the same method was tried in West Africa and produced some 'voluntary' workers. But not enough to develop the plantations. Cocoa in the Ivory Coast, bananas in Guinea, groundnuts in Senegal all encountered the same difficulty. There were reserves of labour in the Soudan and Upper Volta, whose inhabitants were accustomed to seasonal migration; but they went to Nigeria and the Gold Coast, where they were better paid. The methods used by the companies were taken over by the colonial administration; the use of native porters, conscription and forced labour subsisted in various forms until they were abolished in 1944. However, particularly between 1920 and 1930, efforts were made to study the habits and needs of the local populations, and the conclusion was reached that, in order to induce them to work, it was essential to share some of the fruits of development with them. (Galliéni had developed this policy much earlier in Madagascar.) Increasingly, Africans replaced the French planters as proprietors, and Frenchmen found themselves moving into the role of traders, or the kind of cultivation which required much capital (for instance, bananas). Something was also done to reduce mortality by natural causes. Branches of the *Institut Pasteur* were created in Africa, dispensaries, an Institute of Leprosy at Bamako, and so on; local nurses were trained. It was between the wars also that a remarkable system of roving preventive medicine was built up, arising from the discovery that sleeping sickness threatened to exterminate numerous scattered villages in the inland areas. The first beginnings of education in rural areas also date from this period. It was conceived at first as a means of raising agricultural production and thus combating under-nutrition and disease; the initiative for setting up schools was taken generally by local French officials. Education was nearly always in French. There was not, however, much of it: in West Africa, more advanced than Equatorial Africa, there were only 71,000 pupils in primary school in 1938 (or 3.2% of the school-age population); few reached secondary

¹ loc. cit. page 19.

education and fewer still went to universities in France. But as a result of these efforts, mainly in health, the population began to increase again.

In North Africa, mainly because of its geographical proximity to France and more temperate climate, there was a great influx of French settlers, deliberately encouraged by the French authorities. Development centred around them, and they had most of the best land. Wine, fruit and vegetables were the main exports; but Algeria was always menaced by food shortages. Phosphates were discovered in Morocco and Tunisia before the Second War, oil and natural gas in Algeria not until later. Irrigation works and transport systems were developed.

In Indochina the main development was in rice. As a result of new irrigation, production was considerably increased; but yields remained inferior to those of other rice-producing countries. In addition, there were big French commercial rubber plantations in Cambodia, Northern Cochinchina and Southern Annam, and some less successful coffee and tea plantations. Industry, such as it was, was mainly in what is now North Vietnam.

The prosperity of the French islands in the Antilles as sugar producers had largely ended by the Second World War. Rum, bananas and tourism were tried, but the islands did not regain their former economic importance. Some of the other small territories prospered – New Caledonia in particular has abundant natural resources; Djibouti, the port of French Somaliland, developed a considerable entrepôt trade.

(b) Second World War to Independence

In 1946 there were radical changes in France's policies towards its overseas possessions, in the economic as well as the political and constitutional fields. The principle that the overseas territories should subsist on their own resources was abandoned. On the contrary, a huge effort was instituted to develop overseas France with metropolitan funds. The size and scope of this effort went well beyond anything that might have been justified merely by the economic or commercial interests of the metropole. Its justification was largely that it was realised that political equality in the greater French Union was illusory without economic equality – or at least some effort to mitigate the disparities in living standards between metropolitan and overseas France. A plan was adopted for the economic and social development of the French Union as a whole. The 1946 Constitution stated that: 'The French Union is composed of peoples and nations who pool their resources and their efforts in order to develop their respective civilisations, increase their well-being, and assure their security.' It was stated in the Plan that 'these plans will have as their first and most important objective the satisfaction of the needs of the indigenous

populations, and the generalisation of the conditions most favourable to social progress'.

Financial assistance from metropolitan France to the Overseas Departments and Territories was fully and deliberately institutionalised. The Plan was to be publicly financed. The pre-war method of financing development, by private loans guaranteed by the State, had been too expensive and had barely been used; loans were therefore replaced by grants, financed from the French budget. These grants were voted annually (unlike the British colonial development fund), although funds not spent in one year could be carried over into the next. The Overseas Territories and Departments were expected to make a contribution – at first 45% – to public investments undertaken for them under the Plan, either from their own resources or, as in practice nearly always happened, with the help of long-term 'advances' at low rates of interest ($1\frac{1}{2}$ – $2\frac{1}{2}\%$) from the *Caisse Centrale de la France d'Outremer* (CCFOM) (see page 89), which could also lend to private investors contributing to the purposes of the Plan. There was in addition a *section générale* of the Plan, composed of research projects and projects which affected the metropole as well as the Overseas Territories and Departments, which was financed entirely by the French Government. A *Fonds d'investissement pour le développement économique et social* (FIDES) was set up for the Overseas Territories and was authorised by Parliament to administer the funds voted for overseas development; Parliament was represented on its governing body, which was presided over by the Ministry for Overseas France. This Ministry was responsible for planning the use of the funds over the ten-year period of the Plan. It also sponsored the creation of numerous autonomous public or semi-public institutions to assist development, such as the BDPA (*Bureau pour le développement de la production agricole*, set up in 1950), local electricity boards, local lending institutions; by 1958 there were about forty such institutions. For the Overseas Departments, there was a separate fund, the *Fonds d'investissement des départements d'outre-mer* (FIDOM), whose procedures were similar to those of the FIDES. The *Caisse centrale de la France d'outre-mer* acted as paying-agent for both these funds. Between 1946 and December 1963, total financial disbursements by the FIDES, the FIDOM and the FAC (*Fonds d'aide et de coopération*, which succeeded the FIDES for the 14 African and Malagasy Republics in 1959) were 9,813m. new French francs.

The FIDES and the FIDOM were competent *only* for the Overseas Territories and the four small Overseas Departments. Algeria was treated as part of France, and its development was centrally planned as part of the general development of France itself. The French Government contributed to its financing through participation by the metropolitan budget in local capital expenditures, mainly in infrastructure. This contribution consisted almost entirely of low-interest, long-term loans (1·5% and 25 years), from the metropolitan development fund,

the *Fonds de développement économique et social* (FDES).¹ Algeria also received grants for telecommunications and through the *Bureau d'organisation des ensembles industriels africains* and the *Fonds de progrès social*. But this aid had little effect on the state of the local population, still mainly concerned with subsistence agriculture. In 1959, soon after de Gaulle's assumption of power, a last attempt was made to reconcile the Muslim population to being part of France. A massive and elaborate programme of development, the Constantine Plan, was formulated with, as its central aim, the provision of 400,000 new jobs for Algerians in four years, mainly in industry. A French public fund, the *Caisse d'équipement pour le développement de L'Algérie* (CEDA), was set up (also in 1959) and made responsible for elaborating annual programmes and for administering the government funds allocated for the Constantine Plan, and also various incentives for private investment in Algeria. The CEDA was financed from the metropolitan budget, and disbursed well over 1 billion new French francs, in grants, each year from 1959 to 1961.

The Protectorates of Morocco and Tunisia, until their independence in 1955 and 1956, were treated as far as their economic development was concerned in much the same way as Algeria before the Constantine Plan. French economic planning covered North Africa as a whole. Morocco and Tunisia received loans from the FDES (some of which were in fact disbursed after their independence). But these were small in comparison with French private investment, which continued to be their main source of external funds.

For the three Associated States of Indochina, for which the Ministry of the Associated States had been created, special financial provision was made. A quadripartite agreement in 1949 accepted the principle of aid from the French Government to the three States. This agreement became rapidly out of date as the war progressed, but in 1955, after their independence, France committed 20 thousand million old francs (afterwards reduced to 16 thousand million) in financial aid to these States.

(c) Effects of Post-war French Aid on the tropical African Territories and Madagascar

In the Overseas Departments and Territories, and to a lesser extent in Algeria, these new French policies created a dependence on French aid which is still very considerable. For reasons given at the beginning of this chapter, this dependence, and the way in which it arose, is of most general significance in West and Equatorial Africa and in Madagascar.

The Plan for Economic and Social Development was specifically not designed to promote the self-sufficiency of the different parts of the French Union; it was, on the contrary, designed to ensure the har-

¹ Not the FIDES.

monious development of the whole, and the interdependence of the various parts. The elaboration of the monetary and commercial arrangements of the Franc Zone, which began during this period, tended in the same direction (see next chapter). The less developed areas were to be raised to something nearer equality with the developed metropole. There was no concern to ensure that, in the process, the expenditures incurred by the Overseas Territories were kept within limits which they could afford on their own, because it was not contemplated that they would have to subsist on their own resources at any time in the immediate future. (In this, French policy was markedly different from British colonial policy.)

Undoubtedly, the financial assistance provided through the FIDES led to development at a rate incomparably faster than before the war. In West Africa between 1947 and 1957 coffee exports almost tripled and groundnuts exports almost doubled. Mining operations began in Guinea and Mauretania. Electricity production tripled, the number of cars and trucks increased tenfold.¹ But these increases in production and in economic activity started from a low base. The great majority of investments were in non-productive sectors. The *Jeanneney Report* considers that the FIDES 'gave excessive priority to infrastructure, at the expense of productive investments'. The proportions were modified in a second phase of the plan, in order to favour a 'big programme of small projects' in agricultural production, but expenditure on infrastructure was still high, in theory and even more so in practice. The following are the percentages laid down in the ten-year plans (but not necessarily observed in practice):

Table 1

**Distribution by sector of planned expenditures
by FIDES**

	Infrastructure	Production	Social expenditures
First Plan (1946-56)	...	64%	18%
Second Plan (1956-66)	...	49%	30%

Source: *Conseil Economique et Social, Principes et méthodes d'une politique française d'aide et de coopération à l'égard des pays en voie de développement*, published in the *Journal Officiel*, No. 14, 28 July, 1962.

The return on these investments in infrastructure could only come after years. Meanwhile, the Territories' resources were diverted from more productive investments; their budgets were burdened with the cost of maintaining expensive airports and administrative buildings, grandiose bridges and highways, built on a lavish scale suitable for a great Franco-African Republic, but not for impoverished territories which might conceivably become independent in the future. It became increasingly apparent that the Territories were not able to meet the financial obligations implied in their new status. The contribution

¹ Berg.

required of the Territories to investments by the FIDES was reduced from 45% in 1946, to 25% in 1953, and finally 10% from 1955 to 1959 (in 1959 the FIDES was succeeded by the FAC – see Chapter 5) – or 3% of total FIDES investments, if the investments of the ‘general section’ are included. Investments by the FIDES represented total public investments in the Territories: there were no separate local investment budgets. The performance of private investment, which had been expected to contribute substantially to investment programmes, was disappointing; it was discouraged by uncertainty, partly by the suspicion that the CFA franc was overvalued. (See next chapter.)

A report on French aid by the *Conseil économique et social* in 1962¹ singled out, as well as heavy recurrent expenses resulting from FIDES investments, another possible cause of the degradation in the financial situation of the Territories, saying, ‘We may ask ourselves in this respect whether excessive assimilation of metropolitan administrative methods in the overseas territories, in particular in budgetary practises and in the field of public administration, was not one of the causes (of the precarious financial situation of the Territories).’ It is now widely accepted that the Territories were endowed with too complex and expensive an administrative structure for their size and resources. This mistake was accentuated by the break-up of the Federations in 1956 and 1958, and the consequent necessity for the States each to set up the full range of political and administrative institutions. Inevitably, also, there was a tendency to use aid from the FIDES as an instrument of politics rather than of development. Although there was an attempt to fix by decree the proportion of the aid which each Territory and each area could expect to receive, the rules were not always observed, and ‘the choice of projects to be financed’, as the 1962 C.E.S. Report puts it, ‘was too often inspired more by the necessity to assure the survival of a (French) government through the support of African parliamentary votes than by the capacity of the investments to raise the living standards of the populations’.

In addition, the Africans obtained in 1950 the passing of a law in the French National Assembly which ensured that higher civil servants in Africa, including such Africans as there were, would receive the same salaries as their equivalents in France, based on metropolitan prices and rising with reference to them; they also secured overseas allowances and equal conditions of work, including holidays in metropolitan France. In 1952, the claims of African trades-unions for higher wages and shorter working hours were largely met. As a result, salaries in French colonies in Africa were considerably higher than they were in British colonies, and absorbed a higher proportion of resources. Comparisons between wage levels in French and British colonies in West

¹ *Conseil Economique et Social, Principes et méthodes d'une politique française d'aide et de co-opération à l'égard des pays en voie de développement*, published in the Journal Officiel, No. 14, 28 July 1962.

Africa in 1956 have been made by J. Saxe.¹ He concluded that 'for comparable categories of personnel, Europeans in the public sector in French territories seem to be much better paid than in British territories'. In addition, African wages in French territories were nearer to European wages than they were in British colonies. Europeans in the public sector in Senegal² were in 1956 paid on average slightly less than three times the average wage of Africans employed in the public sector; in Ghana they were paid about eleven times as much. The French average includes many more Europeans employed in relatively unskilled jobs, but the difference between the two territories is still considerable. The average wage of Africans in the public sector in Senegal seems to have been about twice as much as in Ghana, and about four times as much in the private sector (the differences are less if a more realistic rate of exchange is used). The size of wages in French Africa, combined with the fact that there were more Europeans there than in British territories, was a considerable burden on resources. In Senegal there were 9,600 Europeans employed in the public sector (representing 15.9% of the total number of employees); in Ghana there were only 1,400 (1% of the total). Total public sector wages in Senegal were equivalent to 9.6% of Gross National Expenditure (Europeans 3.2%); in Ghana they were 6.7% (Europeans 0.7%). They also, in French Africa, represented an exceedingly high proportion of budgetary expenditures, as the following table shows (and in Senegal they still represent two-thirds of total budgetary expenditures):

Table 2

Proportion of expenditure on personnel in total recurrent budgetary expenditures

		1956 %	1957 %	1958 %	1959 %	1960 %
Overseas countries of the Franc Zone	...	50	51	44	44	42
of which:						
Algeria	...	52.9	—	56	41	38.2
Cameroun	...	—	—	51	52	52
Ivory Coast	...	—	—	44	29	34
Senegal	...	—	—	45	50	43
Central African Republic	—	—	—	59	53	44
Madagascar	...	—	—	24	20	39

Source: Michèle Saint-Marc, *Zone Franc et Décolonisation, Collection Développement Economique*, published by SEDES, Paris 1964.

France made substantial contributions to these recurrent expenses, as well as virtually covering all investment expenditures. There were in fact two sets of budgets: the local budgets, including territorial and federal budgets, and the budget which was common to all the Departments and Territories of the French Republic, the '*budget de l'Etat*'.

¹ In a paper written in October 1960 for the Harvard University Center for International Affairs (The Legacy of Britain and France in West Africa).

² The figures given are for 'Mali'; but the paper was written at the time when Senegal and Soudan were joined in the Federation of Mali, and the figures in fact refer mainly to Senegal and not to the country now called Mali.

From 1956 (as a result of the *Loi-Cadre*: see above), the Territories were given the use of their receipts (from customs duties, direct and indirect taxation, etc.), and expected to pay for their own recurrent expenditures. But the salaries and pensions of most categories of administrators – those who performed the functions which had not been transferred to the territorial assemblies and which were still exercised by the French State – continued to be paid from the general French budget. In addition, the French State was responsible for certain expenditures on international air transport, on systems for navigation at sea, on the National Geographic Institute, on some radio stations (some of which still are paid directly by France). Even so, the Territories had difficulty in balancing their recurrent budgets. They were expected to pay the running expenses of most of the new FIDES investments, and the salaries of the civil servants concerned with the specified fields of activity which had been transferred to the competence of the local assemblies: among others, agriculture, internal trade, health and education. France therefore increasingly supplemented the regular payments of the French budget in favour of Overseas France with direct subsidies to support the local budgets, or '*subventions d'équilibre*'. These began before 1956, and were accentuated afterwards. The following table gives figures:

Table 3

**French subsidies to the local recurrent budgets of the
Overseas Territories and Algeria**

	(thousand million metropolitan francs)					
	1953	1954	1955	1956	1957	1958
Total Overseas Territories	2.9	3.4	4.4	10	16	14
(of which West Africa) ...	(1.3)	(1.5)	(1.3)	(4.9)	(6.1)	(8.8)
Algeria ...	—	—	2	19.6	18.6	—

Source: Michèle Saint-Marc, op. cit.

Note: Overseas Territories include West Africa, Equatorial Africa, Madagascar and the small Territories.

It appears that in West Africa, during the period 1950–1956, France paid rather more than a third of total recurrent expenses.¹ This, combined with the rapid decline in the Territories' contributions to public investments by the FIDES, constituted a very heavy dependence on French sources of finance for the economic development of the Territories and, simply, for the functioning of their services. The forms which this dependence takes have changed, but, basically, it still exists – as will be shown later.

The progress made by the French Territories in tropical Africa in the period from the Second World War until independence was mainly in the political field. Considerable economic development also took

¹Haut Commissariat de la République en Afrique Occidentale Française, AOF 1957; Tableaux Économiques (Dakar 1958).

place, especially in infrastructure, which was probably more developed in the French Territories than in the British at the time of independence. An élite was created which, though small, was highly educated and sophisticated. The trouble was that all this was aimed at the creation of a great French Union. The States became independent unexpectedly soon. Much of the aid had been wasted as far as economic development was concerned, because its political effects were more important to the French than its effects on the economic viability of individual Territories. The Territories' meagre resources were committed to maintaining standards which were out of proportion with their economic situation. The devolution of powers to individual Territories rather than to the Federations may conceivably have been politically justified, but it certainly had unfortunate economic effects. France has continued to support the new States and has enabled them to meet the expenses of independence and to continue to develop. But this has meant enormous French aid and little prospect of doing without it. This financial dependence, combined with the French orientation of the African élite described in the previous section, has meant that France is almost solely responsible for the economic development of the States. This has advantages and disadvantages – which must be discussed in Chapter 6.

2—Economic Background

The size of French aid is accounted for partly by the historical circumstances described in the last chapter. Aid is also one component of a remarkably integrated system of economic relationships between France and the overseas members of the Franc Zone,¹ and it would be misleading to consider it in isolation. This is especially so for the main recipients of French aid – the African and Malagasy States and Algeria; it applies to a lesser extent to Morocco and Tunisia, and not at all to the ‘traditionally foreign’ countries which receive a little French aid. This chapter will be concerned, after a brief discussion of total aid figures, exclusively with aid to the overseas members of the Franc Zone,¹ and with the still relatively closed economic system of the Franc Zone, of which ‘aid’ is an integral part. It will describe, first, the various elements which make up the financial flows in both directions between France and the overseas countries; then the arrangements – monetary mechanisms and trade arrangements – which facilitate and encourage these flows.

1 Financial flows between France and the overseas countries of the Franc Zone

These flows can be roughly divided into four categories, which will be discussed successively: official ‘aid’; other kinds of government transfers; non-commercial private transactions; and trade. The overseas countries have surpluses with France on the first two and deficits on the last two; the result is an approximate equilibrium in the overall balance of payments between France and the overseas countries. The situation is, roughly speaking, that French official aid and other government transfers finance the overseas countries’ trade deficits with France, their deficits, if any, with the non-franc area, and remittances of profits and salaries and repatriations of capital from them to France.

These flows play an exceedingly important part in the external financial transactions of the overseas countries, and to a lesser extent of France; they even represent a fairly significant proportion of the national incomes of the former.

(a) Official Aid

‘Aid’ to developing countries in general has not been a concept in France until relatively recently.

¹ These are: the 14 so called African and Malagasy States (ex-French West Africa minus Guinea, ex-French Equatorial Africa, Togo, Cameroun and Madagascar); Algeria, Morocco and Tunisia; the remaining Overseas Territories; and the Overseas Departments. They will generally be referred to in future as the ‘overseas countries’ – the ‘pays d’outre-mer’ or POM of French texts.

In 1961 the Development Assistance Committee (DAC) of OECD began compiling statistics on 'the flow of financial resources to less developed countries' from the industrialised member-countries, of which France was one. These statistics are based on certain criteria: they exclude military expenditures and certain other forms of government expenditures in developing countries; they include, but record separately, private investment and private loans with maturities of more than five years; they refer in general to net disbursements in particular years. They are based on the submissions of member-countries; in France's case the Ministry of Finance has the task of collecting and collating data from other parts of the administration and from private bodies. In France, this was the first time that such totals, which came to be considered as 'aid', concerning all developing countries, and not merely certain parts of France's overseas possessions, had been produced. They are still the figures most generally used in French publications, even official publications, concerned with aid to all developing countries. France publishes its annual submission to DAC in the *Journal Officiel*.

Since 1963, however, at the request of parliament, a document has been published as an annex to the budget presentation¹ which gives a general recapitulation of the parts of the budgets of all the Ministries concerned which are officially considered to be 'aid'. It describes these figures as '*Aide accordée par la France aux états en voie de développement*', and records separately civil and military expenditures ('*aide civile*' and '*aide militaire*'). The figures differ from the DAC figures mainly in that they are not disbursements, but budgetary appropriations. The amounts appropriated for a particular year may be less, or more, than the amounts disbursed in that year, because of the possibility that funds are carried over from the preceding year or into the succeeding year. They are therefore a much less reliable indication of the actual level of aid than DAC figures. Another important difference between these and DAC figures is that the former no longer include France's aid to its Overseas Departments and Territories; in their 1965 memorandum to DAC, the French continued to give figures for aid to them (although it is not described in the text and the French have at times expressed their intention of excluding it from their aid totals – on the grounds that the Overseas Departments and Territories are part of France). The figures in the *Document Annexe* also exclude certain loans which are not disbursed through the budget, or which are not specified in budgetary appropriations, but which are included in DAC figures – although the *Document Annexe* does record some of these separately. The figures in the Document are of course not net in the

¹ *Projet de Loi de Finances pour 1966 [1965, 1964, 1963] – Document Annexe – Etat récapitulatif de l'effort financier prévu en 1966 [1965, 1964, 1963] au titre de la coopération avec les états en voie de développement – Paris, Imprimerie Nationale, 1965 [1964, 1963, 1962].*

DAC sense, but since they represent almost entirely grants or current expenditures on technical assistance, the difference is not significant. The Document does not record private flows.

Figures for French aid can also be compiled from the French National Accounts, which are published annually. Finally, most of the Ministries concerned with aid publish figures separately; and (incomplete) figures are to be found in various other publications such as the annual reports of the *Comité Monétaire de la Zone Franc* and the *Caisse Centrale de Coopération Economique* (see page 89).

But for purposes of international comparison, and as a general indication of the size, variations and distribution of French aid, DAC figures are the most usable. They show that the level of French official aid has remained roughly constant since 1957, when it climbed sharply from its 1956 level largely as a result of the inclusion of Algeria as a developing country receiving French aid. (The drop between 1958 and 1959 in French aid in terms of US dollars is accounted for by the devaluation of the French franc.) Aid is now declining slightly from its peak in 1962, again mainly as a result of changes in aid to Algeria. The figures have been as follows (net disbursements, official aid only):

Table 4 Total official French aid (net disbursements)

1956	...	...	...	...	...	...	\$648 m.
1957	...	...	...	...	...	...	\$819 m.
1958	...	...	...	...	...	...	\$884 m.
1959	...	...	...	...	...	...	\$832 m.
1960	...	...	...	...	...	...	\$842 m.
1961	...	...	...	...	...	...	\$943 m.
1962	...	...	...	...	...	...	\$977 m.
1963	...	...	...	...	...	...	\$843 m.
1964	...	...	...	...	...	...	\$841 m.

Sources: Development Assistance Efforts and Policies of the members of the Development Assistance Committee, 1964 and 1965 Reviews, published by OECD.

In comparison with the official aid of other industrialised countries, these figures are extremely high. UK aid has only recently reached a level slightly more than half that of the French; German aid is now slightly lower than British. US aid is about four times that of France; but as a percentage of National Income, French aid is by far the highest. In recent years the comparison has been as follows:

Table 5 Official aid of main donors (net disbursements)

	Totals (\$m.)			As percentage of national income %		
	1962	1963	1964	1962	1963	1964
France	977	843	841	1.76	1.38	1.26
Germany	427	421	459	0.62	0.58	0.58
U.S. ...	3,713	3,842	3,534	0.82	0.81	0.70
U.K....	418	414	490	0.64	0.61	0.67

Source: Jeanneney Report and DAC.

French aid has been declining both in absolute terms and as a percentage of National Income. But France remains considerably ahead of other countries.

As for aid in 1965 and 1966, the figures from the recapitulatory Annexe to the *Loi des Finances*, although they are not comparable with DAC figures, show that the level of budgetary appropriations is declining slightly (see table below). Actual disbursements may decline less, because there are considerable sums committed in previous years and not yet spent (particularly for the African and Malagasy States). It has been claimed that the decrease in budgetary appropriations does not necessarily represent any change in aid policy, except in the case of Algeria, but results from the decline in the level of aid to Algeria and the Government's efforts at budgetary austerity.¹ The *Jeanneney Report*,² while stating that France could not reasonably afford to spend more than 1·5% of its National Income on aid, recommended that aid should remain at this percentage level and thus increase at the same rate as the National Income; any economies made

Table 6
Budgetary appropriations for official aid to independent developing countries

	(million francs)					
1963	2,888·70
1964	2,576·35
1965	2,377·61
1966	2,274·52

Source: Document Annexe, *ibid.*, for the years 1964, 1965 and 1966.

in aid to Algeria or the African and Malagasy States should enable France to spend more elsewhere. This percentage – 1·5% – was originally also included in the options for the Fifth Plan, published in 1965; but it was not referred to in the final plan document. Studies were made during 1965 within the aid administration with the aim of getting more precise and detailed undertakings for aid, with clearer ideas as to its probable allocation. But it now appears improbable that the 1·5% level will be maintained, and more likely that aid will remain roughly at its present absolute level (which will mean a decline both as a percentage of National Income, and in real terms). The Plan Commissariat is due to report on this question in February 1966. The Government has also recently been stating that France cannot be expected to increase its aid until other countries catch up.

The geographical distribution of aid is changing, and is likely to continue to do so, in the direction of more aid to countries outside the Franc Zone. But it is changing slowly – certainly not as fast as was recommended by the *Jeanneney Report*.

¹ Cf. The French Memorandum to the DAC for 1965, published by the Ministry of Finance.

² Cf. The *Jeanneney Report*, an abridged translation, published by ODI in 1964.

The Franc Zone remains overwhelmingly dominant. In 1962 the overseas countries of the Franc Zone received 96% of France's bilateral official aid. They received directly 85% of total official aid including multilateral aid, but over half of French multilateral contributions in fact go indirectly to the Franc Zone through the European Development Fund of the Six. In 1963 the Franc Zone countries received a slightly lower percentage of bilateral official aid: 94% instead of 96%. The percentage of total official aid which they received directly actually increased, to 91%; but this was because French contributions to multilateral agencies were considerably lower than in 1962, and this in turn was largely as a result of the delay in the ratification of the Yaoundé Convention of Association between the Six and the Eighteen Associated countries, and thus the lack of contributions to the European Development Fund. In 1964 the share of the Franc Zone countries again declined slightly, to 91% of official bilateral aid.

The following table gives more detailed figures:

Table 7
Geographical distribution of French bilateral official aid

	1962		1963		1964	
	\$m.	%	\$m.	%	\$m.	%
Overseas Departments and Territories	133.8	15.5	170.9	20.8	205.8	(24.9)
African and Malagasy States	288.1	33.5	294.0	35.9	273.4	33.1
Algeria	357.6	41.5	239.4	29.1	191.2	23.1
Morocco and Tunisia	45.4	5.3	71.7	8.7	82.6	10.0
(Total Franc Zone)	(824.9)	(95.8)	(776.0)	(94.5)	(753.0)	(91.1)
Other countries	28.5	3.3	45.4	5.5	73.2	8.9
Unspecified	7.4	0.9	—	—	—	—
Total	860.8	100	821.4	100	826.2	100

Source: French Memorandum to the DAC, 1965, published by the Ministry of Finance.

The decline in the Franc Zone countries' share of total bilateral aid is thus accounted for largely by Algeria, and to a very much lesser extent by a decline in aid to the African and Malagasy States. The budgetary appropriation figures in the *Document Annexe* give little indication of the likely increase in aid to countries outside the Franc Zone in 1965 and 1966, since for these countries they specify only the geographical distribution of grants (i.e. almost entirely technical assistance), and do not show appropriations for loans. Nevertheless loan disbursements to these countries are likely to increase in the next year or two, since considerable commitments have been made. Aid to Algeria is likely to decline still further – as is also apparent from the budgetary figures; aid to the African and Malagasy States is thought to be likely to remain stable, or possibly to diminish slightly. Morocco and Tunisia may benefit from this reorientation of French aid, as well as countries outside the Franc Zone, although financial aid to Tunisia

was cut off (probably temporarily) in 1964, and aid to Morocco has been threatened by the Ben Barka crisis.

The size of French aid totals has given rise to a certain amount of scepticism. There is an unwillingness to believe that all of such large sums can really be 'aid', whatever aid may mean, or that they are fairly comparable with the much smaller British aid totals. Discussions of what ought or ought not to be counted as aid are of doubtful usefulness. Even the DAC, whose figures are generally used in international comparisons of aid, is very cautious about claiming that its figures represent 'aid'; the neutral phrase 'the flow of financial resources to developing countries' (official or private) is used in DAC publications. The DAC excludes certain official flows; for instance it excludes expenditures on diplomatic representation, on military bases, and also on military assistance. But it makes no attempt to differentiate between the value to recipients of various kinds of aid; in particular it adds together grants and loans, simply counting them at their face value. It is clearly difficult to draw a precise line between certain forms of expenditure, and to say that one ought to be counted as aid and one should not. Nor does the DAC attempt to provide a logical definition of what aid is: on what criteria should expenditures be included or excluded? Should they be excluded because they involve no sacrifice to the donor? Or should the extent to which they are of genuine benefit to developing countries be the sole criterion?

The following discussion merely attempts to point out areas in which French aid figures are inflated by expenditures which might not be included if it were possible to define 'aid' more strictly. It should be borne in mind that, as far as the international league table is concerned, France would gain considerably if what is perhaps the main anomaly of DAC figures were eliminated – if only grants were counted at their full face value, and loans were counted only to the extent that government subsidy was involved. Since, very roughly, 80% of French aid is in the form of grants, and most of the French official loans are on relatively soft terms, French aid calculated in this way would not be a substantially smaller proportion of National Income than it is on present calculations.¹

A common, but now outdated, criticism of French aid figures is that they have included large sums which could more accurately be described as military expenditures. It is difficult to draw a precise line between military and civil investments. But it is probable that some proportion of the 'aid' provided for Algeria before 1962 was spent on infrastructure whose usefulness was at least as much military as civil. The same might be said of some of the expenditures in Africa

¹ Cf. *International Aid* by I. M. D. Little and J. M. Clifford (published by George Allen and Unwin in 1965, pp. 51–79). They estimate that on this basis, French aid would have been between 1·22% and 1·34% of GDP in 1963; UK aid would have been between 0·39% and 0·52%.

South of the Sahara, particularly on airports in the 1940s and 50s – although airports which may at the time have been explicable solely in military terms have now become indispensable attributes of independent states. This accusation can in any case no longer fairly be sustained. France's military establishments in Africa were by the end of 1964 reduced to a bare skeleton. Military assistance as such – the provision of technical assistance and equipment for national armies – is not counted in aid figures. In Algeria it might be said that one of the purposes of aid was to bribe the Algerians to allow France to retain its atomic testing-sites in the Sahara, but this has no direct relevance to the actual volume of aid. It might also be said that some of the official aid to Algeria is used for purposes which might be expected to be the responsibility of the private sector, or are merely a legacy of the time when Algeria was part of France. A very small proportion of aid to Algeria in the last few years (less than 5%) has been spent on infrastructure in the Sahara which is intended solely for the use of the, mainly French, oil companies and which is the kind of investment which in the Middle East is made by the oil companies themselves. A much larger proportion is used to honour commitments made under the Constantine Plan to French investors and contractors in Algeria before independence which, although probably the investments are useful for Algeria, is in fact a definite obligation for the French State.

Another accusation is that much of France's aid is spent on paying its own civil servants. There were about 39,800 French technical assistance personnel in 1965; their salaries represent possibly a third of total French aid. The French do not include the expenses of their aid representation overseas, which is fairly complex, in their aid figures, nor of course the expenses of their aid administrations in Paris. Unlike the British, they do not include in their aid figures, or require Africans to contribute to, the pensions of ex-administrators of Overseas France, even when these were Africans. These pensions are paid directly by the French Treasury and have nothing to do with aid. But the colonial civil servants who did not wish to retire, or to move to the private sector, were all retained in government service. A very high percentage of these continued to work in Africa, seconded by the French government to the service of the local governments, thus becoming 'technical assistance personnel', paid out of technical assistance funds (and, incidentally, with contributions from the local governments). They would otherwise have had to be absorbed into the metropolitan administration or compensated in some other way, and would in any case have had to be paid out of French budgetary funds. To employ them in Africa is an expensive way of doing it; the salaries of French technical assistance personnel are high, as high as United Nations salaries. Not much more than 40% of all French technical assistance personnel are ex-colonial civil servants. But many of these occupy

'operational' posts in the administrative and technical services of the States; the new technical assistance personnel are mainly teachers or temporary experts. It is possible that there are more of the former than is strictly necessary or desirable from the point of view of the development of the African countries, and that the French government, because of its responsibilities towards its ex-colonial civil servants, is more willing to fill operational posts than it would be if the interests of recipients were its only concern. (See also Chapter 6.)

An accusation of a rather different kind is that 'it all comes back to France anyway'. This is a fairly frequent accusation, made by Africans, foreigners and sometimes the French themselves.¹ In its specific aspects it is that a very high proportion of French aid is spent in France, in the form of the savings of technical assistance personnel, the profits of firms employed to carry out aid projects, and imports of equipment from France, and that this proportion cannot fairly be counted as aid. More generally, it is sometimes asserted that aid in fact costs France nothing since it is balanced by return flows: official aid, other French government expenditures in the overseas countries of the Franc Zone, and payments for imports from them are roughly equivalent to – in fact in recent years have been slightly exceeded by – the proceeds of exports to these countries, repatriations of capital and remittances of profits and salaries. (These arguments tend to involve a confusion between the balance of payments cost of aid to France and its cost in real resources – see below.)

The more general aspects of France's economic relations with the recipients of its aid will be discussed later. It is only in its specific aspects that the argument has any bearing on the size of official aid. It is sometimes maintained that only the part of the salaries of technical assistance personnel which was spent in the developing country should be counted as aid. Since, for instance, between a third and a half of all French aid to the African and Malagasy States is spent on the salaries of technical assistance personnel, and since these personnel spend half to three quarters of their salaries in France, this would mean that the figure of French aid to tropical Africa should be reduced by about a quarter. This is obviously absurd, since technical assistance consists of the value of the services provided, not of the money which is incidentally spent in Africa. The argument would conceivably be valid if it stated that these services were overvalued: 'real' aid should then perhaps be reduced by the amount by which it is considered the services are overvalued. The French are, on average, paid considerably more than their British equivalents, and roughly the same as United Nations officials of equivalent rank. There is a common cynical expression, '*Faire du CFA*'²: Frenchmen go to Africa and buy them-

¹ Cf. articles in *Le Monde*, June 1964.

² The CFA franc is the currency used in ex-French West and Equatorial Africa.

selves houses in France. They are in fact paid in France and encouraged to take with them only enough for their local needs. The salaries are not regarded as a fair living wage, but as an incentive to Frenchmen to expatriate themselves; they are higher for the States of the interior than for the more agreeable coastal areas.

Much the same applies to the profits of firms getting aid contracts as to the savings of technical assistance personnel: profits are part of the price that has to be paid for getting certain things done. The French in their aid programme in Africa certainly make lavish use both of French private firms and of autonomous public or semi-public organisations (see page 155). The latter do not make profits, but they may charge more than cost price because they have to cover their general running expenses and because they employ people on a permanent basis, and do not simply hire them for the length of the contract. But they are used because of their experience and effectiveness, and because they will take over the whole of an operation and be responsible for the hiring of local labour and the provision of the middle-level technicians who are generally particularly difficult to find. The extra expense of using them is probably balanced by the extra effectiveness. They are also frequently used by international organisations. (See also page 125.)

As for the private contracting firms, there is some evidence that their profits have been excessive. Until recently they had very little competition, and a great deal of protection. The Franc Zone, it has been said, 'is a greenhouse in which prices flourish'. It has become slightly less of a greenhouse since the provision in the Treaty of Rome, reaffirmed in the Yaoundé Convention of Association, that equal rights of establishment would be granted progressively to the firms of the Six in all their dependencies; it has been calculated in a Report by the Common Market Commission¹ that wherever European firms have competed for aid contracts, the prices of successful contractors have been on average 16% lower than initial estimates. On the whole the contracts are still awarded to French firms, with the notable exception of the contract for the Camerounian railway, but they have had to lower their prices. Since they are established locally they find it both easier and more important to lower their prices to defeat competition; and there is some evidence that they have been assisted by patriotic Frenchmen in the local administrations. In so far as, protracted from competition, the firms awarded themselves unnecessarily large profits, the excess in these profits should probably be deducted from aid: it amounts simply to a transfer from French taxpayers to French private individuals.

It is also quite often said that some French aid projects have been

¹ Parlement Européen – Documents de Séance 1964 – 5 – rapport fait au nom de la commission pour la coopération avec les pays en voie de développement. Rapporteur: M. André Armengand.

unnecessarily lavish in their use of machinery and materials imported from France;¹ simpler methods could have been used which would not have involved importing so much from France and would have cost less. The French aid which is spent on imports, with the exception of part of the aid to Algeria and a few other minor exceptions, is now tied to procurement in the Franc Zone; its recipients are therefore prevented from spending it on imports from the cheapest sources, and French goods have traditionally been highly priced. They have it is true become more competitive recently, notably since the 1958 devaluation of the French franc. And clearly most projects require some imports; a bridge is useful, and should clearly be counted as aid, even if some of its materials have been imported from France and the direct balance of payments cost to France is thereby reduced. The French would strongly deny that too much machinery was imported and that projects were of too lavish a standard. The former may well have been necessary purely on grounds of efficiency and economy. The latter undoubtedly had more to do with politics than with economics, and little to do with the fact that lavish buildings in general require more imported materials than modest buildings. French aid is not restricted to the import content of projects. It is claimed that there is absolutely no restriction on the amount of aid which may be spent on local labour and local materials, and that projects are never rejected because the direct import content is too low, in fact lately rather the contrary (see Chapter 6). The proportion of capital aid spent directly on imports in tropical Africa is claimed to be on average only about 20%. The Franc Zone system (see below) ensures that the money spent on local costs is likely to come back to France eventually, so that there is little incentive to insist on a high direct import content in particular projects. Nevertheless the impression is inescapable in French-speaking Africa that, however non-materialistic French motives, the States have been endowed with, for instance, disproportionately grandiose buildings, and that these have swollen French aid figures and contributed very little to the well-being of the recipients, certainly to their economic well-being.

Thus it might be considered that the French figures exaggerate the amount which could fairly be described as 'aid' in several ways. First, but not for figures after 1962, parts of the expenditures described as aid might more reasonably fall into the category of military expenditures. Second, aid might be worth less than appears from the figures because more Frenchmen were being retained in Africa, and paid for out of 'aid' funds, than was necessary for the good of the countries in which they worked; that in effect they were simply being pensioned off in Africa. This can be disputed, and raises much wider questions, to be discussed later. Third, it might be considered that French services

¹ This is probably true of most countries' aid programmes.

and goods connected with aid are overvalued, and that the aid total should be reduced by the amount by which they are overvalued. Fourth, it might be argued that some of the projects financed by aid benefited French exporters more than the countries receiving the aid. Fifth, a number of French projects have been of an unnecessarily high standard, and therefore high cost, for reasons of political prestige.

(b) Other forms of government expenditure in the Overseas Franc Zone

However, the official aid figures include by no means all of total government expenditures in the overseas countries of the Franc Zone. Certain people in France regard French official aid figures not as an exaggeration, but as a miserable understatement, or concealment of the fact that France's resources are draining away in Africa to no good purpose. Raymond Cartier in a series of major and celebrated articles in *Paris Match* claimed that France spent not 1·5% of its National Income on aid, but 3%. This figure included private investment, but it included also considerable expenditures by the French Government for its own purposes which are not officially considered as aid, but which Cartier considered were linked to the French presence in these countries. They also of course benefited the developing countries to the extent that they provided them with monetary resources.

These expenditures, generally described as *dépenses de souveraineté*, include the normal expenses of diplomatic representation, the expenses of the *Missions d'Aide et de Coopération*, (see page 145), French military expenditures, pensions for Africans who have worked in French Government service and in the French army, and what are called *dépenses d'intérêt commun*. The latter consist mainly of expenditures on air and sea security systems.

In addition, France provides what are called *Avances du trésor*, which are not made through the budget and are not included in DAC aid figures, since they are repayable in periods of not more than two years. They are intended to mitigate temporary local budgetary difficulties, and are made directly from the French Treasury to the local Treasuries, whose separation occurred only in the last few years, under regulations made before their separation. They are made only to the African and Malagasy States and to Algeria. In 1963, 1964 and 1965 they amounted to 351m. francs, 110m. francs and 132m. francs respectively.¹ There is also a system of postal transfers from France to Algeria and the African and Malagasy States, which are settled at 3-monthly intervals between France and the local treasuries but largely unrecorded in balance of payments statistics; they provide in effect semi-clandestine additions to local Treasury resources (and

¹ *Projet de loi de finances pour 1965 (et 1966) – Document annexe récapitulatif.*

were especially important in Mali for instance, when this country was not receiving official financial aid from France).

Together, all these expenditures by the French Government amounted to considerably more than official expenditures on aid, as the following table (based on two tables in the *Jeanneney Report*) shows:

Table 8

French official expenditures in the overseas countries of the Franc Zone

			1960	1961 (million francs)	1962
Total public transfers, civil and military, net, and 'expenditures on international co-operation'	...	...	10,173	10,517	9,915
Id. without Algeria	...	...	3,229	3,365	3,581
Public bilateral aid (2)	...	...	3,748	4,165	4,182
Id. without Algeria	...	...	2,011	2,013	2,124

Sources: (1) French National Accounts. (2) DAC.

These figures for public transfers, although they are net of receipts, are in fact very close to total public expenditures in the overseas countries, since receipts are small and consist essentially of the proceeds of taxation in the four Overseas Departments, and the servicing of a few loans from the Caisse Centrale (see page 89).

Finally, it should be noted that the overseas countries of the Franc Zone have since the late 1950s derived considerable financial advantages from the '*surprix*', or amounts in excess of world prices, which they and France have mutually paid each other.¹ It was calculated for the Jeanneney Commission that the average yearly *net* advantage which the overseas countries derived from these '*surprix*' in 1960–62 was 877m. francs, or 520m. francs if Algeria is excluded. The yearly figures were as follows:

Table 9

Net '*surprix*' in favour of the overseas countries in their trade with France

		1960	1961 (million francs)	1962	Yearly average
Net ' <i>surprix</i> ' (including Algeria)	...	900	730	1,000	877
Net ' <i>surprix</i> ' (excluding Algeria)	...	500	444	616	520

Source: *Jeanneney Report*.

However, these are now declining as a result of the new regulations in the Yaoundé Convention of Association between the Common Market countries and their ex-dependencies in Africa (see the last section of this chapter).

(c) Non-Commercial Private Transactions

The records of private transactions within the Franc Zone are very

¹ But earlier in the 1950s the net advantage was substantially in favour of Metropolitan France – see page 73.

incomplete; there are still no regular balance of payments statistics of the kind which exist for transactions between France and the non-Franc Zone countries. The most usable statistics are those compiled from different sources by the *Comité Monétaire de la Zone Franc*, which give a general idea of movements, and of the major components of these movements, since 1952. The general balance of transfers between France and the overseas countries of the Franc Zone is recorded in a '*Compte de compensation des monnaies de la Zone Franc*', instituted in 1951, which also distinguishes between public and private flows. In addition, certain components of the private flows are known directly; movements of goods are recorded by the customs services; the foreign exchange (i.e. non-Franc Zone currency) transactions of all members of the Franc Zone are also recorded, since they are all made through the central Exchange Market in Paris. The rest, what are called '*opérations invisibles*', are simply a residual, and include, in effect, the balance of private capital transfers and remittances by Frenchmen and nationals of the overseas countries, and of private services between France and the overseas countries.

In the last year or two, attempts have been made to compile statistics giving a more precise idea of the nature of flows, more akin to the classical form of balance of payments statistics. Such attempts are made extremely complicated by the absence of any control, and hence record, of currency transactions within the Franc Zone (as opposed to transactions between the Franc Zone and the outside world).¹ A further difficulty in sorting out private transactions within the Franc Zone is the close interconnection of commercial and banking activities throughout the area; many firms operate in different areas under the same name or with very close links between parent company and branch; much the same is true of banks. Finally, there is often no very clear idea of the place of residence of some Frenchmen, who spend their working lives overseas but who save in France, spend their holidays in France and plan to retire there. The balance of payments statistics between France and the overseas countries have therefore to be compiled from a series of data based on different kinds of calculations and different sources, including the statistics of the individual countries. The results, published only in the last few years, are more precise than the statistics of the *Comité Monétaire*; there is more detail on public operations and on some kinds of services. But they add little to the knowledge of private capital movements, which have not so far been clearly recorded in any source; and they have not yet been reconciled with the figures of the *Comité Monétaire*.

The calculations of the *Comité Monétaire* remain in fact the most illuminating, mainly because they go back as far as 1952, and because the new balance of payments statistics are in the early stages of their

¹ But Morocco and Tunisia now control, and record, transfers to France.

elaboration. The *Comité Monétaire* figures show that since 1952 the balance of private flows has been increasingly in France's favour. In fact the increase in net government transfers from France to the overseas countries has to a remarkable extent been balanced by a parallel development in private flows in the opposite direction, as Table 10 shows.

It can be seen from the table that the increase in private inflows to France has been slightly greater than the increase in public outflows from France. The general balance showed a slight deficit for France from 1952–1958, and since 1959, a slight surplus for France. This balance has always been very small in relation to total flows. From 1952 to 1958, the overseas countries added 2,994m. francs to their franc reserves; from 1959 and 1963, the loss to their reserves was 1,264m. francs. The fact that these flows are so nearly balanced has been taken to justify the accusation that 'it all comes back to France anyway' – or more than comes back, since 1959. The *Jeanneney Report* argued that this state of equilibrium was not surprising. An increase in the reserves of the countries concerned would allow them to increase demand which local production would not be able to meet, and therefore would be more or less bound to entail an increase in imports. A reduction in reserves would make more or less inevitable either an increase in official aid or a reduction in the visible trade deficit of the aided country. 'In either case an approximate equilibrium must necessarily re-establish itself. It is therefore impossible to base any argument on the parallelism of the balances in opposite directions of public and private transfers.'

The Jeanneney argument ignores entirely the possibility that the overseas countries might acquire the additional imports thus made possible from any source other than France. They are largely prevented from doing so by the restrictions of the Franc Zone system (see section 2 below). However if one leaves this possibility aside, it is true that the fact that public and private flows are so nearly balanced is not particularly significant. In fact, one possible measurement of the 'real' value of aid, as the *Jeanneney Report* also argues, is the amount by which the value of goods and services supplied by France to the recipients of its aid exceeds the value of the goods and services received from them (in so far as this is achieved without any loss to their reserves), plus the value of services connected with technical assistance; both of these contribute to the private return flows, the first to the trade deficit, the second, in the form of remittances of savings, to the deficit on 'invisible operations'. The argument 'it all comes back to France anyway' is at least partly based on a confusion between the balance of payments cost to France and the 'real' cost: the money comes back to France, but the tractor or the bridge stays in Africa.

More significant than this general balance in total transfers is the change in the composition of the private deficit. The category 'counter-

Table 10

**Balance of payments between France and the overseas countries
of the Franc Zone**

	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	1962	1963	1964
	(million francs)												
(1) Public transfers (balance)	2,875	2,546	2,738	3,525	5,267	5,975	6,237	6,710	7,557	8,902	9,348	4,438	3,308
(2) Private transfers (balance) of which:	2,578	2,414	2,498	2,946	5,091	4,884	5,758	6,823	8,103	9,139	9,544	4,696	3,554
Trade balance with the Overseas Countries Counterpart of foreign exchange transactions on the Paris Market	2,417	1,762	1,723	1,924	1,836	2,492	2,963	4,080	4,224	2,992	935	1,620	1,396
Invisible operations ...	23	119	112	7	323	513	401	296	257	318	531	651	1,269
(3) General balance... ...	138	533	887	1,029	2,932	1,879	2,394	3,039	3,662	6,465	9,140	3,727	3,447
	297	132	240	579	176	1,091	479	113	546	237	196	258	246

Source: Comité Monétaire de la Zone Franc, annual reports.

Note: Figures in italics indicate an outflow from France, figures in roman type are inflows to France.

part of foreign exchange transactions' has relatively little weight in the total, and is not significant in this context (except in the sense that its smallness emphasises the closed nature of the Franc Zone system). But there has been a major change in the relationship between the other two components of the deficit on private transactions – trade and the residual 'invisible operations' – and the total deficit on these transactions. In 1952 the trade deficit of the overseas countries accounted for 94% of their total deficit on private transactions. In 1961 its share was only 37%, in 1962 10%, in 1963 37% again. In absolute terms the deficit has not greatly increased. Thus at least one component of the *Jeanneney Report* measurement of the 'real' value of aid – the overseas countries' deficit in goods and services – has increased little, in spite of the great increase in nominal aid figures.

The overseas countries' deficit on 'invisible operations' has on the other hand increased considerably over this period. This means, in effect, that a large proportion of the increase in official transfers has ultimately served merely to finance the increase in their deficit on 'invisible operations'. Part of this is accounted for by an increase in the deficit on services: private services and remittances of savings by technical assistance personnel. But it is certain that this increase has been only moderate.

By far the most important component of the increase in the overseas countries' deficit in 'invisible operations' has been the repatriation of capital by Frenchmen living in the overseas countries. This has affected primarily North Africa. (Indochina is not included in these figures although at the beginning of the period it was part of the Franc Zone.) The independence of Morocco and Tunisia produced its effects in 1956–58. Repatriations of capital from Algeria began in 1958 and built up steadily until 1962; by 1963 they were tailing off. The African and Malagasy States have been less affected, but there has been some repatriation of capital since their independence.

There is of course no reason to deduct these return flows from the part of total official transfers which is called 'aid' rather than from the part which is described as '*dépenses de souveraineté*'. It is quite possible for Frenchmen to repatriate their capital from a country which is not receiving French financial aid; they did from Morocco, and the result was a heavy loss to Morocco's French franc reserves. There is nevertheless a sense in which the great increases in 'aid' to Algeria, in particular, served merely to finance repatriations of capital by French settlers in Algeria. In this sense, too, the recent reductions in aid to Algeria, which have coincided with the tailing off of repatriations of capital, need have little effect on the amount of aid available for development.

So far this section has been concerned with the return flows from the recipients of French aid to France, and with their big deficit on private transactions. OECD, however, records figures of 'net private

capital flows', or private aid, which show a fairly substantial contribution by France to developing countries. In France's memorandum to the DAC, under the heading of '*aide privée*', the overseas countries of the Franc Zone are stated to have received \$262·7m. (1,313·5m. francs) in 1962, \$206·5m. (1,032·5m. francs) in 1963 and \$266·5m. (1,442·5m francs) in 1964. These figures include direct investment and reinvested earnings, portfolio investment and publicly guaranteed private export credits of more than five years' duration (the latter are minimal for Franc Zone countries). They are based not on balance of payments calculations, but on questionnaires sent to private firms and some public organisations. They are said to be a minimum figure and certainly an understatement, owing to the difficulty of discovering the exact origin of funds invested overseas. The clearest, and the dominant component of these figures, is French investment in oil and natural gas in the Sahara. These figures, like all OECD figures, are in theory net. Those for French private flows, however, take no account of repatriation of capital by Frenchmen living in the overseas countries of the Franc Zone; partly because these are impossible to calculate, and partly because the Frenchmen concerned, when they were in Algeria, were considered by France to be residents not of France but of Algeria; and Algeria was dominant in this phenomenon. France's 1964 Memorandum to the Development Assistance Committee of OECD¹ states 'It should be pointed out, in particular, that although a substantial amount of disinvestment has undoubtedly taken place in Algeria in the last few years, this disinvestment has mainly been due to persons residing and firms established in Algeria: therefore, there is no reason to take it into account in calculating France's net private investments in this country.' In a narrow sense this attitude is perfectly correct: OECD data are net only in the sense that, as far as possible, the repatriation of capital by private nationals of the *OECD member country concerned* is deducted from private flows; OECD is not concerned with the transactions of private nationals of recipient countries.² However the OECD figures for France's 'net capital flows' do in fact give an exceedingly misleading picture, since it is likely that if repatriation of capital by Frenchmen, resident or not in legal terms, were taken into account, there would in fact be net private *disinvestment* by France in developing countries (this of course without taking into account 'interest payments and other forms of investment income', which OECD does not deduct since it is concerned only with net capital flows).

(d) Trade

The last important component in the balance of payments between France and the overseas countries is trade. As has already been said,

¹ Which has been published by the French Government.

² See the Flow of Financial Resources to less Developed Countries, 1956–1963, OECD, paragraphs 26–29.

France's trade surplus with these countries as a whole has been continuous since 1952, as the following table shows:

Table 11
Trade surplus for France with the overseas countries of the Franc Zone

									(million francs)
1952	...	...	...	+2,417	1958	...	...	...	+2,963
1953	...	...	...	+1,762	1959	...	...	...	+4,080
1954	...	...	...	+1,723	1960	...	...	...	+4,224
1955	...	...	...	+1,924	1961	...	...	...	+2,992
1956	...	...	...	+1,836	1962	...	...	...	+935
1957	...	...	...	+2,492	1963	...	...	...	+1,638

Source: *Comité Monétaire de la Zone Franc*.

France's surplus remained fairly stable from 1952 to 1957, rose considerably from 1957 to 1960, and then declined. The rise was accounted for partly by the worsening in the terms of trade of the developing countries, partly by the fact that the volume of France's imports from these countries increased little during this period, apart from recent imports of petroleum and natural gas from Algeria (which have been largely responsible for the decline in France's surplus after 1960), and partly by a substantial increase in France's exports to them.¹

A very large share of the trade of most of the overseas countries of the Franc Zone continues to be with France, as the following table shows:

Table 12
Share of France in trade of overseas countries

	Imports: % from France		Exports: % to France	
	1959	1963	1959	1963
Algeria	...	83	75	82
Morocco	...	47	43	45
Tunisia	...	66	48	51
Ivory Coast	...	58	66	51
Dahomey	...	63	62	76
Upper Volta	...	75	50	16
Mali	...	(68)	35	(23)
Mauritania	...	(81)	68	(15)
Niger	...	64	52	85
Senegal	...	(66)	63	(76)
Togo	...	47	33	76
Central African Republique	...	62	60	76
Congo-Brazzaville	...	63	61	29
Gabon	...	64	60	55
Chad	...	55	53	73
Cameroun	...	61	57	53
Madagascar	...	72	74	57
Comores	...	43	54	51
New-Caledonia	...	50	57	67
French Polynesia	...	41	60	49
Saint-Pierre-et-Miquelon	...	29	29	25
Overseas Departments	...	75	73	88

Source: *Comité Monétaire de la Zone Franc*, 1963 Report.

Note: The figures in brackets are 1961 percentages.

¹ For more details, see in particular the annual reports of the *Comité Monétaire de la Zone Franc*.

The overseas countries' share of France's trade is smaller, and is declining, although still significant; their share of France's total imports declined from 27% in 1954 to 16% in 1964, and their share of France's exports was 36% in 1954 and 18% in 1964.

2 Arrangements facilitating these flows

The size of these flows, and the predominant part they play in the external financial relations of the overseas countries and to a lesser extent of France, is partly accounted for simply by the fact that the overseas countries were administered and settled by Frenchmen. A rather high proportion of transactions are directly attributable to, or controlled by, Frenchmen overseas, most of whom buy and save in France. A number of Africans have emulated them. Even when some of the Frenchmen leave, habits and tastes remain.

But the situation was, and still to a large extent is, reinforced by complex monetary mechanisms and trade arrangements. The Franc Zone was elaborated mainly after the Second World War, in a period of monetary instability and balance of payments difficulties, as a defensive organisation intended to serve the interests of the Metropolis. It was authoritarian and centralised, and it involved a greater degree of protectionism than had been known since the middle of the nineteenth century. Its elaboration coincided roughly with that of the Sterling Area; but its organisation was, and remains, tighter and more integrated than that of the Sterling Area – in much the same way as the administration and political organisation of the French territories was more centralised and more integrated than that of the British.

With the political independence of most of the members of the Franc Zone, and with the gradual liberalisation of trade and the return of the French franc to convertibility, the system has become rather more flexible, and in theory it is based on contractual arrangements between France and member countries. The closed system of trade preferences and price support is in the process of being abandoned. Some of France's overseas territories – Laos, Cambodia, Vietnam and Guinea – have left the Franc Zone (and therefore are not considered here); others – Morocco, Tunisia, Algeria and Mali – have looser links than in the past. But for most of the members of the Franc Zone at least the monetary aspects of the system have not fundamentally changed as a result of independence.

(a) The monetary mechanisms of the Franc Zone

The main (non-commercial) features of the Franc Zone are:

- fixed parity of the currencies of its members
- guarantee of these currencies by the French Treasury
- complete convertibility of these currencies into French francs
- freedom of transfer between member countries
- some control by France of the credit policies of issuing authorities

- the holding of all reserves in French francs
- the necessity of conducting all foreign exchange transactions through the Paris exchange market, and therefore subjection to the general exchange controls of the Franc Zone (if any).

These general features of membership of the Franc Zone have been modified in Morocco and Tunisia (since 1959), in Mali (since 1962) and in Algeria (since 1963). These countries have instituted a certain amount of control, sometimes complete control, of transfers from themselves to France; their central banks are totally free of French control; their currencies are only partially guaranteed by the French Treasury; they hold part of their reserves in gold and foreign currencies; and they do not conduct all their foreign exchange transactions through the Paris market. In the other countries and territories which remain members of the Franc Zone these features have remained fundamentally unchanged. All the countries which were once, or continue to be, under French rule, except for Laos, Cambodia, Vietnam, Guinea, and French Somaliland, belong to the Franc Zone. The position of the succession states of Indochina remained blurred for some time after their independence, and they retain slight traces of their relationship with the Franc Zone, but it is generally considered that by 1959 they had left the Franc Zone. Guinea left it in 1960. French Somaliland has not belonged to it since 1949: the Djibouti franc is freely and directly convertible into any currency, and in French exchange regulations the territory is included in the 'dollar area'. The most important of the remaining full members of the Franc Zone are therefore the African and Malagasy States. Under the 1958 constitution monetary affairs in the Overseas Territories (as well as in the Departments) remained in the sovereign authority of the central government of the French Community; when most of them became independent in 1960, their continued adherence to the Franc Zone was recognised in the Co-operation Agreements,¹ and there was no fundamental change in their monetary relationship with France. The Co-operation Agreements did however expressly provide that it was possible for the States to set up their own currencies, and Mali took advantage of this provision. Cameroun and, after the assassination of President Olympio, Togo have adhered to the currency areas of Equatorial and West Africa respectively: their position is, in all essentials, the same as that of the other States.

The currencies of the members of the Franc Zone are issued by a variety of authorities (see table). Originally the currencies of most of France's overseas territories were issued by commercial banks, in which the public authorities increasingly participated, and which had

¹ See page 141. See also: *Les Accords de Coopération entre la France et les Etats Africains et Malgache d'Expression Française*, by Maurice Ligot, published by *La Documentation Française*, 1964.

the right to issue notes for the Territories on certain fairly rigid conditions.¹ This is still the case for most of the remaining Overseas Territories.

During the Second World War important monetary functions were entrusted to a new French public institution which is now called the *Caisse Centrale de Coopération Economique*.² It issued the currencies of the overseas territories which joined free France, including French Equatorial Africa (which was originally part of the same currency area as French West Africa). The *Caisse* continues for the moment to issue the currencies of the Overseas Departments,³ and of Saint-Pierre-et-Miquelon, (see table). (It has numerous other functions: see page 89.)

Table 13
Franc Zone issuing authorities

Countries		Date of establishment	Currency used	Value in new French francs (NF)
Algeria	Banque Centrale d'Algérie	1963	Dinar	1
Tunisia	Banque Centrale de Tunisie	1958	Dinar	9.4
Morocco	Banque du Maroc	1959	Dirham	(10.25 Dirhams = 10 NF)
Senegal	Banque Centrale des l'Etats de l'Afrique de Ouest (BCEAO)	1959	CFA ² franc	0.02
Ivory Coast				
Dahomey				
Mauretania				
Niger				
Upper Volta				
Togo				
Mali	Banque de la République du Mali	1962	Mali franc	0.02
Congo-Brazzaville	Banque Centrale des Etats de l'Afrique Equatoriale et du Cameroun (BCEAEC)	1959	CFA ² franc	0.02
Central African Republic				
Chad				
Gabon				
Cameroun				
Madagascar	Institut d'Emission Malgache	1962	Malagasy franc	0.02
Guadeloupe	Caisse Centrale de Coopération Economique (CCCE)	1944	French franc	1
Martinique				
Guyana				
Réunion	CCCE	1944	CFA ² franc	0.02
Saint-Pierre-et-Miquelon	CCCE	1944	CFA ² franc	0.02
Comores	Banque de Madagascar et des Comores ¹	1952	CFA ² franc	0.02
French Polynesia	Banque de l'Indochine ¹	1875	CFP ³ franc	0.055
New Caledonia				
New Hebrides				

Notes: ¹ These are semi-public commercial banks; the rest are public institutions.

² Communauté financière africaine (originally *Colonies françaises d'Afrique*).

³ Colonies françaises du Pacifique.

¹ See Michel Leduc, *Les Institutions Monétaires Africaines, Pays Francophones*, Paris, Editions A. Pedone, 1965.

² Originally called the *Caisse Centrale de la France Libre*, it was later re-named the *Caisse Centrale de la France d'Outre-Mer* and then the *Caisse Centrale de Coopération Economique*.

³ But an *Institut d'émission des Départements d'Outre-Mer* has now been set up.

In 1955 it was decided to set up publicly-owned issuing authorities - *Instituts d'émission* - in French West Africa and French Equatorial Africa, one for each of the federations. In their general features they have not changed since they were set up. They are now the central banks for the two groups of States which belonged to French West Africa (with the exception of Guinea and Mali) and to French Equatorial Africa. Madagascar was subsequently endowed with similar institutions. The differences between the statutes of these three central issuing authorities are relatively unimportant. Their history and functioning will be described in some detail in the following pages, since they constitute the homogeneous central element of the Franc Zone. (The situation of Algeria, Morocco, Tunisia and Mali is different, and will be described afterwards).

Originally the statutes of the two *Instituts d'émission* for French West and Equatorial Africa were identical. They were French public institutions, set up with French public funds; their governing bodies consisted of officials, a minority of whom were African. The main difference between the functioning of the new public issuing authorities and the commercial banks was that there was no requirement of coverage by metropolitan francs for the currencies issued by the new institutions. The *Instituts d'émission* each had a *compte d'opérations*, or operations account, in the French Treasury. It was these accounts which guaranteed, and continue to guarantee, the parity of the local currencies with the French franc, and ensure their total convertibility into French francs. When a payment is made to France, CFA francs are converted into French francs and the operations account is debited with the amount converted. The accounts are credited with the external receipts of the territories, converted into French francs if they are in foreign currencies, in particular the proceeds of their exports and transfers by the French Government. The accounts may be overdrawn to an unlimited extent, and they thus automatically ensure that the local currencies are freely convertible; they also relieve the authorities of day-to-day worries about their balance of payments position with France.

In 1959, after the African territories had acquired the status of Autonomous Republics, the *Instituts d'émission* were transformed into state banks: the *Banque Centrale des Etats de l'Afrique de l'Ouest* (BCEAO) and the *Banque Centrale des Etats de l'Afrique Equatoriale et du Cameroun* (BCEAEC). Their statutes were not modified, with the important exception that the Republics achieved equal representation with the French on the Banks' governing bodies. When the African States became independent, these institutional arrangements were simply maintained in ex-French Equatorial Africa; in West Africa they were confirmed (and also considerably modified: see below) by a treaty between the States themselves in 1962. The political 'balkanisation' of the groups of territories was thus not followed by monetary balkanisa-

tion, apart from Guinea's and Mali's departure from the West African currency union. Some concession was made to the desire of each of the States for sovereignty in monetary affairs by the creation of national *Comités monétaires* in each State (or, in Equatorial Africa, for the group of four States and for Cameroun); their powers are, however, limited. Madagascar, owing to its geographical position, had to be treated separately. An *Institut d'émission* was set up for Madagascar in 1962; it too had equal numbers of French and local representatives. Madagascar is the only isolated State with a separate currency for which France has agreed to provide an unlimited guarantee of convertibility.

The regulations governing the Central Bank for Equatorial Africa are the same as those of the original *Institut d'émission*. Its role, apart from the issuing of currency, is essentially to extend short-term and medium-term credit to the private sector: this takes the form of rediscounting commercial bills presented by commercial banks and certain private enterprises. The Bank is not authorised to provide direct central bank credit to the governments, although it may provide rediscount facilities for Treasury bills purchased by the commercial banks.

The regulations governing the Central Bank for the West African States were, however, considerably modified in 1962. In addition to the powers previously enjoyed by it, the new statutes allow the Bank to provide credit to the governments of the States in the form of direct advances. This had always in the past been strictly prohibited because of anxiety about inflation. The advances are limited, however; together with the Bank's rediscounting of Treasury bills held by commercial banks, they must not exceed 10% of the actual tax receipts of the member government during the preceding year; in addition, the commercial banks' holdings of Treasury bills must not exceed 10% of their average deposit liabilities to the private sector during the preceding year. The duration of the Bank's direct advances to governments must not exceed 240 days. The Malagasy *Institut d'émission*, when it was set up in 1962, had the same powers as the West African central bank.

The number of French representatives on the governing bodies of Equatorial Africa's central bank and Madagascar's *Institut d'émission* continue to be equal to the number of local representatives. The West African States, however, in 1962 not only were allowed for the first time to receive direct advances from their Bank of Issue, but also obtained that two-thirds of the members of the governing body of the Bank should be African. It is therefore possible for the French representatives to be overruled, and this has occasionally happened on minor issues. A majority of two-thirds is necessary for deliberation on important issues; but this could be a purely African majority. The function of the French representatives who are on the governing board

is essentially to warn their colleagues of the possible consequences of pursuing certain policies: inflation, rising prices, the danger of mass conversions of CFA francs into French francs, the burden this would put on the French Treasury, and the ultimate possibility that France would withdraw its guarantee (i.e. cease automatically to supply French francs in exchange for CFA francs). France clearly cannot be expected to provide an unlimited supply of francs through the Operations Account whatever the circumstances, since these francs may be spent on buying goods in France and would amount in effect to an unlimited supply of capital by France, on the sole discretion of the African authorities. There are therefore certain precautionary mechanisms. The interest on the debt of the Operations Account increases progressively as the debt increases. The agreements also provide for automatic restrictions on the credit policy of the local authorities when the Bank's reserves fall below the level of 20% of issued currency; as long as the Operations Account remains overdrawn, these restrictive measures may not be reduced without the consent of three-quarters of the members of the governing body – in other words, some of the French representatives. Ultimately, France could, of course, simply block the Operations Account. For a comment on this system, it is worth quoting M. Michel Leduc¹:

'It has been said that this guarantee system is a fraud, since the guarantee is assured by the possibility for the operations account to be overdrawn, while everything is done to prevent it from being so – at least, to an important extent. And that if, in spite of everything, it does become overdrawn to an important extent, France, in the end, will suppress its guarantee. What is the sense of a guarantee which ceases to operate precisely at the moment when it is most needed? In fact, those who reason like this fail to understand the nature of the aid provided by France for the stability of African currencies. . . . France undertakes to supply the BCEAO with all the French francs which it needs in order to ensure the free convertibility of the CFA franc into French francs. But in fact, if the African currency is correctly administered, the Bank should only have to supply these French francs in exceptional cases. The only guarantee which it provides for the CFA franc is thus to prevent its holders from losing confidence and from seeking to exchange them into other francs, which would provoke exchange losses. . . . Of course, if an accident arises, the guarantee will operate . . . but France will no longer be able to guarantee the African currency if there are excessive demands for the supply of French francs'.

Thus, in principle, the operations accounts are expected to maintain a surplus; on the whole they have done so, although Madagascar's account has quite often been overdrawn. And their surplus amounts in effect to a low-interest loan to the French Treasury, since all balances are held there. But in this system the surplus need only be very small – certainly much smaller than the 100% backing which British colonies were originally required to maintain for their currencies and to invest, for the most part, in Britain. The guarantee is provided not by immobilising funds, but by ensuring that funds will be automatically available from the French Treasury in case of need; and it is expected

¹ *Les Institutions Monétaires Africaines* (Paris, Editions A. Pedone, 1965).

that, merely because the guarantee exists, it will not have to operate: holders of CFA francs will have enough confidence not to convert them. In this sense, the system is analogous to the IMF's stand-by funds, used for instance to back sterling.

At any rate, the States are expected to follow strictly orthodox internal monetary policies, and as far as possible to keep their operations account in a state of surplus, or at least balance. If they are in budgetary difficulties, they are expected to solve them not through Central Bank deficit financing, except to a very limited extent, but through more formal and less automatic arrangements with France: direct advances to their Treasuries from the French Treasury (see page 163), or budgetary assistance from the FAC (see page 161).

It is through the operations accounts that the States have access to foreign exchange (i.e. non-Franc Zone currencies). The States must convert their foreign exchange earnings into French francs; the only exception to this rule is the system of *comptes EFAC* (*Exportations – Frais accessoires*) under which exporters may retain a certain proportion, generally 10%, of their export proceeds in non-transferable accounts to be used for the needs of their own businesses. The States thus hold, practically speaking, their entire reserves in French francs. When they wish to make payments outside the Franc Zone, they must first convert their own francs into French francs through the operations accounts. These French francs may then be exchanged into foreign currencies on the Paris exchange market. This means, in theory, that they now have virtually unlimited access to foreign exchange, since exchange control has been practically non-existent in France since 1958, and since the operations accounts give unlimited access to French francs (in return for CFA francs and with the reservations described above).

The foreign exchange transactions of most of the States are recorded in '*comptes droit de tirage*', or drawing rights accounts. Originally they were insisted upon by Tunisia, followed by the tropical African States, as a precaution against the possibility that they might accumulate non-convertible French franc balances, and they are freely usable by these States. Although few of the States have important surpluses in their *trade* with foreign countries, and the overseas countries as a whole have a deficit in this trade, the overseas countries have since 1960 had a surplus in their overall balance of payments with foreign countries, largely thanks to aid from the European Development Fund and, for the three North African countries, the United States (in 1963 this surplus amounted to \$65m., about a tenth of the total Franc Zone surplus including France). However, since the French franc has become convertible, and since in any case some of the countries which have these accounts also have deficits with the outside world, their purpose is now mainly statistical. They do not themselves constitute any limit on the amount of foreign exchange available for their owners and they can register deficits as well as surpluses. Generally, the

arrangements stipulate that the drawing rights may be replenished, if necessary, by a further allocation from the general reserves of the Franc Zone – or sometimes, simply, that they may be overdrawn without limit. For Cameroun, Mali and Niger, specific ceilings were fixed; but these have not been reached (and if they were reached, they would no doubt be negotiable). The usefulness of the *comptes droit de tirage* is primarily that they enable France and the States to keep check of the foreign exchange situation of particular countries.

Control of the States' access to foreign exchange has in practice been exercised in two ways: through the French involvement in the policies of the issuing authorities in Africa and Madagascar (since they can obtain foreign exchange only against French francs and French francs only against CFA francs); and, in addition, through restrictions on imports from outside the Franc Zone, which the States negotiate bilaterally with France (and which will be described in the next section). The local *offices des changes* in the States have been retained and must agree to imports from foreign countries.

The system also involves, for the full members of the Franc Zone, the inability to control transfers within the Franc Zone. Profits and salaries may be remitted without limit. Importing from France is extremely easy. This is obviously an advantage for France; it is also, of course, in some ways an advantage for the States, in so far as it encourages businesses to establish themselves and Frenchmen to work there. But it should probably be considered as part of the price the full members of the Franc Zone pay for the French guarantee of the stability of their currency, and for their access to the general foreign exchange reserves of the Franc Zone.

Morocco, Tunisia, Algeria and Mali have more tenuous links with the Franc Zone. In particular, France does not control the policies of their Central Banks. The position of Algeria is, four years after independence, in most respects the same as that of Morocco and Tunisia. Mali achieved a position roughly analogous in 1962, but is attempting to negotiate with France a fuller guarantee for its currency; it is not clear whether it will be prepared to accept control of its internal monetary policies, which is the counterpart demanded by France. The French official view is that the totally automatic and unlimited convertibility provided by the mechanism of the operations accounts must necessarily involve French participation in the administration of the local currency. For the countries which objected to this limitation on their sovereignty, France was prepared to provide a more limited guarantee for the convertibility of their currencies. They have accounts in the French Treasury which are called *comptes d'avances*; these function in the same way as the *comptes d'opérations* of the full members of the Franc Zone, but there is a ceiling on the amount by which they can be overdrawn and they may only remain overdrawn for a limited period of time. The central banks are totally autonomous:

France is not represented on their governing bodies, and the local authorities are in complete control of their policies in currency issue and credit. They have, in fact, pursued orthodox and cautious monetary policies in spite of this freedom.¹ Bank advances to the governments have in general been strictly limited by statute in relation to tax receipts (5% or 10%) and in duration. The four countries have all instituted exchange control but the control has generally been more lenient for residents of the Franc Zone, and it certainly has not prevented massive repatriations of capital by Frenchmen (perhaps in some cases because it was applied too late). Most of their foreign exchange transactions continue to be carried out through the Paris exchange market, although they keep part of their reserves in gold and foreign (i.e. non-Franc Zone) currencies; they are not obliged to use the Paris exchange market but do so simply because it is convenient. They have all, to varying degrees, experienced monetary and balance of payments difficulties which appear to have been caused partly by their attempts to be independent of French support for their currencies (but, with the exception of Algeria, they have also received less official French aid than the other Franc Zone countries).

The feature of the Franc Zone which remains to be discussed is the changes in relationship between the French franc and the currencies of the overseas countries (none of which, of course, affect the fixed parity between them, guaranteed by the mechanisms of the *comptes d'opérations* and the *comptes d'avances*). Originally the franc circulating in the overseas territories had the same value as the metropolitan franc. In 1945, when the metropolitan franc was devalued, it was decided that not all of the colonial francs should follow it. The franc of the African territories South of the Sahara was renamed the CFA franc (*Colonies françaises d'Afrique*) and its value fixed at 1·70 metropolitan francs, which meant a devaluation of about 40% in relation to the United States dollar. Saint-Pierre-et-Miquelon and Réunion were also included in this measure, as was French Somaliland until the creation of the Djibouti franc in 1949. The CFA franc followed the next devaluation of the French franc, in 1948, but at the latter's third devaluation, also in 1948, it retained the same relationship with the US dollar and as a result became equivalent to two French francs. Since then, the CFA franc has followed the French franc in successive devaluations, in particular the major devaluation of 1958; but the reform which instituted the 'new franc' in France, also in 1958, was not applied to the CFA franc, so that the latter is now worth two French centimes, or 0·02 francs. The franc of the territories in the Pacific was renamed the CFP franc (*Colonies françaises du Pacifique*); its value was steadily pushed even higher in relation to the metropolitan franc, until in 1949 it was worth 5·50 metropolitan francs. Only the

¹ Except, after 1961, in Tunisia, where IMF pressure for more orthodoxy has recently been applied.

Moroccan, Tunisian and Algerian francs, and that of the three Caribbean Departments, were in 1945 devalued to the same extent as the metropolitan franc.

The main official reason for the decision not to devalue the currency of the African territories as far as the metropolitan franc was that it was intended to preserve the territories from the effects of high prices in France. The Conference at Brazzaville in 1944 had affirmed the desirability of recognising the 'economic personality' and separate needs of the overseas territories. Prices in the tropical African territories, especially in Equatorial Africa and Madagascar, appeared to have risen less fast during the war than prices in France. Since this was largely because they had been forced to import goods from countries other than France, and to export to them, it was thought desirable to maintain this situation, and thus both keep down prices in the territories and earn foreign exchange for the Franc Zone. It appeared pointless to push up the prices of their imports from foreign countries merely because the metropolis, in different circumstances, had had to devalue.

However, the rise of commercial preferences (see next section) worked in the other direction: the overseas territories almost immediately after the war returned to their dependence on the metropolis for their sources of supply, and high prices in France were thus automatically reflected in the territories. The maintaining of the CFA franc at a relatively high level in relation to the dollar therefore had little effect on prices in the territories concerned. The high level of the CFA franc (its 'over-valuation') has in fact often been held responsible for the fact that prices in the African territories are exceptionally high.¹ Whereas the CFA franc, if it is worth twice as much as the French franc, apparently ought to buy twice as much, in fact its purchasing power is very little, if at all, greater than that of the French franc: goods which cost so many (old) French francs in France often cost roughly the same number of CFA francs in Africa. The great majority of goods which enter into calculations of price levels are imported from France, and to their price in France is added a roughly equivalent sum composed of transport costs, import duties and (presumably rather high) profit margins. Devaluation of the CFA franc, by making imports more expensive, might either reduce the quantity of goods imported from France or force traders to reduce their profit-margins; in either case, price levels in the States would be likely to be lower. Devaluation would however have relatively little effect on exports, since the prices for primary products are generally determined from outside in any case.

There is also some reason to suppose that the CFA franc was maintained at a high level partly for political rather than economic reasons.

¹ T. Balogh, *The Economic Impact of Monetary and Commercial Institutions of a European Origin in Africa*, published by the National Bank of Egypt, Cairo 1964.

It obviously suited resident officials and merchants whose income and savings accrued in CFA francs, but who wished to spend them in France, that the CFA franc should be highly valued in relation to the French franc (*'faire du CFA'*, again); to the extent that the CFA franc was overvalued, this constituted an additional drain on the financial resources of the territories. Its significance is lessened by the fact that a great many of such people were paid by the French Government, or, in the case of private traders, owed much of their profits to French price support measures (see page 74). Part of the effects of any overvaluation there may be of the CFA franc is therefore supported by French taxpayers and consumers, and not by the States themselves.

In North Africa it was considered that the economic damage suffered in the war had been as great as in France, and that prices had risen as much. The franc in Algeria, Morocco and Tunisia was therefore devalued with the metropolitan franc. Although there was for a time an unholy alliance in Morocco between French private interests and Moroccan nationalists in favour of the revaluation of the Moroccan franc in relation to the French franc, there was much less reason to do this in North Africa than in tropical Africa: trade deficits were proportionately bigger, and a smaller proportion of trade was with foreign countries. Neither Morocco nor Tunisia followed the 1958 devaluation of the French franc immediately, but Morocco was forced to devalue in 1959 and Tunisia in 1964 (the latter by 20%). Algeria's currency simply followed the vicissitudes of the French franc; although it was renamed the *dinar* in 1963, 1 dinar is equivalent to 1 new French franc.

(b) Trade arrangements

Trade between France and the overseas countries has been encouraged by a very high degree of protection. The system is in the process of being abandoned. However, since it has not yet been totally abandoned, it is necessary to describe it briefly in its full flowering before describing, as far as it is possible to do so in the present rather rapid state of change, what remains.

Preferences in favour of France have, historically, existed only in certain parts of the French Empire. French Somaliland has since 1949 applied no import duties: Djibouti is a 'free port'. Cameroun and Togo, under the provisions of their United Nations trusteeship agreement, were not allowed to apply duties. Part of French Equatorial Africa was included in the Congo Basin Treaties of 1885, which established a non-preferential area; France extended this principle to cover the whole of its possessions in Equatorial Africa. Madagascar and the Comores were from 1943 in the same position in practice, although France was not legally prevented from erecting tariff barriers in these territories; Madagascar reimposed import duties only in 1961.

Morocco was obliged by pre-1914 agreements to apply equal duties to imports from all countries.

In the other parts of the French Empire, tariff protection was considerable. Algeria and the Overseas Departments formed a customs union with France, involving mutually free access for their products and, with a few minor exceptions, common duties on imports from foreign countries. Tunisia was briefly, from 1955, in the same position. French West Africa, New Caledonia, the Oceanic territories and Saint-Pierre-et-Miquelon from 1954 formed a free trade area with France and its dependencies; but they applied duties on imports from foreign countries different from, and generally lower than, those applied by France and thus gave slightly less protection to French exports than Algeria and the Overseas Departments; they gave total freedom of access to products from metropolitan France, Algeria, the Overseas Departments and the other Overseas Territories; in return their products entered freely into these areas. The products of French Somaliland, Cameroun, Togo, French Equatorial Africa, Madagascar and the Comores – none of which gave preferences to French exports – were also exempted from French import duties; Morocco benefited from considerable reduction in these duties. Thus France gave total freedom of access, and thus in effect also a preference, to the products of all the overseas Franc Zone except Morocco. In return it received free access for its products in all the overseas countries and, in some cases, a preference resulting from tariff barriers equivalent, or nearly equivalent, to its own barriers against imports from foreign countries.

But the main instrument for enforcing the close trading links of the Franc Zone was the system of exchange controls and import licences. This form of restriction began only during the Second World War. In 1944, a general prohibition on imports was established for France and the overseas countries; movements of goods between France and the overseas countries were subsequently exempted from this prohibition. No goods could be imported from foreign countries without a special licence, and the attribution of licences was decided by the central authorities of the Franc Zone. At first the only exception to the general rule was the '*comptes EFAC*' which allowed exporters to use a proportion of their foreign exchange receipts (10–25%) for the needs of their own businesses. In addition, in 1952 a decision of the International court limited France's right to restrict imports to Morocco from foreign countries. Pressures in the OEEC for the 'liberalisation of trade' led gradually to further inroads in the general control. Measures taken by metropolitan France during the 1950s, and culminating in the almost total liberalisation of trade in 1958, were consistently applied throughout this period only to Algeria. The four Overseas Departments and the small Overseas Territories of the Pacific benefited from the measures of liberalisation originally taken by France, but not from subsequent measures. Some more minor liberalisation of imports also

occurred in French West Africa, but it affected only a small proportion of their imports and was mainly intended to enable them to acquire certain essentials. The regime for French Equatorial Africa and Madagascar, which were not protected by tariffs, was slower to change, and consisted at first merely in conceding a general quota for imports from foreign countries; much the same happened in Tunisia.

Within this protective system the prices paid were high. Calculations have often been made of the amounts by which the prices paid by France and the overseas countries for their imports from each other have exceeded 'world' prices, or the prices they would presumably have had to pay for importing the same goods from foreign countries. This excess is described as '*surprix*'. It has been calculated for instance¹ that in 1954 the '*surprix*' borne by Metropolitan France on its imports from the overseas countries amounted to roughly 60,000m. in old French francs, and that the '*surprix*' borne by the overseas countries were roughly 80,000m. in old French francs; the net '*surprix*' to the disadvantage of the overseas countries was thus roughly 20,000m. in old francs. The main products on which high prices were paid, and the percentages by which these prices exceeded 'world' prices, were as follows:—

Table 14

'Surprix' paid by the overseas countries, 1954

							(as % of 'world' prices)
Cotton textiles	...	...	...	...	...	...	23%
Sugar	...	...	...	...	...	...	63%–105%
Wines	...	...	...	...	...	...	25%
Wheat	...	...	...	...	...	...	8%
Motor vehicles	...	...	...	...	...	...	30%
Tools and hardware	...	...	...	...	...	...	38%
Machinery and equipment	...	...	...	...	...	...	25%
Electrical apparatus	...	...	...	...	...	...	8%
Cement	...	...	...	...	...	...	8%
Petroleum products	...	...	...	...	...	...	12%

Table 15

'Surprix' paid by France, 1954

							(as % of 'world' prices)
Wine (roughly)	...	...	...	...	...	...	75%
Sugar (roughly)	...	...	...	...	...	...	100%
Groundnuts	...	...	...	...	...	...	15%–20%
Groundnut oil	...	...	...	...	...	...	20%–30%
Bananas	...	...	...	...	...	...	15%–20%

Source: Moussa (see footnote)

¹ Pierre Moussa, *Les chances économiques de la Communauté Franco-Africaine*, Librairie Armand Colin, Paris, 1957, pp. 76–86.

The size of these *surprix* was ensured partly by the general protection afforded by the closed trading system. The general preferences described above were on the whole adequate to protect metropolitan exports of manufactured goods to the overseas countries. But they were not adequate to shield the overseas countries from fluctuations and decline in the prices of their exports of primary products, and much more important for them were the special arrangements made to support the prices of individual products. These were intended to encourage the production of commodities needed by France. They were also, in a sense, the counterpart given by France for its privileged position in the markets of the overseas countries, and came to be considered as such after their independence, when these arrangements were negotiated bilaterally.

Certain products of the overseas countries were protected simply by special import duties on competing foreign products. For other products, there was also a quota restricting the quantity of foreign products which might be imported; for instance France severely restricted imports of coffee from Brazil in order to be able to absorb the production of the African territories (mainly of the Robusta variety, considered to be of less good quality than Arabica). It was moreover found that in the case of some primary products preferences and quotas were insufficient to ensure that prices paid for exports allowed producers to be paid 'reasonably' remunerative prices and to prevent extreme fluctuations. Additional measures were necessary.

In the African territories stabilisation funds were established in 1954 for most of their agricultural exports (*Caisse de stabilisation des prix*), whose purpose was to guarantee relatively stable prices to producers. The stabilisation funds, unlike the marketing boards in the English-speaking countries, did not market the products themselves and did not eliminate private trading. They fixed producers' prices and ensured that the local exporters paid these prices to the producers. The stabilisation funds in turn paid a subsidy to (or imposed a levy on) the exporter when export prices were lower (or higher) than the c.i.f. equivalent of producers' prices. Their financial resources were derived partly from the levies which they imposed on exports to France and partly from a share of the Government's duties on exports; at times of very low prices, these resources were supplemented by loans from a central fund in Paris – the *Fonds National de Régularisation des Cours des Produits d'Outre-mer* – which was set up in 1955 and was financed from the French budget. Unlike the British marketing boards, the stabilisation funds did not accumulate reserves (this was presumably mainly because producers' prices were fixed at a higher level in French colonies than in British colonies).

In addition, France guaranteed minimum prices in the French market for certain individual commodities, for instance groundnuts and sugar, and undertook to buy certain quantities at these prices. In the

case of ground nuts, this undertaking covered practically the whole of production; it was achieved by giving the monopoly in imports of groundnuts (and groundnut oil) to an organisation called *Société interprofessionnelle des oléagineux fluides alimentaires*. For cotton, France gave a direct producers' subsidy through a special *Fonds de soutien des textiles des territoires d'outre-mer*. This fund was set up in 1956 and financed from the French budget, and it made considerable grants and loans to the local cotton stabilisation funds, which were unable to maintain a 'remunerative' price to producers from their own resources.

The IMF has estimated¹ that in 1961 the financial advantages derived from these measures by the African and Malagasy States were as follows:—

Table 16
Financial advantage (or 'surprise') for African and Malagasy States in 1961 (gross)

	(million francs)					
Coffee, robusta	202.69
Coffee, arabica	5.09
Groundnuts	20.10
Groundnut oil	41.18
Palm oil	0.86
Bananas	26.37
Sugar	25.20
Rice	7.80
Cotton	10.10
Other products (including pepper, gum, grated coconut)	3.60
All products	342.99

Arrangements of a rather different kind were made for the exports of the North African countries. These were above all important for wine and cereals; the arrangement was, basically, that France agreed to buy certain quantities at French domestic support prices. For Algeria, petroleum became important in the late 1950s (see Chapter 5).

As a result of these arrangements, and because world prices of primary products declined rapidly while France's exports of manufactures became more competitive in relation to world prices after the devaluation of 1958, the balance of price advantage has shifted from France to the overseas countries. It was estimated for the Jeanneney Commission² that the net advantage to the overseas countries in recent years has been as follows:—

¹ International Monetary Fund, Staff Papers, Vol X, No 3, November 1963.

² In a study prepared by the INSEE.

Table 17

Net 'surprix' in favour of the overseas countries

		1960	1961	1962	<i>Annual average</i> (million francs)
All overseas countries	...	900	730	1,000	877
All <i>except</i> Algeria	...	500	444	616	520

With the political independence of most of the overseas countries, the system suffered various inroads. Even the principle of free circulation of goods within the Franc Zone has not been completely maintained. Morocco and Tunisia have both restricted imports from France since 1959, and are not prevented from doing so by agreement; the Franco-Tunisian trade agreement was abrogated by France in 1964 (as reprisal for Tunisian nationalisation of land), and Morocco imposed severer restrictions on imports in 1964. The Evian Agreement with Algeria stipulated only that there would be either preferential tariffs or an absence of duties between France and Algeria; and admitted the possibility of restrictions on the free circulation of goods. Algeria intends to erect tariffs or quantitative restrictions against imports from France; but it seems that France will be more favourably treated than the other members of the European Common Market, which in turn will be more favourably treated than other countries.

The Co-operation Agreements with the African and Malagasy States asserted the principle of reciprocal preferences between the States and France, based, among other things, on the free circulation of goods and an absence of tariffs; but they permit exceptions to this rule, in agreement with France, in order to protect local industries or to allow regional market organisation. The general system of import controls was replaced by arrangements whereby France asked them to restrict their total imports from countries outside the Franc Zone to a certain ceiling, and to restrict imports of particular goods, or alternatively to guarantee to import certain quantities of particular goods from France at certain prices. The principle of such privileges, which corresponded to France's arrangements for the States' exports of primary products, was stated in the Co-operation Agreements. Both sets of arrangements are negotiated bilaterally between France and the State concerned (or, in the case of Chad, Congo-Brazzaville and the Central African Republic, between France and the three States) in *commissions mixtes*. (These are consultative bodies on which France and the State, or States, are equally represented; in theory they were to meet four times a year, in practice about twice.) The French products which have thus been specially protected have been declining in number; the most important are motor vehicles, certain kinds of machinery, textiles, sugar and flour.

The arrangements for supporting the prices of the exports of the overseas countries were not changed by the independence of most of them, although they were settled in bilateral negotiations instead of by the central authorities in Paris. The only country in which France has completely cut off its trade support is Tunisia, as a result of France's abrogation of the Franco-Tunisian trade agreement in 1964. But major changes are resulting from the second convention of Association between the African States and the European Common Market which was signed at Yaoundé in 1962 (its ratification was delayed until July 1964). There are 18 Associated States: the 14 African and Malagasy States plus Congo-Leopoldville, Rwanda, Burundi and Somalia. According to the Convention, the Six and the Eighteen are to form a free trade area, to be achieved in steps; at the final stage, all movements of goods within this area will, in principle, be free from restrictions and customs duties. They will not, however, form a customs union: the Associated States do not undertake to apply the Common External Tariff of the Six, but are free to establish their own tariffs *vis-a-vis* third countries. The products of the Associated States will thus enter freely into the Common Market, and will be protected by the Common External Tariff against competition from similar products from other tropical countries. This protection will not of course be as great as that provided by France. The products of the Six will enter freely into the Associated States (with possible exceptions: see below) and will be protected by whatever tariffs these States choose to erect against imports from third countries. From the date when the new convention became effective, the progressive reduction in tariffs between the Six began to apply also to imports into the Common Market from the Associated States; the States also benefit from the protection of the progressive setting up of the Common External Tariff.

In addition, nine major tropical products¹ began to enter into the Common Market free of duty as soon as the Convention came into force; for these products, the Six's Common External Tariff against third countries became effective at the same time. In return, the Associated States undertook to apply identical tariff treatment to imports from any of the Six within six months of the coming into force of the Convention; as a result, in December 1964, the other Five benefited immediately from the total absence of tariffs in the ex-French dependencies from which France had benefited. The Associated States are however permitted, as an exception to the principle of tariff reciprocity between the Six and the Eighteen, to impose customs and fiscal duties for budgetary reasons and to protect their industries and economic development; if they do so, this must not result in any discrimination between the Six, or in treating the Six less favourably than a third country. (But they have not yet used this privilege, and it

¹ Pineapple, coconuts, coffee, tea, pepper, vanilla, nutmeg, cloves and cocoa.

is clearly intended that they should only do so in exceptional circumstances.) France's preferential tariff treatment in the overseas countries has thus come to an end.

There is another set of provisions for quantitative restrictions. Quotas against imports from the Associated States into the Common Market will be progressively eliminated in step with quotas between the Six (in the same way as for tariffs). Since France is the only member of the Common Market which still applies extensive quantitative restrictions on the entry of tropical products (in order to protect the products of its own ex-dependencies), this will mean that the 14 African and Malagasy States will face competition from the other four associated countries. The counterpart to these quota reductions by the Five is that the Associated States must abolish all quantitative restrictions against imports from the Six not later than four years after the coming into force of the new Convention. The elimination is to take place gradually, in accordance with a time-table laid down in a protocol annexed to the Convention; this protocol provides for each associated country to establish a global import quota equivalent to at least 15% of its imports of the particular product and applicable to all the members of the EEC, and to increase this quota by a certain, expanding, percentage each year. As in the case of their undertaking about tariffs, the Associated States have the right to impose unilaterally quantitative restrictions: to protect their industrialisation or their balance of payments or, in the case of agricultural products, for reasons resulting from the existence of regional market organisations. These provisions have meant that a considerable number of ceilings on imports from countries other than France have had to be suppressed by the 14 States, since quotas have had to be opened for the other Five on all products, including those which had not previously been liberated. But, until the complete suppression of quantitative restrictions in four years' time, there is nothing to prevent the States from continuing to treat France more favourably than the other Five, as long as they do not in consequence have to restrict their imports from the Five below the levels agreed. Certain restrictions are therefore maintained. Most of the States undertake to limit their imports of textiles and motor vehicles from non-Franc Zone countries; Senegal and the Ivory Coast simply undertake to import certain quantities of these from France. For electrical machinery, restrictions apply only to non-Common Market countries; these restrictions are likely increasingly to benefit the other Five. Certain States are asked to maintain ceilings for sugar and flour (but on the whole the Five are not competitors of France in these products, although Belgium might supply sugar). Some States have given undertakings to import certain quantities of (unspecified) French products. But there is very little left of France's outlets guaranteed by quantitative restrictions on imports from outside the Franc Zone.

The elimination of all duties and quantitative restrictions on imports from the other members of the EEC and from the other four Associated States will obviously weaken the protection provided in the French market for the primary products of the 14 States and of itself do much to eliminate the '*surprix*'. The Convention provided for there to be 'aid to production', direct aid to producers of the Associated States to assist them in progressively adapting their production to the requirements of marketing at world prices; 11 of the 14 ex-French States are to benefit from such aid. It appears that it will be equivalent to roughly half of the advantages which the States have been receiving from French measures of support for their primary product exports. Some of the States also receive 'aid for diversification', but this is not paid directly to producers. The 11 States which are to receive 'aid for production' also agreed to a time-table for the alignment of the prices of their exports on world prices, which was supposed to be complete by the end of the five-year period of association. This time-table has been adhered to for all products except sugar, cotton, and groundnuts (bananas were not included in the agreement). The abandonment of the Franc Zone organisation for sugar is late merely because it is dependent on the common agricultural policy of the EEC coming into force; for the moment the French '*surprix*' are maintained. For cotton, a final loan was made from the *Fonds de soutien des textiles* for the 1963/4 season, the first year in which cotton was supposed to be traded at world prices, because of the delay in the ratification of the Yaoundé Convention. For groundnuts, French support was continued in 1965, although 1964 was supposed to be the last year in which such support was permitted; France guaranteed to import, at a price slightly lower than the price of the year before, quotas from 10 of the 14 States, generally covering the majority of production.

There thus remains little of the system guaranteeing the closeness of the trading relationship between France and the 14 States; and their relationship with the Common Market, as well as involving the other Five industrialised countries, will be considerably less exclusive *vis-a-vis* third countries than was their relationship with France. Whether this will make much difference to the 14 States' markets and sources of supply remains to be seen. It is perhaps more significant that it will force them to adapt themselves to world market conditions.

3 Advantages and disadvantages for France and the overseas countries of the Franc Zone

The word used by France to describe this set of relationships is 'co-operation'. The Ministry of Co-operation¹ is not only an aid ministry: it is the ministry which deals, for the African and Malagasy States, with all these relationships, financial, economic, technical,

¹ Now Secretariat of State for Foreign Affairs in charge of Co-operation.

monetary and commercial. For once the word co-operation is probably not a euphemism. As a conclusion to this chapter, something should be said about the advantages and disadvantages of the system for France and the overseas countries.

As has been said, the Franc Zone was originally built up after the Second World War as a defensive organisation intended essentially to defend the interests of the metropolis. The two great advantages for France were that it secured guaranteed markets for a significant proportion of its exports and that it obtained guaranteed supplies of essential raw materials. This France achieved without having to make the prices of its exports competitive in world markets and without having to use foreign exchange, which was then exceedingly scarce. Another feature of the Franc Zone which is often thought of as an advantage for France – the pooling of foreign exchange receipts – was an advantage only in so far as it enabled France to control the use of this foreign exchange; the overseas countries in fact always, except in 1946 and in very recent years, took more out of the ‘pool’ than they contributed to it. An undoubted advantage for French individuals and firms was also the possibility to make unlimited transfers from the overseas countries to France, at a favourable rate of exchange; this, as has been seen, cancelled out some of the advantages for the overseas countries of massive government transfers from France to them. Finally, the system in fact ensured that most of French aid was spent in France, directly or indirectly, even before most of the aid to be spent on imports was formally tied to procurement in France; and it still enables France to give aid for ‘local costs’ without having to worry about its effects on the French balance of payments.

The immediate advantages of the system for the overseas countries are fairly obvious. The most obvious is the size of French official aid (how much this is dependent on the continued existence of the whole system of economic relationships will be discussed below). In addition, the value of their currencies and their free convertibility into French francs are, with varying completeness, guaranteed. Through French francs, they have virtually free access to foreign exchange. Day-to-day balance of payments worries are non-existent; long-term concern with their balance of payments is much reduced, and the overseas countries which remain full members of the Franc Zone can feel fairly assured that they will be able to continue to import freely from France, although there are limitations on the size of the deficit France would be prepared to allow (see page 66). One of the greatest advantages of all for the overseas countries since the fall in world prices for primary commodities – but an advantage which is now dwindling – has of course been the fact that France guaranteed markets for most of their exports at high prices.

The disadvantages of the system for France have been increasing steadily in relative importance, as its advantages become less essential

to France, or as these advantages, in fact, dwindle. The *Jeanneney Report*, in a section devoted to the 'selfish arguments' for French aid, states categorically:

'It is sometimes said that France's aid is to be explained by the privileged markets and sources of supply which it procures. The 'regulation' of trade and the mechanisms of the Franc Zone are said to be the instruments of this interested policy.'

'An examination of the facts will show that this belief, which was partially justified about ten years ago, is less and less well founded. It would be dangerous to entertain it. It would lead the developing countries to think that we are obliged to continue this policy; this misunderstanding would, in the end, be damaging to them. It would also mislead French public opinion which would be unlikely to be willing to continue a policy of co-operation for which it had been given the wrong reasons.'

The reasons given in the *Jeanneney Report* for making this statement must be briefly set out. Immediately after the war France was forced by a shortage of foreign exchange to develop its trading relationship with the overseas countries. But this movement was soon reversed, and from at least the mid-1950's, France's trade with countries outside the Franc Zone has been increasing faster than its trade with countries inside it. This movement was accelerated with the creation of the European Common Market, when France found its industries were more able to compete with German industries than had been expected, and especially after 1958, when the French franc was devalued, French goods became more competitive, and France returned more or less to a policy of free trade and convertibility. From 1958 to 1963 French trade with the Franc Zone remained roughly constant in absolute terms, while its trade with other countries doubled; the percentage of France's exports which went to the Franc Zone declined from 36% in 1954 to 18% in 1964; the corresponding percentages for imports were 27% and 16%, in spite of the increase in petroleum imports from Algeria. The *Report* admits that France is still mainly dependent on the Franc Zone for its exports of sugar, petroleum products, certain mechanical products, chemical products, insecticides and, above all, textiles. But it says that these remnants of a privileged situation will die out progressively unless France pays heavily to maintain them. As for the imports from the Franc Zone, they consist largely of food and raw materials of which there are surpluses in the world. The question to be asked is whether, from the point of view of pure economic self-interest, France is justified in continuing huge government expenditures merely to maintain these privileged markets and sources of supply. The *Report* considers that the loss of these markets would damage France only if it failed to find other markets, or to convert its industries to adapt them to the new situation. Increases in the sales of goods by industrialised countries depend largely on their own and each others'

markets, and there exists in these countries much unsatisfied demand. Exporting is not an end in itself; for an industrialised country, it is essentially a means of securing supplies in exchange. It is desirable that this exchange should be on the most favourable terms. France's 'terms of trade' with the Franc Zone countries are indirectly extremely unfavourable, if the cost of aid is added to the already high cost of imports from these countries; the cost of opening up new markets in other less impoverished countries would almost certainly be lower. In effect, nearly all of the overseas countries can only import more from France if France gives them more aid. As for supplies, the overseas countries would be extremely unlikely to find markets other than France for their products even if they wished to. The system, in the opinion of the *Jeanneney Report*, has the additional disadvantage for France that it enables certain uncompetitive and backward industries, notably the textile industry, to survive without essential adaptation and modernisation. The *Report* concludes that:

'The changes which are operating in the relative volume and the composition of our trade with the Franc Zone are not regrettable for France. Anomalies, which resulted both from the colonial past and from the weight of individual interests, are gradually disappearing. The independence of the States of the Franc Zone is the opportunity to abandon, in the interests of both sides, practices which have become irrational.' It is admitted that a transitional period may be necessary, but it is to be strictly limited in time.

On the whole, these arguments are convincing. The Franc Zone markets are certainly expensive markets to maintain. Possibly the *Jeanneney Report* is over-optimistic about the possibility of France finding alternative markets, at least in the near future, but certainly the effort would be worthwhile. From the point of view simply of economic self-interest, France would be better advised to spend its resources on modernising its own industries and on prospecting markets in such countries as Mexico and Brazil, which are likely to be able to pay for their own imports in a shorter period than most of the overseas countries of the Franc Zone. There are strong sectional interests in favour of a continued high level of aid to the overseas countries of the Franc Zone, but they are increasingly ignored. Even in Algeria, where reasons of economic self-interest might be thought adequate to explain French aid, since Algeria continues to be an important market for French goods and has vast resources of oil and natural gas, the recent agreements reinforcing 'co-operation' between the two countries have been justified more on political than on economic grounds. Finally, the Jeanneney point that the system enabled backward industries to survive without modernisation should be re-emphasised. French industries and firms were over-protected by the Franc Zone system, and prices within it were uncompetitive elsewhere. This has for

instance made French adjustment in the Common Market more difficult.

The *Jeanneney Report* disposes also of arguments that the monetary system favours France. Unlike Britain, France has not had a trade deficit with its overseas countries since 1946; and unlike the British dependencies, these countries rarely had an overall balance of payments surplus with foreign countries; their surpluses after 1960 have merely added, to a rather small extent, to France's surplus. France therefore gains neither automatic credit nor significant additional foreign exchange from these countries. (It does, however, *save* foreign exchange.) Free convertibility facilitates trade between France and the overseas countries; but this is an advantage only in so far as the trade is an advantage. Freedom of transfers is undoubtedly an advantage for French individuals, but it may merely be a burden for France as a whole, since the transfers may have to be financed by the French Treasury. The pooling of foreign exchange is an advantage if it allows the redistribution of foreign exchange between countries which have surpluses and countries which have deficits; but the chances are that the only country which will have a significant surplus is France itself. Thus, the *Report* concludes, France has no selfish reasons for maintaining the monetary system.

The most obvious disadvantages of the system for the overseas countries are political. They involve continued dependence on, and a certain amount of control by, the metropolitan power. The economic disadvantages are less obvious. Leduc¹ claims that the 'only disadvantage' of the monetary system from the point of view of the overseas countries is that the fate of their currencies is linked with that of the French franc; but since the French franc is now strong, this is hardly a disadvantage. To this should be added the impossibility, for the countries whose currencies are fully guaranteed by France, of controlling transfers to France (although such controls themselves have concomitant disadvantages created by attempts to evade them). These potential disadvantages are almost certainly outweighed by the advantages of the system. In trade, also, the balance of specific financial advantages, as has been said, is in favour of the overseas countries. The real disadvantages from an economic point of view are more general. The system has in the past involved the exchange of generally a single, sometimes two or three, primary products against manufactured goods. By making this exchange easy, and by enabling the overseas countries to survive without changing it, the Franc Zone system tends to perpetuate a situation in which the overseas countries produce goods which are not competitive in world markets and depend on France for their ability to sell them at remunerative prices, and thus survive. It provides no incentive to change or to adapt. What has

¹ Leduc, op. cit. page 63

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been said by the *Jeanneney Report* in relation to the disadvantages of the system for France, applies with even more force to the overseas countries, since they are dependent for a much more important part of their exports on France than France is on them. The equivalent of France finding more remunerative markets for more modern and competitive products elsewhere, would for the overseas countries be diversification of their agriculture, increasing the value of their exports by industrialising, producing locally more of what they now import from France, reducing their administrative expenditures, and so on. All this the system tends to discourage both because it makes it unnecessary, and because it has forced the overseas countries to import certain goods from France (textiles in particular). It has also, as it has to some extent in France, had the effect of making prices very high, and considerably higher than in other parts of Africa.

Finally, how much is French official aid to the overseas countries dependent on the continued existence of this system? The *Jeanneney Report* has claimed, with considerable justification, that the system is no longer in the economic interest of France, and that France would, from a purely economic point of view, do better to abandon it. The African States are not in a position to blackmail France by threatening to leave the Franc Zone. This may only be true on the supposition that the abandoning of the system also involves the abandoning of aid, or at any rate its reduction, since one of the main arguments against the system from France's point of view is that it is expensive to maintain. If the privileged markets, the currency facilities, the supervision of credit policies went, while the expenditures continued, this might not be a change for the better as far as France's economic interests are concerned. Nevertheless, the French are expanding into new markets and cannot continue to rely on privileged markets in Africa. France's privileges in the Franc Zone, and their importance to France, are probably decreasing faster than aid is decreasing. In this sense it can be said that French aid to these countries is less and less justified for France by purely economic considerations, and in consequence political and humanitarian considerations have correspondingly more weight. It seems that the abandonment of what remains of the artificial protection of French economic interests in the overseas countries would not of itself entail the abandonment of aid, although obviously it would alter its nature and it might perhaps have some effect on its size (its most vociferous supporters at the moment are private interests). Ultimately the French will probably have to go on providing aid more or less at its present level because to reduce it drastically would create economic chaos in the overseas countries, which they are not at the moment prepared to contemplate.

3—Administration of Aid

The first two chapters were concerned with the framework and background of aid. From now on this study will be concerned entirely with what is generally known as official aid.

French aid is administered by a bewildering diversity of institutions and organisations. Immediately after the presidential elections of December 1965, in the general reorganisation of ministerial functions and offices which then took place, most of the institutions responsible for aid to independent countries were placed under the authority of the Ministry of Foreign Affairs. But they have not yet been integrated into a coherent and logical system. Nor, at the time of writing,¹ had a decision been taken as to how this was to be done, even in principle. What follows is a description of a situation which is clearly transitional, but which, nevertheless, will take some time to change.

No one part of the French administration is directly responsible for any part of official aid to *all* developing countries. The present administrative structures are explicable solely in terms of historical circumstances. Administrative divisions coincide, more or less, with geographical divisions. Even this generalisation is not universally valid; some geographical areas receive different forms of French aid from different parts of the administration. But the simplest way of describing the administration of French aid is to describe it by geographical area. (See also diagram and Table 18.)

Morocco, Tunisia, Laos, Cambodia and Vietnam have received relatively little official financial aid from France. But they have received large quantities of technical assistance. The Ministry of Foreign Affairs has been solely responsible for the latter since the five countries' independence. In 1956 a *Service de coopération technique* was set up in the Ministry to dispense technical assistance, mainly in the form of personnel, advice and training. The Ministry of Foreign Affairs was also responsible for administering an agreement to provide a certain amount of financial aid to Cambodia, Laos and Vietnam, disbursement of which is now practically complete. But, apart from this, the Ministry of Foreign Affairs is not responsible for financial aid to these countries (such as it is). The recent official loans to them are administered directly by the Treasury, in the Ministry of the Economy and Finance.² Some of these loans have been channelled through the *Caisse centrale de coopération économique*, a public organisation whose main activities are in the Overseas Territories and ex-Territories and the Overseas Departments (see below).

¹ February 1966.

² Before 1966, this Ministry was the Ministry of Finance and Economic Affairs.

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Budgetary appropriations for aid¹
by ministerial department, 1966

	African and Malagasy States	Algeria	Morocco and Tunisia	Cambodia, Laos and Vietnam	Other independent countries	Total
Ministry of Foreign Affairs:						
<i>Service de coopération technique</i>	—	—	—	131.7	53.1	174.1
Secretariat of State for Foreign Affairs in charge of co-operation ²	897.5	—	—	—	—	897.5
Secretariat of State for Foreign Affairs ³	—	458.6	—	—	—	458.6
Ministry of the Economy and Finance ⁴ :	—	—	—	—	—	—
<i>Service de coopération technique</i>	—	—	—	—	—	—
Contributions to international organisations	—	—	—	—	—	—
Ministry of National Education	—	97.18	0.5	0.4	0.0	162.5
Ministry of the Interior	—	4.43	—	0.4	0.1	5.0
Prime Minister's office	—	2.5	0.3	—	0.2	5.13
Ministry of Public Works and Transport (including Aviation)	—	—	—	—	—	—
Ministry of Posts and Telecommunications	—	74.3	19.0	0.15	—	93.45
	2.1	0.1	0.06	—	0.3	2.56

Notes: ¹ The main forms of official aid not voted through the budget are the loans made by the *Caisse centrale* under its own authority, and direct Treasury advances to Franc Zone countries (see page 53). In addition, the budgetary appropriations do not specify in advance any sums for the recent official loans from the Treasury to Morocco, Tunisia, Laos, Cambodia, Vietnam and 'traditionally foreign' countries, and these are therefore not included in this table. Finally, figures for budgetary appropriations for the Overseas Departments and Territories are not collated and published in the Document which has been used as the source for this table (see below).

² Ministry of Co-operation when budget was voted.

³ Secretariat of State for Algerian Affairs, attached to Prime Minister's office, when budget was voted.

⁴ Ministry of Finance and Economic Affairs when budget was voted. Also responsible for official loans to some developing countries, not included here (see note 1).

Source: Projet de Loi de Finances pour 1966 - Document Annexe - Etat récapitulatif de l'effort financier prévu en 1966 au titre de la coopération avec les Etats en voie de Développement - Paris, Imprimerie Nationale, 1965.

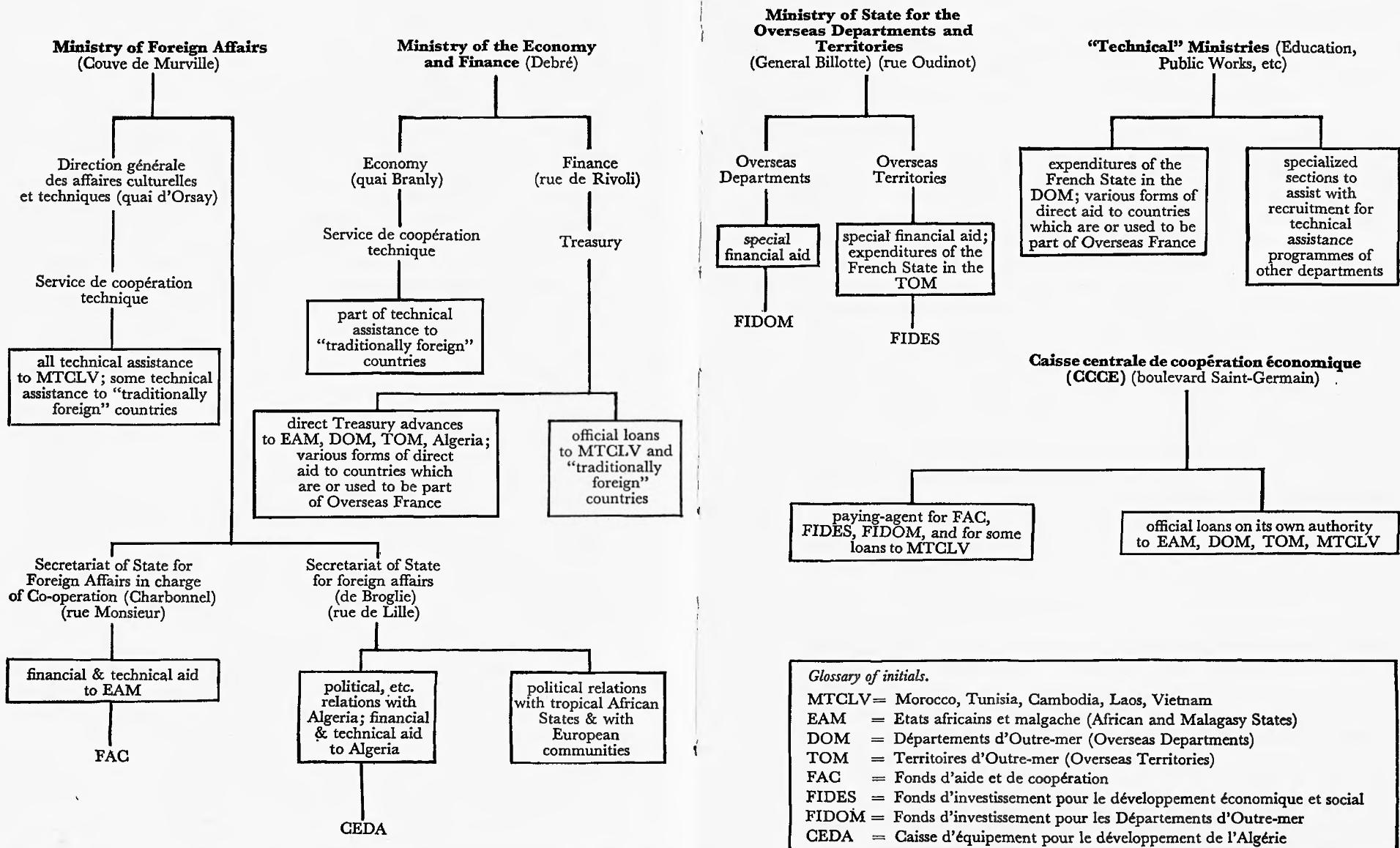
Countries which have never been under French rule, or 'traditionally foreign countries', as they are generally called, receive technical assistance from the *Service de coopération technique* in the Ministry of Foreign Affairs and from a corresponding *Service* of the same name in the Ministry of the Economy and Finance, also set up in 1956. This second *Service de coopération technique* has no responsibility for Morocco, Tunisia, Laos, Cambodia and Vietnam. It was not affected by the administrative changes early in 1966. For 'traditionally foreign' countries the division between the two *Services* is not geographic, but functional: the Ministry of Foreign Affairs is, roughly speaking, concerned with technical assistance in the cultural, educational, scientific, and social fields, in administration and in agriculture; the Ministry of the Economy and Finance with technical assistance in the economic, commercial and industrial fields. Official loans to traditionally foreign countries (the first commitments for which were made in 1961) are also administered directly by the Treasury; they have not so far been channelled through the *Caisse centrale*. The *Service de coopération technique* in the Ministry of the Economy and Finance has no direct administrative connection with the Treasury department responsible for administering the new official loans, the former being in what was once a separate Ministry of Economic Affairs, the latter in what was the Ministry of Finance, housed in separate administrative buildings, respectively at the quai Branly and in the rue de Rivoli.

Algeria is now the responsibility of a Secretariat of State for Foreign Affairs, attached to the Ministry of Foreign Affairs. When Algeria ceased to be part of the French Republic in 1962, a Secretariat of State for Algerian Affairs was created and attached directly to the Prime Minister's office. This was responsible for virtually all aspects of relations with Algeria, political, economic, financial, commercial, monetary and technical, and *a fortiori*, for virtually all aid. After the 1965 presidential elections, M. de Broglie, who had been Secretary of State for Algeria, took over a Secretariat of State in the Ministry of Foreign Affairs whose main responsibility had been political relations with the African and Malagasy States and with English-speaking African countries. He succeeded in retaining responsibility for Algerian affairs, which therefore now constitute the other half of the activities of the Secretariat of State for Foreign Affairs. This solution is provisional. The decree setting out the attributions of the Secretariat of State¹ stated that M. de Broglie would be 'in charge of the affairs entrusted to him by the Minister of Foreign Affairs', and that he would continue to be responsible for the administration of the 1966 budget for Algerian Affairs 'as long as these have not been transferred to the budget of the Ministry of Foreign Affairs' (which seems likely to happen in 1967). The formula is vague. It seems that it would allow

¹ Published in the *Journal Officiel* of 24–25 January 1966, Decree No. 66–69.

Administration of official aid at February 1966

(with names of political office-holders and location of administrative departments)



the administration of Algerian Affairs to be integrated with the Ministry of Foreign Affairs before the end of 1966. But for the moment there has been no change in administrative procedures, and the *services* in charge of relations with Algeria continue to function in much the same way as before, in a building separate from the Ministry of Foreign Affairs – with the exception that efforts are being made to maintain closer contacts with the latter Ministry. Most of French aid to Algeria, which is entirely in the form of grants, is channelled through the CEDA (*Caisse d'équipement pour le développement de l'Algérie*). The Ministry of the Economy and Finance and the ‘technical’ ministries retain a few direct responsibilities for aid to Algeria.

Aid to the African and Malagasy States was from 1961 the responsibility of a separate Ministry, the Ministry of Co-operation. This Ministry was responsible for practically all forms of aid to the States, and for economic, financial, technical, commercial and monetary relations with them. Unlike the Secretariat of State for Algeria, the Ministry of Co-operation was not responsible for political relations. These have, since 1961, been the responsibility of a *Direction des affaires africaines et malgaches*, one of four main departments in the Ministry of Foreign Affairs, under the authority of the Secretary of State for Foreign Affairs (see above). Considerable political influence is also retained by the General Secretariat for the African and Malagasy States in the Presidency (created in 1959 as the General Secretariat for the States of the Community); the General Secretary, M. Foccart, is particularly influential with the President, and the African and Malagasy States have generally been considered part of the ‘private territory’ of President de Gaulle. In January 1966 the separate status of the Ministry of Co-operation, as a ‘technical’ ministry with a certain independence from politics, was ended. The Ministry became a Secretariat of State for Foreign Affairs in charge of Co-operation (*chargé de la Coopération*), attached to the Ministry of Foreign Affairs. A decree defining its attributions¹ was published on the same day as the decree concerning the attributions of the other Secretariat of State (see above). This decree is considerably clearer. It assigns to the Secretary of State, M. Charbonnel, all the attributions which previously belonged to the Minister of Co-operation. The ex-Ministry’s *services*, unchanged, are simply placed under the authority of the new Secretary of State. Nothing is said about their integration with the Ministry of Foreign Affairs, and no date is mentioned. The Secretariat of State in charge of Co-operation thus retains considerable independence and autonomy, and the activities of its departments have not so far been affected by the ministerial changes. The aid administered by the Secretariat of State in charge of Co-operation is

¹ Published in the *Journal Officiel* of 24–25 January 1966, Decree No. 66–70.

almost entirely in the form of grants. It is channelled through a special aid fund, the FAC (*Fonds d'aide et de coopération*); the *Caisse centrale de coopération économique* acts as paying agent for this aid. In addition, the *Caisse centrale* makes a few loans to the 14 States on its own authority. As in the case of Algeria, the Ministry of the Economy and Finance and the 'technical' ministeries retain a few residual direct responsibilities for aid to the States.

Aid to the dependent territories, the Overseas Departments and Territories, naturally enough remains outside the competence of the Ministry of Foreign Affairs.¹ The Ministry of State for the Overseas Departments and Territories is responsible for various forms of relations with them. It took over some of the functions of the Ministry of Overseas France when the latter ceased to exist in 1958, after the referendum in which the constitutional status of the Overseas Territories and Departments was decided. For the remaining Overseas Territories, the responsibilities of the Ministry of State are exactly the same as those of the old Ministry of Overseas France; it exercises all the powers which are retained by the French State in its Overseas Territories (see Chapter 1). It is responsible for the expenditures of the French State in these Territories. It also administers a special fund for capital aid, in the form of grants, to the Territories, the FIDES (*Fonds d'investissement pour le développement économique et social*), originally set up in 1946 for aid to all the Overseas Territories. The functions of the Ministry of State in the Overseas Departments, which were not attached to the Ministry of Overseas France, are more restricted. Its main functions are in effect those of a Ministry of the Interior for the Overseas Departments; in 1958 it took over these functions from the French Ministry of the Interior. Other expenditures by the French State in the Overseas Departments are made directly by the relevant French Ministries. The Ministry of State administers another special fund – the FIDOM (*Fonds d'investissement des Départements d'Outre-mer*) – which makes grants for the Overseas Departments.

In addition to these various Ministries and administrative departments responsible for aid to different geographical areas, there are a great many public or semi-public institutions concerned with developing countries and under the 'tutelage' ('*tutelle*') of the Ministries or departments, occasionally the joint tutelage of several of them. These are concerned with specific aspects of aid: research and surveys, consultancies, the recruitment and training of experts, the organisation of courses for trainees and students from developing countries.

The *Caisse centrale de coopération économique* (CCCE) is an autonomous public institution of a rather different kind. It is worth giving a general description of its many functions, which have changed considerably

¹ This aid is generally omitted from French discussions of aid on the grounds that the Overseas Departments and Territories are part of France; it is included in the DAC figures, but not in the French budgetary presentation of 'aid' figures.

over the years, and which affect more than one group of recipients of French aid. The original *Caisse centrale de la France Libre* was set up in London in 1941 to act as a central bank and treasury for free France, including the colonies which had then rallied to de Gaulle. In 1944 it was renamed the *Caisse centrale de la France d'Outre-mer*. Its treasury and monetary functions have since progressively declined. But in 1946 the *Caisse* was made responsible for the financing of the plans for the development of the Overseas Territories and Departments (see historical chapter). This side of its activities has expanded considerably. In 1960 it was renamed the *Caisse centrale de coopération économique*. It is now responsible for administering virtually all aid to the African and Malagasy States and the Overseas Departments and Territories. It acts mainly as a paying agent on behalf of the French Government; but it also makes a few loans on its own authority. In addition, its geographical scope is no longer restricted to these areas; its operations on its own initiative may, with the consent of the Ministry of the Economy and Finance and of its governing body, be extended to new countries; and it has administered loans on behalf of the French Government to Vietnam and Laos and, more recently, to Morocco and Tunisia. It also acts as paying agent for the European Development Fund. It performs various advisory functions on the basis of this experience; in particular it is responsible for advising the COFACE on guaranteeing export credits for the African and Malagasy States. It has representatives in the African and Malagasy States and in the Overseas Departments and Territories. It has a staff of over 400 in Paris. The *Caisse centrale* in its aid activities is under the joint control of the Ministry of the Economy and Finance and the department responsible for aid to the area in which it is acting: Secretariat of State for Foreign Affairs in charge of Co-operation, Ministry of State for the Overseas Departments and Territories, or Ministry of Foreign Affairs.

In addition, most of the so-called 'technical' ministries – Education, Health, Justice, Public Works, Agriculture, Industry – have special sections to deal with aid. These are mainly concerned with the recruitment of personnel for the aid programmes of the other Ministries; but some of them, in particular the Ministry of National Education and the Ministry of Public Works, continue to have certain direct responsibilities in what used to be, or continue to be, the Overseas Territories; and in the Overseas Departments the 'technical' Ministries have in theory the same functions as in the metropolitan departments. The Ministry of Finance still has important functions of a similarly direct kind in Algeria, the African and Malagasy States and the dependent territories.

Most of the administrative departments and the institutions responsible for aid are now under the authority of the Ministry of Foreign Affairs. But it should be noted that the Ministry of the Economy and Finance for the moment retains all the responsibilities in aid which it

had before 1966, and that it has considerably more to do with aid than the usual Treasury tasks of controlling public expenditure. It shares with the Ministry of Foreign Affairs responsibility for technical assistance to 'traditionally foreign' countries. For the moment it has more say than any other part of the administration in official loans to developing countries other than Algeria, the African and Malagasy States and the Overseas Departments and Territories. It is mainly responsible for the officially supported private export credits which have generally accompanied these loans (see Chapter 4). In addition, it performs a number of other tasks. It is the Ministry principally responsible for the control of the *Caisse centrale de coopération économique*. It administers France's contributions to international lending agencies (see Chapter 8). It is responsible for Treasury advances to Algeria and some African and Malagasy States, and for certain guarantees to private firms operating in these areas (see Chapters 5 and 6). It administers the central organisation of the Franc Zone, and the funds to support the export prices of primary products in the Franc Zone; it continues to provide directly some assistance in the financial and monetary administration in Algeria and the African and Malagasy States, contributing to running expenses and providing personnel (see Chapter 2). It participates in the management of all the aid funds with a geographical competence – FAC, FIDES, FIDOM, CEDA.

All this is exceedingly complex. Before aid to Algeria and to the African and Malagasy States was put under the authority of the Ministry of Foreign Affairs in January 1966 there was little in the way of administrative mechanism to co-ordinate the activities of the various departments responsible for aid. Ultimately, of course, responsibility for their co-ordination belonged to the President. The Prime Minister and the Minister of Finance determined the broad divisions of the national budget, including the allocation of aid. The sub-divisions of aid were the result of complex negotiations between the various Ministries and departments concerned. There was also, at the level of officials, a '*comité de gestion*', or administrative committee, created in 1956 to co-ordinate the aid activities of the Ministries of Foreign Affairs and Finance and Economic Affairs, and on which the Ministry of Co-operation and the Secretariat of State for Algeria have since 1962 been represented. It met once a month, was concerned only with technical assistance and had no powers of decision. This Committee was probably of some use to the two Ministries for which it was originally set up, as a means of clarifying their aid policies and of learning what was being done by the officials more professionally concerned with aid. But it is unlikely that its deliberations had much effect on the policies of the Ministry of Co-operation; and there was very little overlapping between the Ministries' activities, and almost nothing to co-ordinate at this level, although recently the Committee

has become somewhat stronger. (It continues to meet, in order to 'synchronise' the activities of the various departments within the Ministry of Foreign Affairs concerned with aid, and the *Service de coopération technique* in the Ministry of the Economy and Finance.) A *Conseil supérieur de la coopération technique* was also created in 1956, on which were represented the private and semi-public sectors as well as the official administration. It was supposed to express its views on programmes proposed by the Ministries. But it has ceased to meet, and appears to have died an unofficial death. The political heads of the various parts of the administration concerned with political and technical relations with the African and Malagasy States meet once a week.

The dispersal of aid activities through so many sectors of the administration is in fact impossibly confusing, and gives rise to a variety of anomalies and duplications of functions. For instance, the Ministry of Foreign Affairs, the Ministry of Finance and Economic Affairs and the Ministry of Co-operation set up largely separate systems for recruiting and training French technical assistance personnel, and for arranging for scholarships and training courses for the nationals of developing countries in France. Algeria is treated in a totally different way from Morocco and Tunisia. For the latter, and for traditionally foreign countries, there is no specialised institution for financial aid; but there is a great variety of institutions for the other countries receiving French aid. All this is to be explained merely in terms of post-war colonial history; adjustments were made to meet particular situations. Its lack of logic is abhorrent to most Frenchmen, and constantly criticised. The result was a general feeling of impermanence and uncertainty, and a very general feeling that reorganisation was overdue. The changes in January 1966 did not of themselves simplify the situation. But they represent a step in the direction of a re-grouping and concentration of aid to all countries in a single administrative system.

The *Jeanneney Report*¹ made proposals for administrative re-organisation early in 1964; the Commission was in fact technically created to advise the Minister in charge of Administrative Reform. The part of the Report concerned with the administration of aid was not published, but its main conclusions were disclosed by a member of the government and are now generally known. These were that the Ministry of Co-operation and the Secretariat of State for Algeria should be suppressed and that their functions, together with the aid functions of the Ministry of Foreign Affairs and the Ministry of Finance and Economic Affairs, should be transferred to a '*Commissariat général*' which would be attached to the Ministry of Foreign Affairs (the *Report* was not 'concerned with the Overseas Departments and Territories');

¹ See footnote page 11.

that the geographical competence of the *Caisse centrale* should be extended and all government aid to independent countries obligatorily channelled through it; and that an *Agence de gestion du personnel* (Agency for the administration of personnel) should be created and made responsible for administering the supply of all technical assistance personnel. The *Caisse centrale* would be under the joint tutelage of the Ministry of Foreign Affairs and the Ministry of Finance. The *Agence de gestion du personnel* would be controlled by the *Commissariat général* in the Ministry of Foreign Affairs. These proposals meant in effect the concentration of French aid to all developing countries in two organisations controlled mainly by the Ministry of Foreign Affairs, and a division of this aid not according to geographical area, but according to whether it was financial aid or technical assistance.

In spite of the weight of the *Jeanneney Report*, an alternative and radically different solution remained a possibility until the announcement of ministerial re-shuffles after the presidential elections. This alternative was that there should be an enlarged Ministry of Co-operation responsible for aid to all independent countries (analogous to the British Ministry of Overseas Development). The Jeanneney proposals were criticised on the grounds that aid was essentially a technical matter, and should not be involved in the political vicissitudes of France's relationships with developing countries. The Ministry of Co-operation's claim that its preoccupations were technical and developmental, whereas those of the Ministry of Foreign Affairs were political, has been disputed by the Ministry of Foreign Affairs, which claims that it would for instance be more prepared to be tough with the desire for prestige projects of the African and Malagasy States. Claims that the Ministry of Foreign Affairs is excessively formal and tradition-bound are sometimes countered by accusations that the Ministry of Co-operation was rooted in the colonial past, tainted with colonialism. There is nevertheless considerable justice in the Ministry of Co-operation's claim that it is the only part of the administration with a real aid policy, with the means and the experience required to carry it out, and with the desire to innovate and to create new and effective ways of promoting development. Certainly the Ministry of Foreign Affairs has had considerably less experience of aid problems; it was not, for instance, responsible for any form of financial aid before 1966.

At any rate, the decision remained in the balance throughout 1964 and 1965. In June 1964 the Prime Minister told the National Assembly¹:

'[our administrative structures] are very complex. Where does it come from, this complexity? Clearly from history. . . .

'For myself, I do not believe that we can [modify these structures]

¹ *Journal Officiel, Débats Parlementaires - Assemblée Nationale* - 10 June 1964,
No. 48 A.N.

at the moment, that is to say in the next days or weeks. For some time, the affairs of Algeria and of Black Africa will retain specific characteristics. I believe that a little apparent incoherence is preferable to a kind of brutal and arbitrary fusion which would in the end create infinitely greater complications.

'But I am also convinced that in the next year or two, in 1965 or in 1966, we will adopt another formula. It is at any rate one of the problems with which the Government is preoccupied. . . .

'Two solutions are possible. One is that of the *Jeanneney Report*. . . . The other, which is dearer to the heart of the Minister of Co-operation, consists in creating progressively a big Ministry of Co-operation, which would first take Algerian affairs, and then, later, once it was sufficiently experienced and well established, stand up to face the old lady of the quai d'Orsay and say to her: Give me back, if not my legions, at least Morocco, Tunisia and the other countries.

'Between these two formulas, I must admit that our choice has not yet been made. . . . At any rate, this choice will be dictated by the following considerations: should we attach decisive importance to the link between co-operation and foreign policy? Is co-operation really linked with our foreign policy? Is it part of the normal activities of ambassadors?

'Or are the special techniques and methods of co-operation on the contrary so specific that it is better, so to speak, to be a co-operator by profession? Should the Ministry of Co-operation alone fulfil the requirements of co-operation?

'We will no doubt reach this cross-roads in a short time. . . .'

The cross-roads were however not rapidly reached. During 1965 the urge for reform lost momentum. The change when it did come was largely unexpected, and had more to do with the requirements of personalities and Gaullist politics than with decisions of principle. It must be seen in the context of the creation of a new government, in which the administration of aid was one among many internal considerations, and not the most important. The change-over was not prepared in advance, and no decisions had been taken on how aid should be administered at sub-ministerial levels. The fate of the greater Ministry of Co-operation was certainly not sealed before the beginning of the negotiations for the constitution of the new government.

It is possible that the series of *coups d'état* in the African and Malagasy States tilted a delicately balanced scale by making an aid programme based on the Ministry of Co-operation, and therefore centred on these States, a more doubtful proposition. The change from Ministry of Co-operation to Secretariat of State does in a sense imply a downgrading for the African and Malagasy States, and may imply a somewhat more disillusioned view of their political importance to France. On the other hand, to some extent it implies their fuller

emancipation: they are now to be, like other independent countries, wholly the responsibility of the Ministry of Foreign Affairs. Again, those who argued for the inevitability of political decisions in aid may have been reinforced in their arguments by the *coups d'état* in Africa. But too much importance should not be attached to all this. The decision was primarily one of internal politics. It is clear that, whatever the administrative arrangements, France has a continuing responsibility for the African and Malagasy States and cannot treat them in exactly the same way as other countries in which French policies are less involved; any French withdrawal would have consequences which neither the Africans nor the French are prepared to face. The policies worked out by the Ministry of Co-operation will not be changed merely because the Ministry itself has a different status. Algeria also will no doubt continue to be treated in a special way; the implications of the administrative changes are quite unimportant in this case.

An additional effect which the reorganisation may have is to reduce the influence of the Ministry of the Economy and Finance in aid policies. As has been seen above (page 90), this Ministry has its finger in a great many pies. Although its aid functions are administratively diverse and scattered, their multiplicity and the fact that they touch on virtually all aspects of French aid enables the Ministry to exert considerable influence in this field. The 1965 Report of the *Conseil économique et social* appears to have been mildly concerned that the Ministry's influence was too powerful; it says: 'It may be thought that this decisive influence within the organisations dispensing aid runs the risk of imposing a strictly technical point of view and of sometimes having the effect of nullifying decisions taken at a political level. We may ask ourselves whether [the Ministry] does not have a tendency to lean towards a policy of co-operation based merely on the idea of French expansion abroad, whereas in this policy of co-operation aid cannot always involve an immediate commercial counterpart.' The regrouping of practically all aid under the Ministry of Foreign Affairs will alter the balance of power, possibly for the better.

At any rate the decision against a greater Ministry of Co-operation is generally considered to be irreversible now. The question is what kind of organisation will, under the authority of the Ministry of Foreign Affairs, be responsible for aid. Certainly the Government's intention is still to rationalise the administration of aid, and there is little doubt that eventually aid to all countries will be grouped in a single organisation or set of organisations. The main questions are, first, the lines along which this organisation will be sub-divided, and second, the degree of autonomy which it will have *vis-à-vis* the Ministry of Foreign Affairs.

The Government has certainly not put the Jeanneney proposals into effect, nor has it yet decided to do so. A major criticism of the proposals was that they perpetuated a division between financial aid and

technical assistance which is damaging in the case of aid to Morocco, Tunisia and traditionally foreign countries under the present system, and avoidance of which was more or less achieved by the Ministry of Co-operation after considerable experimentation and some administrative rivalry. The *Jeanneney Report*, as has been said, proposed a 'Commissariat' for deciding policies for all aid, but its decisions were to be implemented by two separate bodies: the *Caisse centrale* would become a sort of large development bank responsible for all financial aid; technical assistance personnel would be administered by a separate agency. This could involve the danger of spending large sums of money with inadequate technical backing, or making reports which accumulated dust on shelves because there was no money with which to implement their recommendations. The main alternative proposal is that divisions should be based on geographical areas and on sectors of development – agriculture, industry, education and training, and so on. This is the solution advanced by the ex-Ministry of Co-operation, based on its experience of the importance of co-ordinating the personnel and capital provided in particular sectors of development, and of having administrators aware of the development problems of a country or group of countries as a whole. (See section on the administrative organisation of aid to the African and Malagasy States.)

The second main question is how much autonomy the administration of aid is likely to enjoy within the general administration. The Jeanneney proposals envisaged a considerable degree of autonomy for aid. It seems unlikely that the departments now responsible for aid will simply be integrated into the Ministry of Foreign Affairs. Aid to particular areas will certainly not be administered by the political departments responsible for these areas. There might be a big department within the Ministry responsible for all aid, but it is more likely that there will be some semi-autonomous organisation for aid, Commissariat or Secretariat of State (on the lines of the American AID). It is possible that this may be based on the departments which used to constitute the Ministry of Co-operation (and whose organisation has not been affected by the ministerial changes). The latter, with their staff of nearly 700, could certainly more easily absorb the *Service de coopération technique* (and possibly other parts of the *Direction des affaires culturelles et techniques*) in the Ministry of Foreign Affairs, with its staff of 50 or so, than the other way round. Algeria poses fewer problems, and will be relatively easy to absorb. Indeed, it is possible that the departments in charge of Algerian affairs will be integrated into the Ministry of Foreign Affairs during 1966, whereas the departments of the ex-Ministry of Co-operation are likely to remain as they are for much longer than that, whatever solution is finally adopted.

There are various subsidiary questions, such as the location of the aid organisation, and the suppression of certain posts with functions which duplicate each other. At the moment the *services* in charge of

aid are scattered throughout Paris – those of the ex-Ministry of Co-operation in the rue Monsieur, those responsible for Algeria in the rue de Lille, the Ministry of Foreign Affairs at the quai d'Orsay, as well as those of the Ministry of the Economy and Finance at the quai Branly and in the rue de Rivoli (they are frequently referred to by the name of the street in which they are located). Some will obviously have to move. Efforts are likely to be made in the near future to amalgamate the departments and institutions in charge of the recruitment and training of experts, and other personnel questions. The reviews published by the Ministry of Co-operation and the Ministry of Foreign Affairs may be fused. The geographical competences of the FAC and the *Caisse centrale* (see page 89) will probably be extended. All this is likely to create friction, and to take time. Personalities and administrative rivalries, as well as established procedures, are deeply involved.

Two administrative reforms which took place before the presidential elections should be mentioned here. They will do something to simplify and facilitate both the recruitment of technical assistance personnel and the administrative reorganisation. One is the reform of the status of civil servants; the other the decision to make national servicemen available for technical assistance, and for use by all the departments concerned with aid.

The administrative reform for civil servants came into force in 1965. It instituted what is called the '*statut unique*' for civil servants, and means that all government officials are to belong to a single administrative corps (with the exception of the three specialised and prestigious '*grands corps*' which retain their distinct status). The reform is principally intended to encourage mobility; civil servants will not in future be permanently assigned to particular ministries, and administered by these ministries, but will be administered by a *Secrétariat de la fonction publique* and must, before reaching certain posts, spend at least two years away from their original ministry. These minimum two years may be spent either in another part of the metropolitan administration, or in technical assistance. One purpose of the reform was to instil the idea that technical assistance was a normal part of a career in government service, and a normal part of the functions of the French administration, and that it was something relatively permanent. Obviously this was not its primary purpose, but it was apparently borne in mind when the reform was elaborated.

There has not been a special administrative corps for aid, guaranteeing a career in aid, in France. The personnel of the Ministries concerned with aid has been derived mainly from other Ministries and, above all, from the old corps of 'administrators of Overseas France'. These, when the countries in which most of them were employed became independent, were given the choice of retirement, re-integration into the metropolitan administration (which was not automatically granted

to all applicants), and retention in two special corps which remain available for technical assistance, and are administered by the Ministry of State for the Overseas Departments and Territories. But there has been no new recruitment to these corps since 1958, and they are dwindling rapidly as their members retire. The idea of a new specialised career service for developing countries has often been considered, but appears to have been finally rejected. One reason for this rejection was obviously the objections of the Ministry of Finance on the grounds of expense, and the fear that France would again have redundant administrators on its hands. The other and possibly more important reason is that it is considered that although experience in developing countries is essential, administrators and technicians, if they spent all their lives in developing countries, would become stale, and they ought to spend part of their working lives in France if they are to keep up with new ideas and techniques.

The reform establishing a single corps of more mobile administrators has made some contribution to a solution of the problem. In addition, it has been decided to recruit to this corps numbers slightly superior to the needs of the administration in France. In 1965 there will be 10 extra graduates from the ENA (*Ecole Nationale d'Administration*, which trains French higher civil servants); these will be available for technical assistance. It is hoped that there will in future be 10 to 15 each year. Recruitment for technical assistance is made easier by the fact that graduates are placed in order of merit in the final examination, and can then choose according to this order from a given number of possible posts in the administration and in technical assistance. In addition some technical schools, in particular the *Ecole Polytechnique*, will offer extra places for candidates undertaking to work in technical assistance after their graduation. The highly centralised nature of the educational system also makes it possible to offer various inducements to teachers to go to developing countries, in particular the offer of faster promotion from secondary to university level. Another factor which makes it easier for France to make experienced personnel available to developing countries is the existence of numerous specialised institutions and consultancy firms, which are extensively used in French aid programmes (see pages 125 and 155).

The decision to make national servicemen available for technical assistance, and for use by all the departments concerned with aid, has probably been even more important. This decision was taken in 1962, and the first '*militaires du contingent*', as they are called, went to developing countries on technical assistance assignments early in 1963. They are selected jointly by the Ministry of National Defence and the aid department concerned, and are in general of a fairly high educational standard, since not all candidates are accepted, and since the French generally do their military service after going to university. They are 'volunteers', in the sense that they have all opted for the technical

assistance alternative; but many of them of course act more from a desire to escape the parade ground than from missionary fervour. They were at first required to do four months' military training, and so had a maximum of a year in developing countries. They are now to be exempted from this military obligation. The system of recruitment for military service was reformed in 1965 as a result of the army's increased reliance on the nuclear bomb and diminished requirements for men; one of the results of this reform is that greater numbers are to be available for technical assistance, all of them for the whole period of their national service. By April 1965, there had been a total of nearly 5,000 assignments. The following two tables give more detailed figures:

Table 19

Militaires du contingent: numbers, end 1962 – April 1965

	<i>Needs expressed by ministries</i>	<i>Number of national servicemen volunteering for technical assistance</i>	<i>Actual assignments</i>
Overseas Departments and Territories	777	586	481
Algeria	3,267	1,761	1,272
African and Malagasy States	2,880	2,696	2,102
Other countries	1,800	1,334	1,024
Total	8,724	6,377	4,879

Table 20

Militaires du contingent: distribution of actual assignments by area and sector, end 1962 – April 1965

	<i>Education</i>	<i>Health</i>	<i>Advisers and technicians</i>
Overseas Departments and Territories	347	40	94
Algeria	749	66	457
African and Malagasy States	1,383	63	656
Other countries	948	37	39
Total	3,427	206	1,246

Source: Dossier pour la réforme du recrutement, published in Revue de Défense Nationale, June 1965.

The first of these two tables shows that a fairly high proportion of those who volunteer are in fact accepted. But this appearance is qualified by the fact that only those with certain educational or technical qualifications can apply. The experiment appears to have been successful (the Ministry of Foreign Affairs considers that it is 'totally' successful). It not merely fills gaps, but is able to provide highly qualified young men who would otherwise be unlikely to volunteer for service

in developing countries, and a high proportion (around 50%) of whom are, in addition, encouraged by their experiences to volunteer for a further assignment after their period of national service is completed. Numbers are increasing rapidly, and are clearly very important to the administrations in charge of technical assistance.

There is thus beginning to be some administrative basis for an integrated aid programme. But, as has been seen, administrative procedures, mechanisms and policies vary fundamentally according to the kind of relationship which particular countries and areas have with France, or have had in the past. One generalisation which can be made is that an emphasis on the spread of French culture and the French language is common to all French aid policies. Otherwise, policies and mechanisms for different geographical areas have few resemblances of any significance, and a bewildering variety. It is true that the *Jeanneney Report* treated as a single subject French aid to all developing countries, but this was a *tour de force* of which few are capable. It was moreover a deliberate and conscious attempt to accomplish such a feat. The Commission was asked by the government to provide a rationale for French aid to developing countries in general, since the period of decolonisation, in the government's view, was completed. It was not wholly successful: whenever the Report becomes specific, it is necessarily concerned with particular geographical areas.

The changes described above have done little to alter this situation. They are unlikely to do so for some time. Uniformity will not be quickly or easily achieved. It is doubtful whether it is desirable or possible, given the fundamentally different character of the various recipients of French aid, and of the French relationship with them. The most important divisions in the French aid administration may well continue to be geographical, even when they are grouped under a single main authority. Certainly any meaningful, or at all detailed, description of French aid must for the moment be divided along geographical lines.

The following chapters will deal successively with aid to Morocco, Tunisia, Laos, Cambodia and Vietnam and 'traditionally foreign' countries; to Algeria; to the African and Malagasy States; and to the Overseas Departments and Territories; and multilateral aid.

4—Aid to Morocco, Tunisia, Laos, Cambodia, Vietnam and traditionally foreign countries

Nearly all aid to these countries has been technical assistance. Morocco and Tunisia received official loans from the FDES, a metropolitan development fund, before their independence, and the small unspent portion of these loans was disbursed after their independence; the three countries which constituted French Indochina received a commitment for grant aid in 1955 of roughly £15m, small portions of which were still being disbursed until recently (see historical chapter). But the only countries which have received massive official financial aid from France are Algeria and the African and Malagasy States, plus the remaining Overseas Departments and Territories. Countries which have not been ruled by France – the so-called ‘traditionally foreign’ countries – did not receive any official financial aid from France until 1961, when the French government made an official loan commitment to Chile. A similar commitment was made for Vietnam in 1960, and commitments to a number of countries, including Morocco, Tunisia and Cambodia, were made in 1963 and 1964.

Technical assistance to the five ex-French countries is the exclusive responsibility of the *Direction générale des affaires culturelles et techniques* in the Ministry of Foreign Affairs, and primarily of its *Service de coopération technique*, created in 1956. Technical assistance to traditionally foreign countries is administered by this department and by another *Service de coopération technique*, also created in 1956, in what was then the Ministry of Economic Affairs (and is now part of the Ministry of the Economy and Finance). The recent official loans have simply been administered by the Treasury; there is no special department responsible for them, although some of them have been channelled through the *Caisse centrale*, and they are not co-ordinated with the technical assistance.

Technical assistance from the two *Services de coopération technique* and the recent official loans will be described successively in the following three sections.

1 Technical assistance from the Ministry of Foreign Affairs

Traditionally, the Ministry of Foreign Affairs has had cultural relations under its aegis; and it was responsible for the Protectorates over Morocco and Tunisia. Since 1956 it has had a *Service de coopération technique*, solely responsible for technical assistance to these two

countries and to Laos, Vietnam and Cambodia, and partly responsible for technical assistance to traditionally foreign countries. Before the presidential elections of December 1966, this was all the Ministry of Foreign Affairs had to do with aid. It had no direct say in any form of financial aid and nothing to do with the administration of aid to Algeria or the African and Malagasy States. It was responsible for political relations with all independent countries except Algeria, and one of its four *Directions* is the *Direction des affaires africaines et malgaches*; but this *Direction* has no particular interest in, and not much knowledge of, the problems of aid and development in these States.

In its own field – technical assistance to certain parts of the world – the Ministry's conception of aid is explicitly based on ideas of cultural expansion and implantation of the French presence. It is sometimes said that technical co-operation is the modern way of achieving this; the French language must be seen as the vehicle not merely of Racine and Corneille, but of useful and practical modern techniques. And according to the Report on the activities of the *Service de coopération technique* in 1963,¹ the purpose of technical co-operation is to 'defend economic and cultural positions in a rapidly changing world by maintaining an original form of contact and activities in developing countries'. The means by which these aims were to be achieved were at first not very clearly defined. But the 1964 Report on the activities of the *Service* was able to say that its '*vocation*' was now more precisely established: it was primarily '*la formation des cadres*' (the training of the professional and educated classes) in developing countries.

'Technical co-operation', or technical assistance as it is more usually known in English, is in fact a relatively new idea in France. The creation of the two *Services de coopération technique* in the Ministries of Foreign Affairs and Economic Affairs in 1956 gave technical assistance formal recognition as a specific and separate activity in the French administration, important enough to have a sub-department devoted to it. Before then, there had been a small *Bureau* concerned with relations with the United Nations, and a *Bureau de coopération technique* which supplied a few 'experts', and was attached to the *Direction économique* of the Ministry of Foreign Affairs. There were basically two motives for the innovation in 1956. One was the desire to partake in a new international activity, and to give solid administrative foundation to the Ministry's new concern with developing countries which had not been under French rule. The other was to deal with the problems created by the independence of the States of ex-French Indochina (in 1954) and of Morocco and Tunisia (in 1955 and 1956) and by the necessity to keep their administrative, technical and educational services functioning and to help them to build up their own. It was thought desirable to keep this activity administratively separate from political

¹ *Ministère des Affaires Etrangères, Direction Générale des Affaires Culturelles et Techniques, Rapport d'activités*, 1963.

relations with these countries; it has, for instance, been practically unaffected by the vicissitudes of French relations with Tunisia. These 'privileged' countries also benefited from the beginning from a form of aid provided by the two *Services* which in fact bordered on investment. This was the '*programmes élargis*', which have been used to finance studies and surveys, and sometimes the supply of equipment or even the construction of buildings, connected with education and training. They have recently been extended to other parts of the world. (See below). In addition, responsibility for United Nations technical assistance was added to the functions of the *Service* in the Ministry of Foreign Affairs (see chapter on multilateral aid). There is a rough division of functions between the *Services* in the two Ministries, as far as technical assistance to traditionally foreign countries is concerned. The Ministry of Foreign Affairs is responsible for technical assistance in the administrative, educational, social, scientific, cultural and agricultural fields; the Ministry of the Economy and Finance in the commercial, industrial and general economic fields. (But in the 'privileged' countries – Morocco, Tunisia, Laos, Cambodia and Vietnam – the Ministry of Foreign Affairs is solely responsible for all technical assistance.) Budgetary allocations for both *Services* are inscribed in the budget of the Ministry of Foreign Affairs, which then transfers part of the funds intended for traditionally foreign countries to the *Service* in the Ministry of the Economy and Finance. Neither of the two *Services de coopération technique* has anything to do with the recent Government loans to these countries, which are administered by the Finance part of the Ministry of the Economy and Finance (see below).

The *Service de coopération technique* in the Ministry of Foreign Affairs was attached to the *Direction des relations culturelles*, which was renamed the *Direction générale des relations culturelles et techniques* and is one of four main departments in the Ministry. The activities of the technical assistance *Service* are administratively separate from the traditional and long-established activities of the four *Services* concerned with 'relations culturelles',¹ and only the former are formally considered by the Ministry to be 'co-operation' or aid. Both however send French teachers to developing countries and give scholarships to enable students from developing countries to study in France, and it is difficult to draw a precise line between what is and what is not aid. It is obvious that expenditures on cultural and artistic exchanges, on the promotion of the sale of French books abroad, on French cultural centres and establishments such as the *Instituts français*, the *Alliances françaises* and religious foundations should not be – and in fact are not – considered

¹ There are four *Services* in the *Direction Générale des Affaires Culturelles et Techniques* concerned with traditional cultural activities: these are the *Service de l'enseignement et des œuvres*, the *Service des bourses et stages*, the *Service des échanges culturelles*, the *Service des échanges artistiques*.

as aid. DAC figures on French aid exclude them. But DAC figures include traditional and long-established expenditures on sending French teachers abroad and on awarding scholarships in French universities to foreigners. In any case, the fact that cultural relations and technical co-operation are grouped together in one *Direction* obviously means that their policies reflect on each other.

(a) Cultural relations

Of the traditional cultural activities of the Ministry of Foreign Affairs, only the supply of teachers and the awarding of scholarships will be discussed here. A plan for the extension of the cultural activities of the Ministry was established in 1959, and the money available increased considerably during the five years 1959-63; half of this increase was devoted to the expansion of the teaching of French abroad, and about a fifth to an increase in the number of scholarships awarded. The Report of the *Conseil Economique et Social*¹ states that: 'Originally it was a question of regaining positions lost in Latin America and Western and Eastern Europe in face of competition from the Anglo-Saxon language.' On the whole the French are pleased with the results of this effort, although it is recognised that it is still too much concentrated on Morocco, Tunisia, Laos, Cambodia and Vietnam. The 1963 Report on the activities of the Ministry² lists, among other achievements, twelve 'traditionally foreign' countries in which the teaching of French is obligatory at secondary level: Ghana, Liberia, Ethiopia, Libya, Bolivia, Colombia, Venezuela, Uruguay, Panama, the Dominican Republic, Haiti and Honduras. In Cambodia and Laos French is still the language of teaching in secondary schools. It is believed that the French language reached the trough of the wave after the war and is now climbing out of it; the Ministry's report says: 'The situation of the French language in the world is now particularly favourable. After the constant improvement of the last years, it is now possible to speak of blossoming and expansion.'

A second plan has been elaborated for the period 1964-68. For developing countries, three main principles were set out:

- special attention should be paid to French-speaking countries, in particular Laos and the ex-Belgian Congo;
- French positions should be reinforced in countries in which there was once a strong French influence, in particular in the Middle East (the Lebanon and Syria were entrusted to France under League of Nations mandate);
- French activity should be intensified in countries which are at the moment appealing to France (especially Latin America) and in English-speaking Africa.

¹ Rapport C.E.S. 1965.

² Ministère des Affaires Etrangères, Direction Générale des Affaires Culturelles et Techniques, Rapport d'activités, 1963.

The plan envisaged an increase in credits of 70% over the five-year period; but an increase at this rate is far from having been attained in 1965. The following table gives figures on the total expenditures by the four Services concerned with cultural relations in recent years (it includes expenditures which are not considered to be aid):

Table 21

Distribution by activity of expenditures on cultural relations by the Ministry of Foreign Affairs

	(million francs)				
	1962	1963	1964	1965	1966 (forecast)
Current expenditures					
Teaching (salaries and other expenses, travelling expenses)	176.9	191.6	196.4	222.5	...
Scholarships (in France and abroad) ...	14.1	16.1	18.2	22.0	...
Cultural exchanges	17.5	48.6	51.2	38.4	...
Subsidy for French books	4.3	4.3	4.3	5.3	...
Artistic exchanges	5.0	5.2	5.3	6.2	...
Capital expenditures (commitments)					
Cultural investments (buildings for cultural centres, etc.)	—	11.0	11.5	20.0	...
Total	217.8	276.8	283.8	314.4	400

Note: Table excludes expenditures by the *Service de coopération technique*.

Sources: *Rapport C.E.S.* (cf. footnote on page 95), and *Rapport d'activités, Ministère des Affaires Etrangères, 1964*.

Teachers

The teachers supplied under cultural relations programmes (by the *Service de l'enseignement et des œuvres*) teach at all levels, either in the national educational systems of the country concerned or in private French institutions and *lycées*. Their salaries are paid entirely by the Ministry. Most of them teach the French language and literature, although efforts are being made to increase numbers in other disciplines, particularly in science. France receives considerably more requests than it can fill, particularly in distant countries. Numbers are increasing slightly, but there is little sign of any geographical redistribution, although in English-speaking Africa, the number of French teachers increased from 2 in 1961 to 56 in 1964. Morocco, Tunisia, Laos, Cambodia and Vietnam continue to receive about 80% of these teachers. Since supplies of French teachers to go abroad are limited, efforts are also being made to supplement their work by training local teachers of French and helping these by supplying teaching material, suggesting more modern teaching methods and so on. Recruitment of French teachers is in conjunction with the Ministry of National Education (*Direction de la coopération*). The Ministry of Foreign Affairs also conducts annual campaigns to encourage teachers to go abroad; and about 1,000 extra teachers have been supplied, mainly in Tunisia,

by the new provision allowing national servicemen to serve in technical assistance (see page 98). The following table gives figures on the number of teachers sent abroad under cultural relations programmes and paid by the Ministry. (They do not include teachers recruited directly, and paid for, by foreign governments or by private institutions; nor do they include the specialised teachers sent by the *Service de coopération technique* – see below.)

Table 22

**Numbers of French teachers in foreign countries
under cultural relations programmes**

(*Service de l'enseignement et des œuvres*)

	1961-2	1962-3	1963-4	1964-5
Europe ...	1,001	1,057	1,219	1,218
Middle East ...	200	271	232	252
Asia and Oceania 910		1,022	1,034	1,014
of which				
Cambodia ...	317	326	325	297
Laos ...	170	187	200	184
Vietnam ...	342	366	349	360
Africa ...	9,831	10,613	11,378	11,075
of which				
Morocco ...	7,795	8,136	8,452	8,303
Tunisia ...	1,876	2,264	2,580	2,399
North America ...	185	230	302	360
Latin America ...	261	309	378	384
Total ...	12,388	13,527	14,543	14,303

Sources: *Rapport C.E.S.* (ibid.) and *Rapport d'activités du Ministère des Affaires Etrangères 1964*

Table 23

**Number of French teachers in English-speaking
African countries**

	1961	1962	1963	1964
Mauritius	—	10	10
Nigeria	—	13	13
Kenya	—	2	5
Sudan	—	3	7
Tanzania	—	1	8
Ghana	2	4	7
Liberia	—	1	5
Total	2	34	56

Source: *Rapport C.E.S.* (ibid.).

University scholarships

The number of university scholarships awarded as part of the cultural relations activities of the Ministry to students of foreign countries has similarly increased in the last few years. In this field the concen-

tration on Morocco, Tunisia, Laos, Cambodia and Vietnam is not nearly so marked, although the biggest increases in scholarships from 1962–4 were for Morocco and Tunisia. In 1963–4, it was the number of scholarships for Latin America which increased fastest: by 43%. The proportion of students studying science and technical subjects is relatively small: 40% for Laos, Cambodia and Vietnam, 13% for Morocco and Tunisia. The French Government pays the fares of students from developing countries, as well as awarding their scholarships. Students are selected by the French embassies abroad, in collaboration with governments, and proposed for the approval of the Ministry; the embassies are supposed to ensure that the subjects proposed for study are useful, and also that sufficient numbers of teachers of French are trained. The Ministry subsidises various special-

Table 24

**Geographical distribution of Scholarships awarded for study
in French universities under cultural relations programmes**

(*Service des bourses et stages*)

<i>Countries of origin</i>	1961–2	1962–3	1963–4	1964–5
Traditionally foreign countries:				
Western Europe ...	450	480	508	964
Eastern Europe ...	99	110	105	291
Africa ...	103	110	142	193
Middle East ...	122	144	195	224
Asia and Oceania ...	178	209	258	317
North America ...	79	85	109	116
Latin America ...	254	286	472	476
Special programmes ...	168	202	—	—
(Total) ...	(1,453)	(1,626)	(1,789)	(2,583)
Cambodia, Laos, Vietnam	80	98	118	118
Morocco and Tunisia	305	400	438	481
Total ...	1,838	2,124	2,345	3,182

Sources: Rapport C.E.S. (*ibid.*) and Rapport d'activités, Ministère des Affaires Etrangères, 1964.

ised bodies which are responsible for performing the kind of tasks which the British Council performs in looking after students when they arrive: a special *Service d'accueil* in the *Centre national des œuvres universitaires et scolaires* for students from traditionally foreign countries, the *Bureau d'accueil des étudiants tunisiens et marocains*, the *Institut franco-vietnamien*. Table 24 gives the geographical distribution of these scholarships.

(b) Technical co-operation

So much for the traditional activities of the cultural relations *Services* which are connected with what is now called aid. The *Service de coopération technique* was designed largely, as has been said, to extend these activities into developing countries and to give them a more modern

Budgetary appropriations for the Services de coopération technique in the Ministry of Foreign Affairs and the Ministry of Finance and Economic Affairs

<i>(million francs)</i>												
	<i>Morocco</i>		<i>Tunisia</i>		<i>Cambodia, Vietnam Laos</i>		<i>Other countries</i>		<i>Total</i>			
	1963	1964	1965	1963	1964	1965	1963	1964	1965	1963	1964	1965
Current expenditures:												
Salaries of experts and teachers ...	21.9	20.3	21.5	24.3	26.8	24.9	7.7	9.4	12.8	31.2	35.3	38.7
Scholarships and training courses	4.2	4.2	4.5	3.2	3.8	3.5	2.0	2.0	2.8	8.0	8.7	8.5
Total ...	26.1	24.5	25.5	27.5	30.6	28.4	9.8	11.4	15.7	39.2	44.0¹	77.2
Investments (<i>pro-</i> <i>grammes élargis</i>) ...	12.0	10.0	8.0	3.0	6.0	5.0	4.0	5.0	9.0	4.0	21.0	20.0
Total ...	38.1	34.5	33.5	30.5	36.6	33.4	13.8	16.4	24.7	43.2	65.0	97.2
												125.6
												152.4
												188.9

Notes: ¹ Of which Ministry of Foreign Affairs: 19.2
Ministry of Finance and Economic Affairs: 24.7

² Figure subsequently reduced to 30.2m francs.

Source: Ministère des Affaires Etrangères, Direction Générale des Affaires Culturelles et Techniques, Rapports d'activité 1963 and 1964.

and practical shape, better able to meet the needs and desires of such countries. Originally, it was concerned only with developing countries; recently its activities have been extended to Canada and to Eastern, as well as Southern, Europe. At the beginning, the Report of the *Conseil Economique et Social*¹ says, it 'acted in a relatively empirical fashion; its action was . . . directed towards the countries where an important [French] technical and administrative presence facilitated the setting up of modern technical co-operation (Morocco, Tunisia), or towards those with which there were traditional cultural links (Lebanon, Iran), or, finally, towards those committed to French culture (Vietnam, Laos, Cambodia). Sometimes, the Ministry made an effort to create channels of communication with countries where our influence remained very modest, and to stimulate requests for French technicians'. It was decided however in 1961 to make a five-year plan (1962–66: its dates do not coincide with those of the plan for cultural relations) for technical co-operation. The Plan was to cover the activities of the *Service de coopération technique* in the Ministry of the Economy and Finance as well as in the Ministry of Foreign Affairs, so as to co-ordinate more closely the activities of the two *Services*; and in fact the Ministry of Foreign Affairs' reports deal with them together, claiming that there is practically speaking 'fusion' between them. The Plan was naturally intended to be flexible, but its aim was to clarify policies, to establish greater continuity and to set out in advance the allocation of finance and functions between the two *Services*. It foresees an increase in all technical assistance activities, but particularly in the economic field. Its forecasts for their financing have in fact been considerably exceeded.

The plan enunciated an important principle: French actions were not to be scattered over a number of small operations which would have little effect on the development of the countries concerned, but were to be concentrated on a limited number of objectives, carefully chosen among geographic or economic sectors considered to have priority for political or cultural aims. Assistance in agriculture, in particular, was to be if possible integrated on a regional basis: including for instance the supply of experts, equipment, books and documents, and the provision of training in France and locally. (An example of such integration is the big project for agricultural surveys and development in the Jaguaribe Valley in North-East Brazil.) Another principle stated was that the aims of technical co-operation were to be realised increasingly through training technicians and administrators *locally*.

The activities of the *Service de coopération technique* consist of the supply of experts, including teachers, the awarding of scholarships for studies and short training courses and some 'pre-investment' or longer-term operations which are financed by the '*programmes élargis*'. These activities will be discussed successively. The resources devoted to them

¹ op. cit.

in 1963 and 1964 by the *Services de coopération technique* in both Ministries are given in Table 25.

Experts and teachers

The *Service de coopération technique* sends considerable numbers of 'experts' to developing countries. The great majority of these are not experts in the usual sense of advisers sent on missions to the governments of developing countries to carry out a survey or solve a particular problem; they belong to the category sometimes described, in DAC documents for instance, as 'operational experts'. They are French civil servants, administrators and technicians, seconded to fill regular posts in the administrations and technical services of Morocco and, to a lesser extent, Tunisia, Laos, Cambodia and Vietnam. These countries received in 1964 3,627 'experts', compared to 380 in 'traditionally foreign' countries. The 'experts' sent by the *Service de coopération technique* include teachers, most of whom work in the specialised training-institutes set up under *Programmes élargis* (see below), sometimes in training-institutions set up earlier or by the countries themselves. Regular teachers to work in the national educational systems are supplied not by the *Service de coopération technique*, but under cultural relations programmes. The former generally teach scientific and technical subjects, sometimes administration and planning. The experts' salaries are paid in part by the governments of the recipient countries; the Ministry of Foreign Affairs supplements these salaries

Table 26
Geographical distribution of French experts and teachers in developing countries under the programmes of the Service de coopération technique in the Ministry of Foreign Affairs

		1961	1962	1963	1964
'Traditionally foreign' countries:					
Europe	...	16	26	28	22
Middle East	...	73	80	104	127
Africa	...	66	106	122	122
Asia-Oceania	...	20	35	41	36
Latin America	...	29	74	85	83
Total	...	204	321	380	390
Cambodia, Laos, Vietnam	...	131	136	185	226
Morocco	...	3,089 ¹	2,727 ²	2,673 ³	2,117 ⁴
Tunisia	...	367 ⁵	337 ⁶	389 ⁷	291 ⁸
Grand Total	...	3,791	3,521	3,627	3,024

Source: Rapport C.E.S. (*ibid.*) and Rapport d'activités, Ministère des Affaires Etrangères, 1964.

Notes: ¹ Of which 3,062 in operational posts.

²	"	2,681	"	"
³	"	2,599	"	"
⁴	"	2,078	"	"
⁵	"	322	"	"
⁶	"	295	"	"
⁷	"	331	"	"
⁸	"	261	"	"

Table 27

Geographic and functional distribution of French experts and teachers in developing countries (Service de coopération technique in the Ministry of Foreign Affairs) in 1964

		<i>Administration</i>	<i>Planning and statistics; general surveys</i>	<i>Medicine and public health</i>	<i>Agriculture production, research and training</i>	<i>Higher and scientific education: technical and professional training</i>	<i>Industry and technology</i>	<i>Mines, public works, energy, transport</i>	<i>Total</i>
Europe	...	5	—	8	4	5	—	—	22
Middle-East	...	8	4	34	38	31	5	7	127
Africa	...	56	14	22	64	11	8	16	191
(of which:									
Morocco & Tunisia) ¹		(14)	(1)	(4)	(38)	—	(7)	(5)	(69)
Asia	...	28	7	91	49	27	12	48	262
Latin-America	...	2	6	12	28	34	—	1	83
Total	...	99	31	167	183	108	25	72	685

Source: Rapport d'activités, Ministère des Affaires Etrangères, 1964.

Note: ¹ Excluding personnel in operational posts.

and pays transport costs. The local contribution varies from country to country, and is not always as high as salaries paid locally; it also varies from year to year, and an equivalent financial allocation for the salaries of experts can therefore have quite different effects on the actual numbers sent. Tables 26 and 27 give the geographical distribution of experts.

Recruitment and training of experts

There is a definite shortage of experts in certain fields, particularly in the fields of agricultural and medical training, planning and statistics; and there is no very clear system for their recruitment. There is in the Ministry of Foreign Affairs a *Bureau de prospection des experts*, which keeps a catalogue of experts which is supposedly central and available for use by other parts of the administration; this *Bureau* is run by the *Centre de formation* (see below), and is responsible for contacting and assessing potential experts. But much of the discovering and recruiting of experts is done by the ASMIC, which was set up by the Ministry of Finance and Economic Affairs (see page 120) and is not used by the Ministry of Foreign Affairs. The Ministry of Economic Affairs in theory notifies the recruitment centre at the Ministry of Foreign Affairs of candidates found by the ASMIC.¹ But candidates for technical assistance posts complain of administrative confusion and the impossibility of knowing where to apply.

¹ The Ministry of Co-operation and the Secretariat of State for Algerian Affairs also had their own systems for recruitment; it is probable that recruitment will be centralised under the Ministry of Foreign Affairs in the near future.

By no means all of them are systematically prepared for what they are going to do in developing countries (but probably more is done about this in France than in Britain). There is a *Bureau de préparation linguistique des experts*. For teachers, the Ministry of National Education and the Ministry of Foreign Affairs provide rather loosely organised short preparatory courses for large numbers at Bordeaux, Marseilles and Aix-en-Provence. There is also a *Centre de Formation des Experts de la Coopération Technique Internationale*.² The numbers trained by it are limited, but it is important because it represents an attempt to build up a cadre of specialists prepared to work in developing countries. The Centre was created in 1957 by the Ministry of Foreign Affairs; since 1963, the Ministries of Co-operation, of Finance and Economic Affairs, of National Education and of Public Works have been jointly responsible with the Ministry of Foreign Affairs for the functioning of the Centre, and have used its facilities.³ Its general and financial administration is assured by the *Fondation Nationale des Sciences Politiques*, in whose buildings it is located. The Centre provides training courses, consisting of seminars and a series of lectures, for people who already have the necessary specialised qualifications for technical assistance and who 'if the matter arose, would be available to volunteer for missions abroad, in the framework of multilateral or bilateral assistance'. The courses give a general picture of French, multilateral and foreign aid, and some education in the problems of development, especially from the economic, financial, social and human points of view; they do not teach specialities, but provide a general framework and basic knowledge. They are not necessarily for people who already have a particular technical assistance assignment: those who attend them are not guaranteed that they will receive an assignment, although only those who are likely to do so are accepted for the courses. There is some vetting during sessions. Courses are arranged either in a short intensive form, for those who come from outside Paris, or in a more extensive form, so that those who work in Paris can attend them part-time (but it appears that the latter have not been very successful). Representatives of the public and private sectors sit on the board of the Centre, and it has close links with multilateral technical assistance; it also trains a few foreign experts. There is a considerable emphasis on the necessity for an expert to adapt his knowledge to local conditions; the seminars include discussions with experts who have returned from missions, and the Centre is also amassing substantial material on conditions and on the successes and failures of particular missions to developing countries. Numbers admitted to the courses are limited: generally about 40 for each session, chosen from 100–150 candidates. There have been two sessions a year since 1957; from 1957 to 1962, 430 people were trained, of whom 60% have served in technical assistance; about two-thirds of

² See booklet published by the *Centre* in 1963.

³ They are likely to do so more extensively in future.

them were from the public sector. The idea is that the Centre will build up a reserve of people qualified and willing to do technical assistance. The disadvantage is that it is doing this very gradually, and thoroughly; meanwhile most technical assistance experts still go abroad with no preliminary training on the general problems of developing countries, and the Ministry of Co-operation found it necessary to make its own arrangements for orientating its experts (see page 202).

Scholarships

The *Service de coopération technique* awards its own scholarships in addition to those awarded under cultural relations programmes, and organises training in France. Efforts are made not to award scholarships indiscriminately to whichever candidates seem deserving, but to plan them according to the needs of developing countries, and so that they reinforce the other activities of the *Service de coopération technique*. These scholarships are of two kinds. There are first the so-called *bourses d'études de coopération technique*, which are scholarships for full-length studies and are necessarily awarded mainly to students from French-speaking countries (Morocco, Tunisia, Congo-Leopoldville). Second, there are *bourses de stages de coopération technique*; these are awarded mainly to technicians from South-East Asia, Latin America and Middle East. The word *stage* is particularly difficult to translate, but it means essentially a short training course which may be a conventional course of theoretical instruction or may be a practical course in a particular organisation or business. Since 1963, the Ministry of Foreign Affairs has transferred all responsibility for the material organisation of the *stages* in France to the ASTEF, an institution set up by the *Service de coopération technique* in the Ministry of the Economy and Finance (see page 119); but it has kept responsibility for organising the *bourses*, or

Table 28

Geographical distribution of scholarships for conventional studies and short training-courses awarded by the Service de coopération technique in the Ministry of Foreign Affairs

		1961-2	1962-3	1963-4	1964-5 (forecasts)
Traditionally foreign countries:					
West Europe ...	...	64	98	126	...
East Europe ...	...	6	7	10	...
Africa ...	...	230	387	515	...
Middle East ...	...	170	169	222	...
Asia and Oceania ...	...	101	98	136	...
Latin America	...	176	267	342	...
(Total traditionally foreign) ...		(747)	(1,026)	(1,351)	1,431
Cambodia, Laos, Vietnam	...	225	273	212	227
Morocco and Tunisia	...	741	952	1,011	950
Total ...	...	1,713	2,251	2,574	2,608

Source: *Rapport C.E.S. Annexe No. 34.*

scholarships. Table 28 gives the geographical distribution of all the Scholarships (both kinds) awarded by the *Service de coopération technique* in the Ministry of Foreign Affairs.

Programmes élargis

Finally, there are the *programmes élargis*. Originally, there were only two such programmes: one for the three States of ex-Indochina, set up in 1955, and one for Morocco and Tunisia, set up in 1957. In 1962 a *programme élargi* was inaugurated for Iran, administered by the *Services de coopération technique* in both Ministries. In 1963 there was a similar one for Congo-Leopoldville which in 1964 became the programme for Central and East Africa. Finally, in 1964 a programme was established for Latin America; and there are likely to be more in 1966. Under these programmes it is possible for the two *Services* to depart from strictly technical assistance activities – the sending of teachers and experts and the receiving of students and trainees – and to undertake relatively long-term projects which in fact border on financial aid. The programmes are financed entirely by grants. Any imports of goods or services must be from France; some local financial participation is required, in principle equivalent to that of France. In 1965 the French budgetary allocation for them was still small: 42 million francs, or less than a quarter of the total allocation for the two *Services* (see table on page 108). The budgetary procedures for financing them are different from the procedures for financing ordinary technical assistance. The latter is financed by '*crédits de fonctionnement*', which must be spent in the year in which they are voted, or otherwise lapse. The *programmes élargis* are financed by '*crédits d'investissement*', which are voted in the form of '*autorisations de programme*' (A.P.), or commitments, of which a specified part – the *crédits de paiement* (C.P.) – is available for disbursement in the year in which they are voted. If for one reason or another the whole of these *crédits de paiement* is not disbursed in the year in which it was intended they should be disbursed, the unspent portion can be carried over into the next year. It was found that this was in effect the only way in which it was possible to finance a big programme of surveys and pre-investment studies, or such projects as an agricultural or technical school, in which it was impossible to complete the whole operation in one year, difficult to foresee exactly what part of it would be completed in the first year and how much schedules would be delayed, and unsatisfactory not to be assured of finance for succeeding years. Such a method of financing is restricted to well-defined projects of a certain size. It is possible to pay the necessary personnel for them out of the 'investment' funds. In general, the programmes involve only what are sometimes described as 'pre-investment' activities. They are used to finance the studies and surveys required before a project is carried out, and only very rarely actually to execute a project.

But they have also been used to finance the setting up and functioning of training-schools in developing countries, and the supply of specialists to teach in them. It was felt that it was essential to train middle-level manpower, but that it was expensive and unsatisfactory to do it by bringing them all individually to France for training-courses in French institutions. The Ministry of Foreign Affairs had by 1963 contributed to the financing of 15 administrative training centres, 14 agricultural institutions and 17 medical training institutions in developing countries. This emphasis on the importance of training middle-level administrators and technicians in their country of origin, and of bringing only students of the most advanced level to France, is a principle to be found throughout French aid, and is based on the realistic view that it is best to uproot, and risk depriving developing countries of, as few people as possible.

The original programme in Indochina was rather more substantial than subsequent programmes in other areas, and of a somewhat different kind. It was based on a commitment of 20,000m. old francs voted in 1955; this was later reduced to 16,000m. Part of this was intended to be used to finance French exports to these countries. Part was used for what was unquestionably financial aid; above all, the construction of the Sihanoukville harbour in Cambodia. These funds have however now been almost entirely disbursed, and new commitments to the three States under the *programme élargi* are on the same basis as commitments in other parts of the world.

Aid representation

The Ministry's aid representation abroad varies according to the importance of its aid programme in the country concerned. In most countries the *Direction générale de la coopération culturelle et technique* is represented by a cultural attaché or *conseiller*; he and the commercial attaché, if there is one, are responsible for questions of aid. Sometimes, in countries where French aid is more important – for instance in Iran, the Lebanon, Brazil, Colombia, Chile and Congo-Leopoldville – they are assisted by a *Conseiller de coopération technique*. In the 'privileged' countries, the aid representation is more substantial. In Morocco, Tunisia and Cambodia there are *Services de coopération technique* attached to the French Embassies; in Laos and Vietnam there are *Missions d'aide économique et technique*. The latter are bigger and have more autonomy, but the principle of the *Services* and the *Missions* is roughly the same: they are autonomous organisations within the Embassies, with autonomous budgets and a director who is assisted by five or six specialists and a fairly large executive staff.

Aid agreements

The Ministry of Foreign Affairs is in addition linked to a number of the recipients of its aid by 'co-operation agreements'. Its agreements with

the 'privileged' countries are of course the oldest. In the three States in South East-Asia the legal foundations for aid were the quadripartite agreements of 1949, and subsequent re-affirmations of the principle of aid by the French parliament. In Morocco and Tunisia, a series of 'technical co-operation' agreements from 1955 onwards laid down the conditions on which French technical assistance personnel worked in these countries. More recently, and particularly in 1963, 1964 and 1965, various '*accords de coopération technique*', '*accords de coopération culturelle et technique*', '*accords de coopération technique et scientifique*' have been concluded, in particular with Rwanda, Burundi, Congo-Leopoldville, Saudi Arabia, Sierra Leone, Guinea, and with Yugoslavia, Rumania and Canada. De Gaulle's visit to Latin America brought a spate of such agreements, or reinforcement of old ones: with the Argentine, Brazil, Chile, Colombia, Ecuador, Paraguay, and Uruguay. More are being negotiated with Middle Eastern countries. They are all agreements which affirm in general terms the desire of the two countries to co-operate and set out the technical arrangements which will govern this co-operation; they contain no specific undertakings by France to provide aid in certain quantities.

This, together with responsibility for multilateral aid (see Chapter 8), completes the catalogue of the aid activities of the Ministry of Foreign Affairs before aid to the African and Malagasy States and to Algeria was transferred to it. As can be seen, it was a fairly small base on which to build a national aid programme. The *Direction générale des affaires culturelles et techniques* has a staff of 50 or so. The bulk of its activities are traditional – the supply of teachers, the awarding of scholarships – and have traditional aims – the expansion of French culture. The Ministry's other major activity is the supply of civil servants to keep the administrations of Morocco and Tunisia functioning – again, important but hardly bold innovation. To the regret of the Ministry, progress in expanding activities outside traditional areas has been slow, although noticeable. This of course has been due to lack of funds rather than to lack of will. Probably the most interesting innovations of the *Service de coopération technique* have been the setting up of training-schools for middle-level technicians in developing countries (see also the following section), and the creation of the *Centre* to train a cadre of French experts with reference to the experience of other experts and the specific needs of developing countries; but these activities remain limited in size. Finally, the Ministry has so far been concerned almost exclusively with technical assistance, and this was seen to be its main vocation; the Report of the *Conseil économique et social* ends its section on the Ministry of Foreign Affairs with the following rather ambivalent sentence: 'We may ask ourselves whether the kind of aid constituted by the "*programme élargi*" ought to be developed, considering the results that have been achieved and the

fact that these development activities of an economic type go beyond the framework of technical co-operation.'

2 Technical assistance from the Ministry of the Economy and Finance.

The *Service de coopération technique* in the Ministry of the Economy and Finance was not affected by the ministerial changes at the beginning of 1966. It corresponds to the *Service* of the same name in the Ministry of Foreign Affairs; it was also created in 1956, and it has much the same type of activities. The major difference is that it has nothing to do with Morocco, Tunisia, Laos, Cambodia and Vietnam; it is exclusively concerned with traditionally foreign countries. The division between the two *Services*, as has been said, is functional. The *Service* in the Ministry of the Economy and Finance is concerned with technical assistance in the economic, commercial and industrial fields. Another, quite common, way of differentiating the two Ministries' rôles in technical assistance is to say that the Ministry of Foreign Affairs is concerned with France's political and cultural expansion abroad, while the Ministry of the Economy and Finance is concerned with France's expansion in the commercial and industrial fields.¹ One of the purposes of giving the economic Ministry some responsibility for technical assistance was to make use of its close relationship with industrial and commercial concerns in France which might be expected to benefit from, and contribute to, the government's efforts in the technical assistance field (see below).

The *Service de coopération technique* is attached to the *Direction des relations économiques extérieures* in the economic part of the Ministry, whose other attributions include economic expansion abroad and commercial policies. It has no direct connection with the Treasury, responsible for administering the loans described in the next section. Indeed its closest administrative link within the aid organisation is with the *Service de coopération technique* in the Ministry of Foreign Affairs. Funds appropriated in the budget for the two *Services de coopération technique* are inscribed in the budget of the Ministry of Foreign Affairs, which then delegates part of these funds to the *Service de coopération technique* in the Ministry of the Economy and Finance. (see Table 25) It is claimed that the two *Services* work in complete harmony and amicably decide any demarcation disputes which might arise from the imprecise nature of the division of functions between them. On the other hand, there are certainly anomalies. The Ministry of Foreign Affairs is responsible for agriculture, the Ministry of the Economy and

¹ See for instance the Report of the *Conseil économique et social*.

Finance for industries based on agriculture. The two Ministries are not consistent in their use of institutions set up by each other, and the pattern is complex.

Since the *Service* in the Ministry of the Economy and Finance deals solely with countries which have never been under French rule, it can act in countries which are more developed than the Franc Zone countries and can, as the Report of the *Conseil économique et social*¹ puts it, 'set up new and original procedures to enable the attainment of true co-operation; that is to say, the reciprocal according of advantages'. M. Vattaire, the head of the *Service de coopération technique*, is quoted in this Report as having said: 'An action of technical co-operation is only likely to be effective, to lead to concrete results, if it is sustained, stimulated, enriched by a constant development of industrial and commercial exchanges which it orientates and to whose creation it contributes. Thus, technical co-operation tends naturally to become an important factor in our economic expansion abroad, all the more effective in that it is not primarily directed towards that end.' The activities of the *Service de coopération technique* are assisted by all the administrative arrangements for promoting French economic expansion, and in particular by the commercial counsellors and attachés in embassies abroad.

An important consequence of this attitude to the rôle and aims of technical assistance is that considerable effort has been made to enlist the support of the French private sector and nationalised industries. As M. Vattaire has said,² the *Service de coopération technique* was created in the Ministry of Finance and Economic Affairs largely because this Ministry 'by tradition and in its functioning has continuous and close relations with French industry, and in consequence some means of influencing it. For in fact one of the problems of technical co-operation in this field is to stimulate all those who can give us their support – whose support is in fact essential – to do so. Obviously if one wishes to organise practical training courses for foreign engineers in a French factory, one cannot do it without the consent of that factory. More, one cannot do it with any hope of success without a very sincere desire on the part of these industries to do something useful. In the same way, if we need an expert who is very competent in steel manufacturing, in chemicals or in some other practical field, he must be found where he is, and in consequence the industry . . . must agree to part with him during the period of the technical assistance project, which creates problems for it'. A considerable effort of persuasion is being made, to demonstrate to industry that it is in their interests to support the policy of technical co-operation, and to associate their particular methods and dynamism in the formulation of this policy.

¹ Ibid

² Monsieur J. Vattaire, head of the *Service de coopération technique*, in a lecture at the *Centre de formation des experts de la coopération technique internationale*, in October 1964.

Like the corresponding *Service* in the Ministry of Foreign Affairs, the *Service de coopération technique* in the Ministry of the Economy and Finance has three main forms of activity: it organises training courses for foreigners in France, it sends 'experts' abroad, and it carries out some more long-term and integrated operations under the *Programmes élargis*. This section will be concerned primarily with the aspects of these activities which are specific to the *Service* in the Ministry of the Economy and Finance, or which result primarily from its own policy initiatives. In addition, the *Service* is largely responsible for a specific form of 'aid' described as aid to the *Bureaux d'études*, or consultancy firms, of which there are substantial numbers and a considerable variety. They are very important in all France's aid programmes, and will be described at the end of this section.

(a) Training in France (ASTEF)

On the initiative of the *Service de coopération technique* in the Ministry of the Economy and Finance, and as part of its policy of associating the private sector with the government's technical assistance activities, two organisations have been created: the ASTEF (*Association pour l'organisation des stages en France*) in 1958 and the ASMIC (*Association pour l'organisation des missions de coopération technique*) in 1961. They are private associations, formed by groups of private firms; they are linked to the administration by precise agreements setting out their functions, and they are controlled and financed jointly by their member-firms and by the official administration. They are in effect executive organisations, charged with carrying out tasks prescribed by the *Service de coopération technique* in the Ministry of the Economy and Finance. The ASTEF is now also used by the corresponding *Service* in the Ministry of Foreign Affairs. These institutions have the additional advantages that they relieve the *Services de coopération technique* of considerable administrative burdens, and they allow certain tasks to be accomplished with rather more flexibility and speed than is possible through ordinary administrative channels. Their interventions in developing countries can be more informal and experimental; they are not burdened with the weight of officialdom and French national prestige.

The ASTEF is responsible principally for the organisation of *stages*, or training courses, for foreigners in France; also for the reception of foreign personalities. (It does this for the Ministry of Foreign Affairs as well.) The final political decisions belong obviously to the official administration; but the ASTEF does all the preparation, after studying information from the administration and official and unofficial representatives abroad, and then seeks official confirmation for its plans. The training courses are for professional people or technicians who already have experience and occupy or are about to occupy positions of responsibility. In principle, they are short, since people of this level presumably cannot be spared for long – although this presents

problems, since it is often necessary also to give them accelerated French language courses. The ASTEF is not concerned with regular students in universities, who receive scholarships directly from the *Service de coopération technique* in the Ministry of Foreign Affairs, or with middle-level people, who, as far as possible, are trained in their own countries.

A general programme of the scholarships to be offered is established by the two Ministries. Candidates are then selected first by their local representatives, then by the ASTEF. The ASTEF prepares the documents of candidates and organises programmes for them in France, in liaison with the organisations, private businesses or nationalised industries, which will be concerned with their training. Three-quarters of the courses have to be arranged separately for individuals; the rest are concerned with twenty or so *stagiaires* at a time. The ASTEF also organises the practical details of their reception in France. It provides, out of public funds, monthly allowances for the trainees, their travelling expenses, insurance and technical documentation. The organisations in which they complete their course are expected to pay most of the expenses resulting from the time they spend in their administration and factories; this contribution is sometimes estimated at 3,000 francs per trainee, but it is obviously difficult to evaluate in financial terms the amount of time it requires to look after their needs.

The courses in France are followed up by a very thorough system which involves keeping in touch with '*anciens stagiaires*', sending them information on new developments in the techniques they have learnt in France, and generally ensuring that their experience in France is not an isolated interlude, but has a permanent effect on their relationship with France and with French science and techniques. Efforts are made to organise them, sometimes into 'associations', and to enlist their support in the organisation of missions of French experts. It has been found that these are much more effective when they are arranged at the request and with the collaboration of ex-ASTEF trainees. It is hoped that this 'network of ex-trainees' will thus become the 'permanent infrastructure' for French technical assistance. There are now about 6,000 of them, in 60 countries. In the same spirit, the ASTEF organises information visits to France by important personalities; obviously it is hoped that they will be interested in the possibilities of French industry in their countries, but they are also invited so that they can see for themselves what kind of aid is likely to be available and what conditions they must themselves fulfil if the aid is to be effective.¹ Tables 29 and 30 give the number of trainees, the countries from which they come and the sectors in which they are trained.

(b) Experts (ASMIC)

The ASMIC performs much the same functions in respect of experts'

¹ Vattaire, *ibid.*

missions abroad as the ASTEF does for training-courses in France. (But it works only for the Ministry of the Economy and Finance.) The ASMIC and the ASTEF work closely together, and attempt to co-ordinate their efforts and to use the advice and experience of their respective people, experts or trainees.

The ASMIC is responsible for all the practical details of administration involved in sending Frenchmen abroad. It also gives short preparatory courses on the particular problems they are likely to encounter in developing countries, since very few of them already have experience of working in such countries; it provides information on the country to which they are going, and tries to arrange meetings between them and students or trainees from this country, or experts returning from it. These activities are not yet being very widely applied; but they are part of the aims and policies of ASMIC. ASMIC also undertakes to edit and produce the reports resulting from missions, and to ensure that they are seen by the people who ought to see them and that they are systematically analysed, recorded and utilised.

Table 29
Training courses organised by the ASTEF, by country

		1962	1963
America ...	...	797	829
of which:			
Latin America	...	767	792
Europe ...	...	532	671
of which:			
Spain	...	87	153
Greece	...	89	113
Turkey	...	91	118
Yugoslavia	...	111	97
Poland	...	95	82
Portugal	...	41	49
Far East ...	...	386	506
of which:			
India	...	149	171
Japan	...	44	87
Pakistan	...	55	61
Thailand	...	34	53
Middle-East	...		
of which:			
Iran	...	152	191
Syria	...	23	55
Lebanon	...	39	44
Israel	...	56	41
Africa ...	...	86	115
of which:			
Tunisia	...	19	25
Ethiopia	...	23	25
South Africa	...	7	11
Total	...	2,080	2,453

Source: Rapport C.E.S., *ibid.*

The ASMIC also has some recruitment functions. It works to produce a favourable attitude to French technical assistance, in developing countries and in France. It compiles for the former accounts of what has been achieved, and explanations of French motives. In France, it attempts to build up support for technical assistance in industry and among scientists and technicians, and to explain to them the national and personal opportunities it provides; it is well placed to do this since it is itself sponsored and partly financed by industry.

The ASMIC conducts all the preliminary negotiations, in France and in developing countries, for technical assistance agreements; and it is able to make preliminary and informal contacts without involving the official administration. It has been found that this saves a lot of time and considerably tightens the process, and that it is easier for a semi-official body to make tentative openings in certain directions without committing the whole weight of the government. The ASMIC

Table 30
Training courses organised by the ASTEF, by sector

Sectors								Number of Courses	
								1962	1963
Architecture, urbanism	...	...	...	...	...	...	...	197	272
Electricity	...	...	...	...	...	...	...	276	226
Electronics	...	...	...	...	...	...	...	170	198
Public services (economics, finance, statistics, banking)	...	...	...	...	...	...	...	133	172
Business management, productivity	...	...	...	...	...	...	...	113	170
Agriculture, agricultural industries	...	...	...	...	...	...	...	51	119
Civil engineering	...	...	...	...	...	...	...	168	117
Chemistry	...	...	...	...	...	...	...	105	114
Technique and other industries	...	...	...	...	...	...	...	89	113
Medicine	...	...	...	...	...	...	...	—	107
Oil and gas	...	...	...	...	...	...	...	104	104
Atomic and solar energy	...	...	...	...	...	...	...	68	91
Railways	...	...	...	...	...	...	...	97	87
Technical and professional training	...	...	...	...	...	...	...	76	84
Steel and metallurgy	...	...	...	...	...	...	...	60	72
Mines, geology	...	...	...	...	...	...	...	67	70
Mechanics, motor vehicles	...	...	...	...	...	...	...	40	50
Agricultural hydraulics	...	...	...	...	...	...	...	43	43
Aeronautics	...	...	...	...	...	...	...	50	38
Sanitary techniques	...	...	...	...	...	...	...	19	36
Administrative judicial services	...	...	...	...	...	...	...	8	31
Scientific research	...	...	...	...	...	...	...	8	31
Textile industries	...	...	...	...	...	...	...	24	23
Hygiene, public health	...	...	...	...	...	...	...	13	21
Coal	...	...	...	...	...	...	...	21	19
Transport	...	...	...	...	...	...	...	11	14
Heating and air-conditioning	...	...	...	...	...	...	...	19	11
Miscellaneous industries, metal industries	...	...	...	...	...	...	...	49	9
Archaeology, archives	...	...	...	...	...	...	...	—	9
Miscellaneous mechanical industries	...	...	...	...	...	...	...	—	—
Total	...	...	...	...	...	...	...	2,080	2,453

Source: C.E.S. Report, *ibid.*

is also in a better position to ensure that the local government agrees to make a financial contribution to the project, and keeps to its agreement to make a financial contribution to the project, and keeps to its agreement.

Table 30 gives the number of experts organised by the ASMIC and their geographical distribution.

(c) **Training institutions abroad**

One of the newest and most interesting activities of the *Service de coopération technique*, again assisted by the ASMIC, is the creation of 'centres de formation professionnelle et de perfectionnement technique' in developing countries. These are intended to train middle and lower level cadres – skilled workers, foremen, managers and technicians – and thus to avoid both the difficulties of adaptation and the cost which would be involved in bringing them all to France. They are equipped with French teaching equipment and directed at the beginning by Frenchmen. They are claimed to be 'strikingly successful'.

At first more traditional establishments were set up, such as the Franco-Peruvian technical centre at Lima (1956), with complete training courses lasting several years. The newer, and now generalised, versions are centres for 'accelerated training' where teaching sessions are relatively short; they are supplemented by sessions for 'perfecting' technicians who have already had some training and professional people who are already in jobs. Teaching is in the local language. They are started off by French experts, generally on two-year contracts, who, after the completion of their contract, are in theory replaced by local people; these have been trained to take their places either in the centre itself or by means of training in France organised by the ASTEF. The take-over is not always as smooth as this, but in theory at any rate Frenchmen are progressively replaced by local people trained in French techniques, and the centres then continue on their own momentum. Most of them are concerned with electricity or mechanics; some (for instance the one at Isfahan in Iran) with textiles, some with a variety of professions (Mexico), some with telecommunications. By 1965 there were altogether 31 of them, mostly in Latin America.

The ASMIC studies projects submitted by the local authorities and in turn submits them to the *Service de coopération technique*; it also draws up and sometimes signs the agreements with the local government, public authorities, sometimes even private industry. In this field, the French also co-operate fairly closely with the ILO (the United Nations International Labour Organisation). French technical assistance funds, under the *Programmes élargis*, are used to equip the centres and to pay for the French experts. The local authorities provide buildings, pay for the transport of equipment, the salaries of local personnel and sometimes also some of the expenses of the French personnel.

Table 31
**Geographical distribution of experts sent by the Service
 in the Ministry of the Economy and Finance (ASMIC)**

									1962	1963
Brazil	...	...	...	...	...	...	...	...	71	57
Iran	...	...	...	...	...	...	...	...	42	40
Argentine	...	...	...	...	...	...	...	...	29	12
Peru	...	...	...	...	...	...	...	...	27	9
India	...	...	...	...	...	...	...	...	25	32
Mexico	...	...	...	...	...	...	...	...	24	8
Venezuela	...	...	...	...	...	...	...	...	19	12
Greece	...	...	...	...	...	...	...	...	19	29
Turkey	...	...	...	...	...	...	...	...	15	2
Colombia	...	...	...	...	...	...	...	...	11	7
Chile	...	...	...	...	...	...	...	...	8	4
Yugoslavia	...	...	...	...	...	...	...	...	7	7
Poland	...	...	...	...	...	...	...	...	7	6
Lebanon	...	...	...	...	...	...	...	...	7	1
Uruguay	...	...	...	...	...	...	...	...	5	1
Cyprus	...	...	...	...	...	...	...	...	5	3
Ecuador	...	...	...	...	...	...	...	...	4	1
Haiti	...	...	...	...	...	...	...	...	4	4
Syria	...	...	...	...	...	...	...	...	4	3
Afghanistan	...	...	...	...	...	...	...	...	4	1
Tanzania	...	...	...	...	...	...	...	...	3	—
Korea	...	...	...	...	...	...	...	...	3	6
South Africa	...	...	...	...	...	...	...	...	3	—
Honduras	...	...	...	...	...	...	...	...	2	—
Thailand	...	...	...	...	...	...	...	...	2	5
Singapore	...	...	...	...	...	...	...	...	2	—
U.S.A.	...	...	...	...	...	...	...	...	1	—
Canada	...	...	...	...	...	...	...	...	1	—
Bolivia	...	...	...	...	...	...	...	...	1	1
Salvador	...	...	...	...	...	...	...	...	1	3
Portugal	...	...	...	...	...	...	...	...	1	—
Israel	...	...	...	...	...	...	...	...	1	1
Burma	...	...	...	...	...	...	...	...	1	12
Malaya	...	...	...	...	...	...	...	...	1	10
Japan	...	...	...	...	...	...	...	...	1	3
Indonesia	...	...	...	...	...	...	...	...	1	3
Australia	...	...	...	...	...	...	...	...	1	4
Angola	...	...	...	...	...	...	...	...	1	2
Ethiopia	...	...	...	...	...	...	...	...	1	6
Pakistan	...	...	...	...	...	...	...	...	—	7
Switzerland	...	...	...	...	...	...	...	...	—	4
Guinea	...	...	...	...	...	...	...	...	—	3
Philippines	...	...	...	...	...	...	...	...	—	3
Ceylon	...	...	...	...	...	...	...	...	—	3
Formosa	...	...	...	...	...	...	...	...	—	2
Mozambique	...	...	...	...	...	...	...	...	—	1
Libya	...	...	...	...	...	...	...	...	—	1
Costa Rica	...	...	...	...	...	...	...	...	—	1
Dominican Republic	...	...	...	...	...	...	...	...	—	1
Sudan	...	...	...	...	...	...	...	...	—	1
Total	...	...	...	...	...	...	...	...	369	315

Source: Rapport C.E.S., ibid.

There are also in some countries '*Centres de diffusion de la documentation technique française*'. These are permanent establishments, able to supply ex-beneficiaries of French training-scholarships with the latest material on French techniques. Since 1958, such centres have been set up in Brazil, Iran, Poland, Venezuela, Belgrade and Beirut.

(d) Aid to consultancy firms

Finally, the *Service de coopération technique* provides a specific form of aid which is described as '*aide aux bureaux d'études*', aid to consultancy firms, and which was 4·1m. francs in 1964. This aid consists either of subsidising them directly, or of helping them to establish themselves in developing countries by using their services in technical assistance operations. The French make extensive use of consultancy firms in all their aid programmes, inside as well as outside the Franc Zone. With support not only from the Ministry of the Economy and Finance, but from the other departments concerned with aid, exceptionally large numbers of them have been established and flourish (see also page 155).

This is useful for both parties: the developing countries need advice, French industry has a better chance of being able to gain contracts for projects which have been initiated by French consultants. But there are obvious dangers. French consultancy firms may recommend not what is best for the developing country, but what is most likely to fit the capacities of French industry. It is difficult to see how this danger can be avoided, given the need of most developing countries for expert advice on development opportunities; and advice given by individual government experts is not necessarily more impartial than advice given by private consultancy firms. Other dangers are, for instance, that it is tempting simply to delegate all responsibility to private firms, and to give up control of what they do once they have been paid a fixed price; or the firms may persuade local Governments to ask the French Government to finance activities which are not in the interest of the country concerned.

The French Government is well aware of these dangers. The *Jeanneney Report* devotes a section in its chapter of specific proposals to 'The disciplining of consultancy firms'. The Report makes no distinction between firms which operate inside and outside the Franc Zone. Sometimes they are the same; but more often they are not. On the whole the difference is that firms operating in foreign, and generally more advanced, countries are more clearly commercial organisations; whereas many of those which were originally designed to operate in the Franc Zone countries are in fact specialised non-profit-making institutions subsidised by the French Government, and are presumably less likely to compete openly and to force undesirable projects on to developing countries. The *Jeanneney Report* which, as far as it could, treated what happens inside and outside the Franc Zone as one problem, distinguishes these institutions as follows: some

of them 'belong to a big industrial firm and the projects which they propose are necessarily influenced by the desire to procure for the latter orders for goods in the limited sector of its manufactures. Others, also private, are independent. French nationalised industries have constituted the 'Sofre' (*Sofremine*, *Sofrerail*, *Sofregaz*, etc.) which specialise in one industrial technique. There are also consultancy firms which are essentially devoted to economic studies. *A priori*, all French firms of a certain size are ready to work in developing countries, and many have already done so. But certain firms specialise in technical co-operation. They have generally been created by big banking organisations – public¹ or private – which participate in the financing of co-operation'. The *Report* continues:

'The Government should be pleased to see that numerous teams are thus available to help it in its policy of co-operation; but it must know that the activities of certain consultancy firms have given rise to criticisms, which are sometimes, it seems, justified.

'Some rules should be reiterated. It would be useful if a list of firms undertook to respect them, appeared capable of doing so and were in consequence officially approved.' The *Report* then listed some recommended rules which it considered ought to be observed by consultancy firms. These were concerned mainly to ensure that the firms produced studies which were genuinely useful to the developing country concerned, and had some chance of achieving practical results; that they trained local people and involved them in their work; that they made known their links, if any, with other financial organisations, did not compete unscrupulously at the expense of developing countries, and did not make excessive profits.

Other French authorities have expressed the same kind of concern. A commission has been created in the Plan commissariat to work on this problem; the *Cour des comptes* is said to be studying it. The Report of the Economic and Social Council² also referred to the Jeanneney proposals, and made detailed proposals of its own to ensure the proper use of consultancy firms. In this Report it was considered that the main problem was the choice of firms worthy of receiving aid. The Report did not question that they should be used, and subsidised: foreign competition, and more or less covert subsidies by foreign countries to their own firms, made such a form of aid useful and essential. But there ought to be a clearer distinction between the use of consultancy firms to carry out technical assistance projects, and mere subsidisation of one's own firms in order to defeat international competition. Great care should be taken to ensure that only those firms, and only those projects which are of value to developing countries, are subsidised from technical assistance funds. The *Service de coopération technique* should exercise detailed control, and it should

¹ In this case mainly by *Caisse centrale*, the FAC or the FIDES: see page 89.

² *Ibid.*

offer assistance only after discussion with the authorities of the country concerned. The ASMIC should be associated in the agreements and ensure that the work is expedited and carried out thoroughly, and that there are no excessive charges. In order to make such control easier, technical assistance should never pay the total costs of an operation. Nevertheless, the Report at the same time says that 'the objective to be achieved' is to open up new fields of activity for French consultancy firms. There clearly exists some ambiguity of aims, in spite of the call to distinguish between technical assistance in the interest of developing countries and mere subsidies for French firms.

In any case, no decision has been taken on the implementation of the Jeanneney proposals for controlling the activities of these multitudinous *Bureaux d'études*. They will obviously continue to be used: many of them are well established, with considerable experience and expertise, and with teams of men used to working together and possessing the required range of techniques. In addition, they present the substantial advantage of being able to give relatively permanent employment to such teams of experienced men, many of them ex-colonial civil servants. They are in a sense an alternative to a permanent career service for technical assistance, which has been rejected as too great a burden on public finances (see above). They are also in a way more flexible and adaptable than such a career service would be. Their procedures can readily be altered to fit local circumstances. They are not directly connected with the French Government. Some of them have shown considerable independence *vis-à-vis* this Government, not in the sense of more unscrupulous profit-making, but in the sense of more disinterested concern with the needs of the developing countries; and they have gained the confidence and affection of the latter, particularly in Africa, and a certain imperviousness to political vicissitudes. The existence of such quantities of specialised and competent organisations is in fact one of the great advantages of French technical assistance.

The *Service de coopération technique* in the Ministry of the Economy and Finance feels, with some justification, that it has achieved much with very limited means. Its policy of associating the private sector with industry is interesting, and will no doubt be pursued. Its emphasis on training professional and technical personnel at middle levels in their own countries is also important.

3 Official loans from the Treasury

Government loans to developing countries outside the Franc Zone began only in 1960. There have been substantial commitments, but disbursements have been much smaller. The following table gives

figures assembled from Treasury sources for the Report of the *Conseil économique et social*:

Table 32

Government loans at 30 September 1964
 ('loans to foreign countries intended to facilitate
 the purchase of capital goods')

(million francs)

Country	Date of Commitment	Amount of Commitment	Disbursements		
			1963 and before	1964 (to 30.9.64)	Total (at 30.9.64)
Vietnam	...	1960	70	7·7	43·5
Chile	...	1961	20	14·0	17·7
Morocco	...	1963	210	70·0	196·0
Tunisia	...	1963	90	65·0	70·0
Tunisia	...	1964	100	—	—
Mexico	...	1963	150	—	—
Spain	...	1963	150	—	—
Turkey	...	1963	41	—	30·0
Yugoslavia	...	1963	5	—	—
Cambodia	...	1964	50	—	—
Greece	...	1964	41	—	18·0
Ethiopia	...	1964	15	—	—
Total	...	942	156·7	218·5	375·2

Source: Rapport C.E.S., Annexe 16.

These figures constitute the beginnings of a reorientation of French official aid to new areas, and this is already appearing in general figures on French aid. The DAC's figures for net loan disbursements to these countries are as follows:

Table 33

**Official bilateral aid: Net loan disbursements¹
 to Morocco, Tunisia and non-Franc Zone countries (\$m)**

			1962	1963	1964
Morocco and Tunisia	...	...	17·8	36·5	46·4
Cambodia, Laos, Vietnam...	...	...	—	1·2	8·9
Traditionally foreign countries	...	...	2·5	0·3	10·6
Total	...	...	20·3	38·0	67·9

Source: DAC Annual Aid Review 1965, Memorandum of France (published by the Ministry of the Economy and Finance).

Note: ¹ Including consolidation credits.

This, together with the (minimal) capital grants to these countries under the *Programmes élargis* (see above), was under 5% of total bilateral capital aid in 1962, but about 13% in 1963 and about 20% in 1964 (but since the great majority of capital aid to the other recipients of French aid is in the form of grants, the comparison is misleading in absolute terms; it is only the change over the three years which is significant). The figures for budgetary allocations in the

Document Annexe to the *Loi des Finances*¹ for 1965 and 1966 unfortunately do not allow comparisons to be made, because allocations for Treasury loans to foreign developing countries are not specified in advance (see below).

Official loans to countries outside the Franc Zone were made possible by a Finance Amendment Act² passed in August 1960. This Act introduced two new procedures to finance the purchase of capital goods from France: direct loans from the Treasury to foreign states, public establishments or public services; and the procedure by which the *Crédit National*, a public institution, can rediscount private export credits of more than 5 and up to 13 years maturity (what is called '*moyen terme prolongé*'). The Act also enabled Franc Zone countries to benefit from such officially-supported private export credits; previously, this had not been thought necessary. The 1960 Act was thus a small step towards equalising the treatment of countries inside and outside the Franc Zone, and part of the process of extending French activities into new areas.

The decision to make a loan to a foreign country is obviously a political decision, and part of foreign policy. But the Ministry of the Economy and Finance negotiates and signs the agreement, and has considerable say in the choice and vetting of recipients and projects, in particular from the point of view of economic return and the credit-worthiness of recipients. Official loans to traditionally foreign countries have all been made directly by the Treasury; for some loans to Cambodia, Laos, Vietnam, Morocco and Tunisia, the *Caisse centrale* (see page 89) has acted as intermediary between the Treasury and these countries. The loans are charged to the Treasury's *comptes spéciaux*, or special accounts. In the Treasury special accounts, a new account was created in 1960, entitled '*compte de prêts et de consolidation*', for the purpose of making loans to foreign countries. This account receives a general allocation in the annual budget; but the funds are not allocated to particular countries, and their distribution is decided during the year, up to the amount specified in the budget. Interest rates on these loans are 3 to 4%, and maturities 20 to 25 years. They have so far always – except in the Laos and Vietnam loans of 1959 and 1960 – been made as part of a general financial agreement for the financing of a project and in conjunction with private export credits, sometimes with technical assistance. They have in effect been used very largely to soften the terms of private loans: for instance, to pay the advance down-payments required by French suppliers, or to simplify payment procedures. They have also sometimes been used to finance part of the local costs of projects; this was the case in the government

¹ See footnote page 44.

² *Loi de finances rectificative*, 13 August 1960.

loan to Mexico (which was \$30m out of a total financial agreement of \$150m).

The accompanying private export credits are generally guaranteed by the COFACE (*Compagnie française d'assurance pour le commerce extérieur*). This is a semi-public institution very largely controlled by the Ministry of Finance; the Ministry must give a decision on each guarantee which is offered. When the COFACE provides guarantees on behalf of the Government, it is financed in case of default from the '*charges communes*' account in the Treasury. In addition, there is often a reduction in the interest rates on the export credits, from the normal rate (about 7%) to 5 or 5½%, which is also financed from the '*charges communes*' account. These export credits are generally medium-term: 5 to 13 years, rediscounted by the *Crédit National*, which finances its operations by recourse to the financial market, and may be backed by the Government. In DAC figures, officially guaranteed private export credits with maturities of more than one year are included in the figures on *private* flows; the whole amount of the credit is included (not simply the amount of the guarantee which has had to operate in cases of default).

France of course often offers such officially guaranteed, lower-interest, medium-term export credits on their own, unaccompanied by official loans. The majority of commitments to 'aid' foreign countries in fact consists of offers thus to soften the terms of a given amount of private suppliers' credits, or even simply to instruct the COFACE to guarantee private loans up to this amount. In particular, France's commitments in the World Bank consortia for India and Pakistan were simply offers to guarantee private export credits and to reduce their interest rates, which is presumably why India and Pakistan have been so slow to make use of them (they were in any case only about 2% of total consortium commitments to India during the last five-year plan). On the other hand, it is unlikely that French exporters would have been prepared to offer credit to India and Pakistan without an official guarantee from the Government; so in this sense the commitments might reasonably be described as 'aid'. Greece, Mexico, Nigeria, Chile and Brazil have also received commitments of this kind. In 1963 and 1964, net guaranteed private export credits of this kind, for the countries with which this chapter is concerned, amounted to 38·2m francs and 99·9m francs respectively.

France has in addition made government loans to consolidate the commercial debts of certain countries, in particular Brazil, Argentina and Turkey (the latter under the OECD Consortium for Turkey). They consist of advances made to these countries to enable them to repay French exporters, and are charged to accounts in the Treasury called '*comptes de règlement avec les gouvernements étrangers*'. They have been as follows:

Table 34
**Advances to consolidate the commercial debts
of certain countries with France**

			1964	1965
Consolidation of Brazilian debts	...	...	22.5	50
Franco-Argentinian agreements	...	...	10.0	+20 (repayment)
Financial assistance to Turkey	...	...	—	50
Miscellaneous charges	...	...	20.0	—
Total	...	...	52.5	80

Source: Rapport C.E.S., *ibid.*

It can be seen that the arrangements for financial aid to countries outside the Franc Zone, and even to Morocco and Tunisia, are still at a fairly rudimentary stage. The dominance of the Ministry of Finance in decisions about them has meant that official financial aid to traditionally foreign countries has so far in a sense merely supplemented private export credits. The government loans which have been made have on the whole been to relatively developed countries like Spain, Greece and Mexico, where French industry might be expected to find profitable outlets. In India and Pakistan it was decided, for political reasons, that France should participate in the World Bank Consortia; but the manner of French participation was in the hands of the Ministry of Finance, and the 'aid' was in fact offered in a form practically unusable by India and Pakistan, and with only marginal government participation in its financing.

But there is certainly a desire in some quarters to redeploy French aid, and therefore to develop these activities. It is likely that the *Caisse centrale* will increasingly be used as a channel for aid to all countries; its use as a channel for loans to Morocco and Tunisia, and Cambodia, Laos and Vietnam is a quite recent development; it is also possible that another organisation will be created through which to channel aid to all countries: see Chapter 3. Finally, the Ministry of Foreign Affairs will probably have considerably more say in future in the forms which the aid takes.

5—Aid to Algeria

Official aid to Algeria, although it has been declining, is still massive, and still accounts for nearly a quarter of total French aid (see table page 47). It is largely a political affair. This study will not go deeply into its politics, into the subtle arguments about counterparts, or into the financial, economic and juridical ramifications of the relations between France and Algeria. They have little relevance to the problems of aid as such, and are unlikely to be reproduced in other parts of the world. But they must be indicated briefly here.

1 Nature of aid and reasons for its size

Since independence, French aid to Algeria has been largely a holding operation. The great majority of it has been devoted to fulfilling existing commitments under the Constantine Plan¹ – largely to French investors who were encouraged to establish themselves in Algeria under the Plan, and to French contractors engaged under the Plan; to preventing financial collapse and preserving the stability of the Algerian currency; and to enabling the Algerian administration and educational system to continue to function, in particular after the departure of nine-tenths of the French who largely ran them. A very minor proportion of aid has been allocated to new operations, and there have been difficulties in using it. There has not been time to evolve new policies for the development of Algeria through aid, such as were elaborated for Algeria in the Constantine Plan in 1958, and are now being elaborated in tropical Africa.

French aid to Algeria has broad political motives. The economic circumstances of Algeria and the way in which it became independent made a high level of French aid to Algeria necessary if its close relationship with France was to be preserved. Certainly the economic ties between the two countries are complex and important. But in the last resort France's reasons for being prepared to pay the price of maintaining them are probably political, not economic. A rupture with Algeria would damage the French aspiration towards leadership of the Third World. France wants to prove that it can co-operate fruitfully with a socialist country without intervening in its internal affairs. Algeria is sometimes described by the French as their Cuba. And there is the need to preserve, and if possible enhance, the position of the French language.

There are also more specific considerations. When the French undertook, in the 1962 Evian Agreements, to provide aid for three years at a level equivalent to the level immediately before independ-

¹ The Constantine Plan was set up in 1958, and was a last-minute attempt to stave off Algerian independence by providing French aid for development on an unprecedented scale (see Chapter 1).

ence, the main consideration was probably the assumption that about half of the French settlers would wish to stay in Algeria after independence, and the main counterparts offered by Algeria were the guarantees of their rights, property and safety. But Algeria nationalised and socialised with little regard for these counterparts, and nearly all of the French settlers gave up and left. There were over a million Frenchmen in Algeria before independence, and there are now little more than 100,000. There was strong public reaction in France against aid to Algeria; in Parliament, Right and Left united to condemn the government's lack of reaction to the treatment of their nationals in Algeria, and voted against the aid commitments for Algeria in the 1964 and 1965 budgets.¹ But there were other reasons for the government's patience. There was Algeria's continued adherence to the Franc Zone. Until recently, there has been total freedom of transfers between Algeria and France. Frenchmen in Algeria repatriated vast sums (see Chapter 2); between January 1962 and July 1963, bank accounts in Algeria were depleted by 1,300m. francs and postal accounts by 380m. francs; it is assumed that the money went to France, and also that these were by no means the only ways in which it went. This would have been impossible without French aid. Moreover, if Algeria is to repay its debts to France, it is an advantage for France that its currency should remain freely convertible into French francs. Algeria has also continued to import from and export to France at roughly the same level as before independence, indeed at a slightly higher level, and it is still France's fourth biggest trading partner (coming before Britain). It has not yet applied tariffs against imports from France and, although it plans to do so in the immediate future, these duties will be considerably more favourable than those applied to the other members of the Common Market, which in turn will be more favourably treated than other countries. Then there is the military base at Mers-el-Kébir, and, more important, the atomic testing sites in the Sahara, about which Algeria has made no difficulties, in spite of African fears about atomic explosions. Finally, and most important, there is the oil and natural gas of the Sahara.

2 The 1965 oil and natural gas agreements

The 1962 Evian Agreements merely confirmed the regulations which had governed the exploitation of oil and natural gas since 1958, and which gave the oil companies in the Sahara more favourable treatment than oil companies in the Middle East (offsetting the higher cost of operations in the Sahara.) The Algerians have taken no unilateral action against the oil companies, most of which are French. Negotiations with France over French interests in oil and natural gas in the Sahara

¹ Cf. *Journal Officiel, Débats parlementaires*, Sénat, Nos. 785 (19 novembre 1963) and 575 (24 novembre 1964).

began, however, in 1964 and were concluded in July, 1965 (having been virtually unaffected by the fall of Ben Bella). They provide for the continuance of existing concessions, although the financial advantages for their French holders are to be considerably reduced, and Algeria's benefits correspondingly increased, so that the tax position of the oil companies will be roughly the same as that in the Middle East (in spite of the fact that production costs are higher in the Sahara). New concessions in a large area, especially demarcated and considered to be the most promising, will be exploited jointly by France and Algeria, in a so-called '*Association coopérative*' arrangement, under which, over the area as a whole, the French and Algerian Governments will have equal interests. France undertakes to provide a market for all of the production for which Algeria does not find a market elsewhere, at prices above present world market prices. Agreements similarly advantageous to Algeria were concluded for natural gas. The companies will be reduced to the rôle of industrial operators, with the obligation of supplying at the well-head as much gas as the Algerian Government requires, at a fixed price; commercialisation of the gas, and the profits therefrom, are to be in the hands of Algeria, and in part of a new 50-50 Algerian-French company. France undertakes to provide a market for considerable extra quantities of gas from 1968. The major originality of the agreements, made easier by large State participation in the existing oil companies, is that they have been negotiated between governments. They give Algeria considerable advantages in financial terms and in terms of control, greater than those that have yet been accorded to other oil-producing countries. The major advantage for France is the assurance of a large supply of oil, and soon of natural gas, to be paid for in francs. In 1964, Saharan oil provided about 37% of French needs, and supplies are increasing rapidly; the Secretary of State for Algeria claimed in Parliament that the saving in foreign exchange involved was over two billion francs, or over \$400m. The production of natural gas is now around 25m. tons a year. These advantages for France are nevertheless reduced by the fact that the oil and natural gas is more expensive than it would be from other sources, and the francs paid to Algeria are convertible and may be used by Algeria for imports from third countries. Ultimately, the justification even for these agreements, from France's point of view, is probably more political than economic.

The oil and natural gas agreements also include an undertaking by France to provide 'aid for industrialisation', the industrialisation to be based primarily on Algeria's oil revenues and products. This is an agreement for five years, thus very definitely linking the two countries. It provides for official French aid of 1 billion francs for the next five years (1966-1970), to be disbursed in five yearly portions of 200m. francs each; of which 40m. francs will be in the form of grants and 160m. will be loans at 3% interest rates, repayable in 20 years. An

organisation called the *Organisme de coopération industrielle* (OCI), controlled jointly by the French and the Algerians, has been set up and will administer this aid; it replaces the *Organisme saharien* (OS—see below). In addition, France has undertaken to guarantee a further 1 billion francs of private export credits. This aid is not intended to replace the previous French aid to Algeria, and it does not compare with the previous level of commitments for financial aid (originally 1 billion francs a year, almost all in the form of grants, although down to 800m. in 1964 and 500m. in 1965—see below).

3 Administration of aid

The relationship with Algeria is the responsibility of the Secretariat of State for Foreign Affairs, attached to the Ministry of Foreign Affairs. Although the latest oil agreements were negotiated largely by the Ministry of Foreign Affairs, they were signed by the Secretary of State, M. de Broglie. The Secretariat of State was created in 1962 when Algeria became independent; it was then attached directly to the Prime Minister's office. It took over responsibility from the fifteen or so Ministries which had had activities in the Algerian departments before independence. It was put under the authority of the Ministry of Foreign Affairs in January 1966 (see Chapter 3). It is responsible for political relations with Algeria, for military matters, for the problems of the French in Algeria and Algerian workers in France, as well as for monetary and commercial relations and financial aid.

4 Composition and size of aid

From 1963 to 1965, the three years of post-Evian aid, the French were basically doing two things: fulfilling their commitment to provide aid at the pre-independence level, and preventing financial and administrative collapse. The former was achieved by voting a lump commitment for financial aid in Parliament, later broken down through agreement with Algeria. The latter by disbursing part of this commitment to Algeria as 'free' or untied aid ('*aide libre*'), by voting additional (except in 1964) sums for technical assistance, and by making non-budgetary advances from the French Treasury which were additional to official aid (and not included in figures on it). The following sections will first explain the composition of French aid to Algeria, and then give the amounts committed and disbursed for the various categories.

(a) Financial aid

The commitment for financial aid in Parliament was theoretically to be used for investment operations. Part of it was untied ('*aide libre*') and simply transferred to the development fund (*Caisse algérienne de développement*—CAD) in the Algerian Treasury, and completely un-

controlled by France. Algeria has used some of this untied aid to repay the French Treasury advances (see below), some for the continuation of agricultural projects, started under the Constantine Plan, some for investments in French-speaking universities at Bône and Constantine. The rest is presumed simply to have been engulfed in the Algerian Treasury. In 1963 and 1964, part of the untied aid was retained by France to indemnify Frenchmen whose property had been expropriated by Algeria.

The rest of the commitment for financial aid voted by Parliament was 'tied aid' ('aide liée'), also nearly all in the form of grants. A large proportion of this (four-fifths in 1963, half in 1964 and some in 1965) was used to fulfil commitments made since 1959 by the CEDA (*Caisse d'équipement pour le développement de l'Algérie*) on behalf of the French State. The Constantine Plan provided for a complicated system of incentives to private investors in Algeria, which gave rise to obligations which continued into 1965, but which were practically fulfilled by that year. The CEDA had also awarded contracts to private French firms for carrying out projects and supplying equipment, many of which were not completed by 1962. When Algeria became independent, the CEDA, from having been a Franco-Algerian public institution, became solely French, and took over responsibility for these obligations. Since they were all obligations to French private concerns, they would have had to be honoured by France in any case, whether they were described as 'aid to Algeria' or not. The rest of the commitment for tied aid was intended to be used for new operations, to be submitted by the Algerian Government and agreed jointly by the CEDA and the CAD. But there has been considerable difficulty in finding enough new operations suitable for financing, especially as there are barely enough technically competent people to run what already exists, and was in any case intended for the use of a large population of French settlers. Much of this part of the commitment has not been spent, and has been carried over into succeeding years. But the proportion of new operations in tied aid has been increasing, and the CEDA is to engage in technical assistance activities in order to accelerate this trend. The procedure for financing such new operations as have been started – principally the creation of an Algerian national airline and merchant fleet – has been that the CEDA reimburses expenditures which are made by the CAD on agreed projects. The CEDA has a governing body which must agree to projects and which is composed of representatives of various sectors in France; it also has administrative offices in Algiers. The CEDA was also made responsible for disbursing 200m. francs committed by France before independence under an HLM (low price housing) programme.

(b) Technical assistance

The sums voted in the French Parliament for cultural and technical

assistance have been used to pay part of the salaries of Frenchmen in the administration and educational system of Algeria, and to finance scholarships for Algerians in France. The former represents about three-quarters of the amount voted. It has enabled the Algerian services to continue to function. In January, 1963, there were 10,662 Frenchmen in the Algerian administration, of which 50 or so were of very high level and occupied key posts. In January, 1964, there were 7,294; in January, 1965, 6,049. At the time of independence there were 12,500 French technical assistance teachers, about half of the total number of teachers in Algeria: they filled all posts in higher, technical and secondary education, and most of the top posts in primary education. The numbers of French teachers in Algeria have not been greatly reduced: there were 11,097 in 1964 and 11,055 in 1965. At first the Frenchmen who were occupying such posts at the time of independence simply stayed on, but they have now mostly been replaced by new arrivals. The system of payment for these technical assistance personnel has not been finally agreed, and still operates under an agreement of August, 1962. For the moment, therefore, the French personnel are paid entirely in France, on behalf of the Algerian Government; the Algerian Government simply reimburses a token monthly sum. Algeria would like to pay salaries directly to these personnel in Algeria, but is unwilling to pay full salaries and would like the French to pay at least half of the total required. Negotiations are pursued spasmodically; the latest series began early in 1966.

(c) Other official aid

Further sums are voted in Parliament on the budget of the Secretariat of State for Algeria for the French contribution to the *Organisme technique franco-algérien pour la mise en valeur du Sahara* (OS), for the *Office universitaire et culturel français pour l'Algérie*, for the administrative expenses of the Secretariat of State, etc. The last two are not counted as aid; the *Office universitaire et culturel* was created under the Evian Agreements to ensure the provision of French education for the French children still in Algeria and for Algerians who wanted it; it owns a number of educational establishments, and still provides about 1,200 French teachers (additional to the technical assistance teachers). It has been declining in importance: the budgetary allocation for it was 130m. francs in 1963, 54m. in 1964, 41·8m. in 1965. The Sahara organisation (OS) was also created at independence. It succeeded the OCRS (*Organisation commune des régions sahariennes*), a French organisation responsible for the development of mining activities in the Saharan regions of several of France's African territories. The OS itself has now been superseded by the *Organisme de coopération industrielle* (OCI), set up in January 1966 (see above). The OS was financed and controlled equally by France and Algeria. The French contribution to its financing, equivalent to the Algerian contribution, was included in official

figures on French aid to Algeria. The Organisation's main function was to ensure the upkeep and development of the infrastructure – mainly transport and communications – necessary for the exploitation of the natural riches of the Sahara; it also provided technical advice on these operations, on the granting of concessions and so on. The OCI is also jointly controlled; it will administer the 'aid for industrialisation', mainly based on petroleum in the Sahara, under the new agreements (see above).

(d) Amounts committed and disbursed for these categories of aid

The sums voted in the French Parliament for aid to Algeria have in fact been declining. For 1963, Parliament voted 1 billion francs for financial aid, plus 50 million francs for cultural and technical assistance and 35 million for the Sahara organisation. Of the 1 billion, 200m. was retained by France during 1963 to compensate its nationals. The remaining 800m. was equally divided between tied and untied aid. Four-fifths of the tied aid, as has been said, was used to fulfil commitments made before independence; it seems that of the total commitment of 400m., only 212m. was actually disbursed, plus, presumably, the 250m. francs which were carried over from 1962.¹ The 400m. of untied aid was completely disbursed, because paid over to Algeria; 100m. of it was used to repay Treasury advances made by France (see below).

For 1964, Parliament originally voted another 1 billion francs, but this commitment was to include expenditures on cultural and technical assistance up to a ceiling of 200m., so that in effect the commitment for financial aid was 800m. A further 47m. francs were committed for the Sahara organisation. The commitment for financial aid was later reduced by 50m. francs – to 950m. – as a 'warning' to Algeria, as a result of strong opposition in France to the level of aid to Algeria. During 1964, a further 110m. francs were subtracted to indemnify expropriated French farmers. This left 550m. for tied aid, including technical and cultural assistance, about half of which was again used to fulfil commitments under the Constantine Plan. The portion of untied aid was 290m., of which Algeria used 110m. to repay French Treasury advances.

For 1965, the commitment voted by Parliament for financial aid was down to 500m., presumably partly because the three-year period after Evian expired in June 1965. The commitment for the Sahara organisation was again 47m. francs, and was voted together with the commitment for financial aid. In addition, Parliament voted 154·5m. francs for cultural and technical assistance – making a total of 701·5m. francs for official aid to Algeria.

¹ Comité Monétaire de la Zone Franc, *La Zone Franc en 1963*, page B II-5; and *Journal Officiel*, Année 1963-64 – *Débats parlementaires*, Sénat – No. 785 – 19 novembre 1964 – page 2567.

The following table gives the amounts voted in Parliament in these three years on the budget of the Secretariat of State for Algeria (not all of which are officially 'aid'):

Table 35

**Amounts voted in Parliament on the budget of the
Secretariat of State for Algeria**

		1963	1964	(million francs) 1965
Military co-operation	...	—	—	4·5
<i>Office universitaire et culturel</i>	...	130	54·0	41·8
Administrative expenses	...	11	9·5	0·5
Educational, cultural and social activities (investments) in cultural centres, etc.	...	3	7·0	14·7
Cultural and technical assistance	...	50	— ¹	154·5
Contribution to the economic and social development of Algeria (financial aid)	...	1,000	950·0 ¹	547·0 ²
<i>Organisme technique Franco-Saharien</i>	...	30	47·0	— ²

Notes: ¹ 200m francs of the allocation for financial aid was reserved for cultural and technical assistance.

² 47m francs for the Saharan organisation was included in the allocation for financial aid.

Source: Rapport C.E.S. 1965, *ibid.*

For 1966, the commitment voted in Parliament for financial aid was lower still: 240m. francs. There were additional commitments of 117·5m. for the payment of technical assistance personnel, of 6·4m. francs for scholarships and training in France, of 52m. francs for the various specialised organisations (the Sahara organisation, the *Office culturel*, etc.), and of 2·7m. francs for 'various' expenditures. The 40m. francs of grant aid committed as 'aid for industrialisation' under the 1965 oil agreements was also voted in Parliament on the budget of the Secretariat of State for Algerian Affairs, making a total on this budget of 458·6m. francs. To this amount should be added the other part of the commitment for 'aid to industrialisation', the 160m. francs in the form of 20-year loans at 3% interest rates, which was not specified in the budget and is to be charged to the '*comptes spéciaux*' in the Treasury. This makes a total commitment of 618·6m. francs (partly in the form of loans), and is comparable with the 1965 commitment of 701·5m. francs (entirely in the form of grants).

The above figures are all taken from budgetary commitments and records of disbursements reported to Parliament. The French also publish their submission to the DAC. Their memorandum for 1965 states that net disbursements of official aid to Algeria amounted to \$357·6m. in 1962, \$239·4m. in 1963, and \$191·2m. in 1964. (This represents a reduction in Algeria's share of total French official bilateral aid from 41·5% in 1962 to 29·1% in 1963 and 23·1% in 1964.)

(e) Treasury advances

In addition to the official aid voted on the annual budget in Parliament,

France has made substantial 'Treasury advances' to Algeria. These are short-term, repayable at the most in two years, sometimes by the end of the year in which they are made. (They are therefore not included in DAC figures.) They were designed to tide Algeria over its immediate budgetary difficulties. In November and December 1962, advances of 100m. and 200m. francs were made, and another 250m. were advanced in June 1964; thus altogether, 550m. were advanced. Algeria's repayments of these advances have so far been on schedule, and are now practically complete. In addition, between June and November 1962, before the Treasuries of France and Algeria were separated, Algeria benefited from unlimited drawing rights on the French Treasury. During this time France virtually paid for the administration of Algeria; no taxes were collected in Algeria. The Algerian account in the French Treasury, which had been in surplus, became substantially overdrawn. The final estimate was that the cost to the French Treasury was 2,000m. francs. The Algerian Government is still theoretically responsible for repaying this debt, although, in large part, it corresponds to taxes which ought to have been paid during this period by Frenchmen who left Algeria. The discussions begun in January 1966 were aimed at clearing up this situation.

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The French, at enormous financial cost, seem successfully to have preserved their relationship with Algeria, in fact even to have reinforced it. They have also tided Algeria over its worst period immediately after independence, and prevented complete financial and administrative breakdown. They have now been able to reduce their aid to Algeria (and correspondingly increase their aid to other parts of the world), and it is unlikely that this will have much, if any, effect on the amounts available for Algerian *development*. The operation has thus been largely successful. But it has so far been successful simply as a holding operation. There has been little positive French involvement in new development in Algeria. It may be that the commitment for 'aid to industrialisation' will make a difference to this situation.

6—Aid to the African and Malagasy States

As has already been said, aid to the African and Malagasy States is the central and probably the most interesting part of French aid. This chapter will be concerned, first, with the juridical basis of the aid, then with the development of administrative structures to deal with it, with the methods and mechanisms for allocating the aid, and finally with policies.

Aid to the 14 African and Malagasy States has remained at a roughly constant level for the last few years; although capital aid declined quite sharply in 1965, this is said to be only temporary and due to the special effort to limit all French budgetary expenditures in that year. It is unlikely that its level will decline substantially in the near future, and it is even possible that the French Government will find itself having to raise the level owing to the economic difficulties encountered by some of the States. Studies are being made, in the context of the French Fifth Plan, on the future uses of French aid to the African and Malagasy States, on the assumption that it will remain at its present level of about a third of total French aid.

The Secretariat of State for Foreign Affairs in charge of Co-operation (ex-Ministry of Co-operation) is responsible for administering virtually all of this aid.

1 The basis for aid ; the Co-operation Agreements

The 14 so-called African and Malagasy States¹ which have an especially privileged relationship with France are:

Senegal	}	ex-French West Africa (minus Guinea)
Mauretania		
Mali (ex-Soudan)		
Upper Volta		
Niger		
Ivory Coast		
Dahomey		
Togo	}	ex-UN Mandated Territories
Cameroun		
Chad		
Central African Republic (ex-Oubangui-Chari)		
Congo (Brazzaville)		
Gabon	}	ex-French Equatorial Africa
Madagascar		

They are the States which voted to become Autonomous Republics in the French Community in 1958, and which became independent during 1960 (see historical chapter). They are linked with France by a complex series of agreements. They all, with the exception of Mali and Togo, signed Co-operation Agreements with France at their independ-

¹ They will in future generally be referred to as 'the States'.

ence or soon after; Mali signed such an agreement in 1962, Togo in 1963. Aid to them has in the past few years been administered by a special ministry, the Ministry of Co-operation (now the Secretariat of State for Foreign Affairs in charge of Co-operation, attached to the Ministry of Foreign Affairs); this is responsible for virtually all forms of economic, financial, monetary, commercial, cultural, social and technical relations with the States. Guinea, although it was part of French West Africa, is not among these privileged 14 States because it voted 'No' in the 1958 referendum; such aid as it receives from France has since 1958 been administered directly by the Ministry of Foreign Affairs. Three other countries in tropical Africa – Congo-Leopoldville, Rwanda and Burundi – have recently to some extent shared in this privileged treatment; the Ministry of Co-operation (now Secretariat of State) has provided small amounts of financial aid for them – although the Ministry of Foreign Affairs continued to administer technical assistance to them.

The Co-operation Agreements are the basis for aid to the 14 States. They represent an important concession by France on a point of principle: France is prepared to continue to support the States financially even though they are independent and even though some of them have formally left the Community. They also demonstrate clearly the remarkable continuity that has been preserved in Franco-African relations. A small book by M. Maurice Ligot, on the Co-operation Agreements, published officially,¹ states in its preamble: 'Franco-African co-operation thus appears as the preservation of close, multiple and fundamental links . . . It can thus be defined as a new type of relations between sovereign States'. Between 1958 and 1960 relations between France and the States evolved 'without serious clashes, making it possible for the African and Malagasy States to achieve independence, inside or even outside the Community, without profoundly modifying either the juridical links, or the links of friendship, with the ex-metropolis'.² The Co-operation Agreements on the whole cover the fields which had been reserved to the competence of the French State between 1958 and 1960: foreign policy, defence, monetary affairs, the common aspects of economic and financial policy, policies for primary commodities and strategic materials, justice, higher education, the organisation of international transport and telecommunications. In these matters the States asked for French support or agreed to harmonise their policies with those of France.

The Agreements vary relatively little between States; some of them are in fact practically identical, and most of them use the same formulas and certainly have the same spirit. Some of them were

¹ *Les Accords de Coopération entre la France et les Etats Africains et Malgache d'Expression Française*, by Maurice Ligot, published by *La Documentation Française* in the series *Le Monde Contemporain*, in 1964.

² *Ibid.*

negotiated multilaterally. They vary least in the technical fields of economic, financial, commercial and monetary co-operation and technical assistance, and in particular they all contain undertakings by France to provide aid and by the States to adhere to the Franc Zone. In more political matters – the co-ordination of foreign policy and defence – the agreements with Senegal, Madagascar and the four States of Equatorial Africa contain broader undertakings than the others. These States remain in the Community and are supposed to have certain common political institutions with France, including the Presidency. But the Community institutions provided for have not met, and the Community no longer has much practical significance. The agreements with the other States contain political provisions which are hardly less important; Mali is the only State not to have signed any agreements of a political nature with France. The most interesting part of the political provisions is the undertaking to consult together frequently on foreign policy matters. The States have in fact voted with France on several occasions in international organisations; and the States which have recognised Peking did so only *after* France.

The implications of the Agreements in the monetary and commercial fields have already been discussed in this study (in the chapter on the economic background). The Agreements contain also stipulations that French investors will have equal rights of establishment with nationals of the State concerned (this privilege has now been extended to the other five members of the EEC), and other stipulations concerned with the equal treatment of the nationals of both parties. In the matter of aid, the undertaking by France is not specific. The Agreements provide simply a general framework. They also provide for periodic meetings of *Commissions mixtes* to decide on their application. France and the State (or States, in the case of three of the Equatorial African States) concerned are equally represented on these commissions, which generally meet four times a year, alternately in Paris and in Africa. Their powers are advisory, but they enable the discussion of highly technical matters and often the amicable solution of problems and differences of opinion. The Co-operation Agreements contain also fairly detailed provisions regulating the position of French technical assistance personnel. Agreements on cultural co-operation contain references to the importance of the French language; M. Ligot¹ says that this part of the agreements is 'extremely important: it conditions the preservation and expansion of the French language and culture in Black Africa, as well as the development – since it is notably concerned with co-operation in the field of higher education – of the African intellectual and political élite in the French cultural tradition'. Most of the Agreements contain fairly detailed provisions to ensure that higher education in the States is closely linked to that of France

¹ Ibid.

and that certain standards are maintained; these provisions affect in particular the appointment of teaching personnel and the awarding of diplomas, which will be equivalent to those awarded in France and give the same rights; and it is usually provided that the States will engage foreign teachers only if France cannot fill particular posts.

2 The development of administrative structures in France

Since the demise of the Ministry of Overseas France in 1958 there have been considerable hesitations as to how best to deal with the 14 States, the nature of whose relations with France was not at all clear or conventional. The Ministry of Overseas France had been responsible for all matters in which the French State retained sovereign powers in the territories (foreign policy, defence, common economic affairs, etc. – see above). When this Ministry was suppressed in 1958, its powers in the remaining Overseas Territories were transferred to the Ministry of State for the Overseas Territories and Departments (see Chapter 7). In the case of the 14 territories which became autonomous States in the Community, the various services in the Ministry of Overseas France which had dealt with relations with them, and with 'aid and co-operation', were simply transferred to the relevant 'technical' ministries: the Ministries of Finance, National Education, Industry, Public Works, Labour, Health, Agriculture and Armies found themselves expected to administer relations with the States and dispense aid to them directly. But it was found necessary to create some kind of a co-ordinating agency for the technical aspects of relations with the States and, in addition, some specialised organisation in charge of political relations with them, able, for instance, to deal with the demands for complete independence which arose almost immediately after 1958. But this was done hesitantly and at first indecisively: the political situation was unclear, and the Africans were unwilling to accept any reincarnation of the Ministry of Overseas France; moreover there was a corresponding unwillingness in France, inspired by *Cartierisme*, to envisage setting up elaborate institutions to deal with the States now that they had ceased to be the direct responsibility of France. A series of adjustments were made between 1958 and 1961, and a series of institutions were set up. The only ones which have survived are a General Secretariat of the States of the Community in the Presidency (re-named General Secretariat for the Community and African and Malagasy Affairs); and an aid fund, set up in 1959, the *Fonds d'aide et de coopération* (FAC), which replaced the FIDES (see historical chapter) for the 14 States. The Ministry of Finance retained a general supervisory rôle, and the 'technical' ministries contributed to the matters which were in their competence.

During the second half of 1960, all 14 of the States became formally

independent. With their gaining of international status, it was thought that relations with them should be treated in the traditional framework of diplomacy, whether they remained formally in the Community or not. The States themselves wanted to deal with the Ministry of Foreign Affairs. But they also wanted to maintain close financial and technical links with France, such as were provided for by the Co-operation Agreements. It was therefore decided to make a distinction between political and diplomatic relations and relations of a financial, technical, etc., nature. The former were transferred to the Ministry of Foreign Affairs in May 1961; a *Direction des affaires africaines et malagaches* was created in this Ministry. Embassies were established in each State, responsible to this *Direction*; they pursue normal diplomatic activities, plus political co-operation of a rather closer kind, based on the undertakings in the Co-operation Agreements. A Secretariat of State was also created to advise the Minister of Foreign Affairs in these matters (it has now had Algerian affairs added to its responsibilities: see page 87).

For the other very complex and non-conventional links between France and the States, the Ministry of Co-operation was created a month later, in June 1961. This Ministry was given responsibility for virtually all forms of aid and co-operation with the 14 African and Malagasy States in the economic, financial, cultural, social, technical and (more recently) military fields. In January 1966, the Ministry of Co-operation became a Secretariat of State for Foreign Affairs in charge of Co-operation, and it was attached to the Ministry of Foreign Affairs (see Chapter 3). But its functions have not altered in any way: the Secretariat of State continues to exercise all the responsibilities which previously belonged to the Ministry of Co-operation, by delegation from the Ministry of Foreign Affairs. It is the sole correspondent of the States in the fields in which it is competent, and the obligatory channel between them and other parts of the French administration in these matters (with minor exceptions: see below). It is responsible for the application of the Co-operation Agreements, with the exception of the parts concerned with foreign policy. Its instrument for financing its aid programmes is the FAC; it is also assisted by a number of public and semi-public autonomous organisations under its auspices; these are used for research and studies, often also for the execution of aid projects financed by the FAC.

The Ministry of Co-operation, and now the Secretariat of State, is represented in each State by *Missions permanentes d'aide et de coopération* (sometimes referred to as MAC). These were first set up in 1959. They are under the authority of the French Ambassador, and they must keep him informed of their activities; they do not however have to correspond through the Embassies, but can correspond directly with the Secretariat of State. In practice they are often more important and influential than the Embassies themselves, whose rôle, it has been said, is in danger of being reduced to that of giving lunch-parties. They consist

generally of a Director and three or four specialist advisers. Their rôle is to assist the States, when asked to do so, in formulating their requests for aid; to inform themselves on the particular needs and difficulties of each State; to supervise the carrying out of projects and ensure that they fulfil the conditions prescribed; and finally, to administer the technical assistance personnel seconded to the States. They in fact work very closely with the local administrations, and can exercise considerable influence on the projects presented to France for financing. The extent of this influence of course varies; in a country like the Ivory Coast, the MAC works with the administration from the beginning, and can ensure that only projects which have a good chance of being financed by France are elaborated and presented; in Mali, on the other hand, it is more likely that the administrations will work out projects independently; France may refuse many of those which are presented. The degree to which the Missions take initiatives also varies; but especially in the less-developed of the States, it is often they who suggest to the local authorities that they should submit requests for particular projects.

In addition, most of the 'technical' Ministries in France still have sections which specialise in technical co-operation. In general these do not have direct links with the States; their function is to provide personnel for the aid programmes of the departments responsible for aid, and to carry out studies within their respective fields at the request of these departments. But the Ministry of National Education retains certain direct responsibilities in higher education overseas, and exercises its rather conservative influence on the standards and syllabus of the French universities in Africa. The Ministry of Finance retains considerable responsibilities in the commercial and monetary fields and, apart from the Secretariat of State in charge of Co-operation, it is the part of the administration most concerned with the technical aspects of aid to the States. It also administers direct Treasury advances to the States (see below). The Ministry of Public Works has a few residual direct responsibilities: it is responsible for international airports and aerial and maritime security systems, and administers the French participation in an inter-State organisation called ASECNA (*Agence pour la sécurité de la navigation aérienne*).

The 'General Secretariat for the Community and for African and Malagasy Affairs' at the Presidency (which succeeded the General Secretariat for the States of the Community) continues to exist, and is the repository for most of the hopes for a great Franco-African Community. It is the main protagonist for the maintenance of close political and personal links with the present rulers of the States. It is also exceedingly influential. Its rôle is described by M. Ligot¹ as follows: 'It is through its intermediary that the personal relations of

¹ Ibid.

the President with the African and Malagasy heads of State are assured; it is this Secretariat which assures his continuous information on the evolution of the States, their mutual relations and their relations with the French Republic; it participates in the transmission of the President's directives and communications to the authorities concerned. Since African affairs belong, to an especial extent, to what it is usual to describe, at least during the Presidency of General de Gaulle, as the presidential "*domaine réservé*", it appears that the participation of the General Secretariat for the Community and African and Malagasy Affairs is, in general, decisive.¹ Certainly it is this institution which the reformers in the Secretariat of State in charge of Co-operation are most concerned to convince; the influence of other parts of the French administration in general policy decisions concerning aid to the States has so far been less decisive.

3 The internal organisation of the Secretariat of State for Foreign Affairs in charge of Co-operation¹

The Ministry of Co-operation, in the four and a half years of its separate existence, established itself as an important institution with strong policies and ideas, and as an institution on the whole in favour of innovation and not of clinging to traditional positions of influence. It built up considerable experience. Its transformation into a Secretariat of State attached to the Ministry of Foreign Affairs has not altered its functions and organisation. It is certain that its resistance to any attempt to change its policies will be strong, and very unlikely that it will simply be absorbed into the Ministry of Foreign Affairs. Any absorption that occurs may in fact be in the other direction (see Chapter 3).

The Secretariat has a staff of about 650–700 (including secretaries, porters, etc.). Nearly half of these have been in government service in Overseas France, as administrators of Overseas France. But there has also been a strong influx of high-level people from other parts of the administration, and from outside the administration, with new ideas about the needs of these States. In particular, the Director of one of the two main departments (*the Direction de la coopération culturelle et technique*) has a team of about six people to advise him, officially described as the *Mission d'études*, who sometimes describe themselves as 'a kind of brains-trust'. Their task is specifically to innovate and to re-think policies; they do not have administrative responsibilities. They are concerned almost entirely with technical assistance: education and training, the adaptation of the educational system, the reform of administrative structures and so on. But, in States most of which are small and poor, it is probably in technical assistance that there is most

¹ Ex-Ministry of Co-operation, to which this description equally applies.

scope for achievement, in particular in the re-examination of conventional methods.

The Secretariat of State has a fairly complex organisation. There are two big *Directions*: the *Direction des affaires économiques et financières* (DEF) and the *Direction de la coopération culturelle et technique* (DCT). Originally the division between them was that the DEF was in charge of investments, the DCT of personnel; the distinction has become increasingly that the DEF deals with aid in the economic and financial fields, the DCT with aid in the cultural and social fields. The old division of responsibilities had been found increasingly unsatisfactory: for instance the DCT would plan to set up a new teaching-institution, and could provide the personnel but not the investment in buildings – and vice versa. There is therefore an attempt to mitigate the effects of a split in responsibilities by making a division on *functional* lines.

In addition, there are what are called *Chargés de mission des secteurs géographiques*. These are officials with, as their name implies, a geographical competence. Each of them is in charge of two or three States (there is also one for the ex-Belgian countries), and they have an overall view of the development needs of their area. They are used by both *Directions* (although administratively attached to the DEF). Their main function is to effect the liaison between the permanent missions in the States and the various departments in the Secretariat of State, and thus to reconcile geographical and functional divisions. This is an organisational principle based on experience, which the staff of the Secretariat of State considers to be particularly important.

Originally also the DEF was responsible for the allocation of all sums voted in Parliament for aid to the States, including those used by the DCT, and this meant that the DEF could decide priorities, for instance between schools and agriculture, hospitals and roads. But such decisions on priorities are now made jointly by the two *Directions*, and the responsibilities of the DEF for allocation are purely administrative. Again, experts and technicians are administered by the DEF, but their use is decided jointly by the two departments.

The DEF has five *Sous-Directions*. Their functions are as follows:

1. The *Sous-Direction de l'Administration Générale* administers the personnel of the central administration and of the *Missions d'aide et de coopération* in the States, and the sums voted for the cost of administration.
2. The *Sous-Direction des Relations Economiques et Financières* organises the meetings of the *Commissions Mixtes*, and is responsible for commercial and monetary affairs (*Bureau 'Production et échanges'* and *Bureau 'Monnaie et crédit'*) and for budgetary support for the States (*Bureau 'Finances publiques'*). It also gives advice to the States on improving their systems of taxation.
3. The *Sous-Direction des Etudes Techniques* is mainly responsible for giving a technical opinion on projects submitted by the States

for financing by the FAC. It also has the necessary technical knowledge to supervise studies done by the specialised technical organisations under the tutelage of the Secretariat of State. Occasionally, it carries out studies itself: for instance it has done work on planning transport in the States as a whole. But generally, when a fundamental piece of technical research is to be carried out, it is farmed out to one of the specialised organisations (see below). This *Sous-Direction* has working in it about four agricultural experts, four experts in 'roads and bridges', one in fisheries and forests, two in agricultural economics, and a few more in such fields as infrastructure, town-planning, and so on.

4. The *Sous-Direction des Etudes Générales* is responsible for providing temporary experts to study particular problems in the States (*not* the operational personnel who are seconded for two years in regular posts in the States, and who are supplied by the DCT). These are generally provided at the request of the States, and study for instance the setting up of a telephone system, or a particular problem in agriculture. This *Sous-Direction* has a permanent reserve of experts: for instance it has on its permanent staff four experts on cattle-raising, whose services are frequently requested by the States. It also has three or four planning experts. One of its functions is to train these; it has been training 10 or 15 experts in planning a year since 1961, most of them ex-administrators of Overseas France. Finally, this *Sous-Direction* also carries out studies on subjects in which the Ministry itself is interested: general studies, studies on planning, and so on. It sends experts to the States to study problems without necessarily receiving specific requests from the States, simply informing them of what it is doing. For these purposes it has a permanent staff of one or two economists and about four statisticians.
5. The *Sous-Direction du Développement Economique* is responsible for the financial aspects of aid projects. It administers the FAC: draws up the agreements for financing projects between the States and the FAC, disburses the funds, supervises the execution of projects in their financial aspects, supervises the activities of firms and organisations employed to carry them out. It also follows the activities of foreign and international donors in the States.

The DCT, as well as the *Mission d'études* (see above), has three regular sub-departments, or *Services*. The personnel and functions of the *Mission d'études* periodically change; but it might be said that, apart from its general functions of reform and re-thinking, it has a specific responsibility for co-ordinating the research and surveys

undertaken by the DCT. The division of functions between these is relatively simple:

1. The *Service de coopération technique* is responsible for the provision of personnel to fill regular posts in the States' administrations, judiciary, technical services, health and social services. Originally it was responsible for all personnel, but responsibility for teachers was transferred to the *Service de l'enseignement*, in order to create greater unity of policy in the latter *Service*.
2. The *Service de l'enseignement et de la formation* is responsible for the education and training of Africans, both locally and in France; also for the training of French technical assistance personnel. It deals with all aspects of education: policies, investments and the supply of personnel. It has a division concerned with educational methods (the *Bureau d'études et de recherches pédagogiques*).
3. The *Service de la coopération culturelle* is concerned with French cultural activities of a more traditional kind in the States: the setting up of French cultural centres, cultural exchanges, radio, television and films. Some of these activities are not 'aid' in the internationally accepted sense. It also has a *Bureau des moyens audio-visuelles* whose function is to co-ordinate all activities in the audio-visual field, both straight cultural activities and educational activities.

4 Mechanisms and Procedures

Nearly all of French official aid to the 14 States is dispensed by the FAC (*Fonds d'aide et de coopération*). The exceptions are relatively minor. The *Caisse centrale de coopération économique* makes some loans to them on its own account (see below). The Ministry of National Education continues to pay directly the recurrent expenses of higher education at Dakar, Abidjan and Tananarive and in Equatorial Africa. The Ministry of Public Works pays the expenses of parts of the international transport system. The Ministry of Industry carries out oil and mining surveys. There is also a substantial form of aid which is not counted in official aid figures: this is the support for the prices of the primary products exported by the States and for the stability of their currency (see chapter on economic background); these forms of assistance are administered mainly by the Ministry of the Economy and Finance, although there are sections in the Secretariat of State to deal with them (see above). Finally, there are direct Treasury advances to the States (see below), also administered by the Ministry of the Economy and Finance. (See Table 52.)

But essentially it is the FAC which is the channel for French aid to the States. It is used to finance all forms of aid, both capital aid and aid for recurrent expenses, including budgetary support (unlike the

FIDES, which was responsible only for capital aid – see historical chapter); recently expenditures on technical assistance to the national armies of the States have also been charged to the FAC, although they are not included in figures on official non-military ‘aid’. The FAC has four ‘titles’, two for current expenditures and two for capital expenditures. They are:

Title III¹ – Subsidies to organisations concerned with technical assistance, (short-term advisory) experts, scholarships, recurrent expenditures of MAC and cultural centres, radio programmes, films, educational books, etc. (recurrent expenditures).

Title IV – Aid to the States for the functioning of their administrative services: budgetary aid and expenditures on French personnel, including teachers, in permanent posts in the States (recurrent expenditures).

Title V – Investments of the French Republic. These are small, and consist mainly of the setting up of cultural centres and the permanent aid and co-operation missions; they are not officially counted as aid (investments).

Title VI – Investments in the interest of the States. These are either operations of a general character, performed on the initiative of France, or operations included in the investment programmes of the States and performed on their initiative (investments).

The recurrent expenses of the Ministry of Co-operation are not financed by the FAC. Not all of FAC expenditures are officially counted as ‘aid’ in DAC figures: Title V is excluded, as are parts of Title III: the recurrent expenditures of the Aid and Co-operation Missions (MAC) and the expenditures of a traditional cultural nature; assistance to the national armies of the States is also excluded. On the other hand the separate contributions of the *Caisse centrale* (see below) and of the Ministries of National Education and Public Works are included in DAC figures.

The procedure is that the money to be disbursed by the FAC is voted annually in Parliament on the budget of the Ministry of Co-operation (now the Secretariat of State in charge of Co-operation). It is then paid into an account entitled ‘*Fonds d'aide et de coopération*’ (FAC) in the *Caisse centrale de coopération économique* (which acts as paying-agent for the FAC). The allocations for Titles V and VI of the FAC are voted in the form of ‘*autorisations de programmes*’ (AP), and ‘*crédits de paiement*’ (CP). The former are commitments that Parliament will eventually vote a certain sum; they enable the FAC to approve investment programmes which will take sometimes as much as six years to complete, in the knowledge that they will not be thwarted by a drying up of budgetary funds. The latter are the sums to be spent

¹ There is no title I or II.

in the year in which they are voted. They are in theory submitted to the rule of '*annualité budgétaire*', which means that any portion which is not spent in that year cannot be carried over into the next year. But this rule is evaded by a kind of fiction. The sums voted as '*crédits de paiement*' are paid into the FAC account in the *Caisse centrale*; they have then been 'spent'; but the FAC can in fact disburse them at any time, so that if there are delays in projects in the States, the money not disbursed in the year in which it is voted is not lost. The *crédits de paiement* voted in Parliament in any given year consist naturally of part of the *autorisations de programmes* voted in previous years as well as part of those voted in the year in question. The sums voted for Titles III and IV of the FAC are also paid into the FAC account in the *Caisse centrale*.

These funds are disbursed almost entirely in the form of grants, whether they are for investments or for current expenditures; very recently, a few loans have been made. Except for the subsidies for budgetary support, they are all tied to specified purposes, and they are tied to expenditures in France or in the Franc Zone. Capital aid is very closely tied to projects.

The procedures for allocating this aid vary according to the kind of aid. It is proposed here to describe successively the three main types of procedure for allocating FAC aid: first, capital aid, research and surveys and temporary experts; second, the provision of French personnel to fill regular posts in the States and the provision of scholarships; and finally direct budgetary support. A fourth sub-section will describe the activities of the *Caisse centrale*.

(a) Capital aid from the FAC, research and surveys, temporary experts

The procedures for financing these forms of aid are in most respects the same. The final decision whether to finance expenditures under Titles III, V and VI of the FAC (respectively, and roughly speaking, current expenditures on temporary (advisory) experts, scientific research, scholarships, etc., investments of the French State, and investments in the interest of the States – see above) are taken by the governing-body of the FAC. (The Secretariat of State is solely responsible for the allocation of funds voted under Title IV – for the provision of 'permanent' or 'operational' technical assistance personnel and budgetary support – see below.) The FAC's governing body is presided over by the Minister of Co-operation (now by the Secretary of State). It includes also representatives of the Ministry of the Economy and Finance, the French Plan, the *Caisse centrale*, the Economic and Social Council, Parliament and some outside advisers; the 'technical' ministries also participate in decisions which concern them. In addition, the Ministry of the Economy and Finance may veto decisions taken

by the governing-body of the FAC within a period of 8 days of the taking of these decisions.

There is no need to describe here the procedure for making expenditures under Title V of the FAC (investments of the French State). Expenditures under Titles III and VI of the FAC are in two broad categories. Roughly a third are investments of 'general interest' performed on the initiative of France and with the knowledge, and generally the acceptance of the States and the agreement of the governing-body of the FAC. They are mainly for general studies, scientific research, and big investments such as the trans-Cameroun railway, the Cotonou harbour, or the setting up of universities; they include also French support for organisations which have activities in more than one State (*Institut Pasteur*, for instance).

The other two thirds of expenditures under these two titles are described as *Programmes des Etats*, and are based on requests from individual States for the FAC to finance particular projects. There is in principle no fixed quota for each State; decisions are based on particular projects. But each State presents at one time – once a year – all the projects for which it is asking for French aid. These projects go through a series of stages. They are elaborated by the States, with or without the advice and assistance of the local Aid and Co-operation Missions, and presented to these missions, which may make a first selection among projects presented to it. They are then submitted to the Secretariat of State in charge of Co-operation. The Secretariat of State studies the projects submitted, with the help of its experts in the *Sous-Direction des Etudes Techniques* (see previous section); it rejects some, and may negotiate alterations in others, with the help mainly of the officials in charge of geographical sectors (see previous section). It prepares the projects finally submitted to the governing-body of the FAC. The Ministry of Finance and the competent 'technical' ministries may intervene at various stages in this process, the former to check the proper use of public money. Acceptance of projects by the governing-body of the FAC is not automatic; occasionally it rejects projects, more often it asks for alterations or for additional information on certain points. Of the total number of projects submitted by the States, it is said that about half are rejected at some stage in this process.

Once projects have been approved by the governing-body of the FAC, the Secretariat of State is in charge of their execution. The next stage is that the Secretariat of State negotiates with the States bilateral conventions for financing the approved projects. Since the projects are all presented together and are generally in varying stages of completion when they are presented, these '*Conventions de financement*' are not all signed simultaneously, but are spread throughout the year. The conventions state the amount committed for the whole period of the project, and the amount to be disbursed in the first year.

They lay down in considerable detail how the project is to be carried out, and state very precisely what is to be done, so that there is no danger of the money being used for purposes other than those envisaged by the FAC. The conventions also stipulate that, when contracts are to be made, the widest possible appeal must be made, within the limit that only firms belonging to member countries of the Franc Zone, including of course France, are eligible. Equipment and materials used must also be supplied from the Franc Zone. Occasionally exceptions are made to the rule that all FAC aid is tied to Franc Zone procurement; if equipment considered essential is unobtainable in the Franc Zone, it has been possible to use FAC aid for purchases from foreign countries: for instance for spare parts for American equipment. (FAC aid has been thus formally tied since the independence of the States.)

The procedure for disbursing the aid was changed in 1964. Before 1964, projects were financed through the intermediary of the local Treasury. France advanced a certain proportion of the amount to be spent in the year, which was paid into a separate account in the local Treasury. The States then paid for the operations provided for in the financing convention, presented bills to the *Caisse centrale*, were reimbursed, and so on until the project was completed – with the proviso that the States had themselves to advance the last 20% of the cost of the project, in order to induce them not to spend wastefully in the certainty that France would reimburse their costs. This procedure dated from the period when the local Treasuries were integrated with the French Treasury. It often gave rise to delays, particularly after the separation of the local Treasuries and the transfer of responsibility for their administration to the States – delays both in the technical execution of projects and in the settling of accounts. A new system was worked out in 1964, which it is hoped to apply to all new projects: the *Caisse centrale* will pay directly all costs incurred by the local authorities. But the local Aid and Co-operation Missions follow the operations closely and ensure that the projects are carried out exactly as agreed; the *Caisse centrale* only pays after expenditures have been fully justified.

This new procedure is intended to enable greater rapidity in the execution of projects. The Secretariat of State is in addition making efforts to shorten delays between the submitting of a request and the beginning of work on the projects accepted for financing. It is said¹ that the average time which elapses between the beginning of negotiations and acceptance by the governing-body of the FAC is five to six months; between this acceptance and the beginning of work on the project, there is on average another period of five to six months. (This compares with the European Development Fund's frequent delays of 2½ years.)

¹ Rapport C.E.S., ibid.

For the execution of investments and studies, extensive use is made of 'specialised organisations'. Only a little more than half of FAC projects are executed by the administrative and technical services of the States themselves, assisted or not by French experts on individual contracts with the Secretariat of State. The rest are entrusted to the numerous public or semi-public organisations which are specialised in co-operation with the States. They have their own permanent teams of experts; when necessary, they recruit middle-level personnel and labour directly in the States, without having to rely on the official services of the States. The local permanent Aid and Co-operation Missions naturally check their execution of projects, both from the financial point of view and from the point of view of quality, in the same way as they check all projects executed with FAC funds.

There are great numbers of these specialised organisations, controlled and financed to varying degrees by the Secretariat of State. There are, first, a series of scientific and technical research organisations, financed entirely from government funds, most of which existed before the independence of the States. Their administrative expenses in France are financed by the FAC (Title III); the expenses of research stations in the States are financed jointly by the FAC and the governments of the States. The most important of these is the ORSTOM (*Office de la recherche scientifique et technique outre-mer*). This does fundamental research (it receives in addition a subsidy from the Ministry of National Education); it is concerned only with non-temperate areas, and it has branches in several of the States. In addition, there are a number of organisations for applied agricultural research; the following is not an exhaustive list:

IRAT	- Institut de recherches agronomiques tropicales et cultures vivrières.
IRHO	- Institut de recherches des huiles et oléagineux.
IRCT	- Institut de recherches du coton et des textiles exotiques.
IFCC	- Institut français du café, du cacao et autres plantes stimulantes.
IFAC	- Institut français de recherches fruitières outre-mer.
IRCA	- Institut de recherches sur le caoutchouc en Afrique.
CTFT	- Centre technique forestier tropical.
IEMVT	- Institut d'élevage et de médecine vétérinaire des pays tropicaux.
Institut français du manioc.	

There are in addition numerous organisations described as *Sociétés d'Etat* (literally, State corporations) which were primarily conceived as instruments of co-operation but are not financed by direct subsidies; they work on contracts for the Secretariat of State, sometimes also for the FED (European Development Fund) or directly for the governments of the States; recently some of them have extended their activities outside the African and Malagasy States. There is no official guarantee of their financial equilibrium, although sometimes the Secretariat of State makes advances to meet short-term budgetary difficulties, or loans for installations. The most important of them are:

- BDPA – Bureau pour le développement de la production agricole.
 BCEOM – Bureau central d'études pour les équipements d'outre-mer.
 OCORA – Office de coopération radiophonique.
 OFEROM – Office central des chemins de fer d'outre-mer.
 BEPTOM – Bureau d'études des postes et télécommunications d'outre-mer.
 SATEC – Société d'assistance technique et de crédit social outre-mer.
 BRGM – Bureau de recherches géologiques et minières.

The first of these groups of organisations is formally under the 'tutelage' of the Ministry of Co-operation and sometimes of the 'technical' ministry most closely concerned. The second group is often largely un-controlled. In theory, the Secretariat of State co-ordinates and stimulates their activities and lays down general policy directives; and it appoints their Directors and is represented on their governing bodies. When they are acting under contracts financed by French aid, the usual system for controlling the use of French aid applies. But when they are acting directly for the States, there is in practice little official French control of their activities, and there is some feeling that what they are doing is quite often in conflict with the objectives of the Secretariat of State.

In addition, there are a number of private or semi-private organisations (*Bureaux d'études*) which specialise in co-operation in the African and Malagasy States. The most important of these are:

- SEDES – Société d'études pour le développement économique et social.
 SCET-Coopération – Société centrale pour l'équipement du territoire.

SOFRE – Sociétés françaises d'études et de réalisations:

- Sofremines (mines)
 - Sofrerail (railways)
 - Sofrelec (electricity)
 - Sofregaz (gas)
 - Sofretu (urban transport)
- (these have activities in all parts of the world).

CFDT – Compagnie française pour le développement des fibres textiles (semi-public).

There are many more of them. Most of them are in effect consultancy firms specialised in studies and surveys in developing countries; some of them (the SEDES for instance) also do fundamental research on development problems; some of them also execute projects (SCET-Coopération for instance, which has nearly 300 engineers and numerous architects). Many of them have the advantage that they are able to draw on the staff of their home branches. Some of them have very large staffs of their own: for instance SOFRELEC has a staff of roughly 500 engineers and 2,000 technicians.

(b) 'Operational' personnel and scholarships

There were, in 1963, 8,910 French personnel directly employed by the Ministry of Co-operation under technical assistance programmes in the States.¹ Of these 8,910, 239 were 'experts' on short-term advisory

¹ This figure does not include an estimated 2,400 French personnel employed in the 14 States in 1963 by the specialised organisations described above and financed, directly or indirectly, by the FAC – see *Jeanneney Report*, Annexe No. 12.

missions, financed by Title III of the FAC under the procedures described above. The other 8,671 were technical assistance personnel occupying regular posts in the administrations, technical services and educational systems of the States, financed under Title IV of the FAC (which consists of funds for the payment of the salaries of such personnel and budgetary support – see above). As has been said, its allocation is not subject to decisions by the governing-body of the FAC, but is the responsibility of the Secretariat of State. Expenditures on technical assistance personnel have sometimes amounted to as much as half of total FAC aid (see tables in Section 5).

The Co-operation Agreements provided that lists of the States' requirements in personnel, for the functioning of their administrations, technical services and educational systems, would be established annually in bilateral negotiations. In fact this has not happened. A comprehensive list of posts to be filled was set up in 1963, but it has not since been revised. Needs have on the whole been met as they arose; the local Aid and Co-operation Missions simply send in lists of requests they have received for personnel, and the Ministry accepts or rejects them. There are rarely bilateral negotiations of total needs, and requests are on the whole made *coup par coup*, one by one as they arise. It is however still hoped to achieve a systematic and rational organisation of the supply of personnel by the setting up of annual *Commissions mixtes* to negotiate bilaterally lists of posts to be filled, and by a better planning of the States' needs. This is beginning: for instance, in Senegal missions have been sent to establish needs in 1965 and following years; in some States this has been done for particular sectors.

For scholarships (provided under Title III of the FAC) there are more systematic arrangements. The number and nature of scholarships to be awarded is negotiated annually in mixed commissions in the States. Scholarships are given not to individuals but to governments, and there is some planning of their use (see below). France awards scholarships both for study in France and for study in Africa, increasingly for the latter. For the reception of students in France, and for the administrative arrangements for their stay in France, the Secretariat of State delegates tasks to an autonomous specialised institution, the ASATOM (*Association pour les stages et l'accueil des techniciens d'outre-mer*). This organisation was created in 1960. It relieves the Secretariat of State of much of the burden of administration involved in organising short training courses in France; it arranges the payment of the students' expenses, where they are to live, their cultural and social activities, and so on. But it does not have any responsibility for policies (unlike the ASTEF – see Chapter 4); its tasks are simply administrative. Also it deals only with *stagiaires*, who are mostly professional people and technicians on short training courses. For regular students, there is the OCAU (*Office de coopération et d'accueil universitaire*) which in 1962 succeeded the *Office des étudiants d'outre-mer*; this is under the joint

control of the Secretariat of State and the Ministry of National Education. The Secretariat of State, for these scholarships, pays monthly allowances of 450–650 francs, plus the travel cost, plus special allowances.

The juridical status and the system of payment of French technical assistance personnel working in regular posts in the States is a more complex subject. A new statute for technical assistance personnel was elaborated in 1961; this applies to all government servants, including teachers, and to members of the judicial profession working anywhere outside the 'European territory' of France, not only in the African and Malagasy States (but it does not apply to the national servicemen who are increasingly used in technical assistance programmes – see Chapter 3, page 98). When their period of technical assistance exceeds 6 months, they are 'detached' to the department concerned (Secretariat of State in charge of Co-operation, Ministry of Foreign Affairs, etc.), which then arranges to send them abroad. They thus remain French government officials. Contracts are normally for two years. They are guaranteed immediate re-integration into the profession or Ministry from which they have been seconded, and, if they wish, in the post which they have left, as soon as their technical assistance contract is terminated, and even if it is terminated before it was intended that it should be. In addition, the conditions of promotion in their original corps were made more flexible under the new regulations. These personnel serve under the authority of the government in whose country they are working. They are forbidden to engage in any activities which might damage the interests either of this government or of the French government. The only disciplinary sanction which the local government has against them is to return them to France. Their terms of service are fixed in individual contracts with the Ministry or department which is sending them overseas; in particular, the French government guarantees their salaries and allowances, although in some countries part of them is paid by the local government directly to the technical assistance personnel.

In the case of the African and Malagasy States the whole of the salaries and allowances of French technical assistance personnel are paid directly to them by France (although the local governments sometimes provide free housing). The States pay a contribution towards the cost of French personnel *into the FAC*. The system changed radically with the independence of the States. Before 1960, the cost of certain services (general administration, judiciary, police), including the salaries of Africans working in them, was borne by the central French budget; the local budgets were responsible for paying the salaries of the rest, including Frenchmen. After independence, the States became responsible for the salaries of all civil servants. But France took responsibility for the majority of *French* personnel working in their government services. In principle it was intended that the States should

make a contribution to their cost equivalent to the cost of employing local people. In fact it was soon decided that the contribution would be a fixed amount for each technical assistance agent, identical whatever his rank or function. Again, it was intended that this fixed contribution would be equivalent to the average of what the States would pay for employing local people. But in practice the contributions are fixed according to the budgetary possibilities of the States; they vary from State to State and are re-negotiated annually. In some cases they have actually decreased since independence. This means that it is often, particularly in the higher levels of the administration, less expensive for the States to employ Frenchmen than it is for them to employ Africans. It also means that the average cost per Frenchman is less than it was before independence. In 1962, the States contributed only 72m. francs towards the cost of French personnel, while their total cost to France was 425m. francs.¹ The contributions of the Ivory Coast, Senegal and Madagascar now cover between a third and a quarter of the total cost of personnel; poorer countries like Chad and Mauritania contribute much less. The States' contribution per Frenchman in 1961 varied from 1,200 francs a month in the Ivory Coast to 300 francs a month in Mauritania.²

The cost of technical assistance personnel to France, which has nothing to do with their cost to the States, is of course increasing; and has increased particularly since the new advantages offered by the 1961 reform, designed to encourage more Frenchmen to go overseas. It is said that they are paid roughly twice what they would receive in France; and it has been calculated that, for equivalent ranks, they receive roughly the same amount as United Nations experts. Their salaries are fixed on a 'contractual' basis, although this contractual nature does not apply to individuals, but to types of personnel. For instance the kind of skills which are in short supply in Africa, particularly technical skills, are more highly rewarded in this system than others which are easier to find, irrespective of the rank of the personnel. Obviously account is taken of rank; and some account, but not much, is taken of the importance of the functions which the particular agent will be expected to perform overseas. These benefits are given in the form of supplements to basic salaries. It is also possible to 'take promotion prospects into account in advance, in a fairly liberal fashion'. The basic salaries paid are calculated on the scale of salaries in France in 1961, increased with reference to the rise in prices in the State concerned, with a correction based on the 'cost of living', which means in fact that the technical assistance personnel are paid more in the

¹ *Jeanneney Report*, Annexe No. 12, p. 184. This is in marked contrast to the British experience, where the proportions are roughly reversed.

² Cf. *Centre de Formation des Experts de la Coopération Internationale*, lecture by M. J. P. Dannaud, *Directeur de la Coopération Culturelle et Technique, Secretariat of State for Foreign Affairs in charge of Co-operation*.

States of the interior than they are in coastal areas, principally in order to compensate for the greater attractions of the latter. Thus they might be paid 4,500 francs a month in the Ivory Coast and 6,000 francs in Mali. In addition they receive a '*prime de départ*', a bonus on departure. They are paid entirely in French francs, and they are encouraged to convert into CFA francs only what they need: which is generally no more than a quarter of their salary and allowances. In this way, disparities between what they are paid and what local civil servants are paid are not so apparent. It has been estimated¹ that the average cost to France per year for each technical assistance agent in the African and Malagasy States (around 1963-4) was 48,000 francs (compared to 24,000 francs in Cambodia, Laos and Vietnam, 32,000 francs in foreign countries, and a much lower sum in Morocco and Tunisia). The cost of the national servicemen (see above and page 98) is of course much less than that of ordinary technical assistance personnel, since they are paid merely enough to live on: around 1,000-1,200 francs a month. (See also chapter on economic background).

All this applies only to technical assistance personnel working in regular posts in the States, or 'operational' personnel. The arrangements for 'experts', or personnel on temporary advisory missions, are different. They are paid on an individual basis, on short-term contracts, generally of less than 6 months; in general they are paid more than regular technical assistance personnel. There is no programme established in advance for these experts.

About half, or a little less than half, of the Frenchmen in technical assistance posts in the States belonged to a special corps of civil servants of Overseas France; probably about 80% of the Frenchmen in the administrations and technical services of the States are ex-colonial civil servants, the newly recruited being mainly teachers. About a tenth of technical assistance personnel in the States are now national servicemen; others are mostly from the metropolitan civil service. There has been no recruitment to the Overseas civil service since 1958. In that year, the Overseas civil servants had to make a final choice between three alternatives: reintegration into the metropolitan civil service, retention in two special corps, or retirement from public service. Most of them chose reintegration into the metropolitan civil service, although not all were accepted; many of those who were reintegrated work for the Secretariat of State on temporary secondment from other parts of the administration. Those who did not take this alternative, but who did not wish to retire immediately, were retained in two special corps. One—the *conseillers des affaires d'outre-mer*—remains at the disposal of the States; it is administered by the Ministry of State for the Overseas Departments and Territories, but most of its members work for the Secretariat of State in charge of Co-operation. The other

¹ *Jeanneney Report*, Annexe No. 12, p. 181.

— the ‘*administrateurs des affaires d’outre-mer*’ — is reserved for more senior civil servants; they continue to work on the same basis as the *conseillers*, but are entitled to retire when they wish with five years full pay. Finally, some of the Overseas civil servants retired immediately or found new jobs, many of the latter with specialised organisations which work in developing countries; in both cases they received pensions, in the latter case as an exception to the rule against pensioners taking jobs. They were thus all taken over by the French government. No attempt was made to make the ex-colonies financially responsible for them (as the British government has), and the French government also pays the pensions of some Africans who were employed in the service of the French State. (None of these payments are officially counted as ‘aid’.) In addition, no French civil servant was retired against his will, and the great majority of them have in fact been re-employed in ‘co-operation’. In fact even some of the ‘contractuels’, Frenchmen employed in government service on a non-career basis, were included in these measures. For Africans employed in the services of the French State, the same choices were offered; in addition, for them as for some Frenchmen, there was obviously a fourth choice, that of integration into the government services of the States themselves.

(c) **Budgetary support**

The payment by France of such a large proportion of the cost of such large numbers of personnel in regular posts in the States represents a substantial indirect contribution to their recurrent expenditures. Even so, it was found necessary to grant direct subsidies to balance the budgets of 9 of the 14 States in 1960. (The exceptions were the Ivory Coast, Senegal, Mali, Togo and Gabon.) Before their independence the States had not regularly received subsidies of this kind from France, although these had been increasing in frequency and size, particularly as a result of the institutional modifications of 1958. (See historical chapter.) When they became independent in 1960, they had the additional burdens of paying for the services which had been the responsibility of the French State, of setting up national armies, of diplomatic representation abroad. The re-allocation of resources within the West and Equatorial African Federations, originally intended to enable the Federations to be self-sufficient, ceased to operate in 1959. Mauritania, for instance, had obtained about 73% of its budgetary receipts from federal resources, the Ivory Coast and Senegal only about 6%, the other States about 40 to 45%; some regional arrangements were made to remedy the situation, but did so only partially. The result, inevitably, was that France had to substitute itself for the Federations in helping the poorer States with their budgetary difficulties.

Various methods of providing these subsidies were tried. In general changes have been intended to provide disincentives to applying to France for subsidies. At first the method adopted was that of a

guarantee of budgetary equilibrium, including a ceiling on the size of the deficit which France guaranteed to make good; but it was soon found that the States tended automatically to go up to this ceiling, and had no incentive to reduce their deficits. It was therefore decided to fix in advance the contribution which France would make, after a close examination of the likely size of the deficit; if the State succeeded in making economies, it would not lose any of the contribution which France undertook to make. At the same time, the States were asked to accept experts from France who would advise them on their budgetary problems.

This advice was concentrated on enabling the States to increase their receipts. It is claimed that the States have made considerable efforts to increase taxation. Between 1959 and 1964, tax receipts have for instance increased by the following percentages:

Table 36
Percentage increase in tax receipts, 1959–1964

Ivory Coast	...	...	...	...	...	34%
Upper Volta	...	...	...	...	...	130%
Mali	...	...	...	...	...	87%
Congo-Brazzaville	...	...	...	...	...	102%
Gabon	...	...	...	...	...	87%
Senegal	...	...	...	...	...	59%
Central African Republic	...	...	...	...	...	75%
Chad	...	...	...	...	...	80%
Mauritania	...	...	...	...	...	190%

Source: Lecture to the *Centre de formation des experts de la coopération internationale*, by M. Audibert, *Direction des affaires économiques et financières*, Ministry of Co-operation.

For the Ivory Coast, the increased receipts are the result of economic development, and represent no special effort; part of Mauretania's increase is accounted for by the MIFERMA mining development; but on the whole the increases are said to represent a 'considerable effort'. Reductions in expenditure have been less satisfactory, and have in fact sometimes been damaging. Economies, such as they are, are said to have been made mainly in the replacement of equipment, the upkeep of investments, and so on. Practically no progress has been made in reducing the very great burden created by the large numbers and the high salaries of administrative personnel. The salaries of personnel continue to absorb, for instance, two-thirds of Senegal's budget. Most of the States have contented themselves with blocking salaries at the level at which they were at independence, and which was based on French standards (see historical chapter); some have reduced the benefits that go with the salaries; very few have actually reduced the salaries themselves (Mali is a notable exception), or attempted to simplify their administration.¹ Nevertheless, direct French subsidies

¹ The political difficulties in doing so are obviously very great. For instance the coup d'état in Upper Volta is said to have been caused largely by the government's attempts to reduce expenditures on salaries.

to balance the current budgets of the States were reduced from nearly 200m. francs in 1960 to 95m. francs in 1964.

There has also been a change in policy in granting these subsidies. In 1964 only Mauritania and Dahomey still received general subsidies to balance their current budgets ('*subventions d'équilibre*' or '*subventions de fonctionnement*', these are called). These amounted to 16m. francs. The other 79m. were provided in the form of '*subventions d'équipement*' or '*subventions affectées*' and benefited 8 of the States (see Table 45.) These were subsidies tied to expenditures on small investments, the upkeep of roads, the building of small bridges, the purchase of equipment without which the personnel supplied by France would be unable to work, and so on. They are based on programmes of expenditures supplied by the States, and their use is checked at the end of the year, but they are in general for very small operations and are not as strictly controlled as the FAC grants for investments. They replace the general subsidies provided by France, and they are intended to encourage the States to make savings in what are considered to be the right places, in the remuneration of personnel for instance. If they make such savings, they do not lose their subsidy from France, but may receive it in a different form, as a '*subvention d'équipement*'. It is planned progressively to reduce these subsidies. But the difficulties in doing so are considerable, largely because there are too many States which are simply too small to be able to afford the political and administrative structures with which they have been endowed.

France provides other facilities to the States, which are not included in official aid figures, in the form of Treasury advances ('*avances du Trésor*'). These are not distributed by the FAC; they are administered by the French Treasury. They are based on a mechanism used before independence: the French Treasury made advances to its local branches overseas automatically (up to a certain ceiling). It continues to do this with few formalities for advances which are repayable within the year, and which are destined to cover short-term gaps between receipts and expenditures. These can be made to States which are receiving budgetary subsidies from the FAC; the essential difference between Treasury advances and FAC subsidies is that the former are repayable (although interest-free). The French Treasury also makes two-year advances, which may, in certain cases, be consolidated. These are of course less easily granted. Their main recipient has been Mali, which has been determined not to use the FAC subsidies since these involve, in a sense, French intervention in the internal budgetary affairs of the States. In addition, the Ministry of Finance can guarantee loans issued by the States on the French financial market; but this has so far happened only for the two States whose budgetary position is relatively good (the Ivory Coast and Gabon). Finally, the local issuing authorities (*Instituts d'émission*) can lend up to 10%

of their resources. The principle is that the States should have recourse, successively, to loans from their issuing authorities, to advances from the French Treasury, and, finally, if necessary, to subsidies from the FAC.

(d) Loans from the 'Caisse centrale' on its own authority

The *Caisse centrale*, as has been said, acts as the paying-agent for aid from the FAC. This, together with its function as paying-agent for the FIDES and the FIDOM and a few other activities in which it also acts on behalf of the French Government (see page 89), constitute by far its most important functions. But it also has funds of its own, and can make loans on its own initiative. These amount to less than 1/7th of the value of its total operations. The *Caisse* can in fact take decisions to invest in the African and Malagasy States and in the Overseas Departments and Territories without the specific approval of the French Government. In practice, although legally it could, it would not do anything which the Ministry of the Economy and Finance or the ministerial departments responsible for aid was actively against. It cannot, on the other hand, be forced to use the funds allocated for use on its own authority in a way of which it does not approve, and it has in the past refused to use them in such a way. These funds are derived mainly from loans from the Treasury (145m. francs in 1964, 110m. in 1965) and from the *Caisse des dépôts et consignations* (53m. in 1964, 80m. in 1965), but also from the surplus of its repayments over outstanding obligations (at the moment about 70m. a year) and from its own capital resources (25m.) and reserve funds (244m.).

It has so far operated in this capacity only in the African and Malagasy States and the Overseas Departments and Territories, although its statutes have recently been amended to allow it to operate in other countries, with the consent of its governing body and of the Ministry of the Economy and Finance. Its loans to the African and Malagasy States amounted to 148m. francs in 1964. The *Caisse* makes no grants out of its own funds. Nearly all of its aid is in the form of long-term loans, with interest rates of 2·5% to 3%; a fraction is in the form of rediscount facilities and equity investments. Loans are made directly to the States or local public authorities, to state-owned institutions (electricity companies and housing societies, most of them set up during the colonial period), to development banks, or directly to private enterprises or individuals. Loans to the latter, and in fact all of the *Caisse centrale's* loans, are made increasingly through the development banks which exist in nearly all the independent States, which have replaced credit institutions controlled by the *Caisse centrale*, and which it is the latter's policy to support. The *Caisse* generally seeks the guarantee of the African Government concerned for its operations, both for the sake of financial security and to ensure that the Government really approves of the operation; but in some cases, particularly

in major investments of an international character, it is prepared to dispense with this guarantee. The loans made through the development banks are nearly always made for specific purposes and their use is supervised by the *Caisse*; direct imports of goods and services must be from France, but the loans may be spent locally. The *Caisse* makes very few general loans to the development banks for unspecified purposes, and these only for very small operations (less than 10m francs per unit), and in approved sectors – not for instance for speculative investments in real estate. Loans to the private sector, whether through development banks or not, amounted to only 5% of the total in 1961, but 36% in 1962. Interest rates on loans to the private sector are generally higher than on the other loans, about 5·5%; long-term, medium-term and rediscount facilities are sometimes mixed. The *Caisse* in principle finances no more than 50% of private operations, but financing procedures are being adapted so that the *Caisse* can participate more effectively in the new industrial projects with which the Secretariat of State in charge of Co-operation is becoming concerned (see below).

5 Tables

The first table in this section gives a rough idea of the size of French aid to the African and Malagasy States provided through all the channels described above. It is compiled from the figures given in the document published as an annex to the French budget (see page 44). This is the most comprehensive source of figures on French aid, but it gives figures in detail only for expenditures through the budget; it shows other expenditures – Treasury advances and loans from the *Caisse centrale*'s own funds – in a separate and not very clear section. These figures are of budgetary appropriations, and do not correspond exactly with the figures submitted to the DAC (see page 44). The latter are given in a second table. The subsequent tables give more details on FAC aid, on Treasury advances, and on the *Caisse centrale* loans.

Table 37**French aid to the African and Malagasy States: breakdown by administrative channel, 1965**

					(million francs)
1.	Ministry of Co-operation ¹ (FAC): Total	...	...	...	820·0
	Of which:				
	personnel	...	...	...	411·5
	scholarships	...	...	...	36·0
	grants to specialised organisations	...	...	...	90·6
	budgetary support	...	...	...	67·8
	miscellaneous	...	...	...	11·1
	capital aid	...	...	...	203·0
2.	Ministry of National Education: Total	...	...	...	89·48
	Of which:				
	personnel for African and Malagasy Universities	...	...	...	37·6
	scholarships	...	...	...	6·0
	grants to specialised organisations (including ORSTOM)	...	...	...	18·93
	recurrent costs of African and Malagasy Universities	...	...	...	26·8
	miscellaneous	...	...	...	0·15
3.	Ministry of the Interior: expenses of SCTIP ²	...	...	...	4·10
4.	Prime Minister's Office: grant to the IHEOM ³	...	...	...	1·55
5.	Ministry of Public Works and Transport: Total	...	...	...	11·5
	Of which:				
	expenses of IGN ⁴	...	...	...	6·1
	expenditures on light-houses and buoys	...	...	...	5·4
6.	Ministry of Civil Aviation: contribution to ASECNA ⁵	...	...	...	60·3
7.	Ministry of Posts and Telecommunications: scholarships, grants to specialised organisations, etc.	...	...	...	2·1
8.	Treasury: short-term advances (approx.) ⁶	...	...	...	72·0
9.	Caisse centrale: loans from its own funds	...	...	...	160·0

Notes: ¹ Now Secretariat of State for Foreign Affairs in charge of Co-operation.² Service de coopération technique internationale de police.³ Institut des Hautes Études d'Outre-mer.⁴ Institut géographique national.⁵ Agence pour la sécurité et le contrôle de la navigation aérienne en Afrique et à Madagascar.⁶ May include small amounts for areas other than the African and Malagasy States.

Source: Projet de loi de finances pour 1966 - document annexé - état récapitulatif de l'effort financier prévu en 1966 au titre de la coopération avec les états en voie de développement - Paris, Imprimerie Nationale 1965.

Table 38**French aid to the African and Malagasy States: figures presented to DAC, net disbursements, official bilateral aid**

			(\$ million)		
			1962	1963	1964
Technical assistance	...	...	132·2	133·3	139·6
Capital aid ¹	...	...	88·0	103·3	94·3
Budgetary support ²	...	...	67·9	57·4	39·5
Total	...	...	288·1	294·0	273·4

Notes: ¹ Including loans from the Caisse centrale.² Excluding Treasury advances and the salaries of French personnel (the latter are included under 'technical assistance').

Source: Memorandum of France to the DAC, Annual Aid Review 1965 (published by the Ministry of the Economy and Finance).

Table 39
Disbursements by the FAC: distribution between Titles

		1962	1963	1964	(million francs)
					1965 (forecasts)
Title III	recurrent expenditures	130.3	147	160.3	163.75
Title IV		497	567	556.8	502.55
Title V	investments	6	6	5	—
Title VI		440	373.3	310	200
Total	...	1,073.3	1,093.3	1,032.15	866.3

Source: *Rapport C.E.S.*, Annexe No. 2, page 327.

Note: For a description of the titles of the FAC, see page 151.

Table 40
**Percentage distribution of FAC aid for development
(Titles III, V and VI), 1959-1964**

Nature of operations	1959	1960	1961	1962	1963	1964	Average percentage
	%	%	%	%	%	%	%
General studies ...	4.6	4	5.2	6.8	4.94	4.38	4.98
Production (mainly agriculture)	34	41	47.4	41.6	49.06	45.84	43.97
Infrastructure ...	49.6	25	24.4	14.4	16.53	17.49	22.71
Social and health equipment ...	4.7	8.2	6.9	3.9	3.71	2.14	4.79
School and University equipment ...	5.2	9.4	8.3	17.8	12.96	14.92	11.94
Cultural activities and technical training ...	0.57	10.1	6.8	14.5	12.04	13.23	10.21
Expenditure and expenditures on checking and control...	1.33	2.30	1	0.9	0.76	2.00	1.40

Source: Secretariat of State in charge of Co-operation.

Table 41
Disbursements by the FAC: breakdown of Title III

	1962	1963	(million francs)
			1964
Experts ...	3.8	3.5	4.4
Scientific research ...	53.8	58.8	65.3
Assistance to technical assistance organizations	3.9	3	0.25
Cultural co-operation ...	10.9	16	20
Radio-television ...	20.5	24.5	27.35
Scholarships ...	26.5	36.15	39.5
Health and social services ...	10.9	5.05	3.55
Total ...	130.3	147	160.35

Source: op. cit. Annexe No. 3, page 327.

Table 42
Commitments approved by the governing body of the FAC during 1964 (at 28.9.64): Distribution by Title of the FAC and by sector
(thousand francs)

Sectors	Title III	Title V	Title VI	Total
I—General expenditures				
General Studies ...	—	—	2,096	2,096
Geological map, mining survey... ...	—	—	33,190	33,190
Cartography ...	—	—	4,500	4,500
Information, radio ...	26,350	—	3,290	29,640
Cultural action ...	20,000	—	300	20,300
Technical training ...	22,214	—	—	22,214
Scientific research ...	65,760	—	18,451	84,211
General expenditures ...	245	—	5,500	5,745
Permanent and temporary				
Missions ...	905	3,632	950	5,487
Mission experts ...	3,500	—	1,000	4,500
General hydraulic studies ...	—	—	6,243	6,243
Social action ...	390	—	—	390
Intervention in Congo—				
Leopoldville ...	—	—	1,000	1,000
Total general expenditures	139,364	3,632	76,520	219,517
II—Production				
Agriculture ...	—	—	105,966	105,966
Forest, hunting, fisheries ...	—	—	3,012	3,012
Livestock ...	—	—	8,721	8,721
Maritime fisheries ...	—	—	2,146	2,146
Mines ...	—	—	19,904	19,904
Industrialisation ...	—	—	1,772	1,772
Electricity ...	—	—	808	808
Intervention in Congo—				
Leopoldville ...	—	—	750	750
Total of production	...	—	143,079	143,079
III—Infrastructure				
Railways ...	—	—	—	—
Roads and bridges ...	—	—	36,354	36,354
Seaports ...	—	—	12,500	12,500
Navigable waters ...	—	—	300	300
Aeronautics ...	—	—	18,090	18,090
Telecommunications ...	—	—	4,317	4,317
Urbanism and housing ...	—	—	19,975	19,975
Intervention in Congo—				
Leopoldville and Burundi	—	—	1,000	1,000
Total Infrastructure	...	—	92,536	92,536
IV—Social expenditures				
Health ...	1,300	—	8,198	9,498
Teaching ...	9,595	—	39,943	49,538
Sport and Youth ...	600	—	—	600
Intervention in Congo—				
Leopoldville and Burundi	—	—	1,742	1,742
Total social expenditures	11,459	—	49,883	61,378
Grand total	...	150,859	3,632	362,018
				516,510

Source: *Journal Officiel*, 1964-5, No. 84 (A.N.). Report presented by the Commission des Finances on the budget of the Ministry of Co-operation, page 3751.

Table 43
**Commitments approved by the governing body of the FAC
 in the first nine months of 1964: capital expenditures (Title VI),
 distribution by country¹**

States	General ex-penditures	Production	Infra-structure	Social ex-penditures	(thousand francs) Total
Burundi ...	... 470	—	250	280	1,000
Cameroun ...	... 2,085	2,000	10,100	15	14,200
Central African Republic ...	... 978	16,942	16,030	—	33,950
Congo—Brazzaville	6,360	9,850	5,690	2,560	24,460
Congo—Leopoldville	2,950	750	750	1,500	5,950
Dahomey ...	... —	3,788	—	—	3,788
Ethiopia ...	... —	—	—	300	300
Gabon ...	... 1,570	2,553	5,295	400	9,818
Upper Volta ...	... 2,260	4,199	3,380	—	9,840
Madagascar ...	... 4,240	17,942	4,380	4,900	31,462
Mali ...	... 960	1,600	—	—	2,560
Mauritania ...	... 200	2,904	4,508	1,694	9,306
Niger ...	... 2,011	12,160	6,160	650	20,981
Rwanda ...	... —	—	—	2,200	2,200
Senegal ...	... 2,207	32,816	2,600	2,200	39,824
Chad ...	... 4,138	8,258	5,140	—	17,536
Togo ...	... 759	741	8,995	2,844	13,339
Common Organisations ...	—	—	7,536	2,700	10,236
Sub-total ...	31,188	116,540	80,814	22,243	250,750
Operations of general interest ...	45,332	26,574	11,722	27,640	111,268
Grand total ...	76,520	143,078	92,536	49,883	362,018

Source: *Ibid.*, page 3750.

Note: ¹ The programme of commitments for the Ivory Coast had not at that time been established. Figures for distribution by country are not generally published; this table simply gives a rough idea of distribution.

Table 44
Total commitments approved by the governing body of the FAC since its creation (Titles III, V and VI)

Nature of operations	1959	1960	1961	1962	1963	(million francs) 1964	Total
General studies ...	16.3	20.6	26.8	34.2	32.4	27.0	157.3
Production (mainly agriculture) ...	120.2	211.8	243.8	209.3	321.4	282.8	1,389.3
Infrastructure ...	175.5	129.3	124.8	71.9	108.3	107.9	717.7
Social and health equipment ...	16.6	42.2	35.5	19.6	24.3	13.2	151.4
School and University equipment ...	18.3	48.8	42.8	90.3	84.9	92.0	377.2
Cultural activities and technical training ...	2.0	52.5	35.0	72.5	78.8	81.6	322.5
Administrative expenditures ...	4.7	12.0	5.5	4.7	5.0	12.3	44.2
Total ...	353.6	517.2	514.2	502.5	655.0	617.0	3,159.6
Unallocated ...	—	—	—	—	—	1.8	11.4
							13.2

Source: Secretariat of State for Foreign Affairs in charge of Co-operation.

Table 45

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Budgetary subsidies from the FAC (Title IV): disbursements

(million CFA francs)

	1964						1963						1962					
	General Equipment subsidies			Total subsidies			General Equipment subsidies			Total subsidies			General Equipment subsidies			Total subsidies		
	General	Equipment	Total	General	Equipment	Total	General	Equipment	Total	General	Equipment	Total	General	Equipment	Total	General	Equipment	Total
Senegal	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Ivory Coast	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Mauritania	1,651	—	1,651	—	—	1,500	—	1,730-4	—	500	700	1,200	45	1,000	1,045
Upper Volta	398	172	570	—	—	—	500	—	500	—	1,000	—	1,000	—	663	663
Dahomey	900	—	900	492	—	492	1,000	100	1,100	1,000	—	1,000	750	150	900	
Niger	800	—	800	700	150	850	400	—	400	650	—	650	—	520	520	
Gabon	—	—	—	—	150	150	—	—	—	—	—	—	—	—	—	
Congo	84-8	—	84-8	250	—	250	250	—	250	—	—	—	—	—	—	
Central African Republic	178	—	178	256	50	306	368	—	368	—	256	256	—	256	—	330	
Chad	290	110	400	650	—	650	572	—	572	—	877	877	—	877	—	567-5	
Cameroon	2,915	—	2,915	2,335	—	2,335	1,110	—	1,110	500	—	500	—	500	500	
Madagascar	1,250	—	1,250	500	—	500	—	—	—	—	—	—	—	—	—	—	
Miscellaneous (all States)	980-5	—	980-5	288-1	—	288-1	100	—	100	—	316	—	316	—	—	—	
Togo	—	—	—	—	—	—	—	—	—	—	—	—	—	—	250	250	
Total (CFA million francs)	9,447.3	282	9,729.3	6,971.1	350	7,321.1	6,020-4	100	6,120-4	3,966	1,833	5,799	795	3,950-5	4,745-5			
Total (million French francs)	188-9	5-6	194-6	139-4	7	146-4	120-4	2	122-4	79-3	36-7	116	15-9	79	94-9			

Note. 1 CFA franc = 0.02 French francs.

Source: Secretariat of State for Foreign Affairs in charge of Co-operation.

Table 46

Expenditures by Ministry of Co-operation (Secretariat of State for Foreign Affairs in charge of Co-operation) on technical assistance personnel

(million francs)

	<i>Expenditure on personnel (million francs)</i>	<i>Percentage of its total aid to States (approx.) %</i>
1963 352	—	—
1964 395.7	—	—
1965 411.5	50	
1966 (forecast) 405.5	45	

Source: *Document Annexe, Projet de Loi de Finances* (1964, 1965 and 1966).**Table 47**

**Numbers of technical assistance personnel of all kinds in African and Malagasy States under official aid programmes
(at 31st December 1963)**

	<i>Teachers (operational experts)</i>	<i>Other 'permanent' (advisory experts)</i>	<i>'Temp- orary' (advisory experts)</i>	<i>Total</i>
Ministry of Co-operation:				
<i>Direction de la Coopération culturelle et technique</i> 4,420	4,330	—	8,750	
<i>Direction des affaires économiques et financières</i> —	—	169	169	
National servicemen (militaires du contingent) 302	70	—	372	
Ministry of Public Works —	1,128	—	1,128	
Ministry of the Economy and Finance —	43	—	43	
Ministry of National Education 287	—	—	287	
Total, official aid in personnel 5,009	5,571	169	10,749	
(Technical assistance organisations subsidized by the FAC) (2,182)				
(Total) (5,009)	(7,753)	(337)	(13,099)	

Source: *Direction de la coopération culturelle et technique, Ministère de la Coopération, Rapport d'activité 1961/63* (published in 1964).

Table 48**Distribution of 'temporary' experts in the States**

				1959-60	1961	1962	1963
General economics	...	...	...	38	28	44	21
Statistics	...	...	...	47	39	30	17
Agricultural economics	...	...	...	41	42	30	24
Cultural and social problems, training	...	...	...	17	29	68	18
Infrastructure...	...	...	...	10	17	4	13
Industrialisation	...	...	...	9	2	11	25
Finance	...	...	...	2	2	14	17
Administrative and judicial problems	...	...	...	6	15	15	21
Miscellaneous...	...	...	...	3	9	16	13
Total	...	...	...	173	183	232	169

Source: op. cit.

Table 49**Evolution in numbers and distribution of 'permanent' technical assistance personnel in the States**

				Teachers	Others	Total
1960	...	...	...	2,416	7,666	10,882
1/2/61	...	...	...	2,794	5,890	8,684
31/12/61	...	...	...	3,233	5,091	8,324
31/12/62	...	...	...	4,040	4,659	8,699
1/3/64	...	...	...	4,402	4,318	8,720
1964 (forecast)	...	...	...	4,750	4,240	8,990
1965 (forecast)	...	...	...	4,750	3,600	8,350

Source: op. cit.

Distribution of technical assistance personnel in posts or on holiday at 1st March 1965

Source: Secretariat of State for Foreign Affairs in charge of Co-operation

Note: 1 Treasury, accounting, statistics, customs, police, etc.

Table 51
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National servicemen in posts or on holiday at 1st March 1965

Source: Secretariat of State for Foreign Affairs in charge of Co-operation.

Table 52

**Short-term advances from the French Treasury
to alleviate budgetary difficulties**

(million francs)

			1961	1962	1963	1964
1.	Advances to be reimbursed within the year:					
	Mali	...	20	30	30	30
	Chad	...	10	—	10	15
	Upper Volta	...	11	13	—	—
	Central African Republic	...	6	—	—	—
	Congo—Brazzaville	...	5	—	—	—
	Mauritania	...	10	—	—	—
	Gabon	...	—	—	—	8
	Niger	...	12	12	—	—
	Total	...	74	55	40	53
2.	Advances to be reimbursed in two years (14 States, Overseas Territories and Departments): ¹					
	Non-consolidated	...	31	35	41	35
	Consolidated	...	23.7	31.1	21.6	

Source: *Rapport C.E.S.*, Annexes Nos. 18 and 19.Note: ¹ Figures for each of these are not published separately, but Mali was by far the biggest recipient of this type of advance.

Table 53

**Aid to the African and Malagasy States from the Caisse
Centrale de Coopération Economique
acting under its own authority**

(million francs)

		From 1946 to 31/12/1964	of which in 1964
Loans to the States	...	323.1	8.0
Loans to public organisations	...	270.8	2.8
Loans to organisations with public participation:			
Banks	...	398.3	72.8
Housing Societies	...	226.6	3.0
Energy and Water Boards	...	323.5	21.2
Building Societies	...	14.9	—
Other	...	21.5	—
Participation in the capital of:			
Banks	...	45.1	1.9
Housing Societies	...	2.4	—
Energy and Water Boards	...	28.5	0.4
Building Societies	...	0.6	—
Other	...	3.6	—
Loans to the private sector	...	747.0	23.1
Participation in the capital of private business	...	18.5	—
Rediscounting	...	167.2	14.7
Total:	...	2,591.7	147.9

Source: Secretariat of State for Foreign Affairs in charge of Co-operation.

6 Policies

(a) General

Immediately after the independence of the States, the French were mainly concerned to maintain their influence and positions in Africa. The idea that the States were part of France, or at least very closely linked to France, was not easily abandoned. Although they were clearly sovereign and politically independent, co-operation represented 'a new form of relationship between sovereign States', and a concern to develop links 'all the stronger for not being juridical'. There was not much preoccupation with economic independence, and very little impulse to achieve the self-sufficiency of the States. French aid was not designed towards that end, but rather towards the endowment of the States with all the attributes of nationhood and French civilisation. The States on their side had no wish to break with France, or to change radically the direction in which they were moving before independence, which was in effect towards equality with France.

It was also necessary simply to ensure that the States' administration and services continued to function and to prevent stagnation, or even the lapse into chaos, which could have resulted from the sudden and largely unforeseen independence of the States. French personnel, therefore, for the most part, stayed where they were; the methods of providing French financial support changed somewhat (see above), but its use changed little, and its volume simply continued its upward trend.

There then followed a period of re-thinking, of which the *Jeanneney Report* was perhaps the most eminent expression, designed as it was to take stock of the situation 'now that the period of de-colonisation was completed'. It urged a more rapid abandonment of colonial structures and a more rapid reconversion of French aid in the ex-colonial territories. It also argued that the concentration of French aid on Franc Zone countries, and in particular on the African and Malagasy States, was not in the selfish interest of France, although it was important to maintain this aid and there was much that France could achieve with it. Cartier¹ used the Jeanneney conclusions as the basis for a new attack on aid, and '*Cartieriste*' views in France were quite widespread. General de Gaulle appeared to be somewhat disillusioned with the Franco-African Community (see introduction).

All this gave strength to those who favoured reappraisal of the aims and objectives of aid to the States, and a reform of methods and attitudes. There were people in the Ministry of Co-operation² who had been urging this; urging more practical policies to enable the States to be more nearly self-sufficient; a tougher attitude towards projects which the States could not afford and which would merely

¹ In three articles in *Paris-Match*, March 1964.

² Now Secretariat of State.

perpetuate their dependence on France; greater willingness to depart from the French model and to evolve practical methods, in particular in education, training and administration, which would be better adapted to the needs of the States and enable them to reduce the number of French personnel with operational responsibilities; more efficient planning and better co-ordination of French aid with this planning; re-training of French personnel to ensure that they did not simply run the administrations of the States, but trained Africans to take over from them, and always associated Africans with their work. In the last year or two these ideas, which originated with a minority, have gained in authority, and most of them are beginning to be put into practice.

Such policies also involve more positive intervention by France, a refusal to accept that the primary aim of French aid is to please the States and their present leaders. The latter have all been educated in French traditions. Many of them are primarily concerned to preserve these traditions, to ensure that Africa is not fobbed off with something inferior or make-shift simply because it is less expensive or because Africans are thought unworthy of more sophisticated systems. They are determined to avoid '*éducation au rabais*', inferior sort of education, or even '*africanisation au rabais*'. They do not want to lose the equal status with Frenchmen that their educational system, based on that of France, has conferred, with *baccalauréat* and university diplomas giving the same qualifications, in France as well as in Africa, as those acquired in France. They want to learn Greek in their universities because they feel that otherwise the universities will not be genuine universities in the true cultural tradition. They want to preserve French administrative devices even though these were generally elaborated to meet different situations. Obviously more schools, more hospitals and grander airports are more attractive than minor agricultural improvements. No State is prepared to be less well endowed than its neighbour, even if this makes nonsense of regional planning and makes two harbours, or two industries, unviable.

The French therefore have to change African attitudes, as well as their own, if French aid is to be used to achieve the rapid development of the States and eventually their self-sufficiency. They hope to do this by a 'dialogue' with the States, by persuasion. This they are in an exceptionally good position to practice. Franco-African relations continue to be extraordinarily close (see conclusion to historical chapter). There is remarkably little resentment of French intervention. African willingness to work with Frenchmen in their administration is such as to be almost a hindrance to French objectives. There is little urge to Africanise: a year or two after independence the French withdrew some of their personnel, in agreement with the States, and Africans took over a considerable number of posts; but in many cases the Africans later asked for Frenchmen to return. The Ministry of

Co-operation¹ went through a phase of being, in matters of Africanisation, '*plus royaliste que le roi*'. Now, apparently, it is prepared to allow Frenchmen to stay for the sake of efficiency, and in order to enable the new policies to be put into practice and have time to fructify. Although the numbers of Frenchmen in positions of responsibility have been reduced, they are still considerable. The Aid and Co-operation Missions provide an important link between the Ministry and the local administrations.

French aid, moreover, is by far the biggest source of investment in the States. Foreign aid, apart from EEC aid (which is now roughly equivalent to French *capital* aid – Title VI of the FAC), is small. Few of the States have any resources of their own to spare for investment; most of them have difficulty in balancing their recurrent budgets. Although they all also have *budgets d'équipement*, or investment budgets, only in Senegal, the Ivory Coast, Cameroun and Madagascar do these have any real significance. In the other States, they have only exceptionally, and marginally, exceeded 1,000m CFA francs a year (or rather less than £1½m); generally they are much smaller. French aid is not channelled through the States' investment budgets (except for the '*subventions d'équipement*' – see above). The States, unlike Ghana for instance, have derived practically no resources from their stabilisation funds for primary products, which have barely managed to balance their gains and losses (and have in the past received aid from France: see chapter on economic background). And of course, as has been seen, France pays a considerable proportion of the States' recurrent expenses.

It is therefore relatively easy for France to obtain its objectives by the perfectly legitimate policy of refusing to finance certain operations, and this in fact the major means the French have of controlling the policies of the States. It is also part of the reason why intervention by other donors or private investors is so often resented by France. The French may refuse to finance a certain project requested by a State on the grounds that it would put too heavy a burden on the resources of this State, or ruin attempts at rational planning, sometimes on a regional basis. If a foreign government or private interests or the United Nations then offer to finance the project, the French are naturally annoyed – especially as it is they, in the last resort, who will have to bear the extra expenses created by the project if it does turn out to be unprofitable. However, the dangers of such lack of co-ordination are less in the African and Malagasy States than elsewhere. There are good working arrangements between the FAC and the FED (European Development Fund); French influence is in any case predominant in the latter. Even co-ordination with the Americans is on occasions quite good: for instance in the Ivory Coast, the French

¹ Now Secretariat of State.

and the Americans have agreed to concentrate on developing different geographical regions. The United Nations Specialised Agencies have often been considered a menace, for instance advising the States to set up a full network of rural health centres when the French have developed an efficient and economical system of roving preventive medicine¹; but the situation is said to have improved.

On the whole the French have remarkable opportunities to do what they want in the States, as long as they are prepared to risk displeasing some old friends. Perhaps the best expression of some of the most progressive policies in the Ministry of Co-operation² is contained in the introduction to the 1964 Report of the *Direction de la coopération culturelle et technique* by its Director, Monsieur J. P. Dannaud. He says that a triple effort has been made:

'I – An effort to enable States which are politically viable – but administratively "premature" – to survive and develop.

It was necessary, but not certain, that the independence of the African States South of the Sahara should not entail stagnation or regression, or even disorganisation, caused for instance by a massive departure of French trained personnel and by the reduced effectiveness of those who remained. It was in addition essential, in sectors where independence made it psychologically necessary that there should be a leap forward – sometimes out of proportion with the resources which the States possessed to sustain this growth – to supply the required reinforcements of personnel. Thus from October 1960 to October 1963, the number of teachers seconded to Africa increased from 2,750 to 4,720.

'II – An effort to begin the transition from this short-term policy, whose principal objective was continuity, to a medium-term policy drawing the conclusions from independence, embarking on the transition from a technical assistance of responsibility to one of advice and of training, urging the States to work out an order of priorities for development, preparing the necessary structural reforms. . . .'

Africa must change, but it must not blindly copy the standards and institutions of the West. 'The lack of adaptation – masked by the size of external aid – of the structures of colonial origin to the decolonised States' own resources and real needs is a fact. It is considerably aggravated by the spirit of assimilation which characterised the last years of the colonial system. . . .' A synthesis must be found which is neither 'technical regression and mythical negritude' nor 'debased survival' of colonial structures. . . .

'The day will come – doubtless very rapidly – when faced with the mass of technical assistance personnel and foreign experts who cannot solve their problems, and with the proliferation

¹ Cf. Annexe No. 14 of the *Jeanneney Report*.

² Now Secretariat of State.

of facilities for training offered anywhere and to anyone, the African States will become accusers. The policy which consists merely in pleasing has no future. . . .

'The *Direction de la coopération culturelle et technique* felt that its rôle was not only to answer requests for French teachers, civil engineers or tax inspectors. It ought, without encroaching on the competence of the States, to anticipate the evolution of their needs, or their awareness of these needs. . . .

'III - This task - which by its volume, the circumstances of transition and the very intimacy of Franco-African relations was extensive and difficult - has been accomplished by an organisation which had at the same time to organise itself. . . . That the *Direction* should also have succeeded in doing more than merely settling current business and answering requests, is a . . . subject for satisfaction. Finally, that the very inadequacy of the means of the central organisation should have contributed to accentuating the break with the past, to creating a new spirit, style and rhythm, to making our co-operation with Africa not a survival but the beginning of a new "Project", is not the least satisfactory result of these difficult circumstances.'

There are considerable advantages in the size and homogeneity of French aid to the African and Malagasy States. It is in these States that the effectiveness of the French effort will be judged. 'The primary aim [of this effort] for France is not the affirmation of world responsibility, the protection of a particular political clientèle, the opening of commercial markets, the glorifying of our language and culture (a French-speaking chaos would still be a chaos!), nor even the triumphant exporting of our techniques and technicians. The aim is to show, for the first time since the industrial societies have become concerned with the problems of the Third World, a State - our country - succeeding in effectively aiding other countries to develop. . . .'

Obviously it takes time for such views to become accepted. But it appears that they are gaining ground. The argument that it is no use blindly clinging to old positions, that sooner or later there will be a general realisation by Africans that a mere flood of French administrators is not what they need, that an increase in the number of speakers of French, if it does not lead to development and a betterment of life ('a French-speaking chaos is still a chaos'), is not a sound basis for policy, is a persuasive argument from a practical point of view. (It nevertheless contrasts singularly with the Minister of Co-operation's preface to the same Report, the opening sentence of which is 'That French is the language of the new African Republics entering international institutions five years ago, this is what was revealed to world opinion and was of no mean weight in extending the influence of France, endowed with new institutions by General de Gaulle'.)

But, combined with the evident desire of the Government to reduce, or at least not greatly to increase, its financial commitments in Africa, there is a considerable chance of these new ideas being generally accepted and supported. Although in the short-run the policy requires if anything an increase in French expenditures on aid, in the long-run, since its objective is to create viable and relatively self-sufficient societies, it must reduce the need for French support. Moreover, French prestige is by now fairly closely involved in the successful development of these particular countries.

It is not of course an easy policy to pursue, and it contains contradictions. To enable the States to be economically viable and have practical and viable administrative and educational systems is undoubtedly the way to obtain the goodwill of all reasonable men in the long run. But it is conceivable that it would also mean a break with French culture and even the abandonment of the French language; and this is a point beyond which it is unlikely that France would be prepared to go for the sake of the development and progress of the States. Probably it will not be necessary to reach this point: the French language may well be, as is claimed, the best vehicle for development. But the French attitude must always be equivocal, and the impression is that the prospects for the French language will ultimately determine policies – however odd this may sound.

Economic arguments of self-interest, on the other hand, are likely to have relatively little weight. The Jeanneney case – that the concentration of French official expenditures on the Franc Zone is not in France's economic self-interest – appears to have been accepted. There are reservations as to the speed at which it will be possible for France to re-adapt its economy and to dismantle, where it is desirable to do so, the complex structures of the Franc Zone. But such dismantlement is occurring; the trade restrictions are being progressively weakened; the Government is supporting industrialisation in Africa which will directly compete with the metropolitan industries most dependent on Franc Zone markets (see below). Opposition from sectional interests is apparently not decisive, and well within the power of the present Government to control. Studies are now being made within the Secretariat of State now in charge of Co-operation, and in the context of the Fifth Plan, which it is hoped will further these policies; the aim is to show that it is in France's interest to practise a better division of labour, and thus to have more sophisticated markets in which to trade. But the predominant consideration in French aid policies in the States is unlikely to be economic self-interest.¹

The following sections are primarily intended to show to what extent the policies described above are being put into practice.

¹ For a further discussion of these questions, see Chapter 2 of this study.

(b) Capital aid

French capital aid to Africa has often been criticised, and notably in the *Jeanneney Report*, on the grounds that it has been too heavily concentrated on infrastructure, and that these investments in infrastructure have been on an unnecessarily lavish scale and have burdened the States with recurrent costs beyond their capacity to support. Certainly the standards of administrative buildings, airports and so on are much higher in French-speaking Africa than for instance in Ghana and Nigeria; the capitals of French-speaking States are incomparably more monumental than Accra. Obviously this kind of investment is more political than economic; sometimes it is said that it is necessary in order to make small countries feel that they really are sovereign States. But it is at the expense of more productive investment, and the costs of its upkeep tie up the scarce resources of the States. Even some projects which are clearly part of the economic infrastructure have in the past been disproportionate to the needs of the States, and provided benefits which are negligible in comparison with their cost. The emphasis has changed somewhat since the period of the FIDES (see historical chapter, page 36), and an increasing proportion of French capital aid has been devoted to production (see table on page 183). There has been, since 1960, increasing concern to avoid excessive recurrent costs. Investment in infrastructure in the States has been very largely taken over by the European Development Fund (whose structures made it difficult for it to do anything else).

The French have also on the whole become disillusioned with big projects. These have obvious advantages from a prestige point of view, but they are generally concentrated in small areas and have little effect on the population as a whole. Three-quarters of FIDES aid to agriculture was concentrated on three major projects – the Office du Niger, Casamance and Richard Toll schemes – two of which were more or less failures. Studies made on the big hydro-electric project at Edéa in Cameroun have shown that it has had only a marginal effect on the national economy. The French have decided, on the basis of more studies,¹ not to finance a project for a hydro-electric and metallurgy complex at Kouilou in Congo-Brazzaville (although it is possible that their resolve will weaken if other countries offer to finance it instead); they believe that the amount of money involved could be used to more productive effect. They are urging the States to present less grandiose projects. The policy is increasingly to finance small operations. These are generally grouped together in a relatively large geographical area: both because they are likely to be more effective if they are concentrated in one geographical region which is systematically developed rather than scattered throughout the country and,

¹ Notably one made by the ISEA (*Institut des sciences économiques appliquées*) and published by the Ministry of Co-operation in 1965.

admittedly, because their propaganda value is thereby increased. France sometimes shares out geographical areas with the EDF, and even with the Americans.

Table 54
Percentage distribution of investments by the FAC

	1961	1962	1963
General Studies:			
Cartography, geology, scientific research...	28%	12%	8%
Production:			
Agriculture, livestock, mines, industrialisation, energy	26%	34%	42%
Infrastructure:			
Harbours, roads, telecommunications, railways, town development and housing, administrative buildings... ...	26%	23%	32%
Social investments:			
Schools, hospitals, health, sport	20%	31% ¹	18%

Note: ¹ High percentage resulting from the creation of the universities at Tananarive, Abidjan and Yaoundé.

Source: Jeanneney Report, page 81.

The idea that it is better to finance smaller operations which will affect greater numbers of people is being carried further. The French are encouraging for instance the extensive introduction of animal-drawn ploughs, as an alternative to a few tractors which are difficult and expensive to maintain. They have set up small work-shops to make simple equipment locally. An experiment of this type has been made apparently with success in Upper Volta. Previously attempts had been made to improve the agriculture of the region with the use of tractors, which broke down; then with cattle, which the local cultivators were not used to and were unwilling to feed. A French priest then thought of using the local donkeys, which had once been used by the peasants as means of transport but had been replaced by bicycles, and were simply running wild, unused. The SATEC (*Société d'assistance technique et de crédit social d'outre-mer*) was brought in and financed by the FAC. It had 4 or 5 technicians, and gave demonstrations using donkeys and light ploughs. The demonstrations were a success, and were well received by the local people. Three years after the beginning of the project, donkeys are used for ploughing nearly throughout the area, there are co-operatives for the purchase of ploughs, the most intelligent peasants have been recruited and have trained more than 500,000 other peasants; carts and fertilisers have been introduced. Earth dams, wells, dirt tracks, irrigation systems have been built. The peasants are cultivating food-crops (millet) whose usefulness is obvious to them, as well as cotton for export. This success is regarded as evidence of the effectiveness of simple methods. (Incidentally this is a good example

of the kind of policy recommended by René Dumont in *L'Afrique Noire est Mal Partie*,¹ one of the best known and most respected criticisms of methods in French-speaking Africa.)

There have also been attempts, relatively recent, to encourage industrialisation in the States. France has not provided aid to set up industries (except in fields generally recognised to be in the competence of the State, railways and electric power for example). This is apparently because of the lack of competent local personnel; the attempts at creating State industries in Mali and Guinée are said by the French to have been failures. The one example of French public financing of at least a semi-industrial project, the *Office du Niger*, which had factories for processing crops produced locally, was largely unsuccessful, and resulted in a permanent state of strife between the Frenchmen sent to run the factories and the local cultivators. Another explanation for the lack of French aid for industrialisation is no doubt that industrialisation in the African territories would have competed with industrial concerns in metropolitan France whose main markets were in Africa. But the French have now begun a policy of encouraging French private investment in the States, with large, but not majority, participation by the latter's governments. The Ministry of Co-operation set up a *Comité consultatif industriel* in June 1963. This committee meets once or twice a year, and is intended to demonstrate to French industrialists the possibilities for investment in the States, and to put them in contact with African leaders. In a few cases, the FAC has also contributed to the financing of private investments in the States. This it does by a complex system involving special loans for the constitution of capital and long term loans for equipment; it acts generally with the *Caisse centrale* and the COFACE (*Compagnie française pour le commerce extérieur*, which provides guarantees for export credits). These procedures have so far been used for MIFERMA (the mining complex in Mauritania), for a manganese factory at Franceville in Gabon, for a cement factory at Malbaza in Niger, for textile complexes in Chad and Cameroun. Efforts are naturally made to ensure that the enterprises thus supported are viable. The Ministry of Co-operation² has intervened principally in the poorer countries, where private enterprise would be unlikely to go of its own accord. It is in addition trying to bring home to French firms the dangers of not employing and training sufficient numbers of Africans, and to the States, in particular the Ivory Coast, the danger of leaving the private sector entirely in the hands of foreigners, and of not providing training which would suit Africans for work in the private sector (see below).

The creation of industries on a regional basis is obviously considered desirable. But the French are on the whole pessimistic about the

¹ Editions du Seuil, published in 1963. (Also published in an English translation by André Deutsch in London in 1966.)

² Now Secretariat of State.

possibility of success in such endeavours, and frankly scathing about the plans of the UN Economic Commission for Africa for a rational distribution of industry in West Africa, including English-speaking Africa. They find it difficult enough in the part of Africa with which they are concerned. They can refuse to finance two harbours side by side, in Dahomey and Togo, but then Germany offers to finance one in Togo (when France has already been building one in Dahomey for several years). The four States of the *Conseil de l'Entente* are said to have asked to be treated as an economic whole, but private investors inevitably concentrate on the Ivory Coast. The most advanced French plan for regional industrial development has been made in Equatorial Africa. Here, after a series of studies, it was decided to set up two textile complexes, one in Chad and one in Cameroun; the FAC is contributing to their financing and financed most of the research on which the projects are based. The capital was provided by French and German groups, loans by the FAC, the *Caisse centrale* and the German *Kreditanstalt*, export guarantees by the COFACE. It is intended that they should not merely supply local needs, but should export to Europe. They are to be in production by the end of 1966. But the Central African Republic, which was left out of this scheme, has negotiated directly with a French firm; a Franco-Belgian group is to sell a textile factory to the government, with a 5-year repayment period; the government of the Central African Republic is re-selling the factory to a private concern with a 10-year repayment period: it will thus in effect lend capital to foreign private interests. It will of course turn to France to finance the operation which it has committed itself to undertake; it is probable that France will refuse. But the difficulties of regional planning have been amply demonstrated.

These official French initiatives in encouraging the French private sector to invest in the States are a new and important departure. The officially sponsored textile industries in Equatorial Africa will compete with the French textile industry. It is clear that French textile interests were only persuaded to invest in Africa by the threat that they would lose their market if they did not: in fact by the very specific threat that the Japanese would get there first, and had actually begun negotiations with Cameroun to supply two factories, whose products could then have been exported into the Common Market free of duty. The same thing is beginning in the Ivory Coast: Japanese, Dutch and French firms are competing for a contract to set up a textile-printing factory. It is in fact an extraordinary change since the days when French markets and French businesses in the Franc Zone were almost totally protected from outside competition, by tariffs, special rights of establishment, and so on, and also by the presence of Frenchmen in controlling positions in the local administration. There is a well-authenticated story that, a few years ago, an American firm wanted to set up a fertiliser factory in Senegal and was prevented from doing

so by the Frenchmen working in the Planning Office of Senegal: not because such a factory was thought not to be useful, or even because the French wanted to set one up themselves, but because Senegal imported fertilisers from France. It is said that such a thing would no longer be possible.

The French have not yet, however, taken any concrete steps to facilitate the reconversion of French industries which are still dependent on markets in the Franc Zone. But a policy of persuasion is being pursued, and it is said that industry is beginning to understand that it is in its interests to sell more sophisticated goods to more developed countries. The idea of a 'division of labour' was one of the points in the French thesis at the UN Trade and Development Conference at Geneva. At any rate, the industrialisation of the States has become one of the primary concerns of the Secretariat of State in charge of Co-operation.

The other main sector of FAC investments is in studies and research. The big year for this was 1960, when the States became independent. Before this most statistics were based on the Federations, and there were very few on a territorial basis. These had to be established. A series of basic studies were made, at the request of the States: demographic surveys, national income accounts, agricultural surveys, and geological surveys, surveys of internal trade. Since then there have been some special studies, but the main work has been in keeping the basic data up to date. This has in general been done on the initiative of France: the States are not particularly interested.

These studies served as the basis of an effort to plan the development of the States. All the States have, or are about to have, plans (with the exception of Gabon). The original plans have been much criticised, on the grounds that they were purely theoretical exercises. They were treated as objects of reverence rather than as practical guides to action. They were beautiful models, with global targets and nice calculations. They did not take much account of local circumstances, and in particular of the trained personnel available. The purpose of the plans was said to be not so much to produce working documents to be precisely adhered to, as to demonstrate to the States the necessity of having priorities in development, the fact that all sectors of development reacted on one another, and that it was unwise, for instance, to buy a Cadillac if one did not have enough money to buy petrol. It was the idea that counted, not the specific targets. There was no particular attempt to fulfil the plans, to reach the targets set, and there were no rigid programmes. The plans did set out policies: for instance the Ivory Coast's plan concentrated on the ideas of diversification of agriculture, a better balance between the coastal regions and the North, and so on. It is however generally admitted that the plans disregarded the human possibilities of the States. High

level French economists were sent to the States, and applied the methods they had learnt in Europe, without taking local factors sufficiently into account. Some of the sophisticated statistics were simply there to impress foreigners: it was thought, wrongly, that independence would mean a great inflow of foreign capital.

Most of the work on the plans is done by the French. The Secretariat of State has taken the most highly qualified of the ex-administrators of Overseas France, most of them young, and trained 10 to 15 a year in planning methods and economics: they have a course of one year in Paris at the *Centre de perfectionnement pour le développement et la coopération économique et technique* (CPDCET), then a practical course of two months in Africa, sometimes in the World Bank. Some of them remain permanently with the Ministry, others have been put at the disposal of the States. The Ministry also uses autonomous institutions; for instance the SEDES, which has 80 experts, or the SEMA, which has 40, are sometimes asked to do the whole work on a plan. This is a more expensive way of getting it done, but is likely to be more effective. It is generally insisted that nationals of the States concerned are associated with the work, and trained to take over. There is also, as in France, a *Commission du Plan*, which attempts to associate the people concerned in the decisions on the Plan. The attempt is not always successful. The private sector is mostly French; trade unions are said not to be important. Senegal is apparently an exception: there is a very complete *Commission*, 90% of whose members are Senegalese. There is the problem of absenteeism: the Africans are on the whole not interested in committee discussions of the details of plans and often do not come; when they do come, they do not have the technical qualifications to enable them to make counter-proposals. African deputies are above all interested in getting hospitals for their constituencies. In the end, it is generally the French technicians who decide; the Plans are then submitted to the National Assemblies of the States.

There is now an effort to make planning rather more real. Most of the projects presented to the FAC for financing have been in the plans. But the plans were made first; then, from year to year, the French looked for things to do in them. They are now trying to co-ordinate FAC programmes and plans in advance. The plans in general contain estimates of what the States may expect from France. This is now being more systematically organised, in particular for the new plans of Senegal, Madagascar, Congo-Brazzaville. While the plan is being prepared and approved, the Secretariat of State sends 4 or 5 experts to work out what France will finance in the first year, and is likely to be able to finance in succeeding years; the States thus know with fair certainty what they can expect from the FAC in the next 3 or 4 years. The Madagascar Plan has been published in conjunction with the programme of the FAC. The Congo Plan drawn up by French experts

did not include the Kouilou dam; the Congolese added it, in the hopes that it may be financed for instance by the Russians; but the French commitment is mainly concerned with small agricultural improvements. These French commitments are so far only moral commitments, conditional on the French government maintaining or increasing the volume of French aid to the States; there is some hope that the Secretariat of State in charge of Co-operation may, in its turn, get a detailed commitment in the French Fifth Plan, in which case it would be able to make more definite commitments to the States.

The allocation of French aid to the States, at the moment, is based primarily on the plans and on the viability of the projects included in the plans. There is no fixed quota for each State. The quota method was tried and found unsatisfactory. It laid France open to blackmail by the States: they could request only the projects they wanted, but which France did not want, in the knowledge that they would get their quota, whatever happened. Obviously there is some rough idea inside the Secretariat of State of how much each State ought to receive, but this is not published; the French are even reluctant to publish figures showing how much each State has received in the past. Nor are the internal quotas strictly adhered to; the Secretariat of State is prepared to ignore them if it receives requests for good projects. There are undoubtedly political considerations (at least in the case of Mali, if nowhere else: documents requesting aid for admittedly good projects are piling up in Bamako). But on the whole the amounts received by each State depend on the value of the projects proposed, and on the States' absorptive capacity. The Ivory Coast gets more because it can use more. It is difficult to tell whether enough effort is really being made to ensure that the Ivory Coast is not excessively favoured merely because of the obvious political and economic benefits of giving aid to the richest and one of the most unswervingly francophile of the States. But it seems that the Secretariat of State gives priority to projects with a reasonable chance of success in the poorer States, tries to create the conditions which will permit them to use French aid, and even, frequently, takes the initiative in suggesting projects; but that even so, much of potential French aid remains unutilised simply because of the difficulty of finding good projects in States so unfavoured by nature. The French frequently refuse to finance projects which are not in the plans, for instance schools and hospitals, generally on the grounds that the States cannot afford the recurrent costs involved. It is said that they refuse about half of all requests, which gives some scope for manoeuvre.

It is also claimed, convincingly, that there are no limits on the amount which may be spent locally. Projects are apparently never favoured because of their high direct import content, in fact rather the reverse. Aid, as has been said, is tied to procurement in the Franc Zone, i.e., for practical purposes, locally or in France. This is of course

less of a sacrifice for France than it might be because of the virtual certainty that aid spent on local costs will eventually lead to additional imports, and because of the States' very high propensity to import from France – thanks partly to the Franc Zone system. The French have been increasingly concentrating on programmes of small agricultural improvements which involve practically no direct imports (with the exception of fertilisers, a factory to manufacture which is in any case at last being considered) and they are concentrating on projects considerably less grandiose than in the past, untarred roads for instance, dams made of mud rather than concrete, and so on. (This at a time when the Franc Zone safeguards are in fact becoming less operative.) The governing body of the FAC is said never to be against projects on the grounds that their import content is too low, and in fact on the whole to favour projects which use local materials and employ local people; its main concern is said to be whether the projects fit into the plans of the States. The Secretariat of State is engaged on a study of the proportion of aid which is spent on local costs – the actual financial flows from France to the States. It will not publish the result. But it appears that the proportion of aid spent locally is roughly 80%, and the French 'push' towards local purchases. How much there is actually a positive policy of using local materials, and in particular local labour, is not clear. It does seem that on the whole choices are based on the likely efficiency of particular projects, rather than on more general considerations such as dealing with unemployment. It is obviously often much more economical to use machines than it is to use manual labour, especially as most projects require the presence of very expensive expatriate technicians and engineers, and the longer a project takes to complete, the more expensive it becomes. Apparently attempts made by Mali (unassisted by the French) to adopt a policy of 'human investment' were a failure. The French are encouraging Senegal and other countries to take the problems of unemployment more seriously. It is said, though, that the rural population is less under-employed than some economists think: at certain times of the year, everybody is needed. Which would be a good reason for giving them work at other times of the year.

Projects, as has been seen, are frequently executed by public or semi-public specialised organisations. The Secretariat of State has some general say in their policies, and their work is in principle closely watched by a representative of the Secretariat of State and by the permanent Aid and Co-operation Missions (the States ought to do this, but apparently don't). The Secretariat of State appoints and can dismiss their Directors, sometimes recruits their staff. The formal checking of their activities is in general based on results and on financial correctness, rather than on methods; how much they spend locally and how much they import from France is not controlled. They are used, again, mainly for the sake of efficiency. They are

generally more expensive to use than experts and labour recruited on contracts, because they must cover their general expenses, but there is more chance of the work being efficiently expedited. They are not dependent on often inadequate local services; they recruit their own personnel directly and can therefore both choose competent and enthusiastic people, who are prepared to work in rough conditions and have not merely joined government service for security and an easy life, and discipline and control them once chosen. They are themselves responsible for supplying equipment with which to work; they are not hampered by lack of funds. Efforts are made to ensure that they do not impinge on the authority of the States, and substitute themselves for the local administration; Africans work with them and are in theory trained to take over once they have gone.

In addition, these institutions have considerable experience of Africa: most of them were founded in the 1950s in order to work in France's overseas territories, and they have survived the independence of the States generally with considerable good-will. They are often more disinterested than the official French administration, and have a long tradition of working with the African leaders. They may be more acceptable than direct French aid, because they do not represent the French State. The relatively left-wing new government of Congo-Brazzaville continued to use the BDPA (*Bureau pour le développement de la production agricole*); and these institutions are quite often employed by the States independently of French aid – and by the United Nations and the EDF. They are not concerned with making profits (unlike most of the firms which are used in foreign countries by the Ministries of Foreign Affairs and of the Economy and Finance).

The final point to be made in this section on French policies in capital aid is that the French continue to provide virtually all their aid in the form of grants. There are not many projects which produce an immediate economic return; when they do, any revenue which they produce is urgently needed by the States for other purposes than the payment of interest to France. If the French had made loans, they would simply have had to make more loans to enable the States to pay the interest on them, let alone repay the capital. The Secretariat of State in charge of Co-operation does not believe in the educative value of loans. Instead, they insist on proof that funds have been properly used; only the – diminishing – subsidies for budgetary support do not have their use precisely specified. But, two years ago, the FAC began to make a few loans. These have nearly everywhere been restricted to operations providing an immediate return, although in the Ivory Coast they have been more generalised. Most of the few loans that there have been, have been for installing telephone systems. A loan has also been made to Senegal for agricultural improvements. The loans have maturities of 5 to 20 years and interest at 1%. There is some slight idea that grants ought to be reserved for long-term opera-

tions, but the main reason for this minor excursion into the field of loans seems to have been the combined pressure of left-wing progressives who believed that grants were undignified, and right-wing *cartiéristes*, who thought the money was more urgently needed in France. (Hence the telephone installations: one of Cartier's main complaints was that there were not enough telephones in France.)

(c) Education and training

Probably more thought has been given to this than to any other aspect of the Ministry's activities. The shortage of African personnel of the right kind, even more than the absolute shortage of trained personnel, and much more than any shortage of capital, seems to be the major bottleneck in the development of the States. As the French discovered after the experiences of the first plan, to plan a programme of capital investments which does not take into account available resources of manpower is an exercise which has very little point. The early withdrawals of French personnel, in agreement with the States, and their replacement by Africans who were untrained or who had only had short courses of 'accelerated' training in France, seem to have been found unsatisfactory by Africans and French alike. The pace of Africanisation is now slower and more cautious, and the French no longer push for it as urgently as they did. Frenchmen are retained in the African administrations for 'technological' – not, it is said, for political – reasons. Meanwhile, the French are making intensified efforts to train enough of the kinds of personnel most needed, where necessary by the adaptation of traditional methods.

The major and most urgent requirement is apparently at the middle level. The shortage of high level personnel, particularly in places like Madagascar and Cameroun, is relatively less serious, except in certain fields such as engineering and technical subjects. There is even a danger of graduate unemployment – although this stage is still in no danger of being reached in most of the States of the interior, where there are often no more than 6 or 7 *bacheliers* (students who have passed the *baccalauréat*, roughly equivalent to British A levels) a year. But the shortage of middle level personnel is a major problem in all the States, including Cameroun and Madagascar. The shortages are felt both in the public and in the private sectors. In the public sector, the shortage of administrative and technical personnel at middle levels blocks the application of programmes: for instance the Madagascar Plan proposes programmes of roads and agricultural training-centres which it will be difficult to carry out because there are no engineers and no technical teachers. The shortage is felt also in particular in the specialised branches of public administration: for instance in Mauritania there are practically no customs officials. Even in Senegal, there is a risk that this kind of post will be filled later than higher and more responsible administrative posts, and France is unwilling to maintain

large numbers of specialised personnel at medium levels. In the private sector, the situation is worse. Political motives for Africanisation have been less operative. The middle levels as well as the higher levels in the private sector remain, by and large, European. It is thought that the results may be very serious, a cleavage between an Africanised public sector and a private sector owned by Europeans. The training of foremen, skilled workers and so on to work for private firms is perhaps the most urgent problem.

In cases where there *has* been Africanisation, moreover, it is often felt by the French that it has been over-precipitate. The problem is not only the creation of new trained personnel, but the 'perfecting' of those who are already occupying posts in the administration. The French bemoan their lack of experience in 'in-service training', said to be a peculiarly English activity. They also seem to have reached the stage of believing that the kind of training needed in Africa is not the same as in France. Not merely technical and professional knowledge must be imparted, but also, they believe, a certain set of values, the idea of public service, which are part of the tradition in Europe and are picked up automatically, but which do not yet exist in administrations and public services which must start more or less from scratch. Research into educational methods and achievements in Africa has shown that the same methods of teaching do not have the same effects in Africa as they would in France, because the child learns quite different things in his family, and has not had, for instance, the early contact with vaguely technological kinds of toys which French children have had. In classes involving the learning of systems of measurement, when children are asked practical, as opposed to theoretical, questions (which, incidentally, happens less often in the French than in the British system), they are confused, and have for instance been found to measure their class-room in kilos, litres and so on. The French have concluded that it is necessary to provide more practical teaching equipment, weights, measures and so on, and to demonstrate theory to children by practical examples (without, however, going as far as the Anglo-Saxons). There are of course other particular problems in Africa: for instance the family system is much more important in Africa than in France, and makes overriding demands on the time of an employee; earnings must also be shared with the family, which was originally a system of social security, but now exerts a deadening influence on individual initiative, and sometimes makes it a higher moral duty to steal from employers or the State than to allow any member of an extended family to suffer. Education, the French have concluded, must take account of all this.

The classical system of education is peculiarly ill-adapted to do so. The form of primary education practised almost everywhere fits rural Africans for almost nothing except secondary education of a similarly classical kind – of which very little is available. Those who can do so

go on up the ladder; the rest have no means of applying their knowledge. The main general criticism that is made is that all branches of the system are too theoretical, and that they do not lead directly enough into the kind of jobs which need to be done. The 'adaptation' that has occurred since 1961-2 has consisted mainly in painting faces in text-books black, changing oak trees into palm trees, and belatedly, suppressing such obviously unsuitable phrases as 'our ancestors the Gauls'. Some new text books, specifically intended for Africa, have been produced in the last few years, mainly for history and geography, with the emphasis primarily on African subjects, secondarily on the world as a whole, and finally, to a certain extent, on France. Egypt is taught instead of Greece for classical history. The Third World (India, China) is emphasised.

Otherwise, with the exception of some new ideas still in the experimental stage (see below), the educational system has so far deviated only in minor respects from that of France. In higher education, the syllabuses at the African universities are decided by their (French) directors, and ('rarely') by the French Ministry of National Education; the subjects that can be taken are of course a matter of what is available, and this is generally decided by the universities themselves, after discussions in *commission mixte*. Decisions on the content of courses are also taken locally, and changes have been made. But, ultimately, decisions are in the hands of the French Ministry of National Education; the States could not take unilateral decisions without running the unacceptable risk of losing French recognition of the value of diplomas issued by their universities. This recognition has been granted in stages, as new universities and new faculties establish themselves, sometimes only for the first year or two in certain subjects, after which the studies can be continued without a break in France. When recognition has been granted by the Ministry of National Education the diplomas issued by the African universities are equally valid in Africa and in France, and give access to the same professions and institutions as diplomas issued in France. The structures of the universities are identical to those of French universities. Their teaching staff is appointed and can be dismissed by the French Ministry of National Education. So far, between 1 and 2% of them are African.

In secondary education, the *baccalauréat* or final examination has exactly the same value and produces exactly the same qualifications in Africa as in France (except in Mali, where changes have been made which do not disqualify Malians from going on to French universities, but mean that the diplomas they acquire do not qualify them to exercise professions in France). The *baccalauréat* has been said by a Frenchman to be 'the superior fetish, the most powerful of fetishes, in modern Africa'. The subjects for most of the overseas *baccalauréats* are decided in French examination centres, which consult the Secretariat of State in charge of Co-operation to ensure that the

subjects set are suitable; some are issued by the African universities. The examiners are mainly local (French), a few come from France for the second stage of the *baccalauréat*. The first stage of the *baccalauréat* is being abolished in France, but for the moment retained in Africa, because it allows a selection to be made for the final year of secondary school. The subjects taken are the same, so are the mechanisms and time-tables. Pupils can choose to take Latin and Greek; few, but some, do. The only structural adaptation is that a new lowest form has been introduced – the 6e. *d'accueil* – in which there is greater concentration on the French language. Within subjects, some text books, as has been said, have been adapted; science text books have not basically been changed, but the examples used are different; the greatest adaptation has been in history and geography. The 14 States are trying to decide on a common programme for history. But on the whole there are not many changes envisaged in secondary education. It is said to be less of a problem than primary education because selection is such that standards are more or less the same as they are in France (only about 10% go on from primary to secondary); and about 80% of the teachers are French.

It is in technical education and in primary education that the French are most concerned to make changes. Primary education is in many ways the big question. So far, nearly everywhere, even at this level, education is virtually the same as in France. Sometimes there is an extra year ('*cours préparatoire*' or '*classe d'initiation*'), but it uses the same techniques as are used in other years, and teaches reading and writing, concentrating of course on French. French is used from the beginning as the language of instruction (unlike English in ex-British colonies). The major difference between primary education in Africa and in France is, simply, that the qualifications of teachers are lower – many of them have no more than primary education – and that their knowledge of French is often inadequate. France has now ceased to send primary school teachers to Africa, and there are few French teachers left at this level (470, mainly in big capitals, and teaching French children, or less than 2% of the total number of primary school teachers). Most children leave primary school with only a vague knowledge of French and having learnt very little that is of any relevance to what they are likely to do later. Many of them join the growing numbers of unemployed, or casually employed, in the towns. The African States are for the moment more or less resigned to low rates of school-attendance (see Table 55; studies have been made which show that none of them devote fewer budgetary resources than they could reasonably afford to education, most of them rather more. The major preoccupation is not with quantity, but with quality.

There are basically three possible stages of adaptation. The first, the adaptation of pictures and examples in text books, was begun in colonial times and is now fairly far advanced. The second consists of

using different methods to teach the same knowledge, giving the same education for instance in smaller doses and slower stages with improved teaching methods. Changes in this direction are beginning, still mainly experimental, but based on studies which are quite far advanced. The third stage would be a fundamental reappraisal of the whole system, involving the realisation that French is a foreign or secondary language. This has hardly been broached. Here the French would begin to tread on dangerous ground: if the whole system is totally ill-adapted to African needs, then why should Africans use French? After all, the major justification for the use of French has so far been that it gives access to European systems of education and systems of thought. The attitude of the Secretariat of State in charge of Co-operation is to take as accepted that French is the official language, and the language that must be used if the States are to develop. Their effort is therefore concentrated on devising methods that will enable French to be learnt in the most realistic and efficient way, and to be used for the acquisition of an education that is genuinely of practical value.

The first task, obviously, is to improve the standard of teachers who are already in Africa, teaching in the system as it is. The teacher-training schools which already exist in Africa (and which are staffed by the French) can cater for only a very small proportion of needs; very few primary school teachers go to them, occasionally they do the one-year course (*cours normaux*). Most primary school teachers have no specialised training. It was therefore decided to train Africans in France to supervise primary schools (*inspecteurs primaires*), in the hopes that this would raise teaching standards in Africa. But this was not particularly successful; it has generally been found that training in France is unrelated to results in Africa; and it has been stopped. A newer idea is to provide summer training courses in Africa for

Table 55

School enrolment ratios: percentage of children aged 6-14 at primary school

	%
Cameroun	62
Central African Republic	33
Congo-Brazzaville	76
Ivory Coast	34
Dahomey	20
Gabon	70
Upper Volta	9
Madagascar	42
Mali	10
Mauritania	10
Niger	6.5
Senegal	22
Chad	18
Togo	38
Average	25

Source: Secretariat of State for Foreign Affairs in charge of Co-operation 1965 estimates.

teachers; this has begun in Gabon and Dahomey, for teachers from these countries only; it is hoped that it will be generalised. There are the beginnings of educational radio programmes, intended primarily for teachers, but also for adult training. These are being tried in the Ivory Coast, Senegal and the Upper Volta, run by Frenchmen, and paid for from technical assistance funds (since most radio programmes in Africa are anyway thus financed). It is also planned to use French national servicemen in Madagascar, Chad and Niger in travelling teams of 'pedagogic advisers'. They will be under the authority of African *inspecteurs primaires*. They will be fully trained and equipped, with special vehicles, teaching equipment, tape recorders, duplicators and so on. They will go all over the country, see each primary school teacher once a term, stay one day, and provide material for a term's work. They will in effect provide the only contact these teachers have with the authorities; the idea is to stimulate and encourage teachers who are often isolated in small villages and out of touch with developments in education.

Secondly, there are now quite important attempts to adapt teaching methods. French teachers going to Africa are told that they must not do the same as they do in France, or they will fail. The Secretariat of State is prepared to '*décrocher*', unhook, the African system from the French system. At all levels, and generally, it is felt that the present system is too theoretical: this is a kind of *leitmotif*. The French, it is often admitted, are inclined to give lectures, make speeches, *ex cathedra*, without much effort to encourage criticism or discussion. It is emphasised that teaching must involve more of a 'dialogue' between teachers and pupils: not merely the transmission of knowledge, but an education in which the teacher must know his pupils well and adapt himself to the progress they have made, the degree of assimilation they have attained. It is suggested that, instead of examinations, there should be a series of tests, which would avoid the mere acquisition of academic knowledge and would enable the teacher to know how far the pupil had progressed in understanding and assimilating. Education should be divided into stages, and pupils would move on to the next stage when they had fully assimilated the first. Above all, it is thought that practical work should be developed, and a clear link achieved between education and the purposes for which it is to be used. For instance, at the ENA (National Schools of Administration) which now exist in all the States, students should be taught administrative methods, not merely the theory of administration, and made to do practical exercises. In the schools there is a need for more instruments and pedagogic equipment, on which to put theoretical knowledge into practice – especially as African children have been found to have prodigious memories, much better than Europeans, and to learn all too easily by heart without necessarily needing to understand. In Madagascar, Senegal and Upper Volta there are also efforts to give

a more agricultural and technical content to primary education; in some places more technology is being introduced in secondary education, even in the classical streams. In Madagascar, in particular, new primary schools described as *écoles rurales de premier cycle* are being introduced which will be 'clearly orientated towards the development of the rural milieu', and in which the children will be taught at the beginning in the local language; they will also lead to secondary education, and it is hoped that the whole traditional system will gradually evolve in the same direction. This experiment has been based on a study made by a Frenchman for UNESCO and is apparently being carried out with French approval. Efforts are also being concentrated on technical schools, which are said to be particularly in need of reorganisation.

The major experiment is in using television in primary education. Educational television has been functioning in the Ivory Coast for several years for adults. It is now beginning for children in Niger. Preliminary studies were made from January-July 1964. The first session of '*télévision scolaire*' began in November 1964, for two classes and altogether 74 children; the children are around 7 years old in one class and 9 in the other. The programmes represent the first, pre-primary school year (*cours d'initiation*). In 1965, the same classes began a second-year programme, and new first-year classes were introduced. Unlike previous attempts with educational television elsewhere, the television programmes in this system are not an extra aid added to the normal system, but contain the whole of the teaching, which can then be supplemented and developed by the teacher according to instructions from the centre. It is therefore possible to use teachers with practically no qualifications, and this is what has been done in the first experiments: three 17-year-old boys with only primary school education, and of average or even below average ability, have been used. The aim is to perfect a system which can be generalised and used everywhere where a shortage of teachers makes it impossible to set up the traditional system of education; it is also believed that in many ways it will be better than the traditional system. It will, in addition, lead up to and qualify children for secondary education (unlike the rural schools in Upper Volta: see below), and can thus be integrated into the traditional system.

The content of programmes has also been adapted; it is not merely a new method of presenting the same instruction (although it is felt that this is not the task of television, which ought in fact to be based on a prior and general revision of the content of education). The introduction to the French language is based on a visual presentation of objects which the children know: houses, wells, donkeys and so on; notions of arithmetic are introduced. 'Active' methods are also used: the periods of transmission are alternated with practical exercises. French, after the first two weeks, is the only language used, and is

apparently easily understood. The aim is that the children should use the language spontaneously and easily, without going through the process of translation. The teacher is no longer the only channel of instruction; he is the guide to learning. Television enables instruction given at the centre by teachers of the highest quality to be widely diffused. The television images used are varied, from films showing these highly-qualified teachers, to cartoons. It has been calculated – by setting the cost of transmitting programmes, maintenance of installations and other running costs against the saving involved in using less qualified teachers than those who would be required in the traditional system – that, given a reasonable number of pupils, the system of school television will be no more of a burden on Niger's recurrent budget, and may in fact be rather cheaper, than the traditional system. The investments required are apparently perfectly within the normal limits of the FAC. There will be no wastage of teachers who are already being trained, as these can be used to create the programmes at the centre and to act as inspectors.

The idea was suggested to the Nigériens by the French. The Nigériens were at first unwilling and somewhat suspicious, but it was possible for France to exert pressure: Niger's rate of primary school attendance is among the lowest in Africa (less than 7%) and is in danger of actually declining because of rapid population growth; its resources are fully stretched, and a mass of teachers would have had to be sent from France if it was to achieve the attendance ratio it wanted – 30 to 40% by 1973–4. It would have been difficult to reach this rate, and would almost certainly have meant a loss of quality, if traditional methods had been used. The Nigériens are now said to be pleased. Results will be widely publicised in the hope that other States will follow.

Although the results are not definitive and it is thought that at least two more years of experiment will be required before they begin to be, the French are in fact very pleased with results so far. The programme has gone so well that the first school year was completed before the end of the year, in May 1965. It is believed that it will be possible to reduce the total length of primary school to five years. Doubts have been expressed by French teachers, who are afraid that the experience is inconclusive and its attractions superficial and also that it will not give enough scope to teachers, and by some Africans who dislike the idea of being 'guinea-pigs' for a system which has not been tried elsewhere. But the Secretariat of State in charge of Co-operation has decided to continue with the experiment. The attention of the children is apparently totally engaged by the television programmes, and they learn much faster and participate more actively. Tests have shown that their ability to draw and to distinguish objects has been greatly increased. They understand the accompanying French instructions with ease. They have been observed,

in their turn, on television screens by large numbers of experts, and it is said that 'fundamental discoveries' are being made and 'it is perhaps here that the future lies'.

Another experiment which is being tried but which, unlike Niger's school television, is admitted to be only a palliative, is in 'rural education' in Upper Volta. Again based on French studies, it is intended to supplement the traditional system and to provide some education for children who cannot have access to this system. It provides a 3-year course, which does not lead on to further education, for children aged about 10 to 14. The children are taught to read and write elementary French, and they are taught practical knowledge in technical subjects which are relevant to their social background, the needs of their village and agricultural improvements.

The other major preoccupation is with technical education and training for middle-level administrators and technicians. It is hoped, again, to de-theorise the present systems, and ensure that what is learnt does in fact have some practical application. The situation is apparently bad in France and caricatured in Africa: totally unnecessary things are learnt. Active methods are now being encouraged, based on the setting of actual problems and their solution by pupils. It is proposed to use the existing ENA (National Schools of Administration) to train, and to supplement the training of, middle-level personnel – and not merely high-level personnel, as was traditionally the case. In Madagascar an *Ecole nationale de promotion sociale* has been set up in the bush to train personnel for local co-operatives and in planning-methods for the development of their neighbourhood. There are efforts to raise the status of technical training by selecting pupils more carefully, ensuring that they are not merely rejects from the academic system, and of course improving teaching methods. In some places – for instance Cameroun and Madagascar – institutions for technical training are being given university status; but there are doubts about this, because of the danger that technical training will be affected by the unreal academic atmosphere of universities.

Most important is the attempt to plan needs and to adapt the training available to these needs. This obviously arouses suspicion, because it encroaches on the right of choice and the liberalism of education. But if some positive attempt is not made to produce the trained personnel who are needed, there is a danger that whole sectors of the economies of the States will be run by foreigners, and that in other sectors there will be unemployment. Manpower planning methods have so far been too general; there is apparently a need for planning by sectors, and for empirical studies based on samples of the needs of existing organisations. Missions have been sent by the French to do this, but they are now pressing for more permanent structures in the States to follow closely the evolving needs for particular kinds of trained personnel. A particular effort has been in the Ivory Coast, on the

initiative of France and with the rather grudging acceptance of the Ivoirien leaders, to study the problem of the almost exclusively European private sector (down to quite low levels, and including Italian mechanics) and the preference of Ivoiriens for more agreeable politico-administrative jobs. The French have brought together representatives of all sectors to determine their needs, inspected existing technical training institutions, and made recommendations for reform and for greater efforts both by French employers and by the Ivoirien political leaders. The same sort of thing is being done in Congo-Brazzaville, at the request of the Congolese who have a major problem of unemployment in Brazzaville, to which there is a steady drift from relatively very little developed rural areas; and in Gabon, Niger, Togo and Mauritania. It is being done for the Secretariat of State in charge of Co-operation largely through an autonomous institution, the AUDECAM (*Association universitaire pour le développement de l'éducation et de la culture en Afrique et à Madagascar*).

Finally, with these efforts to improve and plan education and training in Africa, there goes an effort to plan the provision of scholarships for studies in France. This is based on the principle that, wherever possible, studies should be in Africa; if not locally, then in one of the five universities in French-speaking Africa. These, although they are national institutions, are supposed to provide for the needs of all the States, and in fact are remarkably international. The FAC finances scholarships for them as well as for universities in France. After independence, there was a lack both of trained personnel and of educational institutions in Africa. Some of the most important of the latter, for instance the famous William Ponty school from which most of the present African leaders come, were regional and were suppressed by the 1956 *Loi Cadre*. Needs were urgent, especially for the filling of positions with political responsibilities. Therefore Africans from relatively subordinate positions were sent *en masse* and somewhat in confusion to Paris, where they received not very well-adapted training. Now there is less immediate urgency: the phase of 'accelerated training' is past, and education and training can develop more normally. The development of local institutions has reached a stage where it is possible to provide nearly everything locally, and to make it more difficult to go to France. In principle, access to France is reserved for those who have already received some kind of higher education in Africa, and for very specialised subjects which cannot yet be studied in Africa. Those who do go to France are given re-orientation courses when they return to Africa. The reasons for doing this are fairly obvious. Africans who do their studies in France are apt to stay there; there are apparently more Malagasy doctors in France than there are in Madagascar. There is a break with their social and economic background, and Africans who have been in France often find it difficult to re-adapt themselves to local conditions. Finally, the training

offered has been too liberal; the French believe, with some doubts as to their right to do so, that the States have not reached the stage where they can afford to train people of all kinds without paying attention to their immediate needs; there is, in addition, an almost total lack of supervision and discipline in higher education in France: everything depends on the effort of the individual and his prior education. Planning of scholarships is difficult to achieve: for political reasons, since Africans like to come to France, and because scholarships are also offered by UNESCO, the EDF, American AID, and the States themselves, which, with the exception of Mali, plan scholarships very little. France is however tightening control. It no longer awards scholarships for certain subjects which it does not believe have priority. On the other hand, the conditions for admission for certain specialised *grandes écoles* have been loosened, where it is thought that this is necessary to fill needs in the States. Planning of needs has made considerable progress in the last year and a half, and is being actively pursued by France and urged on the States.

(d) Administration

France is also trying to induce administrative reform in the States. This is obviously more delicate. It is nevertheless rather strongly felt in the Secretariat of State in charge of Co-operation that the administrative systems of the States, based exactly on the system in France, are unnecessarily complex and expensive. This is particularly so as the French want to accelerate the departure of Frenchmen from operational posts. They would like the administrations of the States to be more streamlined and easily workable. Efforts have been concentrated on the reform of structures in the administration of agriculture; French missions to Chad, the Central African Republic, Upper Volta, Mali and the Ivory Coast have advised on simplifying structures, on cutting out unnecessary duplication and unnecessary elaborations at the centre, some of which seem to have been created simply in order to provide jobs in capital cities. A major mission has been sent to Mali, which is in many ways more active and progressive than the other States, less firmly attached to French models and standards, and more prepared to economise and reduce the privileges of the civil service. This mission if it is successful may, it is hoped, provide an example to other States. Mali had already carried out reforms of its own, involving greater equality of status for all Malien 'workers', but had found them largely unworkable, and asked for French advice on how to improve the efficiency of its administration; the Secretariat of State offered to do a major study. It is intended that this will involve immediate but gradual changes in methods and the close association of Maliens in the work, and will result in practical achievement and *not* merely in a Report which would sit on a shelf in the Malien *Ministère de la fonction publique*.

(e) Preparation of French technical assistance personnel

This also is receiving new impetus. French personnel working in Africa, or about to, are told that they have a double task: not merely to do regular jobs in the administrations, technical services and educational systems of the States, but to train Africans to replace them; and that they must make a more positive effort to involve Africans in what they are doing. Teachers are told that their task is not the same as in France; it involves a much more active effort to ensure that what they teach really is assimilated; if they do merely what they do in France, they will do badly. They are urged to remember that their function is not simply to run the services of the States, but to enable the States to run them themselves. Technical assistance personnel, the great majority of them ex-colonial civil servants, are being brought back to France and given re-orientation courses in the Secretariat of State – approximately 800 in 1965 (plus 1,000 *militaires du contingent*) and 1,000 in 1966 (plus 2,000 *militaires du contingent*).

This could mean great progress. The attitude, accepted for some time at the centre, that the primary objective of aid is to enable the States to achieve greater self-sufficiency, necessarily takes some time to trickle out to the periphery. The French are perfectionists and inclined to be impatient of inefficiency. They have a tendency to run things themselves; in colonial times, indirect rule almost invariably developed into direct rule. Even those who begin with the full intention of giving Africans the utmost chance to take responsibilities, are inclined to become disillusioned, are unwilling to stand idly by while things go wrong, and find it easier to do things themselves than to explain and teach. Part of the explanation for the large numbers of Frenchmen who are still in operational posts in Africa must lie in this attitude, combined with the, on the whole, good and intimate personal relationships between Africans and French, and the lack of complexes among Africans over the numbers of Frenchmen working for them.¹

The Secretariat of State in charge of Co-operation has only recently begun to attempt systematically to prepare technical assistance personnel and to define their task for them. There has been, for several years, a *Centre de perfectionnement pour le développement et la coopération économique et technique* (CPDCET), but this has been for relatively few (10 to 15 a year), and mainly for planning-experts and economists. The Secretariat of State also participates in the *Centre de formation des experts de la coopération internationale*, which prepares people who may later be given technical assistance assignments (unlike the CPDCET, which trains only those who are definitely to be employed in technical assistance); the Ministry of Co-operation failed in its attempt to expand the activities of this institution, and the numbers trained by it remain

¹ An interesting bi-monthly magazine is produced by the Secretariat of State in charge of Co-operation for technical assistance personnel, with articles and correspondence on their experiences ('*Aide et coopération*').

limited; but it is possible that, as a result of the 1966 administrative reorganisation, the functions of the Centre may be extended and it may be more fully used to train personnel for the African and Malagasy States (see page 112). The Ministry of National Education arranges courses in Bordeaux which last about 10 days and are more or less compulsory for new technical assistance teachers; but again, their usefulness is limited, simply because they cater for too many people at a time; the instruction is impersonal and discipline almost nil. Training-courses of a more satisfactory kind are the so-called *Stages d'initiation*. They are arranged (by M. Dumont) under the auspices of the Secretariat of State in charge of Co-operation. They are voluntary: circulars are sent to all candidates for technical assistance. Numbers are already fairly substantial (50 courses this year, involving about 600 people), and it is hoped to increase them; the candidates are mainly future national servicemen and students, who have spare time. They take place in a country house near Paris; candidates eat African food, are made to dig in the ground of the *château*, and have a fairly tough programme of lectures and discussions; there are generally some African students at the course. But they cover only a small proportion of candidates. The Secretariat of State has already begun organising supplementary courses for teachers in its own buildings, which last four or five days; in 1965, for the first time, most new teachers went through these sessions. In addition, some of the permanent Aid and Co-operation Missions in the States organise short courses for personnel on arrival. Special efforts are made for the staff of teacher-training colleges.

(f) Conclusion

All this constitutes a considerable effort at innovation and improvement. Its primary aim is to create viable economies and societies, and to reduce their dependence on France. Whether this aim is being pursued with enough urgency, and whether the French are not too optimistic that their careful plans will have time to fructify, might be questioned. The French involvement in the policies of the States remains very great. For the moment much is done by France, and relatively little by the States themselves. They are being shielded from many of their difficulties, and live in a sense in an unreal state of security. French aid allows the perpetuation of many unsatisfactory situations, in particular very high administrative costs, and the division of an area with a population the size of Nigeria's into 14 different States, each attempting to maintain an exceedingly complex political and administrative system. If, for whatever reason, French support were suddenly to end, the States would still be unprepared to take full responsibility for running their own economies and administrations.

Other countries in Africa are in many ways less fortunate. Guinea,

for instance, although it has received in quantitative terms, from other donors, almost as much as the other ex-French countries individually receive from France, has not received it in a form which approaches the integrated and carefully adapted character of French aid. It is nevertheless possible that the fact that it is having to learn the hard way may, at any rate in the medium term, be beneficial to its development. It has undoubtedly been through a stage of considerable disorganisation. But some reports see signs that the experience of doing things with little outside help, or at any rate obviously ineffective outside help, has been beneficial. On the other hand Guinea not only had more effective political organisation than most of the other States, it was also relatively well developed and has considerable natural resources.

There is little doubt that, with French aid, the 14 African and Malagasy States are for the moment being more efficiently developed and administered than they otherwise would be. The French, when asked to evaluate the effectiveness of their aid, produce figures on the economic growth of the States. They are perfectly justified in doing so: French aid is largely responsible for this growth. The Ministry of Co-operation made studies during 1964 and 1965 which showed that the average annual rate of growth of the States' aggregate Gross Domestic Product at current prices between 1958 and 1963 was 6.6%, and that the annual growth of GDP per head was 4.8%. GDP statistics in general are obviously unreliable and in some ways meaningless, representing big advances in limited sectors; the progress of the African and Malagasy States is admittedly from a low base. But these recorded rates of growth are well above the average recorded for all developing countries. Many of the States are among the poorest countries in Africa, and it is difficult to see how they could progress at all without French aid. A reduction in French aid, or tougher French policies, might not have the effects intended on countries of doubtful political stability. The French attempt to build up viable societies without radically changing the present framework, and to devise new and more practical ways of doing this, may be successful. If it is, it will be the first example of development achieved almost wholly from outside.

7—Aid to the Overseas Departments and Territories

Aid to the Overseas Departments and Territories is not included in most documents on French aid, on the grounds that they are merely less developed regions of France itself. Aid to them has, until now, been included in DAC figures, although the intention of excluding them is sometimes expressed. It is not considered 'normal' to publish figures on the overseas parts of France separately, any more than figures on Corsica are published separately. This chapter will describe briefly the forms which French financial support for these small islands and territories takes.

There are four Overseas Departments, whose status as departments was reaffirmed in the 1946 Constitution and again in 1958. The constitutions of both the Fourth and the Fifth Republics were confirmed by referendum in the Departments. The Departments are:

Guadeloupe
Guyane
Martinique
Réunion.

The Overseas Territories also took part in the 1958 referendum, and voted to remain Overseas Territories of the French Republic. Their constitutional status before 1958 was the same as that of French West and Equatorial Africa and Madagascar, and has changed very little since then. (See Chapter 1). There are seven remaining Overseas Territories:

Saint-Pierre-et-Miquelon
Côte Française des Somalis (Djibouti)
Comores
Nouvelle Calédonie
Wallis et Futuna
Océanie française
Terres australes et antarctiques
Nouvelles Hébrides

According to the 1958 Constitution, the territories may become Departments if they wish to. They have slightly more autonomy than the Departments, with elected territorial assemblies with powers in certain specified fields. All are small, and unlikely to be viable as independent states (see Chapter 1). Their status meets the criteria of a resolution passed by the United Nations General Assembly in 1960 (Resolution 1541), defining the conditions under which colonial territories could reach self-government without becoming independent.

1 Overseas Departments

The 1946 Constitution stipulated that the Overseas Departments were to be treated in exactly the same way as the metropolitan departments. They were attached to the Ministry of the Interior, and administered by all the metropolitan ministries. The 1958 Constitution reaffirmed their status as Departments but made greater acknowledgement of their special situation. The Departments were attached to the Ministry of State for the Overseas Departments and Territories, which replaced the Ministry for Overseas France. The present policy is described as '*départementalisation adaptée*'. The Ministry of State has in effect the functions of a Ministry of the Interior for the Overseas Departments plus the rôle of 'animator and co-ordinator' of the activities of other ministries and agencies in these Departments; the other Ministries continue to exercise their responsibilities directly in the Departments. The Ministry of State also administers the FIDOM (*Fonds d'investissement pour les départements d'outre-mer*).

The financial regime of the Overseas Departments was, and is, the same as that of the metropolitan departments. They have benefited from that regime in that their local receipts have amounted to only slightly more than half of their expenditures, and the rest has been provided from the central French budget – in addition, of course, to the services which are normally charged directly to the central budget. Local budgetary expenditures were 12,000m. (old) French francs in 1955 and 15,200m. in 1959, of which local receipts covered respectively 53% and 57%.

All laws passed in the French Parliament apply automatically to the Overseas Departments, but specific exceptions may be made. This reservation allowed social measures to be applied more slowly in the Overseas Departments than in metropolitan France. Social benefits are not as high there as they are in France, although they are said to be catching up fast. For instance, the legal minimum for wages is said to be now more or less the same as in metropolitan France, and to have increased at the rate of 8% or 10% a year since 1958. It also allows various adaptations, some of which are made necessary by different climatic conditions: for instance the rules on the amount of heating to be provided in State-subsidised housing naturally need not apply to houses in tropical islands. In other cases, the reasons for adaptation are less self-evident. For instance, family allowances in the Antilles are provided on a different basis from those in France. The average family in the Antilles receives the same as the average French family, but, since families in the Antilles are bigger than families in metropolitan France, this means that allowances work out at less per child in the Antilles. There are also obvious difficulties in basing comparisons of standards of living on monetary measurements, since the majority of families in the Overseas Departments live off the land and are able to produce plenty for themselves to eat. At any rate,

the Ministry of State claims that standards of living in the Overseas Departments are not much below those of most rural areas in France, possibly slightly higher than the poorest of these.

Education is very far advanced: enrolment ratios at primary level are about 95% of the school age population in the three West Indian departments, about 80% in Réunion. At secondary level enrolment ratios are said to be 'better than in metropolitan France'; and the Overseas Departments are said to be better provided with teachers because they are able to use national servicemen (see page 98), who are in general more highly qualified than regular school teachers. At primary level, nearly all of the teachers are local – as are some at secondary level. A special effort is in fact made to recruit locally where possible, both for the schools and for the administration; the *préfet* of Martinique (the chief representative of the central administration) is a Martiniquais; and, just as Frenchmen from metropolitan France serve in the Overseas Departments, so the inhabitants of these departments serve in metropolitan France. Finally, a higher educational institution is to be created in Martinique, at which, among other things, Latin Americans can learn French.

These ordinary expenditures by the French State in its Overseas Departments are supplemented by the action of the FIDOM. From 1946 to 1948 the FIDES acted for all of Overseas France – Territories and Departments – indiscriminately. In 1948, the FIDES was divided into two branches with territorial responsibilities: the FIDES for the Territories and the FIDOM for the Departments. But their procedures and administration remained more or less the same, although there was rather more local participation in the elaboration and approval of FIDOM programmes than of FIDES programmes. In 1960, the FIDOM was re-organised. It is now governed partly by the deputies and senators from the Overseas Departments, and is completely separate from the FIDES. Its activities also became gradually more specialised. Originally, the FIDES, and then the FIDOM, were thought of as a single fund which would finance all French public investments in the Overseas Departments. The FIDOM, as a result of the progress towards *départementalisation*, progressively changed its nature and became in effect a specialised and supplementary fund, destined to enable the Overseas Departments to catch up with the metropolitan departments more rapidly. The central Ministries now spend in the Overseas Departments as they do in metropolitan departments: for instance, the Ministry of National Education finances school buildings; and it appears that at the moment this type of direct expenditure by the technical ministries is higher than expenditure by the FIDOM. The FIDOM carries out operations which the State would not normally finance, and for which private funds are not available, or simply operations for which ordinary finance is lacking. For instance, the Ministry of Agriculture finances normal expenditures

of the State on agriculture; the FIDOM finances fundamental reforms of the agricultural system. It also provides technical assistance for local farmers. It has invested in tourism, and built hotels. It aims to achieve the adaptation which is necessary if the Overseas Departments are to be in fact, as well as in theory, equal to the metropolitan departments.

The FIDOM makes only grants. The *Caisse centrale de coopération économique* (see page 89) acts as paying agent for these FIDOM grants and, until local participation was suppressed (in the same way as for the FIDES: see page 39), also made long-term, low-interest loans to cover this local participation. In addition, it participates in the financing of various private and semi-private firms or autonomous public organisations operating in the Departments; and it makes loans to these Departments on its own account (see page 89).

Figures on how much all this amounts to are not readily available. But it is certain that French aid to the Overseas Departments, and Territories, is proportionately considerably higher than aid to the African and Malagasy States. In 1959, French aid per head for the current expenditures of these territories and departments was five times higher than for the States of the *Communauté* (46m new francs for 450,000 inhabitants, compared with 608.8m new francs for more than 30 million inhabitants); and aid per head for capital expenditures was three times higher (38m francs compared to 764.1m. francs).¹

2 Overseas Territories

For the Overseas Territories, the Ministry of State is, in effect, all ministries: the other ministries, except in rare cases which are considered to be of general and not local interest, do not intervene directly. The functions of the Ministry of State are the same as those of the old Ministry of Overseas France; the basis for its actions is the *Loi Cadre* of 1956, with very minor modifications. It is superior in the administrative hierarchy to the other ministries, and the Minister of State is directly responsible to the President. He is responsible for all the administrative functions of the French State in its Overseas Territories, with the exception of the specific powers transferred to the territorial assemblies. The Ministry of State administers the FIDES (*Fonds d'investissement économique et social*), which is now competent only for the seven remaining Overseas Territories.

The arrangements for financing through the FIDES have not changed; they were described in the historical chapter (see page 36), and will not be described again here. The French State also contributes to local current expenditures in much the same way as it did to the territories of French West Africa and Equatorial Africa and Madagascar

¹ Michèle Saint-Marc, *ibid.*, page 127.

There is also an interesting document published by the *Ministère d'Etat chargé des Départements et Territoires d'Outre-Mer* in December 1964, called *Les Départements d'Outre-Mer*; but it gives no figures on French aid to these departments.

before their independence (see page 40). It pays the cost of the general services of the French State (irrespective of whether their personnel are French or local); it may in addition give direct subsidies to balance local budgets, and it makes contributions to the salaries of French personnel employed in the territorial services. On the whole, the territories have been better able to cover their local expenses than other parts of Overseas France, providing from their own receipts for about 90% of current expenditures. But French contributions have tended to increase: 500m. (old) francs in 1958, 600m. in 1959 and 800m. in 1960 for direct budgetary support and contributions to the salaries of French personnel; plus 3.5m. francs (in 1959) for the cost of the services of the French State.

8—Multilateral Aid

France's contributions to multilateral agencies are administered by the *Service de coopération technique* in the Ministry of Foreign Affairs and by the Treasury. The former is responsible for French contributions to the technical assistance programmes of the United Nations, the latter for the French contributions to the World Bank, IDA, IFC and the European Development Fund.

France's attitude to the expansion of United Nations influence in political matters, and its unwillingness to contribute to the expenses of peace-keeping operations, are well-known. The French are also inclined to treat multilateral aid with a certain amount of scepticism, although they are aware of its theoretical advantages. The *Jeanneney Report* recommended quite strongly an expansion of multilateral aid, but on a regional basis, and it was thinking primarily of aid from the European Development Fund. The Prime Minister's observations on multilateral aid in the debate in the National Assembly in June 1964 are worth quoting, since they constitute a fairly representative summary of French views¹: 'Certainly, intellectually, multilateral aid has considerable advantages. One can imagine that all the countries of the world agree to pay a contribution proportional to their resources into a single fund, and that a planner then distributes the manna equitably throughout the world, following a plan previously established and with statistics and an application so extraordinary that each receives what is due to him and what is of most use to him.'

'Fine. But to think that the industrialised countries are going to abandon themselves to this policy . . . is a mirage and a dream. . . . No-one in the world has asked for this or recommended it more often than General de Gaulle. But we have not so far been listened to'. Multilateral aid is in any case 'necessarily more rigid, more abstract, more technocratic, and more ambitious' than bilateral aid. Multilateral experts often 'do not know the budgetary resources of each State, and elaborate policies in the abstract and in the ideal. For a certain number of States of French-speaking Africa, we find for example plans established by the World Health Organisation, excellent plans but plans which would be ruinous for these States, and also for us, since in the end it is we who will have to pay £5.¹' United Nations experts cost about twice what French experts cost. [This is incorrect: it has been calculated that French and international experts are paid roughly equivalent amounts.] The United Nations is not even free of political influences. 'Finally, there is a fundamental reason for us to maintain some bilateral aid. This is the effort in favour of the French language of which I spoke at the beginning. I recognise that UNESCO, in

¹ Journal Officiel, *Débats parlementaires*, Assemblée Nationale, 19 June 1964.

particular, uses numerous experts whose language is French and that the policy of UNESCO, in which in any case Frenchmen play an important rôle, does not run counter to French interests. But it remains true that multilateral aid, in the way in which it is handled in the big international organisations, ends up by reinforcing the English language. And, I repeat, we, as Frenchmen, feel a kind of need to maintain the French language. This is a fundamental reason for maintaining bilateral aid¹.

The French, in spite of these feelings, contribute roughly the same percentage of their total aid, with variations from year to year due mainly to irregularities in the calling-up of contributions, to multilateral agencies as do the United States, Germany and Britain. This however includes the European Development Fund, which benefits essentially the ex-French African territories and is, among other things, a means of persuading the other Five to contribute to their development; France therefore has particular reasons for favouring this limited kind of multilateral aid. French contributions to the technical assistance programmes of the United Nations are considerably less than those of the other three main donors. The contributions of France to all forms of multilateral aid are shown in the following table, with the contributions of other countries for comparison:

Table 56

**Official net contributions to multilateral agencies
in 1961 and 1962**

(*\$ million*)

	IBRD and IDA ¹		EDF		UN technical assistance and relief agencies		Total ¹	
	1961	1962	1961	1962	1961	1962	1961	1962
France	22.4	34.5	45.0	77.0	5.3	3.6	72.7	115.2
U.S.	61.7	61.7	—	—	111.9	95.9	285.1 ²	219.1 ²
Germany	18.1	18.0	45.0	77.0	11.1	10.4	74.2	105.4
Britain	25.2	25.2	—	—	15.1	15.4	40.3	40.6

Source: The flow of financial resources to less developed countries, 1956-1962, DAC.

Notes: ¹ Excluding purchases of IBRD bonds, of which Germany was by far the biggest purchaser. No contributions to the IBRD were required from the US and Britain in these 2 years; and there were no OECD contributions to the IFC in these two years.
² Including contributions to multilateral agencies in Latin America.

(a) Contributions to the IBRD, IDA and IFC

The French contributions to the European Development Fund, the World Bank (IBRD) and its affiliates the International Development Association (IDA) and the International Finance Corporation (IFC)

¹ See Annexe No. 14 of the *Jeanneney Report*. There seems to be some justification for this French irritation.

(like the official element in private export credits) are charged to the '*charges communes*' account in the Treasury. Contributions to the IBRD, IDA and IFC are fixed periodically by international agreement; the rate at which they are called up is in the control of these institutions, not of France.

(b) Contributions to the European Development Fund

Contributions to the European Development Fund are now only called up as they are effectively needed. This fund is financed by the Six and benefits the Eighteen Associated States, of which fourteen are ex-French territories in Africa and Madagascar, the other four being the ex-Belgian Congo, Rwanda and Burundi and ex-Italian Somalia. Under the first Treaty of Association, which ran from 1958 to 1962, the Six committed \$581m.; the new treaty, signed at Yaoundé in 1962 and ratified in 1964, commits the Six to spend \$800m. on aid to the Associated States in the next five-year period. French contributions are 33.75% of total contributions. Of the \$800m. commitments, \$730m. is for the ex-French territories. France's influence was predominant in deciding that part of it was to be used to compensate the States for the progressive loss of French support for their exports; and it appears that the EDF now works in harmony with the French authorities responsible for aid to the African and Malagasy States. The aid is tied to purchases in the Six or the Eighteen. The percentage of contracts and orders for the supply of goods which go to France is considerably higher than France's financial contributions. Of the contracts concluded for the use of European aid up to December 1963, 90% went to firms which were already established locally, of which 44% were local and 42% had the nationality of the ex-metropolis. For supplies of goods, the position of the three ex-metropolises is less favourable, but France came easily first, with 51.7% of the total value of goods supplied under EDF programmes.¹

(c) Contributions to United Nations technical assistance agencies

There is a section in the *Service de coopération technique* in the Ministry of Foreign Affairs which is responsible for French relations with the United Nations technical assistance agencies. It is concerned partly to ensure that the activities of these agencies do not conflict with bilateral aid policies. Given that this kind of aid exists, France is also concerned to ensure that French participation leads to 'a real cultural and economic expansion', in the same way as the bilateral activities of the *Direction des affaires culturelles et techniques* seek to promote the expansion of the French language; France can achieve this 'by seeking to place a substantial number of French experts' in international organisations.²

¹ *Septième rapport général d'activité de la C.E.E.*, 1 avril 1963 – 31 mars 1964.

² *Rapport C.E.S.*, and elsewhere.

The number of French experts in United Nations technical assistance programmes is more than proportionate to French financial contributions; in addition, satisfactory progress has been made in the number of scholarships awarded by the United Nations for study in France. The following table gives figures:

Table 57

**Numbers of French experts in international organisations¹,
numbers of scholarships awarded by the United
Nations for study in France**

									<i>Experts</i>	<i>Scholarships</i>
1958	...	...	...	...	...	...	...	...	237	185
1959	...	...	...	...	...	...	...	...	259	167
1960	...	...	...	...	...	...	...	...	306	305
1961	...	...	...	...	...	...	...	...	384	546
1962	...	...	...	...	...	...	...	...	544	589
1963	...	...	...	...	...	...	...	...	928	982
1964	...	...	...	...	...	...	...	...	1,148	1,153

Note: ¹ At United Nations headquarters, in United Nations specialised agencies, and in the OECD.

Source: Rapport C.E.S.

9—Conclusions

Few general lessons emerge from French aid *as a whole*. It is not homogeneous. There is practically no relationship between the aid programmes for different recipients or groups of recipients; motives, policies, administration, mechanisms and forms of aid vary fundamentally from one to another. The unification of the aid administration, if it is achieved, will do something to alter this situation (see Chapter 3); and the *Jeanneney Report* attempted to provide a rationale for post-colonial aid. But rationalisation will not be quickly achieved. French aid has not been worked out from first principles; it has arisen from a variety of circumstances.

Nevertheless in one area – the African and Malagasy States – French aid not only is massive, and constitutes almost the whole of the States' investment resources, but has been substantially re-thought in the last few years (see Chapter 6). Obviously it is far from being free from the constraints of the colonial past; but it is *not* merely a continuation of old activities, a holding-operation, as aid to Algeria has for instance mainly been. France is possibly, of all the developed countries, the one most actively and closely concerned with the development of a particular group of independent countries. When the States became independent the French did not feel that their responsibilities for development had ended. They have not, as the British until now have largely done in their ex-colonies in Africa, simply offered aid with no very clear idea as to how it should be used. On the contrary they have tried to work out how the 14 States should develop in their new circumstances. They have found themselves, sometimes regretfully, feeling that they have to '*faire face à tous les problèmes*', cope with all the States' problems. The most enlightened of the aid administrators want not merely to enable the States to run what already exists, but to devise for them new systems which the Africans will eventually be able to run themselves, because they are better adapted to African conditions. The French have remarkably little hesitation in making this attempt. Both Africans and Frenchmen consider it natural, and are surprised if it is questioned, that France should have such wide responsibility for African development. The French sometimes have difficulty in persuading the Africans to accept their ideas for change, but there is little resentment at the amount of intervention and the extent of French presence which the attempt involves.

French and British policies in Africa are radically different. The British have lately been trying to move towards more positive aid policies in Africa. It is unlikely that it will be possible for them, at this stage, to go as far as the French. It may well be undesirable to do so; probably French-speaking Africans are too willing to leave

everything to France, the French too willing to provide temporary solutions for the Africans' difficulties. But there would be much to be gained from a comparison of French and British methods in this field.

Elsewhere France and Britain have less to learn from each other. General policies in French aid to countries which have not been under French rule are less significant, mainly because French activities in these countries, although they may be useful, are admittedly marginal. Nor have French aid policies in the three North African countries much to contribute to collective wisdom on aid; there is probably more to be learnt from United States aid to Tunisia¹ than there is from French aid in North Africa. The French cultural impact on North Africa and on Cambodia, Laos and Vietnam has undoubtedly been great, and is sustained by French aid; but the effect of French aid on their economic development is relatively minor. French aid to Algeria since independence has been a salvage operation, successful in its limited aims and now completed. Much is claimed for the 1965 oil and natural gas agreements with Algeria, with their commitment for joint Franco-Algerian development of these natural resources and French aid for industrialisation on the basis of them; but the agreements are too new for any interesting policy innovations to have resulted from them.

There are of course other important aspects of French policies towards developing countries. The French attitude towards the trade problems of developing countries has not been discussed here, although their tightly-organised system for supporting the prices of Franc Zone products has been described (see Chapter 2). Again, their attitude is fundamentally different from the British attitude, and not necessarily therefore bad.² Their emphasis on the organisation of trade is in a sense parallel to their more positive aid policies in tropical Africa.

More specific points of interest are the French use of specialised organisations to carry out many of their aid projects, and the multiplicity of these organisations (see pages 125, 155); their emphasis on providing training locally rather than in France, especially for middle levels (see pages 123, 191); their realisation of the importance of preparing technical assistance personnel (see pages 112, 202); their attempts to associate the private sector with the objectives of aid (see pages 118, 184); their important use of local aid representation (see pages 115, 145); and the fairly considerable discussion of and publicity for aid in France (see Introduction; the various departments responsible for aid, in particular the ex-Ministry of Co-operation, are also prolific publishers of material on aid).

¹ See forthcoming ODI study on the American experience in Tunisia, by Andrzej Krassowski.

² For an exposition of French views on trade policy towards developing countries, see in particular Guy de Lacharriere, *Commerce Extérieur et Sous-Développement*, published by Presses Universitaires de France in 1964.

The most interesting aspects of French aid policies remain their policies in tropical Africa, and especially in the fields of education and training, to a lesser extent in administration and planning. French aid, in spite of its size, has been geographically confined. Its main defects have been that it has tended to create too great a dependence on France in its recipients. It would be a great loss if the French experiment in tropical Africa was curtailed for lack of means. But if, as has been accepted in principle, aid to these countries remains stable, and aid to other parts of the world is increased and benefits from the ideas evolved in Africa, the gain could be considerable.

Glossary of Initials

(including initials of a few of the many French institutions concerned with developing countries¹.)

AID	United States Agency for International Development
ASATOM	Association pour les Stages et l'Accueil des Techniciens d'Outre-Mer
ASECNA	Agence pour la Sécurité de la Navigation Aérienne en Afrique et à Madagascar
ASMIC	Association pour l'Organisation des Missions de Coopération Technique
ASTEF	Association pour l'Organisation des Stages en France
AUDECAM	Association Universitaire pour le Développement de l'Education et de la Culture en Afrique et à Madagascar
BCEAEC	Banque Centrale des Etats de l'Afrique Equatoriale et du Cameroun
BCEAO	Banque Centrale des Etats de l'Afrique de l'Ouest
BCEOM	Bureau Centrale d'Etudes pour les Equipements d'Outre-Mer
BDPA	Bureau pour le Développement de la Production Agricole
BEPET	Bureau d'Etude pour l'Equipement du Territoire
BEPTOM	Bureau d'Etude des Postes et Télécommunications d'Outre-Mer
BRGM	Bureau de Recherches Géologiques et Minières
BRP	Bureau de Recherches du Pétrole
CAD	Caisse Algérienne de Développement (or Comité d'assistance pour le développement - cf. DAC)
CCCE	Caisse Centrale de Coopération Economique
CCFOM	Caisse Centrale de la France d'Outre-Mer. (Now CCCE)
CEE	Communauté Economique Européenne (cf. EEC)
CEDA	Caisse d'Equipement pour le Développement de l'Algérie
CEDDIMOM	Centre de Documentation et de Diffusion des Industries, des Mines et de l'Energie d'Outre-Mer
CEEMAT	Centre d'Etudes et d'Expérimentation du Machinisme Agricole Tropical
CEFEB	Centre d'Etudes Financières, Économiques et Bancaires
CES	Conseil Économique et Social
CFA (franc)	Communauté financière africaine. (Originally Colonies françaises d'Afrique)
CFDT	Compagnie Française pour le Développement des Fibres Textiles
CFP (franc)	Colonies Françaises du Pacifique
CIDR	Centre International de Développement Rural
CINAM	Compagnie d'Etudes Industrielles et d'Aménagement du Territoire
CNRS	Centre National de Recherche Scientifique
COFACE	Compagnie Française pour le Commerce Extérieur
COGEFRA	Compagnie Générale Française d'Etudes Techniques
COGERAF	Compagnie Générale d'Etudes et de Recherches pour l'Afrique
CPDCET	Centre de Perfectionnement pour le Développement et la Coopération Économique et Technique
CREDIE	Centre de Recherches et d'Etudes pour la Diffusion du Français
CTFT	Centre Technique Forestier Tropical
DAC	Development Assistance Committee (of the OECD - cf. CAD)

¹ For a more complete list and a description of their functions see Guide to French Institutions Active in the Development Field, published by the Development Centre of OECD in 1966. See also pages 125, 155 of this study.

DCT	Direction de la Coopération Culturelle et Technique (in the Secretariat of State for Foreign Affairs in charge of Co-operation)
DEF	Direction des Affaires Economiques et Financières (in the Secretariat of State for Foreign Affairs in charge of Co-operation)
DGACT	Direction Générale des Affaires Culturelles et Techniques (in the Ministry of Foreign Affairs)
DOM	Départements d'Outre-Mer
EAM	Etats Africains et Malgaches
EDF	European Development Fund (cf. FED) (or Electricité de France)
EEC	European Economic Community (cf. CEE)
ENA	Ecole Nationale d'Administration
FED	Fonds Européen de Développement (cf. EDF)
FDES	Fonds de Développement Économique et Social
FIDES	Fonds d'Investissement pour le Développement Économique et Social
FIDOM	Fonds d'Investissement pour les Départements d'Outre-Mer
IBRD	International Bank for Reconstruction and Development
IDA	International Development Association
IEDES	Institut d'Etude du Développement Économique et Social
IEMVPT	Institut d'Elevage et de Médecine Vétérinaire des Pays Tropicaux
IFAC	Institut Français de Recherches Fruitières Outre-Mer
IFC	International Finance Corporation
IFCC	Institut Français du Café, Cacao et autres Plantes Stimulantes
IFP	Institut Français du Pétrole
IGN	Institut Géographique National
IHEOM	Institut des Hautes Etudes d'Outre-Mer
INADES	Institut Africain pour le Développement Économique et Social
INSEE	Institut National de la Statistique et des Etudes Économiques
IRAM	Institut de Recherche et d'Application des Méthodes de Développement
IRAT	Institut de Recherches Agronomiques Tropicales et des Cultures Vivrières
IRCA	Institut de Recherches sur le Caoutchouc en Afrique
IRCT	Institut de Recherches du Coton et des Textiles Exotiques
IRFED	Institut International de Recherches et de Formation en vue du Développement Harmonisé
IRHO	Institut de Recherches pour les Huiles et les Oléagineux
ISEA	Institut de Science Économique Appliquée
MAC	Missions d'Aide et de Coopération
OCAU	Office de Coopération et d'accueil Universitaire
OCRS	Organisation Communale des Régions Sahariennes
OCORA	Office de Coopération Radiophonique
OECD	Organisation for Economic Co-operation and Development
OFEROM	Office Central des Chemins de Fer d'Outre-Mer
OS	Organisme Technique de Mise en Valeur des Richesses du Sous-Sol Sahélien
ORSTOM	Office de la Recherche Scientifique et Technique d'Outre-Mer
SATEC	Société d'assistance Technique et de Crédit Social d'Outre-Mer

SCET	Société Centrale pour l'Equipement du Territoire (Département Coopération)
SDI	Société d'Etudes pour le Développement et l'Industrialisation
SEDES	Société d'Etudes pour le Développement Economique et Social
SEMA	Société d'Economie et de Mathématique Appliquées
SERPED	Service de Recherches Pédagogiques pour les Pays en Voie de Développement (Institut Pédagogique Nat)
SOFRED	Société Française d'Etudes de Développement
SOFREGAZ	Société Française d'Etudes et de Réalisations d'Équipements Électriques
SOFREMINES	Société Française d'Etudes Minières
SOFRRAIL	Société Française d'Etudes et de Réalisations Ferroviaires
SOFRETRANSPORTS	Société Française d'Etudes et de Réalisations de Transports Urbains
SOGEF	Société Générale d'Exploitation Industrielle
TOM	Territoires d'Outre-Mer

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Forthcoming Publication— Summer 1966

Aid Programming

The American Experience in Tunisia

by Andrzej Krassowski

There are too many instances where development aid is not used effectively. The fault for this lies with recipients as well as donors.

This study is concerned with the contribution donors can make to maximise the effectiveness of the aid they provide. First, three pre-conditions for a good bilateral aid programme are put forward: a clear and consistent donor policy; close donor/recipient co-operation; and co-ordination of various donors' efforts. Second, the problem of planning and implementing country aid programmes is examined in detail by means of a case study. Special attention is paid to the role of permanent overseas aid missions and the considerations which should guide donors in selecting projects and aid forms, techniques and terms appropriate to the development needs of recipients.

The case study has been chosen from the United States aid programme because the author believes that Britain and other donors may learn some valuable lessons from the American approach to effective aid.

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