AGRARIAN TRANSFORMATION IN SENEGAL (1960-2000)

Dissertation submitted to the Jawaharlal Nehru University in partial fulfillment of the requirements for the award of the Degree of

MASTER OF PHILOSOPHY

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Preface

The present study focuses on the nature of transformation in the agrarian sector in the post colonial Senegal. The work primarily concentrates on crop diversification, land and labour force distribution and income distribution in the post colonial Senegal. The study also tries to make an assessment of the impact of agrarian transformation on Senegalese economy and its socio-political implications on Senegal. Its colonial master France never allowed diversification of Senegalese agrarian sector in spite of the fact that Senegalese land was also suitable for other crops like rice, cotton, etc. The study also attempts to show the exploitative and discriminatory nature of France against Senegal that was visible even after Senegal's independence. The study discussed the role of International Financial Institutions (IFI's) i.e. World Bank and IMF in Senegalese economy in general and agrarian sector in particular. The study tries to show that the Structural Adjustment Programme that was implemented in Senegal in 1984 could not improve the situation.

The study aims to analyze the historical nature and pattern of agrarian transformation in Senegal. To evaluate role and interest of the former colonial master and internal political leadership in agrarian transformation. To assess the changing nature of land ownership and its implications on agricultural performance. To examine the impact of agrarian transformation on the other sector of the economy.

The study evolves around a hypothetical framework that agrarian transformation in Senegal is determined by colonial legacies and by the nature of ownership on land and its productivity. The internal political leadership and former colonial master shaped the pattern of agrarian

transformation. Post colonial agrarian transformation has been a steady process of production and crops diversification, the land question has not been addressed properly. The agrarian transformation has obvious bearing on the other sector of Senegalese economy.

The present dissertation constitutes of five chapters and a selected bibliography.

Dissertation begins with an introduction. A historical prelude regarding an exclusive history of the problem of agrarian sector during colonial and post colonial period forms integral part of introduction. The nature and pattern of the agrarian sector transformation in Senegal have been explained in the first chapter.

The second chapter deals with the role played by France in the agrarian transformation in Senegal. The chapter is divided into two parts i.e. colonial and post colonial period. France had changed the agricultural policy to suit its needs during its rule in Senegal The chapter also attempts to show internal reactions and resistance in Senegal against the French exploitative policies. Role of IMF and World Bank in agrarian transformation has also been dealt with in this chapter.

The third chapter tries to show the composition and distribution of land in different section of the society. Important tables related to labour forces; land use and labour force distribution in different sectors of the economy in Senegal have been supplemented to understand the points. The hierarchy of the Senegalese society and impact of agrarian transformation on the society have also been explained in this chapter.

The fourth chapter deals with implications of the agrarian transformation for the different components of Senegalese economy.

Besides, its consequences on the agriculture sector; manufacturing, industry, services and mining; forms the core of this chapter. The Structural Adjustment Programme which was implemented in 1984 also had consequential bearing on the post colonial agrarian transformation. This issue will also be taken care of in this chapter.

The fifth chapter provides a summary of all the chapters with conclusionary remarks and related suggestions.

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CHAPTER-1

Introduction

Historical Background, Nature

and Pattern of Agrarian

Transformation



LOCATION OF SENEGAL IN AFRICA

Introduction

Agrarian transformation is the transformation in the pattern of the use of the land; it includes related changes in agricultural institution, including land pattern, production, ownership, labour or productive forces, taxation, rents and cooperatives.

Agrarian sector deals with not only the production of agricultural output but also land pattern, productive forces and land distribution.

The agrarian sector forms the backbone not only of Senegal but of entire Africa. The entire African economy revolves around the performance of its agricultural sector.

It is not at all easy to draw up a fairly accurate balance sheet for the agrarian transformation of Senegal even after the end of the more than four decades of their independence. It is balance sheet, however, which raises more questions than it provides answer, and only historical research can further reveal the true nature of the problems.

As far as Senegal is concerned it was the oldest French colony in Africa and at the same time the most emancipated. Located on the Atlantic coast of West Africa Senegal is bounded on the north by Mauritania, on the east by Mali and on the south by the Republic of Guinea and Guinea-Bissau. Except for a short coastline, Gambia is completely surrounded by Senegal. Senegalese geography has brought its people into close contact with the North Africa and the west and made

Senegal a crossroads where black African, Islamic, and European civilization have met, merged and clashed.

Most of the Senegal's people originated in the Nile River valley and then immigrated to West Africa. Islam, which constitutes 92% out of the total population, 9987,494 according to the estimate of midyear 2000, came to Senegal by the end of 8th century.

Present scenario of Senegalese agrarian sector is changing its shape according to the need of its people. Now, government policies are focusing on diversification of agrarian sector. Though, rice imports forms major parts of food imports into Senegal, government is trying its best to increase the production of rice in Senegal. Other cash and food crops like cotton, sugarcane, millet are also being given importance. Senegalese government with the assistance of World Bank and IMF is trying to improve irrigation facilities in the country. But unnecessary interference by these Institutions is always created problem for Senegal in development process.

A Historical Introspection

The Toucouleur people² were among the early inhabitants of Senegal. The Portuguese had some stations on the banks of the Senegal River in the 15th century before the French settlement in Senegal. The

Sheldon Gellar, Senegal: An African Nation between Islam and the West (Bouider and Colorado: Westerview Press, 1982), p. 1.

² Toucouleur, is an ethnic group in Senegal.

French had come to Senegal in 1659 at Saint Louis to reap the benefit of Atlantic slave trade to assert France's position as a European naval power.³ Gorée Island became a major centre for the Atlantic slave trade through the 1700s, and thousands of Africans were shipped from there to the 'New World'. The British took part of Senegal at various times, but the French gained possession in 1840 and made it part of French West Africa in 1895. In 1946, together with other parts of French West Africa, Senegal became an overseas territory of France. In January 1959, Senegal and the French Soudan merged to form the Mali Federation. Due to internal political difficulties, the Federation broke up on August 20, 1960. Senegal and Soudan (renamed as the Republic of Mali) proclaimed independence. Leopold Sedar Senghor, internationally known poet, politician, and statesman, was elected Senegal's first President in August 1960.

Colonial rule in Senegal, as elsewhere in Africa, was essentially a system of political, economic and cultural domination forcibly imposed by a technologically advanced foreign minority on indigenous majority. France defended its acquisition of colonies on the grounds of a "civilizing mission" that would bring peace, prosperity and the benefits of France civilization to the "backward and primitive" peoples fortunate enough to come under the French rule. Senegal was the only colony in black Africa

³ n. 1, p. 6.

⁴ *Ibid*, p. 9.

in which France attempted to apply assimilation ideas.⁵ Dakar's special status as the French West Africa was major factor in shaping colonial Senegal's economic development.

Even though, Senegal was formerly made colony of France in 1895, slave trade had been prevalent in large scale ever since France had entered into Senegal in 1659. The slaves trade remained continue during the French occupation of Senegal till early 20th century when they were diverted towards domestic agricultural sector. Now these slaves were employed by the French in peanut cultivation and production. The French started exploiting these cheap labourers to make maximum profit out of it. The colonial master started removing all impediments in the development of peanut cultivation and subsequent export to the mother country. Plethora of changes were brought in fore in the agrarian sector during the colonial period to increase the production of peanut, to multiply the profit and consolidate the colonial master's exploitative interests. Hence the focus was shifted to the commercial peanut cultivation resulting into neglect of crop diversification. These developments made other crops, including food crops, vulnerable to the calculated onslaught by the colonial modal. The colonial modal remained unabated till 1960 when Senegal got independence.

Now, The Senegalese agriculture got exposed under the circumstantial changes in the country and the new leadership was forced

For a full discussion of this, see Michael Crowder, Senegal: A Study of French Assimilation Policy (London: Oxford University Press, 1962), pp. 24-51.

to re-look the old paradigm of agricultural development. This situation triggered the reorientation of the agrarian transformation revolving around enhancement of agro based nascent Senegalese economy, crops diversification, land distribution to ameliorate the most marginal demographic section, and to make country more prosperous.

Economy of Senegal

Senegal is a semi-arid country with modest resources and a fastgrowing population predominantly dependent on agriculture for a livelihood. Economic life of Senegal is characterised by two factors. The first is division of the country into two regions- the western region, which is wealthy and dynamic, and the remainder, and larger part, of the country, which remains poor and economically stagnant, depending upon a subsistence economy. The second factor is the existence of a single crop economy, which leads to partial unemployment, insufficient income, and a dependence on an unpredictable climate and the international market. Before independence, the economy was virtually entirely in the hands of private sector. There is very interesting story related to introduction of peanut crop in Senegal, it goes like this. The British merchants traded in palm oil with West Africa. This was used in the production of soap. The yellow colour of the soap did not please the French consumers who refused to buy it. The Marseilles soap industry combined peanut oil with olive oil to produce a more attractive soap to

the French consumer. This became the basis for peanut production in West Africa and later, one of the reasons for the colonisation of West Africa.⁶ Since the economy depended primarily on the peanut trade, the large French companies that marketed the peanuts also controlled the importation of European manufactured goods.

Senegal's economy is the largest of the thirteen smaller economies of West Africa, those of Nigeria, Ghana and Ivory Cost being the biggest. Senegal retained some of the economic advantages derived from its leading position in the pre independence French West Africa.

Senegal is primarily an agricultural country and peanut is the main agricultural product. Peanuts were introduced in Senegal around 1840 by French merchants for the purpose of providing groundnuts oil for French households,⁷ and to produce a more attractive soap.⁸ French military interventions paralleled the deepening of French commercial interests in Senegal and by 1890 direct colonial rule had been imposed on Senegal in order to provide a protectionist framework for French-

Martin Klein, "Colonial rule and Structural Change: The case of Sine-Saloum", In Rita Cruise O' Brien (ed.), *The Political Economy of underdevelopment: Dependent in Senegal*, (California: Sage, 1979), pp. 68-69.

John P. Lewis, "Aid structural Adjustment and Senegalese Agriculture", In Mark Gersovitz and John Waterbury (eds), *The Political Economy of Risk and Choice in Senegal* (London: Frank Cass, 1987), p. 283.

The British merchants traded in palm oil with West Africa. This was used in the production of soap. The yellow colour of the soap did not please the French consumers who refused to buy it. The Marseilles soap industry combined peanut oil with olive oil to produce a more attractive soap to the French consumer. This because the basis for peanut production in West Africa and later one of the reasons for the colonization of West Africa. For an interesting account see, Martin Klein, "Colonial rule and Structural Change: The case of Sine-Saloum", In Rita Cruise O' Brien (ed.), h. 6, 1pp. 21-41.

Senegalese trade. In 1891, the French imposed a head tax which 'forced' the peasantry to secure access to finances through the production of peanuts. In 1900, the National Assembly decreed that colonies should be self financing thereby 'enabling' Senegal to derive the revenue needed for maintaining the French colonial administration from the production and trade of peanuts. In 1891, the French imposed a head tax which 'forced' the peasantry to secure access to finances through the production of peanuts. In 1900, the National Assembly decreed that colonies should be self financing thereby 'enabling' Senegal to derive the revenue needed for maintaining the French colonial administration from the production and trade of peanuts.

Groundnuts production in 1884-85 was 45,000 tons unshelled, it passed 200,000 tons in good years before 1914 and spread between the wars to new areas notably Sine Saloum. The 1936-37 harvest reached 600,000 tons. The sector then took a new spurt after 1950, spreading to Casamance and eastern Senegal, and passed one million tons in 1965-66. The adjusted growth shows a rate of 8.8 per cent a year for 1885-1914 and 2.7 percent a year for 1918-40.11 There was stagnation until 1950, when growth began again at the very high rate of 7.7 per cent a year during the decade 1950-60, but then fell to a rate of 4 per cent for the following decade, 1960-69. Not only does growth seem to have remained at this level for some years, but there are even signs of a regression. The record harvest which produced a sale 1,011,000 tons in 1965-66 was followed by three mediocre harvests: 786,000 tons in 1966-

⁹ *Ibid*, pp. 21-41.

See W.A.E. Skurnik, *The Foreign Policy of Senegal* (Evanston: Northwestern University Press, 1972), pp. 13-32.

The most extensive quantitative study of the of the development of peanut production in Senegal is done by Andre Vanhaeverbeke, *Remuneration du travail et commerce exterieur* (Louvian: Center de Recherches de Pays en Developpement, 1970), p. 15.

67; 834,000in 1967-68; and 598,000 tons in 1968-69.¹²A strong rise in output of groundnut, to 844,225 metric tons in 1989. After a decline in production in the early 1990s, particularly in 1992, according to figures from the UN's FAO, a good harvest of 790,617 tons was achieved in 1995. However, this level was not maintained in 1996, and poor rainfall resulted in a decline in the groundnut crop in 1997, to 544,825 tons. Production recovered in subsequent years, to reach 1,061,540 tons in 2000, the highest level recorded since 1976.¹³

In table given below, peanut production in Senegal after its independence has been given

Table: 1 **History of Peanut Production in Senegal** 1960-69 1970-79 198089 1990-99 **AVERAGE PRODUCTION** (1000 TONS) 932 875 778 633 AVERAGE RAIN FOR THE ENTIRE COUNTRY (MM/YEAR) 762 640 587 571*

* Peanut basin
Source: Crawford et al (1996) and IMF (2000).

For more recent statistical data see the quarterly reports on Senegalese economic indicators published by Central Bank of West African States (BCEAO Bulletin), May 1969 and May 1970.

Edith Hodgkinson, "Economy", in *Africa south of the Sahara* (London: Europa Year Book, 2003), pp. 884 - 888.

According to Andre Vanhaeverbeke,¹⁴ the initial growth was based on the utilization of excess productive capacity. The traditional peasant was in a situation of 'forced leisure'; his work force and the land available would have allowed him to produce more than he did with the technique of cultivation available. But once his own food needs were satisfied, he had no reason to produce. The establishment of a transport and marketing infrastructure during the colonial period, by providing a potential outlet for his produce, encouraged this initial growth without necessitating any reduction in the food crop.

The growth rate of non-agricultural GDP has been lower than the growth rate of GDP as a whole, indicating that agricultural growth is still the driver of overall growth.

However, the agricultural sector is troubled by drought and chronic inability to generate sufficient output to feed the fast-growing population. Senegal still needs to import food to satisfy the basic needs of its people and livestock. One of the challenges the country faces in its quest to improve the lot of the 60 percent of the population that makes its living in agriculture is to increase productivity in the sector. The United Nations has pointed out that, notwithstanding undeniably strong macroeconomic performance in Senegal, the incidence of poverty in the country has actually doubled over the past decade with an estimated 65

Vanhaeverbeke, Remuneration du travail et commerce exterieur, 🐆 n. 24.

percent of the population classified as 'living in poverty' at the end of the 1990s, compared to just 33 percent in 1990. The UN ranks Senegal 145th of 162 countries rated on its Human Development Index which takes into account more than just GDP per capita. The performance of the agricultural sector may look good in the aggregate macroeconomics, but it is not working well as a stable and growing source of income for the typical rural Senegalese. The staple food grain is rice, much of which must be imported; the Asian Far East, particularly Thailand, is the main supplier. Senegal is attempting to reduce its dependency on rice imports by sponsoring irrigation projects, a controversial strategy since there are existing claims for most if not all of the water in this arid nation. Coastal fishing is an important part of the economy, practiced both for subsistence and commercially for the local market, and on a larger scale for export.

The government is encouraging the diversification of Scnegal's agricultural base by promoting the planting of cotton, sugar and other cash crops. Peanuts and peanut products once made up about 80% of Senegal's export. But their commercial importance has declined, and they now make up less than 20% exports. Peanuts are still grown for domestic consumption, along with millet, sweet potatoes, maize, rice and vegetable. Commercial Fishing and its by products contributes about 30% of exports. Manufacturing, food processing, making of Chemicals

¹⁵ n. 13, pp. 884-888.

and textiles, contributes about 20% of GNP. Calcium and aluminium phosphate are also exported.¹⁶

Colonial Political, Economic and Administrative Organisation

Colonial Senegal was divided into two distinct political and administrative entities that reflected the sharp differences in status between the citizens of the four communes and the subjects of rural Senegal. Although economically dominated by the French, the four communes had a vibrant political life based on competitive electoral politics and was one of the rare areas in colonial Africa where Europeans and western-educated Afro-Europeans and Africans could engage in politics on an equal basis. Rural Senegal, on the other hand was governed along more autocratic lines by colonial administrators.¹⁷

Outside the four communes, the country was divided into fifteen administrative districts (cercles) each headed by French commandant whose military title accurately reflected the authoritarian character of his role. The colonial system of native justice (indigenat) gave the commandant the right to arrest and jail without trial African subjects for such offences as not paying taxes, unwillingness to serve on forced-labour crews, and not showing the proper respect for French authority.

¹⁶ *Ibid*,pp. 884-888.

¹⁷ n. 1, p. 10.

Commandant could also impose collective fines on entire village and expropriate village land by administrative fiat. 18

The main administrative unit below the cercle was the cantons. Each cercle was divided into several cantons headed by Africans canton chiefs named by the colonial administration and directly incorporated into the colonial bureaucracy. Although the French often chose as canton chiefs local leaders with high traditional status, in some areas they chose outsiders or people of low status who knew how to read and write French and who enjoyed the confidence of the colonial authorities. Canton Chiefs had the unpopular tasks of collecting taxes and recruiting man for labour gangs. 19 French regarded them primarily as agents of the French.

In the communes, the prototype of the political leader was the urbane, western-educated Senegalese intellectual; in the countryside, it was the marabout. Mastery of the French language and familiarity with French culture and institutions were prerequisites for political leadership in the four communes.

In addition to preaching obedience to the colonial authorities, the marabouts urged their taalibes (disciples) to grow peanuts for the market in the new areas where they were settling. Because of its interest in extending peanut production, the colonial administration granted many

¹⁸ *Ibid*, p. 10.

¹⁹ *Ibid*, p. 11.

prominent Mouride and Tijani marabouts large tracts of land and became peanut estates.²⁰

Peanut exports began before the advent of colonial rule, but French colonial investments in ports, roads and rail-roads facilitated the rapid expansion of peanut production by lowering transportation costs and making it easier to evacuate peanuts from the interior.

Senegal Peanut production and exports made its the wealthiest country in French Africa. Dakar's special status as the administrative and commercial capital of French West Africa was another major reason shaping colonial Senegal's economic development. The French built up Dakar as an imperial city from which France would govern and develop its West African Empire.

In 1946, overseas deputies worked closely with metropolitan deputies from the French left to push through reforms.²¹ These reforms included –

- 1. The abolition of the forced labour and the native justice (indigenat),
- 2. The elimination of distinctions in status between citizens and subjects,
- 3. The extension of the suffrage and greater black African representation in metropolitan assemblies,
- 4. The creation of the Economic and Social Development Investment Fund (FIDES) to subsidize overseas development programs.

²⁰ *Ibid*, p. 13.

²¹ *Ibid*, p. 17.

The post war colonial reforms did little to alter the structure of Senegal peanut-based export economy or transfer economic power from the French to Senegalese. French firms and business men still controlled the peanut trade and the more advanced sectors of the economy and continued to import skilled workers and middle level managers from the metropole rather than upgrade the skills of African work force.

There are great disparities in income and economic structures between the coastal (Maritime) and interior (Sahelian) Senegal. In sahelian Senegal rural masses struggle for survival; in Maritime Senegal, the urban masses battle for better position within a relatively modern economy.

By the end of the 1970's nearly all the French skilled workers, mechanics, and sales clerks had been replaced by Senegalese, and even Lebanese shopkeepers who traditionally relied on family labor had been obliged to hire some Africans and by 1975, parastatal agencies controlled more than 40 percent of the value added in the modern sector and employed about one-third of the workers in the modern wage sector.

At the independence, Senegal's national leaders had high hopes for the country's economic future. But forty-two years after these hopes remain largely unfulfilled. Constraints imposed by the structured underdevelopment and patterns of dependency inherited from the colonial period have severely limited Senegal's economic options. Chronic drought conditions have cancelled out short-term gains in agriculture. As

an energy deficit country, Senegal has been particularly hard hit by rapidly rising oil prices and deteriorating terms of trade that have raised its annual trade deficit to almost catastrophic proportions. Senegal's economic problem have been aggravated also by a bloated state bureaucracy and wide spread corruption in several government agencies, as in many other African and third world countries including India. The economic structural adjustment programmes sponsored by International Monetary Fund (IMF) and the World Bank since the 1980's have not produced significant results. The on going globalisation process has also not helped the situation. Senegal's economy is in vulnerable to competition in almost all areas of productive activity, and remains highly dependant on comparatively large inflows of foreign financial assistance. The role played by its colonial master in agrarian transformation during and after its rule is significant. Senegalese internal forces role was also became determining factor for agrarian transformation.

CHAPTER-2

Role and Interest of External and Internal Forces in the Agrarian Transformation

Colonial Period

The colonial state redefined the direction of production in the agricultural and industrial sector of the economy of Senegal. It also defined and created a political structure that would order the rate and direction of social change in Senegalese society.

Senegal was the oldest French Colony in Africa. French Men adopted the policy of 'outward directed growth', i.e. growth based on external demand and external financing for their African colony.

The French political strategy to ensure the production of peanuts was both pragmatic and prudent as it ensured the legitimacy of French interests in Senegal. In Senegal, as in other parts of French occupied West Africa, the French were faced with a legitimacy crisis as they used local chiefs who did not have the trust or the obedience of the local population. To mitigate the crisis the French forged collaborative ties with the Mouridiyya sect of the Moslem brotherhood, the marabouts, who were the spiritual and religious leaders of the peasant disciples or taalibes. ¹ In light of the entrenchment of French colonial power in Senegal the marabouts, which had initially resisted the French, now collaborated with them and became 'powerful economic and political

Lucy C. Behrman, Muslim Brotherhoods and Politics in Senegal (Cambridge, MA: Harvard University Press, 1970); Donal B. Cruise O'Brien, The Mourides of Senegal (Oxford: Oxford University Press, 1971), pp. 3-24.

forces within the colonial order itself.2 The colonial state granted the marabouts vast tracts of land near the railway lines to ensure both control over this alliance as well as to facilitate trade through an intricate transportation network. The colonial state also provided the marabouts with credit and farming equipment.³ In return the marabout guaranteed peanut production for the colonial state by ensuring taalibes membership in the prestigious Mouridiyya sect in return for their allegiance and labour. 4 Extensive regulations by the colonial state rested the oligopolistic market for the appropriation of peanuts in the hands of a few French commercial houses (the houses of Bordeaux and Marseilles)⁵ as well as control over imports into Senegal and distribution of these imports in the peanut producing areas. The head tax imposed by the colonial state and indebtedness of the peasantry to distribution centers- i.e. rural trading posts- maintained the peasantry in peanut production and ensured their ties to the French trading companies.6

Robert Fatton, Jr, 'Clientelism and Patronage in Senegal', African Studies Review, 29 (December 1986), p. 65.

Martin Klein, "Colonial rule and Structural Change: The case of Sine-Saloum", In Rita Cruise O' Brien (ed.), *The Political Economy of underdevelopment: Dependent in Senegal* (California: Sage, 1979), pp. 76-86; Catherine Boone, "State Power and Economic Crisis in Senegal", Comparative politics, 22, 3 (April 1990), pp. 341-57.

The Mourides' religious emphasis on obedience to the sheikh (the religious leader) and labour as a substitute for prayer ensured the compliance of the peasantry in peanut production for the colonial state. For an elaborate discussion of Mouridism see Donal B. Cruise O'Brien, *The Mourides of Senegal* (Oxford: Oxford University Press, 1971), pp. 20-55.

This information is obtained from G. Wesley Johnson, Jr, *The Emergence of Black Politics in Senegal* (Standford: Standford University Press, 1971), pp. 31-49.

Virginia Thompson and Richard Adloff, French West Africa (London: George Allen and Unwin, 1958), pp. 18-39; Martin Klein, "Colonial rule and Structural Change: The Case of Sine-Saloum", pp. 76-86.

The organization of peanut production in Senegal thus created a complex network of hierarchical patron – client ties between the colonial merchants, the colonial state, the marabouts and the Senegalese peasantry. An interdependent relationship existed between French commercial interests and the French Colonial state. The regulatory role of the latter secured trade for the former, which in turn provided monetary benefits for France. The marabouts' intermediary positions both clients and patron granted both an accommodationist yet autonomous role vis-à-vis the colonial state. The accommodationist role of the marabouts resulted from their dependency on the colonial state for resources whereas their autonomous role resulted from the resources they provided the colonial state?

The impact of the policies of the colonial state was uneven. Under colonial rule Senegal saw an increase in the production of peanuts. However, the income of the peasantry remained very low. Clearly, the benefits of the peanuts trade the colonial regime were secured by the commercial houses of Bordeaux,8 the colonial state and the marabouts, not by the peasantry, a legacy that would continue under the post colonial state.9 The promotion of peanut production also encouraged the

⁷ n. 2, p. 65.

⁸ n. 3, pp. 76-86.

Donal B. Cruise O'Brien, The Mourides of Senegal, n., pp. 20-55; Robert Fatton, Jr., The Making of a Liberal Democracy: Senegal's Passive Revolution, 1975-85 (Boulder: Lynne Rienner, 1987), p.55 Martin A. Klein, "Colonial rule and Structural Change: The Case of Sine-Saloum", n.3, pp. 76-86.

import of food product into the country. As a consequence of peanut production in Senegal, rice, tomato paste and sugar were increasingly imported into Senegal. ¹⁰ This was another legacy of the colonial state that was going to be duplicated under the post-colonial state.

After British India, The French Empire's peanuts colony, Senegal, was the world's second largest exporter of peanuts in the inter-war period. Peanut exportation accounted for more than 85% of the total exports from this territory, and French rulers directed their efforts at one goal: raising the colony's peanut exportation figures.

Besides regulating the production and marketing of peanuts as well as the import regime, the French colonial state also regulated industrial investment through a licensing regime. The colonial state's control and use of almost all aspects of the Senegalese economy towards colonial interests, as well as the use of French and Lebanese traders, 11 undermined the pre-colonial trading class in Senegal 12 and effectively barred the growth of an African capitalist class during the colonial period. 13

W.A.E. Skurnik, *The Foreign Policy of Senegal* (Evanston: North western University Press, 1972), pp. 19-41.

Rita Cruise O'Brien, "Foreign Ascendance in the Economy and the State: The French and the Lebanese", in Rita cruise O'Brien (ed.), *The Political Economy of Underdevelopment: Dependence in Senegal* (California: Sage, 1979), pp. 30-60.

Samir Amin, Le Monde Des affaires Senegalais (Paris: editions de Minuit, 1969), pp. 5-35

Rita Cruise O'Brien, "Foreign Ascendance in the Economy and the State", n.11, p. 101.

Post Colonial State

The debate over the nature of the post-colonial societies. For some theorists the dependent capitalist African state is an "instrument" of social groups that control state power', for others it is a dependent state that is structurally limited by the needs of international capital.¹⁴ In the context of Senegal this is an artificial debate with artificially created boundaries of instrumentalism and structuralism. The following section will show that the post-colonial Senegalese state was in essence both instrumentalism and structuralist. However, the instrumentalist character of the state produced contradictions for the structuralist elements that made international intervention necessary to secure the conditions for the internationalization of capital. As the instrumentalist elements lost the capacity to secure conditions necessary for the internationalization of capital, the IFIs had to act as 'important institutional enforcement mechanisms for the international financial regime and the power of global capital'.15

The French colonial legacy of a protective economic framework and the decolonization arrangements of Leopold Senghor with France institutionalized neo-colonial constraints on Senegal's economic policy

Catherine Boone, "State Power and Economic Crisis in Senegal" provides quick overview of the two positions. Robert Fatton, Jr., The Making of a Liberal Democracy: Senegal's Passive Revolution, 1975-85 (Boulder: Lynne Rienner, 1987), pp. 55, Rita Cruise O'Brien (ed.), The Political Economy of Underdevelopment: Dependence in Senegal, n.u., pp. 30-60.

Thomas Bierstecker quoted in Mahmood Mamdani, "A Glimpse at African Studies, Made in USAZ", CODESRIA Bulletin, 2 (1990), p. 10.

which had serious political and economic implications for Senegal's future policies.

With the break-up of the Federation of French West Africa in 1960 Senegal saw a decline in French public assistance¹⁶ and investment, and some 'Africanization' of the economy. Also, French economic interests and Senegalese dependency were guaranteed in the newly independent state through the monopoly position of French banks in the country, through the continuation of the French zone and the currency backing that the Senegalese currency, the CFA, enjoys with the French franc as well as through investment priority¹⁷ and special trade arrangements.¹⁸ Since independence France has been the major trade partner of Senegal. Even currently France continues to hold that distinction with approximately 28 percent of Senegal's export going to France and approximately 37 percent of Senegal's imports coming from France.¹⁹

Perhaps the most blatant sign of French privilege was the continued presence of the French military in Senegal after 1960.

See The Economist Intelligence Unit, Senegal, The Gambia, Guinea-Bissau, Cape Verde, Country Report, No. 1 (1091).





Since Senegal was the center of the Federation of French West Africa, it received a large share of the of the total allocation to French West Africa. From 1947 to 1958, French public assistance to the AOF territories was \$542 500 000. Senegal's share of those resources was 23 percent. See Skurnik, The Foreign Policy of Senegal, n. 10, pp. 19-41.

After independence the Senegalese Investment code of 1961 clearly protected all the privileges granted to French firms during colonization. This code was written to attract and retain foreign investment. SONED, Elements d'Integration Industrielle, vol. 1 (Dakar, 1977).

Rita Cruise O'Brien, "Foreign Ascendance in the Economy and the state: The French and the Lebanese", n. 11, p. 101.

Although the size of the army was reduced from 27800 in 1960, 6600 in 1965 to 900 in 1979,²⁰ the military continued to be more than a symbolic presence. It was used to insulate the regime of Senghor from both external and internal conflicts.

Clearly the French state had a stake in the stability of Senghor's regime. It was a regime which they could trust in the region when other regimes were becoming attracted by more radical ideology. The Senegalese state, using the export of peanuts along with fishing and phosphates to accumulate capital and encourage development.

The agricultural export crop sector, however, continued to be the mainstay of the Senegalese economy under Senghor. The export of peanuts remained the basis for capital accumulation in the Senegalese state whilst it continued to import rice into the country. However, Peanut oil manufacturing was controlled by French firms such as Lesieur and Petersen.²¹ With the help of World Bank and France peanut production grew at a rate of about 4 percent a year, due to both a sustained growth in acreage planted as well as a sustained increase in yields.²²

By 1967 the French had completely stopped price supports of the peanut crop. Now that Senegalese peanuts were completely at the mercy

Donal B. cruise O' Brien, "Ruling Class and the peasantry in Senegal, 1960-76" In Rita Cruise O' Brien (ed.), The Political Economy of Underdevelopment, pp. 20-40.

²¹ *Ibid*, pp. 20-40.

Gilles Durufle, "Evaluating Structural Adjustment policies for Senegal", In Bonnie Campbell (ed.), *The Political Dimensions of the International debt Crisis* (London: Macmillan, 1989), pp. 9-18.

of the world market, the selling price fell by about 25 per cent. However, Senegal continued to export peanuts for the capital accumulation requirements of the state.

In the process of peanut collection, the post colonial state used the marabouts to deliver about one-third of the total peanut crop which was under their control. The marabouts also delivered rural votes for Senghor in return for resources and a recognition of their legitimacy in the rural areas, where they became the intermediaries of the state yet remained separate from it. The status of the marabouts as both clients and patrons under colonial state was thus continued in the post-colonial period.

The 1970s saw an increase in bureaucracy as the agencies responsible for the rural sector continued to grow prodigiously. However, this period also saw a reversal in the favourable trends for agriculture. The 1970s, with the exception of 1974-77 saw erratic peanut production, decline in agricultural contribution to the GDP, a decline in export earnings generated from peanuts and a concomitant decline in the income of the peasantry. Peasant discontent grew as the rural agencies and the Senegalese state could not deliver development to the peasantry, but continued to grow themselves. ONCAD (Office National pour la Cooperation et l'Assistance au Developpment) was used effectively to help French investors and the nascent Senegalese bourgeoisie in keeping wages low in the urban sector.

The support and encouragement of the Khalifa general of the Mourides, Abdou lahatte mbacke, for the peasants' withdrawal from peanut production forced the state to double the producer price of peanuts.²³

The malaise, however, was not merely restricted to the peasantry. The emerging bourgeoisie, the students and the working class in Senegal were all dissatisfied with the fruits of independence. It was system characterized by patron-client type exchanges: votes and political support of Senghor's Union Progressiste Senegalaise (UPS) were exchanged for access to economic resources. This exchange was carried on through the channels of bureaucracy, thereby bestowing on it tremendous amount of power. The process of development had not delivered development to the people.

Senghor's response to the crisis was twofold. As a short-term measure he suppressed the general strike, banned opposition parties and established a sophisticated version of authoritarian rule. However, as the crisis continued to grow, on the advice of intellectuals he democratized the political system by creating what has been called a

Donal B. Cruise O'Brien, "Ruling Class and the Peasantry in Senegal", n. 9 to pp. 29-60.

tripartite system ²⁴ and started a process of relative nationalization through the strengthening of administrative structures.²⁵

However, neither the political nor the economic crisis was thereby resolved. Politically, the opposition continued to call for unlimited democracy and economically the state's source of revenue, ONCAD, was now becoming a burden on the state, which is why ONCAD had dissolved. However, the state has been unable to recapture the peasantry to the extant of previous years. Unfortunately, it has also been unable to replace the peanut economy by other mechanisms of capital accumulation.

Abdou Diouf took over the reigns of power in 1981. His task was daunting because he had inherited both the political and economic dissatisfactions of the people about governance and development. In order to diffuse political position he sanctioned unlimited pluralism for Senegal. He also embarked on liberalization of the economy, under the dictates of the IFIs, to correct the structural imbalances of the economy.

Three parties, the liberals represented by Abdoulaye Wade's Parti Democratique Senegalais (PDS), the Democratic Socialistm vein represented by Senghor's Union Progressiste Senegalais (UPS) and the Marxist-Leninist vein represented by Majhemout Doip's Parti African de l'Independence.

Fatton, in *The Making of Liberal Democracy*, n. 14, pp. 53-90, gives a detailed account of the establishment of liberal democracy in Senegal. It is also in his "Gramsci and the Legitimization of the state: The case of the Senegalese Passive Revolution", *Canadian Journal of Political Science*, 19, 4 (December 1986), pp. 729-50.

Role of IMF and World Bank in Transformation Process

Senegal has long been dependent on foreign aid with France as its major bilateral donor, and more recently substantial loans have come from multilateral donors such as the EC, the UN and the World Bank. From Independence through the mid-1980s Senegal had received more aid than any other Sub-Saharan African country, but external funding notwithstanding it retained the lowest economic growth rate in the region. From 1981 to 1983 several standby arrangements were made between Senegal and the IMF, each of which was cancelled with the majority of the funding for the period withheld. In addition, the World Bank had agreed to provide a SAP loan to Senegal which was also cancelled in 1983 after the first installment.

These cancellations are significant for they reflect a policy of blatant carrot and stick tactics by the IFIs. The conditionality attached to the loans to Senegal was now being monitored for progress, and if the IFIs felt enough progress was not being made the loans were suspended. The IMF's conditions for Senegal included –

- Raising the prices of basic goods including certain foods, cooking oil and petroleum products,
- Raising rates of duties, indirect taxes, the price of fertilizers and decreasing the price paid to producers for groundnuts,

See International Financial Statistics Yearbook 1990 and Gilles Durufle, "Evaluating Structural Adjustment Policies for Senegal", In Bonnie Campbell (ed.), n.22, pp. 9-18.

- Making agricultural marketing agencies more efficient,
- Reducing administrative costs through wage freezes and lower operating and equipment costs,
- Limiting the growth of the civil services, and
- The reduction of state debt including limiting the money supply and the supply of credit.²⁷

Besides above conditions the placement of more economic functions in the private sector such as those formerly handled by state or parastatal agricultural agencies, the reduction in price distortions and growth in savings. ²⁸ Senegal did make fairly significant adjustments in many of these areas. Subsidies were reduced on food items, the major state-owned agricultural marketing agency-ONCAD- was dismantled, and taxes were increased on alcoholic beverages, import duties were increased, wage increases were held below the inflation rate, and investment programs were implemented. ²⁹

The scope and depth of reforms undertaken by the Senegalese government were not enough to satisfy the IFIs. They apparently believed that Senegal's progress in restricting the growth of the civil service, limiting costs of restructured marketing agencies especially the number

See Durufle, "Evaluating Structural Adjustment policies for Senegal", n_{12} , pp. 9-18.

²⁸ *Ibid*, pp. 9-18.

See Isebill Gruhn, "The Recolonistion of Africa: International Organization on the March", Africa Today, 3, 4 (1983), pp. 37-48 and John Lewis "Aid, Structural Adjustment and Senegalese Agriculture", In Gersovitz and Waterbury (eds), The political Economy of Risk and Choice in Senegal (London: Frank Cass, 1987), pp. 283-325.

of employees, increasing the price of rice and transferring seed stock from agricultural agencies to producers was insufficient. ³⁰ The Bank/Fund agreement was based on a target for 1981 of a \$1.4 million surplus with significant increase in the public saving to investment ratio, but the government actually ran a \$4.3 million deficit. ³¹ Senegal's main export commodity, peanuts, was projected to increase by 19 per cent but due to declining world prices and poor weather conditions peanut export earnings fell by 15 per cent. ³² The IFI studies generally gave unrealizable projections, which were overly optimistic or based on inadequate information. Also the fund had incorrectly projected that Senegal would be able to finance part of its programme by acquiring \$50 million from Arab donors.

In 1984, the IMF disbursed no standby funds to Senegal as the Fund and other donors regarded Senegal's efforts at reform as insincere.³³

Senegal virtually submitted herself before IMF pressure to get the much needed fund and implement reforms in its country. In 1984 the New Agricultural Policy (NPA), which was the domestic title for the SAP reforms for agriculture, was implemented by the Senegalese government. In addition tariffs were reduced in 1985, the tax code was reformed in

Durufle, "Evaluating Structural Adjustment policies for Senegal", . M. 22, pp. 9-18.

³¹ Gruhn, "The Recolonisation of Africa", 7.29, pp. 37-48.

See *ibid* and John P. Lewis, "Aid, Structural Adjustment and Senegalese Agriculture", pp. 283-325.

³³ See Howard Schissel, "Diouf's Dilemmas", Africa Report (July-August 1985), pp. 25-8.

1986, a comprehensive industrial programme was put in to place in 1986, and public investment programme was begun in 1987. ³⁴ The IMF responded with money.

Table: 2

(US\$ millions) Total bebt outstanding and disbursed 1,861 3,666 3,482 **IBRD** IDA 1,384 Total debt service 123 ' **IBRD** IDA Composition of net resources flows Official grants Official creditors Private creditors -31 Foreign direct investment Portfolio equity

Source: The World Bank Group: http://www.worldbank.org/data/

World Bank program
Commitments

Principal repayments

Interests payments

Disbursements

Net flows

Net transfers

See Jean-Claude Brou, "Senegal Achieves Adjustment with Growth", IMF Survey 17 (16 May 1988), pp. 152-5.

Structural Adjustment, State Disengagement and Agriculture

Senegal's basic agriculture policies was-

- To concentrate on peanut production for export and use the profits to finance cereal imports for urban consumption (basically rice); and
- ii. To rely on state agricultural agencies for inputs and marketing of agricultural products.³⁵

Senegal changed its agricultural policies under advice from the IMF and the World Bank in early 1980s. The former called for raising the rates of duties, decreasing the producer price of peanuts, raising the price of fertilizers, and reducing the costs and operations of the agricultural marketing

The latter was more specific: it recommended investment in irrigated crop production, intensifying production of rain-fed crops, improving yields, stopping soil deterioration, and better incentives for production. The Bank pushed for reforming the rural development agencies, giving seed stocks to village coops, increasing the role of the private sector, restricting the role of state agencies and replacing them with contracts between private firms and the state, allowing the market

See Freddric Martin and Eric Crawford, "The New Agricultural Policy: Its Feasibility and Implications for the Future", In Christopher Delgado and Sidi Jammeh (eds.), The Political Economy of Senegal Under Structural Adjustment (New York: Praeger, 1991), pp. 85-96.

to set producer and input prices and increasing the price of imported cereals to stimulate local cereals production.³⁶

Structural Adjustment programme were started in 1984 under the Nouvelle Politique Agricola (NPA), and further promoted in the Seventh Development Plan of 1985 and in the Cereals Plan of 1986. The new targets of food and agricultural policy were to

- I. transfer the agricultural functions performed by the state to the private sector and
- II. increase cereal self-sufficiency 50 to 80 per cent by the year 2000.37

The role of structural adjustment runs directly counter to long-standing state policies with regard to agriculture, which since independent has been the predominant sector of Senegalese economy. In between 1976-1980 the share of GDP represented by agriculture went down from 18 percent to 9.5 percent and value added per capita in the rural sector declined by 32.5 percent. Degradation of rural incomes curbed, however, through stated intervention, in accordance with an aid and distribution logic. Structural adjustment has brought a reversal of these policies, with the state gradually disengaging from the rural areas

See Durufle, "Evaluating Structural Adjustment Policies for Senegal", n. 22, pp. 9-18

See Martin and Crawford, "The New Agricultural Policy", 77:35, pp. 60-81.

under a New Agricultural Policy fosters the introduction of the logic of market forces in Senegalese agriculture.

Until the 1980s; state intervention was expanding in rural Senegal, through such programmes as the agency for agricultural Marketing (OCA), which was granted a monopoly on the marketing of groundnuts, and the establishment of Regional Centers of development Assistance (CRAD), which were given the task of fostering modernization throughout the country side (the OCA and CRAD) were consolidated into the national Agency for Cooperation and Development Assistance in 1969. Following a series of unfavourable events in the 1970s-drought, famines, and the removal of French supports for the export price of groundnuts-oil-processing factories were bought under state control and state intervention was extended to other areas of production through subsidized distribution of fertilizers, equipment, and certain seeds. By the end of the 1970s rural areas as a whole were rigidly supervised by public or parastatal agencies. Rural development thus conceived proved a failure, however, in financial, technical, and organizational terms.

Financially, chronic and growing budget deficit were registered by the gamut of agencies involved in agriculture. In technical terms, the exorbitant sums spent by the state failed altogether to boost agricultural efficiency. Indeed, productivity and farm incomes in the ground sector experienced nearly constant decline, while the costs of rice production came nearly to double the world price of rice. And organizationally, state intervention fastened a mentality among farmers such that they came to expect that the public authorities would cancel all their debt and go on providing seeds and fertilizers at subsidized prices. The cooperatives were quickly conquered by local notables and Marabouts and could never operate democratically. After 25 years the state had failed to indicate economic calculation into the behaviour of farmers.

Under the structural adjustment programmes, state disengagement from agriculture came to be considered a panacea. The outlines of the New Agricultural Policy (NAP) are as follow:

Reorganization of rural areas on the basis of the peasants having to take chare of their own fate;

Disengagement of the state through the gradual abolition of the agencies of intervention;

A liberal input policy for groundnut seed and fertilizers, whereby the peasants will now have to deal with the private sector and pay in cash; and

A policy towards cereal gains using price incentive, aimed at achieving food self sufficiency through the boosting of production.

In the final analysis, the NAP amounts to a total reversal of state policy in as much as its logic leads towards a complete withdrawal of the authorities from the rural areas. This would leave farmers whose real income have fallen steadily since the early 1980s-altogether at loss. It is understandable that the state can no longer afford to support the

peasantry, but radical reforms ought to be introduced gradually, preceded by transaction period in which coherent, specific policies are defined.

Concern is all the greater because the Diama and Manantali dams on the Senegal River are nearing completion. These projects will eventually make it possible to irrigate a total of 350,000 hectares, at a projected pace of 4000 hectares annually through 1995 and 5000 hectares a year there after. At an average cost per hectare of 3.5 million CFA francs, such an effort implies annual financing needs of 14 billion CFA Francs until 1995 and 17.5 billion a year in subsequent years. The logic of the NAP and structural adjustment implies that the peasants will have to take on development and operating costs, but until now irrigated farming was practiced within the framework of structures wherein the farmer had few responsibilities. Even when farmers were in change of the management and exploitation of lands, government agencies exercised supervision and were responsible for large-scale maintenance and equipment repair.

Finally the abrupt and quassi-total withdrawal of the Senegalese state is incompatible with the harmonious and balanced development of the rural areas. The high cost of irrigated farming is likely to exclude poor peasants from access to land in favour of large private investors, both national and foreign. In other words, the abrupt implementation of structural adjustment programme in agriculture may well lead to a

'proletarianisation' of small farmers and more pronounced inequalities in income and property. Such an evolution is likely to lead also to high levels of frustration among a rural population that accounts for 70 percent of the working population of the country.

The government has followed through significantly on the first target. It has already been mentioned that under Bank pressure ONCAD was dissolved in 1980, but its successor SONAR (Societe National d'Approvisionnement du Monde Rural) and the STN (Societe des Terres Nueves) in 1985 were also liquidated. In addition, four regional agricultural agencies are under going employee reductions and disengagement form agricultural marketing and production activities³⁸

The process of disengagement of the state from the agricultural sector has not been without problems. Functions fulfilled by the state have not been adequately filled by private firms. For example, the Senegal River Valley has been dammed for irrigation of rice and vegetable fields. SAED (Societe d'Amenagement et d'Exploitation des Terres du delta du Fleuve Senegal) constructed irrigation canals, provided input supplies, provided input supplies, provided credit, and operated and maintained irrigation pumps for the region. In 1984, SAED withdrew its supply of pesticides, but private firms could not fill this void resulting in

³⁸ *Ibid*, pp. 60-81.

the under use of pesticides and a dramatic drop in crop production.³⁹ There was series of problems associated with the withdrawal of SAED generally. 40 First, the deterioration of canals due to lack of a central maintenance body has resulted in the water logging of fields. The real cost of maintenance may be beyond many farmers' capacity to pay. Second, the new credit arrangements result in indebted farmers loosing their cultivation rights. Outstanding debts may be taken over by farmers with more resources resulting in concentration of holdings. Third, inequitable water distribution resulted in farmers losing their entire crop throughout the regions. Fourth, the decentralized water delivery and drainage procedures have resulted in more farmers with low yields. Fifth, the lack of central regulatory agency overseeing the proliferation of small farmers in delta region has resulted in inadequate drainage of fields. This situation threatens soil salinisation. Sixth, because the water distribution is not tightly regulated 'double cropping' (farming two seasons per year on the same plot) has not been practical. This means the projected targets for rice production and for other crops has not been fulfilled and there is a need for more land. Seventh, under the SAP reforms the competition for land is heightened by the government encouraging outside entrepreneurs to seek allocations from rural

Philip Woodhouse and Ibrahima Ndiaye, "Structural Adjustment and Irrigated Food Farming in Africa: The "Disengagement" of The State in the Senegal River Valley", Development Policy and Practice Research Group (DPP), Working Paper no. 20 (Milton Keynes: The Open University, June 1990), pp. 80-98.

⁴⁰ *Ibid*, pp. 80-98.

councils. The result has been tensions between villages and violent disputes on both the Senegalese and Mauritanian sides of the valley.

The SAP/NPA plan for reducing dependence on government subsidies and increasing the role of the private sector has hurt agriculture in other realms as well. The government's withdrawal from subsidizing fertilizers in 1985 resulted in great price increase. During the 1970s fertilizer use seldom went below 50,000 metric tons per year in Senegal, and occasionally exceeded 70,000 metric tons. But since the Cessation of the government subsidy in 1986 fertilizer use has fallen to below 30,000 metric tons per year. 41 The NPA plan to remove seed storage and distribution from state agencies, along with moving agricultural credit out of the state agencies resulted in 36 per cent of the farmers in the Peanut Basin unable to secure peanut seeds for the 1985-86 growing season. 42 A serious problem is that many of Senegal's farmers cannot afford to make significant investments for high input costs such as fertilizers and machinery. Clearly the shift to privatization places the burden on the farmers to finance inputs. History suggests that one consequence may well be less reliance on costly inputs. The

⁴² *Ibid*, pp. 97-118.

See Valerie Kelly and Christopher Delgado, "Agricultural Performance under Structural Adjustment", In Delgado and Jammeh, The *Political Economy of Senegal under Structural Adjustment* (New York: Prager, 1991). pp. 97-118.

termination of the credit under the progarmme Agricole has resulted in relatively few mechanized inputs for agriculture since 1980.⁴³

SAPs have not only contributed environmental degradation, but also to severe decline in the real income of peasant farmers. 44By the mid-1980s the real producer price for peanuts was at its lowest point in history of post-colonial Senegal, less than half the real producer price paid in 1960.45

The strategy to diversify the agriculture production and to achieve grain self-sufficiency was given specific targets in the Seventh Development plan. The crops that have dominated traditionally- peanuts and millets/sorghum- were projected to have only moderate growth in the plan, and have pretty much kept up with or exceeded their targets except for the last recorded year, 1989, when poor growing conditions resulted in both crops producing significantly below their projected goals. The food crops of the plan did poorly. Maize production was at 49 per cent of its target for 1989, rice production at 44 percent, and cowpea production has steadily declined since the initiation of the plan ending at less than 4 per cent of its 1989 target. Hence 80 per cent grain self sufficiency by the year 2000 hardly seems realistic.

⁴³ *Ibid*, pp. 97-118.

Durusle, "Evaluating Structural Adjustment policies for Senegal", p. 22, pp. 9-18.

⁴⁵ *Ibid*, pp. 9-18.

See Kelly and Delgado, "Agricultural Performance under Structural Adjustment", η. 41, pp. 97-118.

The plan to diversify industry crops was also well off its projected production targets by 1989. Confectionary peanuts only reached 33 per cent of its target, while cotton production showed almost no growth since before the commencement of plan.⁴⁷

Various problems seem to plague this development approach. In the first place, the SAP reforms seem to have conflicting goals. The balance of payments situation for Senegal clearly tied to peanut production and peanut prices, with peanut products accounting for 5 to 46 per cent of Senegal's total annuals exports since the mid-1970s, and for 20 per cent of total export for 1989.48 Peanut and millet are grown on the same land. Peanut is still the most profitable crop for the farmer, so decisions have to be made each season concerning how much of each crop to grow. Good prices for peanut will deter increasing the land used for millet. A second problem already mentioned is that the plan for using irrigated land for double cropping rice has not worked. Increased rice production will be especially important for Senegal's balance of payments because if peanut exports are not increased then rice imports will have to be substantially decreased. Third, the plan to diversify to cowpeas appears to have been abandoned. Fourth, like peanut farming since the disengagement strategy, growing maize is risky because of the cost of

⁴⁷ *Ibid*, pp. 118.

See Economist Intelligence Unit (EIU), Senegal, The Gambia, Guinea-Bissau, Cape Verde, Country Report, 1 (1991) and IMF, IMF International Financial Statistics Year Book 1990.

fertilizer and the current credit system.⁴⁹ Unless this situation changes maize production will continue to fall below its projections.

Generally, structural adjustments have not produced the kind of results in the agrarian sector that could significantly improve Senegal's economic situation. While austerity measures, considered only on economic grounds, may have contributed to improvements in Senegal's balance of payments, the strategies for growth in the agricultural sector have not been effective –in some cases they have been disruptive–and are in need of reassessment.

See Kelly and Delgado, "Agricultural Performance under Structural Adjustment", n. 41, pp. 97-118.

CHAPTER-3

Changing Nature of Land
Ownership and its Socio-Political
Implications

African continent has no scarcity of land resource but its optimal utilization has still remained day dream. Lack of Irrigation facility is a big problem in whole African continent. The same status also holds for Senegal. Only little over 12 percent of total land is arable in Senegal. Senegalese government has been doing its best to improve irrigation facility by constructing new dams in rivers.

Land Use and Land Ownership

44 percent of Africa's land is affected by drought. Whilst 16 percent of the land is considered suited to agriculture, an estimated 6 percent only is actually cultivated and mostly for cash crops for the export market. In addition, some agronomists suggest that Africa has more cultivable land per capita than any other continent. It has 22 percent of the world's cultivable land and 9 percent of the world's people.¹

In West Africa, researchers report, the lower 40 percent (in income) are steadily decreasing their share of arable land, while the top 10 percent (of farm income group) have been steadily increasing their share.²

T. Chimombe, "Food Security in Africa", In African Economic Development: An Agenda for future (Delhi: Research Information system, 1987), pp. 114.

² Mellor et al 1987, pp.280.

Sahelian Senegal's rural economy³ is based primarily on peanut, which takes up more than 40 percent of the land under cultivation. Agricultural productivity in Sahelian Senegal is low. Its agriculture does not produce sufficient food to adequately feed Senegal's rural populations, let alone generate a surplus large enough to feed the country's rapidly growing urban population. Except for the more recently settled pioneer zones south and east of Kaolack, where land is more plentiful, landholdings have become increasingly fragmented. Even though many of Senegal's most prominent Muslim leaders own large estates, the marabouts control less than 1 percent of Senegal's farmlands. Sahelian Senegal is made up primarily of small farms exploited chiefly by family labour. More than two-thirds of the country's farms are less than 10 acres (4 hectares) in size; only 5 percent are more than 25 acres (10 hectares).

Land in Senegal is also becoming scarce and the population pressure on available land is becoming heavy. Large scale rural-urban migration and urbanization have been responsible for the creator of slums, overcrowding, crimes and incidences of violence.⁵ High ecological

For detailed description of agrarian structures in Sahelian Senegal, see Paul Pelissier's monumental study, Les civilization agraires du Cayor a la Casamance (Saint-Yrieix: Imprimerie Fabreque, 1966), and Valy- Charles Diarrasouba, The evolution of Senegalese agricultural structures (Paris: Editions Cujas, 1968), pp. 18-83.

⁴ Sheldon Gellar, Senegal: An African Nation between Islam and the West (Boulder and Colorado: Westerview Press, 1982), p. 46.

Robert S. Mc Namara, *The Challenges for sub-Saharan Africa*, Sir John Crawford Memorial Lecture, Washington, November 1, 1985, p. 18.

vulnerabilities of sub-Saharan Africa. The population pressures have already led to a significant decline in the wood resourses.

Unlike many other places land in Senegal is uniformly scarce.⁶ There are large areas where up to one half of the arable land is unused. Resent research puts the supply of land at approximately three to four times the area cultivated. Even conservatives estimates conclude that the amount of arable land in Africa is at least three times that now under cultivation. ⁷ Projections comparing land use and population growth support the conclusion that the continent's unused land is sufficient to feed one and a half times the estimated population of the continent for the year 2000 with relatively low levels of inputs.

A highly skewed pattern of land distribution in favour of a small prosperous indigenous and foreign capitalist class has denied millions of peasants a chance to food and even attains an acceptable minimum level of survival. Despite the attainment of political independence and adoption of "anti imperialist and anti-exploitation" policies, no significant reforms on existing tenure systems have been made. The major constraints have been the historically shaped over dependence on large foreign and local Private Corporation for food requirement and the underdeveloped and long neglected peasant factor.8

⁶ See Lofchie, Chapter 4.

⁷ Hyden, 1986, p. 16.

⁸ n. 1, p. 6.

Land is a key resourcesand access to land determines the pattern of distribution......of employment, income and food."9

FAO emphasized this point thus: - Land is the major input of production; when it is inadequate, or its tenure, the outcome is usually poverty levels of income.¹⁰

In Senegal growth was possible as long as there was no restriction on the amount of land available. It has been calculated that the area of cultivable land required fully to use one 'unit of labour' is 3.75 hectares in the north of the ground nut producing area, 2 hectares in the central region, and 1.66 hectares in the serere area. This allows for diminishing average yields from south to north as rainfall decreases. And with the traditional methods of cultivation, these yields are 900 kg per hectare in the south, 700 in the centre, and 500 in the north.

The population growth also aggravated the mounting unemployment. By the end of the century, it seems that industry and agriculture combined will be able to absorb only half of the projected increase in labour force remaining half of the labour force will either have to depend on marginal land, or be jobless. It will require 20 years before

⁹ C.B. Thompson, "Regional Economic coordination and implication for planning, the case of Zimbabwe in S.A.D.C.C." conference on Economic policies and planning under crisis conditions in Developing countries, University of Zimbabwe, Department of Economics. Paper 32 September 1985, p. 7.

¹⁰ F.A.O. in Thompson, *ibid*, p.7.

lowered fertility, if achieved, could begin to limit to growth of labour force.¹¹

Agricultural techniques had remained unchanged until 1950. Since then, efforts has been concentrated on reducing the labour force by the use of animals, and on increasing yields per hectares by the more widespread use of fertilizers and better quality seed. In theory, the sowing machine and the animal -drawn plough, correctly used, make it possible to increase the area cultivated with the same labour from 1 to 1.5 hectares. The use of these machines has become general in the last ten years, as has that of better-quality seed; and with the intelligent use of the fertilizers (which increased from 21,000 tons in 1962 to 48,000 tons in 1967), 12 this made it possible to increase the average yield per hectare by 50 percent. According to the availability of land, the Senegalese peasants can increase the area he cultivates from 3 to 4.5 hectares; the annual expenditure required to modernize cultivation methods is 18,000 francs with an increase in area, or 13,000 francs without an increase. From this it can be seen that with a price for groundnuts of 18 francs per kilo modernization is not worthwhile unless land is available and is situated in areas with the necessary rainfall (the centre or south). Vanhaeverbeke has calculated the advantages of modernization in these terms as a percentage of returns on the

Robert S. Mc Namara, The Challenges for sub-Saharan Africa, n.5, p. 18.

For more recent statistical data see the quarterly reports on Senegalese economic indicators published by Central Bank of West African States (BCEAO Bulletin), No. 162, May 1969.

traditional methods. Assuming that there is enough land available to operate the optimum agricultural programme on areas of 4.5 hectares, the advantage ranges from 53 per cent in the northern area to 76 per cent in the centre and 88 percent in the south. On the assumption that a shortage of land limits the size of cultivated units to 3 hectares, the advantage of modernization is reduced to 13 percent in the central area and 20 per cent in the south; while it is negative in the north.¹³

Organisation of Labour Force in Rural Households

In Senegal as well as in whole Africa, we find clear patterns of sexual division of labour. The economic activities of African women have a dual form, meaning that women are both working as family labour for their husbands or other male members of the household and having 'own account' enterprises (production on 'private' plots trades).

The agricultural labour process within rural households is organized as follows. The male head of the household controls the family land. A large part of this land is exploited by him self to cultivate the millet which is used in feeding the household, and to cultivate his groundnuts, which are sold. The other members of the household are obliged to work on the fields of the head, the amount and sort of work differing according to gender and position in the household. In exchange of this every member – wives of the head, sons, daughters, and

¹³ The most extensive quantitative study of the of the development of peanut production in Senegal is Andre Vanhaeverbeke, *Remuneration du travail et commerce exterieur* (Louvian: center de Recherches de Pays en Developpement, 1970), pp. 83 and 84.

daughters in law, brothers or other relatives living in -is entitled to have a yearly allocation of one or two plots by the head. Each member is responsible for the exploitation of his/her 'own' plots and has full control over the products of these fields. In cultivating their fields household members (head also) however exchange labour and help each other.

The case study in Senegal shows, that the organization of the agricultural labour process and the division of responsibilities for expenses on the one hand are based on cooperation and sharing between men and women, but on the other hand contain sources of tension and conflicts. Due to the deplorable agricultural condition, both men and women try to engage as much as possible in nonfarming income generating activities men however having more opportunities to do so than women. Women want to secure their own income and will therefore try to spend as much time as possible on their 'own' activities, meaning their fields and more importantly their trades. On the other hand they also want their husband to fulfill his financial responsibilities and will avoid quarrels as long as he does so.

Table: 3

Total Population, Labour Force and Land Use

Indicators Population & Agricultural	Unit	1979- 1981	1989- 1991	1998	1999	2000
Labour Force Population	1000	5540	7326	8953	9184	9421
Population annual growth	Percent	2.8	2.6	2.5	2.5	2.5
Rural/Total Population	Percent	64	60	54	53	53
Density	In h/Sq	29	38	47	48	49
Agricultural Labour Force	km 1000	2052	2511	2957	3019	3081
Agricultural Labour Force/Total Labour Force	Percent	81	77	74	74	74
Land Use						
Total Land	1000 HA	19253	19253	19253	19253	19253
Arable Land+Permanents Crops	1000 HA	2350	2350	2300	2350	2400
arable Land	1000 HA	2341	2325	2263	2313	2362
Irrigated Land 1000 HA 62 85 71 71 71 Sources: FAOSTAT, World Bank World Development Indicators, 2002						

Table: 4

Labour Force

Percentage of	abour force in	Agriculture	
1965	1980	1990	2000
83	81	76.7	73.7
Average annua (in percentage) 1965-	l growth of lab	oour force	
73	1973-80	1980-85	1996-02
3	3.3	1.9	2.7
Percentage of (15-64 years)	population of v	vorking age	
1965	1980	1985	
53	52	52	

Source: The World Bank sub-Saharan Africa-from crisis to growth, Washington, 1989 and 2003.

Irrigated Land and Irrigation Project in Senegal

Irrigation infrastructure is also much less widespread in Senegal and sub-Saharan Africa than elsewhere in the developing world, perhaps because of excessively high development costs and relatively lowers natural potential. Senegal also experiencing population pressure and with large agricultural areas subject to severe climatological risk, had only 3.4 Percent of arable area under irrigation in the early 1980s.

Given light recourses and the need for priorities, public investment should concentrate on providing the basic grid of roads and communications and irrigation where costs permit it.

A Senegalese peasant saw his land being taken to make way for an irrigation project to grow rice which would be so expensive that only city people afford it. He said; we know that the government want larger and larger share brought under irrigation because that is what the Americans and others are paying for. But this money is given for the shake of politics, not for seeing the peasant improve. Who benefits? Who gets the money? Who gets the land and machinery? All this will serve us nothing.¹⁴

The increasingly poor coping ability of affected households had suggested the need to step up efforts to monitor supply and demand on local markets and to increase the number of available rapid intervention tools in the event of the failure of this year's rainy season crops.

Rural electrification would help with modernization of farming techniques and with diversification of economic activity throughout the country, but that is a capital intensive initiative that SENELEC, the loss-making public electricity company, does not have the capability to bring off by itself.

Arnold Elson Sibanda, The Food Problem in the African Economic Crisis in A African Economic Development: An Agenda for Future (Research and Information system, 1987), pp. 28-68.

The attainment of food self- sufficiency remained a major priority. Of great relevance to this objective was the enormous increase in irrigated land that was due to result from the completion of the Manantali Dam in Mali. The combined benefits of the anti- salt barrage at Diama and of Manantali dam are expected to provide newly irrigated and totaling 240,000 ha in Senegal over the next 25 years. In the short term, it is hoped to stabilize rice imports at 340,000 tons per year, while promoting the increased cultivation and consumption of millet and sorghum.

A large number of small-scale irrigation projects are now to be implemented in Senegal, increasing the country's agricultural area by some 3000 hectares. Mainly rice production is to gain ground, thus reducing imports of Senegal's main food staple.¹⁵

The Dakar government has embarked on ten smaller projects to support local small-scale irrigation in the country, with total costs being estimated at euros 19.8 million. Today, the African Development Fund (ADF) approved a loan that will finance the entire foreign exchange costs and 72 percent of the local currency expenditure of the projects.

There are eight departments in three regions that are to benefit from the irrigation scheme. These are Fatick at the Sine River between

¹⁵ http://www.afrol.com/index.php.

Dakar and The Gambia; Kolda in the southern Casamance province; and Tambacounda in the interior, located at the railway to Mali. The three departments belong to Senegal's less developed regions.

The two main aims of the project is to assure an improvement and extension of the 280-hectare small-scale irrigation schemes existing in the three valleys of these regions in addition to reclamation of 2,000 hectares of salt land for rice farming, mainly in the Sine Saloum mangroves delta.

According to the Dakar government, the project is believed to "contribute to poverty alleviation in rural areas and improve the living standards of the populations of the 87 rural communities concerned through small-scale irrigation and pastoral development that will help increase agricultural production and raise incomes up to 70 percent for over 7,000 farms."

Changes in the Social Structure and Nationalization of the Marketing Network

Cultivation of groundnuts propagated as an export cash crop under the influence of French colonial policies during the last decade of the 19th and first decade of 20th century. It's a savannah-sahel area with a long dry season¹⁶, characterized by rainfed agricultural system subject to high risk in view of the irregularity of rainfall and soil fertility problem.

Rainfall falls within a period of 3 or 4 months.

The two main economic activities of the African peoples were agriculture and cattle-raising. In some parts of the continent, particularly in the northern Africa, people had been for ages settled peasants. They lived a "settled existence dependent upon farming or animal husbandry. By the birth of Christ, the history of agriculture in the Nile valley was already four or five thousand years old.¹⁷

Agriculture in the long run is more rewarding. It can support much larger population than can hunting and gathering. This is the reason that in West Africa, population explosions forced its inhabitants out in search of new lands. "In West Africa the intensive penetration of the forest region was probably a by-product of the growth of dense food producing population in the savanna'. ¹⁸ In fact the migration taking place from the beginning of the Christian era was one of the major events in the economic history of Africa. The dispersal was important not only because migrants took with them the knowledge of agriculture and animal husbandry, but also because it is quite likely that they spread the knowledge of iron working. Iron gave superior tools for tilling and superior weapons. ¹⁹

Harjinder Singh, The Economy of Africa (Delhi: Kalinga Publication, 1992), p. 9.

Roland Oliver (ed), Vol.3, from C 1050 to C 1600, The Cambridge History of Africa (Cambridge: Cambridge University Press), p. 5.

Peter Wickins, An Economic History of Africa (Cape Town: Oxford University Press, 1981), p. 5.

The people living between the lower Senegal and the lower Gambia shared the growth of civilization in the western Sudan to the extent that they developed animal husbandry, considerable agriculture skills and a high degree of village society.²⁰

The food crisis which has faced most Sahelian countries like Senegal has been attributed to the activities of TNCs which produced groundnuts for export to France. For years, Bud- Senegal, a US multinational corporation, produced green papers, tomatoes and green beans for export to European consumers. It supporters argued that the would promote the use of modern technology, skilled company marketing expertise, technicians, management skills and employment, foreign exchange inflows and utilize hitherto unused land. The actual impact of Bud was detrimental to Senegal's economy and ecology. It capital intensive production techniques uprooted much of Senegal's vegetation, including Baobab trees, thus creating the conditions for advanced desertification. The costs of production were to high and the gains less. The company's activities only benefited the rich external market, namely France. Consequently, it did not meet the local needs for food but rather reduced the country to a "market garden".21

Senegal was the world's second largest exporter of peanuts in the inter-war period. Peanut exportation accounted for more than 85 percent

²⁰ n. 17, p. 483.

²¹ B. Dinham and C. Hines, *Agribusiness in Africa* (London: Earth Resource Publication, 1980), pp. 39-73.

of the total exports from this territory, and French rulers directed their efforts at one goal: raising the colony's peanut exportation figures. Administrative structures, the creation of railways and roads, and economic policy were entirely driven by this aim. The development of science followed the same pattern. Senegal's first agricultural research centre was dedicated to peanuts. The soil science began with the mapping of lands suitable for groundnut, and plant genetics started for peanuts in 1924. Concern for millet and other food crops followed much later. 22 By this time, peanut breeding had become the priority of agricultural research and development in Senegal. This policy led to one of the most important achievement of scientific agriculture in the developing world.²³ In the early 1950's, while what would be called the Green Revolution in Asia and Africa was still in the air, half of the surfaces under groundnut in Senegal (350,000 ha out of 700,000 ha) were planted with 'improved' varieties bred in the Experiment Station of Bambey.

By the mid 1960's, Senegal's commercial groundnut economy covered about half the cultivated surface; supplied at least three quarters of rural money incomes; contributed 23 percent of GNP and about 80 percent of exports; and, through oil processing plants, constituted 42

This point of the emphasis on single commodities and associated agronomic problems in the development of science in Africa has been made by Eisemon, Davis and Rathberger (1985). For Senegal, See Pelissier, (n. 3), (1976), pp. 31-32.

By that time, the rate of acreage under improved peanut varieties was even lower in the USA than in Senegal.

percent of the total industry. When Senegal's receipts from groundnut declined after France withdraws preferential trading arrangement in the 1960's the multiplier effect of the loss on the national economy was overwhelming. In spite of this colonial groundnut economy made Senegal rich, by West African standards, before it came to haunt the post colonial state.

One of the main aims of agricultural policy during the sixties and seventies had been improving agricultural production per hectare by propagating new agricultural technologies based on animal traction: horse-drawn seed drills, cultivators and groundnuts lifters as are placement of the traditional hand instruments. In addition innovations like use of selected seeds, treatment of seeds, sowing at the right density and use of fertilizer were promoted. The inputs were supplied on credit to the (male) heads of household and had to be paid off in a five years' period by yearly installments at the sale of the groundnuts to the existing cooperatives. Though the further spread of innovations and equipment in the region had come to a halt in the early eighties and had not reached the norms set by policy makers (Republic of Senegal, 1983). The pursued process of agricultural 'modernization' had come to a standstill due to the deplorable agricultural conditions. Due to recurrent drought farmers for years had not been able to pay off their debts to the cooperatives and the government had withdrawn the credit program in 1981 because of the immense indebtedness problem.

The groundnut succeeded for two main reasons: It could be farmed using old techniques and equipment, and it did not require a peasant tradition or any special aptitude on the part of the grower. This last quality made it a suitable employment for the non farming elites whom the French deposed. The traditional hierarchies of slaves, soldiers, chiefs, and hunters were undermined in the nineteenth century by an early French policy of colonization, by the abolition of slavery, and by loss of feudal taxes. Once they become sedentary, these peoples choose groundnuts as a source of money to shore up their shattered prestige and set freed slaves to work growing.

As other groups involved in the groundnut economy, commercialization often synonymous, in Senegal's fluid was agglomeration of the "tribes", with Islamization, Mauridization, and Wolofization. Despite the emergence of post colonial state as an active agent in the rural economy (through co-operatives), these longestablished interests still constitutes a powerful force maintaining the social structure in a mould cast many decades ago. Senegal's failure to branch away from dependence on groundnuts may be attributed to the very strength of the Corp's initial success in the country produced by the massive social change that accompanied the transition from slavery to global industrialization.

Life in Sahelian Senegal is difficult. Infant mortality is high; one of the five babies does not survive its first year. Malaria and endemic diseases afflict most of the rural population. Few villages have safe water supplies, and polluted water sources make it difficult to check the spread of disease. Life is particularly hard for women, who must spend many hours each day gathering firewood, drawing water, and pounding grain simply to meet minimal family needs.

In the groundnut-producing areas of Senegal, concentration of wealth is based on a concentration of the means of production (tractor-drawn equipment), which the main beneficiaries of modernization have acquired and hire out to those less fortunate. How have the cooperatives in practice encouraged this concentration? Who were the beneficiaries, and what is the relation between modern forms of social differentiation and traditional forms (castes, clans, marabouts, etc)? These are important questions.

While we have little detailed information on this process of social differentiation in the country areas, there is no doubt that it is taking place. The agricultural survey of 1960-61, ²⁴ though now outdated, reveals a close parallel in that period between the concentration of farms (particularly in the new areas) and the concentration of equipment, with cattle as a money substitute and the appearance of a 'wageearning' labour force (25 per cent of the labour force on farms of more than 15 hectares, which already made up more than 14 per cent of cultivated land) since than, inequalities have increased within the cooperative

Two studies of this material are C. Diarassouba, L'Evolution, Les Dynamismes sociaux au Senegal, ISEA, Dakar, 1966, pp. 19-30 and 102-10.

system itself, even though the object of the cooperatives is to promote a more equal access to equipment among all peasants.

Parallel with the establishment of cooperatives, the public authorities began to bring the marketing system under state control. There is no doubt that the setting-up of the agricultural Marketing Bureau (OCA) corresponded to the wishes of the peasants. People in the rural areas had always regarded the colonial trading companies as the principal instrument of their exploitation; and certainly these had been the main channel for the deterioration in the relative price of groundnuts. Nevertheless, the setting up of the state system for training rural leaders, distributing credit and marketing the crop involved an ambiguity from the start. The new system had, in fact, two contradictory aims. On the one hand it was to liberate the peasants from colonial exploitation, but on the other it was intended to transfer to the Senegalese state the margin of the surplus which had in the past been drained off by private (and usually European) business, in order to finance the development of the country as a whole. In other words, this development would have to be paid for, at least in part, by the rural areas.

The nationalization of groundnut marketing took place too late, in a period when marketing had lost its former considerable profitability. Until the 1950s, the slow development of French capitalism had left the colonies dominated by the least dynamic sectors of metropolitan capital, notably the group of old trading companies in Bordeaux and Marseilles.

This mercantile capital was free to make enormous profit in the colonies. But from the 1950s onward, the modernization of French and the demand for competitiveness between French capital and capital in the other member countries of the European common market (in particular West Germany) shifted the center of gravity of dominant capital in France. The old colonial companies gradually lost their relative strength, and their margins were trimmed to the advantage of the more dynamic sectors, with a consequent deterioration in the terms of trade and an adjacent to 'world prices'. In order to come to terms with this adjustment, a systematic effort was made to increase productivity in groundnuts, both at the stage of production and that of transport, along with plans for modernization and the development of the infrastructure.

The state has nonetheless been able to tap the rural surplus by means of public marketing bodies. Transport and marketing costs are now steady at 4.25 francs per kilo of unshelled groundnuts, while the purchase price to the peasant has been gradually reduced from 20 to 17 francs. Groundnuts are supplied to the oil manufactures at prices which vary according to the 'world situation'. In recent years, for instance prices has a risen from 26 to 32 francs because of the particularly favorable 'situation' produced by the trouble in Nigeria. The groundnut stabilization Fund had a margin of between 2 and 10 francs, depending on the year, and between 1965-66 and 1968-69 it accumulated a reserve

650, 000 m. francs. This profit, which went into public fund, was enough to finance 26 per cent of public investment.²⁵

But the contradiction between this national aim and the demands of dominant foreign capital (as expressed by the fall in the priced of groundnuts) finally made the situation untenable. This policy of milking the rural economy is always difficult. It is even more difficult in a balkanized Africa, and particularly in Senegal; from the 'historical accident' of the Gambia makes this policy impossible to implement, if groundnuts can be sold on better terms there. The peasants prefer to crush a portion of their produce themselves by home-made methods and sell their oil directly, when the ensuing profit more than makes up the loss involved in the use of local methods rather than industrial processing. The oil manufacturers, who established themselves by emphasizing Senegal's 'specialization in ground nuts' and developing their nut processing capacity to a million tons, are the victim of this boycott by the peasants of Senegal. This has led to a crisis.

The nationalization of marketing has transformed social relation in rural areas. Under the private trading system, most money was made by the intermediate African traders, local collectors of the colonial companies, the Lebanese, and the moneylenders, who are often themselves village notables (marabouts, traditional chiefs, and so on) or in alliance with them. With the introduction of the state system new

IBRD Situation et perspectives economiques du Senegal, duplicated report, Washington, 1970, vol. 1, pp. 54-55.

relations replace the old, and the state administration- which distributed credits, collected produce, and so on - took the place of the private traders. This produced a mixture of cooperation and competition between the administrative organization and the big producers over the division of the surplus. The widespread attack on the state trading system should cause no surprise. The big producers and the private traders, who grew rich through the system, have now decided that the time has come to shake of a protection which has become restrictive. Similar situation has developed in other parts of the continent, as in Tunisia recently. A return to 'private enterprise' may be no more than a false solution, however. Either private enterprise will be able to buy the nuts at a much better price than the state organization does at present, which will mean that the state looses the surplus which at present contributes to public funds, or the revenue going to the state will be held at the present level (by specific indirect taxation, for example), and the peasants will continue to boycott groundnuts.

The food insecurity in parts of Senegal is ongoing after dryness during the last two years. The situation in some areas has somewhat improved in the last few months. A mission organised by national and international food security networks to assess the food situation in Senegal.

The somewhat less severe food insecurity problems in Senegal's groundnut basin were closely related to the plunge in groundnut

production and subsequent earnings from this cash crop, the mission found.

Despite their dwindling capital - small livestock animals, tangible assets, income from rural-urban migration, small-scale home-based work, loans in kind, etc. - residents of areas visited by the mission were surviving by "maximising the use of coping strategies, opting primarily for migration to large urban population centres."

For Senegal, the mission recommended furnishing farmers in the country's groundnut basin with high-quality seeds to prevent a further decline in groundnut production which, even with good climatic conditions, "may have something to do with the use of the mixed seeds available on area markets."

Senegal's food shortages have become so much a part of the world view of the peoples of the developed countries that the place and the condition are almost synonymous in popular culture. Population growth, drought, crop shortfalls, accelerating food import costs along with foreign exchange problems, and the rising debt crisis have exacerbated the problem. And outside, especially in the western capitalist nations, the dramatic newsworthiness of starving and disabled peoples has stimulated increased aid from both public and private sources.

In West Africa, although the overall share of rice in the food production was low in the 1976-80 periods (7%), it accounted for the

largest single share in increments to production (27%). However, the share of millet and sorghums (37%) gradually declined after the early 1960s despite the fact that they still constituted the single most important sources of food in the 1976-80 periods.

In West Africa, where rice output grew at the rate of 3.6 percent per annum over the last 21 years period. Despite this production growth, rice imports still grew at 11 percent per annum in West Africa over the same period.

Rice consumption is beginning to grow at the expense of millet and sorghum in West African diets, and this trend is expected to continue with income growth and further urbanization.²⁶

In the case of rice, producer and consumer prices have been consistently higher in CFA countries over the past decade. This induced both farmers and traders to export both local and imported rice to these countries. This is especially true with Mali and Senegal.

Agriculture also provided one of the main economic bases of African states. The foundation of the economy was agriculture.²⁷ Majority of the population was engaged in agriculture and livestock activities. And agriculture was much advanced technologically. "Soil enrichment, crop

²⁶ Delgado and Mellor, 1984, 61-81.

D.T.Niane, General History Of Africa, Vol. 4, Africa from the 12th to 16th century, UNESCO International Scientific committee for the drafting of General History of Africa (California: University of California Press, 1984), p. 682.

rotation and irrigation received much attention during this period. The underground canals for carrying water over long distance and current-driven or animal power wheel for lifting water from rivers, canals and wells were extensively used."²⁸ The system of cultivation, working the earth with hoes after clearing it with fire and rotation of fallow land, is still used today with rare modification.²⁹

Transformation in the agrarian sector also affected other sectors of the Senegalese economy and my next chapter related to this only. In next chapter study tries to show the impact of agrarian sector on other sector of the Senegalese economy.

²⁸ n. 18, p. 40.

²⁹ Rene Dumound, False Start in Africa (London: Andre Deutsch, Ltd, 1966), p. 34.

CHAPTER-4

Agrarian Transformation and Its Impact on other Sector of Senegaiese Economy

Among all the territories which made up the old French West African Empire, Senegal provides the most instructive example of a trading economy; in this case based on groundnuts.

Senegal provides a good example. The geographical growth in the area of the trading economy was very slow. In fact, on the eve of the Second World War, colonial exploitation had touched little more than the territory of Senegal, with the rest of French West Africa still an unexploited 'reserve'. A first series of studies in quantitative economic history, giving the order of growth rates for Senegal and the other French West African territories, shows that the present problems- agricultural stagnation, inefficient administration, balkanization, the difficulty of any serious industrialization, and so on have their origin in this colonial period. Here problems are in no sense the product of independence, but of colonization.

Senegal is primarily an agricultural country, but industry in the cities, especially Dakar, is growing. The principal food crops are millet, cassava, sorghum, rice, corn, and pulses. Peanuts are the chief cash crop and the country's main agricultural export; they are grown primarily on small farms in the region between the Sine and Saloum rivers near Kaolack and Diourbel. Cotton is also grown and there is a sizable coastal fishing industry. Large numbers of cattle, sheep, and goats are raised, although intermittent drought conditions can reduce their population. The principal minerals extracted are phosphate rock, limestone, high-grade iron ore, and gold. Offshore petroleum deposits are being explored.

Industries include peanut and fish processing, petroleum refining, and the manufacture of fertilizer, construction materials, and basic consumer goods. Tourism and information technology are growing sectors of the economy. The west-central part of Senegal, which includes Saint-Louis, Louga, Dakar, Thies, and Kaolack, is well served by railroads and major highways; a rail line runs from Dakar to Mali. Dakar is the country's leading port and also has an international airport. The chief imports are foodstuffs (especially rice), machinery, transportation equipment, and crude petroleum; the main exports (in addition to peanuts and peanut products) are calcium phosphate, processed fish, petroleum products, and cotton. France is by far Senegal's leading trade partner; other European Union countries, Nigeria, and Cote d'Ivoire also carry on a considerable trade with the country. Senegal is a member of the Franc Zone.

Let's have a look on overall economic growth rate of Senegal right from the last decade of colonial period (1950) to post colonial period (2000).

Table: 5
Economic Growth of Senegal

1950-1960	7.7 %
1960-1969	4.0 %
1980-1994	2.8 %
1995-2000	5.0 %

Source: World Bank and Europa Year book 2003

Senegal's True Agricultural Potential and other Sector of the Economy

Colonization created the belief that the land of Senegal could produce nothing but groundnuts. For a country development efforts was directed almost exclusively into the groundnuts basin, which was provided with an infrastructure enjoying few rivals in tropical Africa. All agronomic research was devoted to groundnuts, with the center run by the IRHO, the institute for research into oil and oil-producing substances, at Bambey a notable example of this. ²

In fact, Senegal's real agricultural potential probably lies elsewhere. Three areas of the country have real agricultural potential: the River valley, the Niayes, and lower and Central Cassamance. If the thousand of millions invested in infrastructure for the groundnut basin had been invested instead to provide a proper irrigation infrastructure in these three areas, intensive cultivation and modern forms of agriculture could have been developed here on a large scale: for high yields of rice and sugar cane, and high quality produce (early vegetables and fruits oilpalms in Casamance). The main potential of the present groundnut basin, too, is not in fact groundnuts, but intensive modern livestock rearing and the cultivation of fodder such as beetroot in rotation with millet and groundnuts. Use could also be made of the remarkable range of waste

Samir Amin, *New colonisation in Africa* (London and New York: Monthly Review Press, 1973), p. 15.

² Ibid. p. 14.

³ *Ibid*, p. 14.

products which are at present squandered, such as oil-cakes, cereal chaff and fish scraps. A further possibility is deep sea fishing, for which conditions on the coasts of Senegal are exceptionally favourable. Technical problems certainly exist; but so far they have not been seriously studied, even though it is almost certain that they can be solved.

These choices were not made because the colonial state was not interested in the development of the colony, but in its usefulness for home needs: to provide very cheap oil for French consumers by underpaying the African peasants for their work. The mistake was to continue the concentration on groundnuts after independence. Foreign technical assistance put all its weight behind this choice, and Senegal failed to give adequate priority to the training of proper economists-economics that would be capable of planning a strategy for real development.

The result has been an extremely low rate of real growth, estimated by the IBRD⁴ as 1.5 percent a year (at constant prices) for agriculture in the narrow sense between 1959 and 1969, compared with 6.1 per cent for livestock rearing and fishing; or a total of 3 per cent a year (or 3.2 per cent at current prices) for the three sources.⁵ Allowing for the growth in population, this means a per capita growth rate of almost zero (0.5 to 0.8)

International Bank for Reconstruction and Development.

Samir Amin, *New colonisation in Africa* (London and New York, Monthly Review Press, 1973), p. 15.

per cent a year). The third plan retains this priority for groundnuts, and sets a target of 1,450,000 tons for 19746, which seems ever more impossible to reach.

Recurrent drought in the 1970s and beginning of the 1980s, degradation of natural resources (over exploitation, progressive soil degradation), decreasing agricultural production and deteriorating rural terms of trade. These factors contributed to the marginalization of agriculture and to the growing search for non-farming incomes by the rural population.

Efforts undertaken with small resources in other directions, however, have produced promising results. In livestock rearing, small-scale support for traditional efforts (improvements in water supplies, vaccination, and so on) has generated a relatively high growth rate. Fishing has doubled its production (from 73,000 tons in 1959 to 133,000 tons in 1967)⁷ without much effort. But work to develop the areas which could be irrigated has remained far below what is both necessary and possible. Instead there is talk of 'diversification' in another debatable area, cotton, which was introduced into Eastern Senegal in 1963 and produced a yield of about 10,000 tons in 1969. Cotton is similar to groundnuts in being a 'poor' crop; its price depends on the world market and its prospects are declining as a result of competition from synthetic

⁶ *Ibid*, p. 15.

⁷ *Ibid*, p. 16.

fibers. The countries which have specialized in cotton (Chad, the Central African Republic, etc.) have problems similar to Senegal's.

Agriculture in Senegal was promoted in ways which ignored the natural potential of the country but served the needs of the colonial power and the world market. The development of the country as a whole has been the victim and peasants socio-economic condition further deteriorated.

Senegal has the most developed manufacturing sector in francophone West Africa after Ivory Cost, which heavily depend upon agricultural product of Senegal, with production accounting for some 13% of GDP in 1999.8 The main activity is light industry (most of which is located in or near Dakar), transforming basic local commodities and import substitution to satisfy domestic demand. The agro-industrial sector mainly comprises oil mills, sugar refineries, fish-canning factories, flour mills and drinks, dairy-products and tobacco industries, which together account for 40% of total value added. Extractive industries (mainly the processing of phosphates) constitute the second most important branch of industrial activity. The manufacturing of Textiles, leather goods and chemicals are also important, while subsidiary activities include paper and packaging and manufacture of wood products and building materials. Senegal's textiles industry is well equipped and is potentially the most important in franco-phone sub

Edith Hodgkinson, "Economy", Africa South of Sahara (London: Europa Year Book, 2003), pp. 884-888.

Saharan Africa, but has performed badly hitherto. The immediate short term impact of devaluation in 1994 was, moreover, detrimental, as cotton was sold for higher prices abroad, leaving the domestic industry short of raw materials. The chemicals industry (soap, paints, insecticides, plastics, pharmaceuticals and a petroleum refinery) is aimed at import substitution, as are nearly all the metal working, engineering and electrical plants.

Policies of Abdoulaye Wade government and its commitment to liberalizing markets, both by transforming the peasant economy into a private-sector-driven centre of agro-industry and services and by capitalizing on Senegal's relative proximity to Europe and the USA, in order to make the country a regional trading centre. The government also intended to attract private capital, in order to develop infrastructure, including a new international airport, road networks, ports, irrigation and an afforestation scheme to combat desert encroachment.

Food crops are supplemented by output from fishing. This sector has considerable potential and, including processing, has in some years accounted for about 4% of GDP and more than 30% of merchandise exports. (although fish exports suffered a severe decline in the mid - 1990s). Fishing sector as a whole provide the livelihood for as many as

⁹ *Ibid, pp. 884-888.*

500,000 people, including those engaged in local canning factories. 10 From 1986 fish overtook groundnuts to become Senegal's principal export; the only exception in between was 1994 when it was lesser than groundnuts export.

Livestock is a significant sector of the traditional economy, although less important than most of other countries of this area.

The four year plan which was introduced in Senegal to boost the economic growth of the country and diversify the economy to different sector. The first four year plan provided an inventory of Senegal's resources and needs and was primarily concerned with qualitative goals and structural changes. Hence, it stressed such goals as ending the isolation of the so-called peripheral regions and their integration into the market economy, diversification of agriculture, exploitation of Senegal's mineral wealth, the promotion of several basic industries.

The second plan gave French technical assistance agencies the primary responsibility for improving productivity in the peanut zones and introducing new cash crop, such as cotton. This plan also liberlised the investment code to encourage more foreign investment industry, while tariff barriers were maintained to protect Senegal's import substitution industries.

¹⁰ Ibid, pp. 884-888.

Except for greater emphasis on promoting tourism, the third plan maintained the same basic orientations as the second plan.

In the fourth plan, the Senegalese government began to place greater emphasis on food production, reforestation, and other measures to protect the environment.

In the fifth plan, reducing regional economic disparities, raising nutritional and health standard, promoting local participation in economic decision making, and improving the lot of women as important priorities.

In the early 1980's, the Senegalese economy was still floundering under the weight of rapidly deteriorating rural economy and massive foreign debt. Only the booming tourist industry had come close to fulfilling expectations.

Senegal currently relies on imports to meet its energy requirements; recent offshore exploration has revealed the presence of limited petroleum reserves and more substantial amounts of natural gas. The manufacturing sector is small but varied, including food and beverages, other consumer goods, garments, and fertilizer. Senegal produces about one percent of the phosphates now on the world market. The presence of economically recoverable underground gold deposits was recently confirmed. Several large coastal resorts have just opened,

accommodating a growing steam of tourists: over 500,000 foreign visitor arrivals have been recorded in recent years as these resorts have come into operation. The three sectors that currently generate the highest foreign exchange earnings for Senegal are, in descending order, fishing, tourism, and phosphates.

Table: 6
Structure of the Economy

	1965	1980	1987	1992	2001
Agriculture	(percentage of GDP) 25	19	21	18.9	17.9
Industry	18	25	27	18.8	27
Manufacturing	14	15	17	12.5	17.7
Services	56	56	52	62.2	55.1
	(average annual growth) 1965-73	1973-80	1980-87	1987-92	1992-02
Agriculture	, , ,	1973-80 0.4	1980-87	1987-92	1 992-02 3.5
Agriculture Industry	1965-73				
	1965-73 0.2	0.4	4.2	1.4	3.5

Source: The World Bank sub-Saharan Africa- from crisis to growth, Washington, 1989 and 2003.

Table: 7

Economic Activities in Agriculture, Fisheries, Industry, Mining, Services, Energy

land use: arable land: 12% //; - grass land: 16 - 30% //; - wooded

area: 40 - 55% //; - arid land and desert: 19%

Agriculture: labour force: 81% //; - part of agriculture in GDP: 20%

Industry: labour force: 6% //; - part of industry in GDP: 19%

Services: labour force: 13% //; - part of services in GDP: 62%

Agricultural Products: sugarcane, groundnuts, millet, paddy rice,

sorghum, maize, cassava, cotton

Livestock (million): cattle: 3,1 / goats: 3,9 / horses: 0,5 / pigs: 0,3 /

poultry: 45 / sheep: 4,5

Fish catch: 418100 - 507000 metric tones

Source: 1999/2003 "populstat" site: Jan Lahmeyer

On the new lands of the interior of Saloum, brought into production between the wars, labour again became the limiting factor, making it necessary to recruit seasonal workers. The numbers of navetanes have been reckoned at 60,000 a year between 1935 and 1940; 40,000 between 1949 and 1958; and only 11'000 between 1959 and 1962. They ceased almost completely to be employed when the permanent local population of these new lands reached a higher demographic threshold.¹¹ Per hectare groundnuts yields was 850 kg and

Andre Vanhaeverbeke, Navetanes is the name given in Senegal to seasonal immigrant agricultural workers, who usually come from Mali.

for millet it was 460 kg. And work that the peasant has to put in to growing groundnuts and growing millet was 480 hours and 375 hours.

It seems that a substitution of groundnuts for millet did take place during that decade. In contrast, if the figures are reliable, ¹² millet production appears to have increased at an average rate of 8 per cent between 1960 and 1968. Production of millet and sorghum declined to an annual average of slightly under 550,000 tons in 1997-98, before rising to an annual average of 783,971 tons in 1999-2000.

From another point of view, it is important to realize that the move traditional to modern agriculture means an increase in the amount of work require for weeding, the spreading of fertilizers, care of animals, etc. this increase as at least 35 per cent if the cultivated area is 3 hectares, and 50 per cent if it is 4.5 per cent hectares. Thus, because of the decrease in the marginal productivity of labour produced by the change to the more intensive methods of modern agriculture, real earnings for the working day fall where an increase in the area cultivated is impossible (because of rural density); and remain almost unchanged, even if this increase is possible, in the northern area. In the central and southern areas, modernization under the best probable conditions brings an increase in earning for the working day of no more than 20-25 per cent.

¹² Troisieme plan de development economique et social 1969-1973, Dakar, 1969, p. 10.

The economic incentives to adopt new methods are thus relatively slight; but modernization would be essential if an increase in groundnut production were taken as the goal, that is, if Senegal's development continued to be seen as inevitably based on the cultivation of groundnuts. In fact, the results of this form of modernization are open to dispute. In well watered areas with a low density of population-that is, in the new areas – mechanization has definitely produced an increase in per capita production (and even an modest increase in wages); but in densely populated areas, this increase in productivity has either meant breaking the rules of the fallow system (and so endangering the future), or released surplus labour to swell the numbers of the urban unemployed. It has also constituted a powerful factor of social transformation; tending to concentrate farms and create 'kulaks' in the country.

The most important factor in the extension of the groundnut economy has been the development and improvement of transport. The cost of sea transport has been gradually reduced from 11 per cent of the value groundnuts reaching European ports in 1890-1900 to 5 per cent in 1927-28 and 3.5 per cent in 1958-59. The real cost of inland transport has similarly been much reduced by the substitution of Lorries (beginning in 1925) for pack animals, to get produce from the farms to the point of sale: a reduction in cost by more than half between 1925 and 1935, from 20 to 9 per cent of the value of groundnuts at the point of sale for an average journey of 20 kilometers. Constant improvement of

the road network and the increasing efficiency of lorries reduced this by a further 80 per cent between 1935 and 1965; while the development of the railways reduced the real cost of rail transport by 45 per cent of the value of exported produce at European ports, the real cost of inland and sea transport has fallen by between 60 per cent and 80 per cent for the various areas of production between 1890 and 1965.

These conditions have made it possible for ground nuts production, which was unable to spread beyond the area served by the railway in the 19th century, to spread to all parts of the country.

Unequal trade and the fall in the Senegalese Peasant's Earning

The Senegalese peasant has received poor compensation from the 'world market' for his efforts to adapt to its requirements. The price of groundnuts, expressed in constant values, has not dropped with the clear regularity which is sometimes too hastily alleged. Between 1885 and 1914 the price was relatively stable overall. The period 1925-40 was one of acute depression; followed until 1950 by total control of price, at the very low level of between 50 and 65 per cent of what they had been in both 1880 and 1938. The system of guaranteed prices, which began in 1952 and continued until recently, meant that between 1952 and 1965 France made an excess payment, over and above the world price, of about 4,200 m. CFA (French African Community) francs per year; though

there was, on the other hand, an excess payment by Senegal for its imports from France, estimated at an average of 2,200 m. CFA francs per year. ¹³ This system of relatively stationary purchase prices to the peasant (fixed at 21 francs in 1953; raised to 21.70 in 1955 and 22.75 in 1959; and then reduced to 18.40 in 1967) did not prevent a sharp deterioration in the terms of trade during the last decade, because the prices of Senegalese was around 20 per cent between 1957 and 1966, and will probably prove to have increased as a result of the decision by the European Community (EEC) to bring its prices into line with "world prices'.

While the relative price of groundnuts remained roughly stable from 1880 to 1968, the double factorial terms of trade deteriorated steadily and substantially. The double factorial terms of trade are the commodity terms of trade multiplied by the ratio between the labour productivity index for Senegal and the labour productivity index for France. They express the change in the quantity of labour contained in one 'basket of imports' exchanged for the variable quantity of groundnuts obtained from a constant quantity of Senegalese labour.

In France labour productivity has increased regularly and at a rapid rate; while in the Senegalese ground economy the only important progress made before 1950 was in transport, with a slight improvement

Rapport du conseil economique et social, (Report by Senegalese Government) Dakar, 1967.

in labour productivity since. This means that taking 1938 as 100, the double factorial term trade for Senegal ('starting from the real wage rate in the bush') have deteriorated at the very high annual average rate of 4.2 percent; falling from an index of 320 in 1911 to 186 in 1920 and 53 in 1957. This deterioration reflects a growing inequality in trade at the expense of the Senegalese peasants, 14 who receives less than a seventh of what he received less than a century ago in terms of the value contained in the products exchanged. Without this growing inequality in trade, i.e. this constant devaluation of Senegalese labour, the commodity terms of trade would have had to improve considerable for Senegal; so far as to entail a price for groundnuts to the producer (in real value, or purchasing power) about six it is at present. If unshelled groundnuts were brought from the producer at 100 francs (instead of 17 francs) and delivered t the oil manufacturing at 105 francs (with the cost of transport and marketing at 4.25 francs) instead of 32 francs, the price of groundnut oil would increase 2.5 times. These figures are based on the assumption that the nuts represent 65 per cent of the price of the oil and those other costs (salaries, gross profits, etc.) remain unchanged at 35 percent. This adjustment would simply bring the price of groundnut oil into line with prices of olive oil and walnut oil. Does the comparative usefulness of these different culinary oils justify the enormous discrepancies in their present prices? This is what theory would have us

See the development of this theory in A. Emmanuel, *Unequal Exchange* (London: 1971), pp. 90-99.

believe, with no other argument than tautology: because the consumers are willing to pay the difference, therefore the value of the products is different. In fact, the French consumer in the 19th century used walnut oil. He was encouraged to use ground nut oil because this could be obtained more cheaply in Africa- where the peasants could be made to work for so much less groundnut oil. And now today he is being told in the same way that olive is much better. Olive oil costs more in fact only because the European producer has to be paid more for his labour than the African peasant.

Even a crude attempt to measure the amount of income transferred from the Senegalese peasant to France by this deterioration shows how far 'the world market mechanism' is a synonym for robbery. If groundnut production today is worth 15,000 m. CFA francs to the producers, this means that in ninety years Senegal has lost 1,800,000 m. CFA francs at present value; or the difference between what is in fact received and what it would have received if the commodity terms of trade had changed to make up for the changes in comparative labour productivity. This astronomical figure represents an average of 20,000 m. CFA francs a year at current values, for a population which in the middle of the period numbered little more than two; or 10'000 CFA per Senegalese at current values. In fact, the groundnut economy, far from contributing to Senegal's development, is making possible the plunder of its economy and its continuation in a state of underdevelopment.

CHAPTER-5

Conclusion
And
Suggestions

Conclusion and Suggestions

Agrarian transformation which has been going on since the time of colonial period has started to exhibit some positive reverberations on the Senegalese benefits agrarian sector. However, the of transformations have not yielded enough to improve the conditions of the farmers and substantially increase the production of agriculture. Therefore, several recommendations have been made to achieve the full benefits through these transformations. For example, the World Bank argued in favour of increasing the role of the private sector in pricing, in marketing produce and inputs, financial intermediation services for farmers, in the dissemination of new technologies, in the improvement of land tenure security and in the enhancement of environmental protection. 'Unsuccessful agricultural policies' have to be removed 'Unsuccessful agricultural policies' were those involving the interference of state agencies in pricing, marketing, finance and the provision of irrigation.

Further more, certain problems are either ignored or have only very limited treatment. These include, the development gap between agriculture on the one hand and industry and services on the other; the wage differentials between rural and urban occupations; the role of peasantry and the problems posed by traditional forms of land tenure; the poverty of most African farmers versus the cost and risk of investment; the competition of cheap subsidized imports; the protection

of western markets; and the declining terms of trade for agricultural exports.

The improvement of Senegalese agricultural productivity to a level which can provide food security for the whole population, i.e. sufficient quantities of food staples at affordable prices, will require agricultural restructuring and investment in both fixed and turn-over capital (and also deliver the agricultural raw materials needed by Senegal's industries and increase its share of the world's agricultural exports market). These measures have huge social and land tenurial hurdles to overcome and will take long time to implement. In many African countries and in most products it is hard to see what incentive and guarantees to reduce risk will induce either people with resource or investment agencies to gamble on an improving structural future. Agricultural investment will need to take place within reformed economies. A lagging agriculture may be contributing to Africa's economic difficulties, but it is by no means the chief cause and in several countries it is an effect, not a cause. The problem lies much more in inadequate economic policies and management, oriented mainly to short-term political gains rather than to long-term national benefit, apart from the difficulties imposed by successive droughts, wars and external economic factors.

One thing is very clear here that what ever measures should be taken to improve the economy or agrarian sector of Senegal it must be for the poor and marginalized section of the society of Senegal. One good example can be provided that is Structural Adjustment Progarmme which was imposed upon Senegalese and it was complete failure in Senegal.

The hope that stabilization and structural adjustment programmes would provide the comprehensive solutions required has not been achieved in most African countries, despite some small successes. African agriculture will only be competitive if smallholders continue to subsist on low wages, unless they manage to lower the labour input per unit of output. Achieving the latter and getting the prices low and ruralurban wages differential right are more important for agricultural improvement as such than employing more African labour, unless it can be paid for by greatly increased productivity. Unfortunately it is hard to see how agrarian transformation will be achieved in countries where urban poverty and the political strength of industrial workers may continue to favour cheap food imports, or where the only farmers with political influence are those with large holdings and specialized forms of production.

In the rural areas the result of the structural adjustment programme has been dismal. Incomes for peanuts farmers have declined as the world market prices for peanuts have fallen and the removal of subsidies on agricultural inputs have further reduced their incomes. Also, since most farmers are net buyers the inflationary costs of other goods have worsened their situation. The World Bank/IMF's insistence that

credit arrangements be shifted from the state to the private sector made the peasants' situation more precarious. This policy has also hurt the Mourides, who, as discussed earlier, control more than one third of peanut trade, and were often forgiven debt by state agencies. With the support of the peanut farmers the Mourides have engineered an alternative market in Gambia where the prices of the agricultural products are higher. The Mourides have been successful in converting Touba, their spiritual headquarters, into a custom-free zone for smuggled goods from Gambia.

In the Senegal River valley, as mentioned earlier, competition for land has been exacerbated by the encouragement of entrepreneur to seek allocations from rural councils. There has been conflict throughout the valley both in Senegal and Mauritania.

As World Bank and IMF pressurise Senegal to continue policies of disengagement and liberalization, based on the premise that private organization are more effective in serving developmental needs, economic problems persist and social unrest increases. There is no guarantee that private firms that are more concerned with on self-interest, will respond more effectively to the needs of development. Certainly, Senegal needs to restructure; however, the solution lies not in the restructuring of the kind imposed by the International Financial Institutions (IFI's) which reinforces wholesale privatization at any cost. Rather, the solution lies in reforms that consider the needs of the people first. Restructuring of agrarian sector of Senegal should be done keeping in mind the poor and

mariginalised farmer. Land reforms are also an important part of agrarian sector in Senegal. It should be implemented and land should be allotted to poor peasants, so that they can improve their condition.

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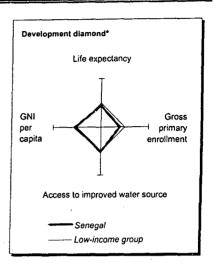
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Senegal at a glance

		Sub-	
POVERTY and SOCIAL	Senegal	Saharan Africa	Low- income
2002	_		
Population, mid-year (millions)	10.0	688	2,495
GNI per capita (Atlas method, US\$)	470	450	430
GNI (Atlas method, US\$ billions)	4.7	306	1,072
Average annual growth, 1996-02			
Population (%)	2.7	2.4	1.9
Labor force (%)	2.7	2.5	2.3
Most recent estimate (latest year available, 1996-02)			
Poverty (% of population below national poverty line)			
Urban population (% of total population)	49	33	30
Life expectancy at birth (years)	52	46	59
Infant mortality (per 1,000 live births)	73	105	81
Child mainutrition (% of children under 5)	18		
Access to an improved water source (% of population)	78	58	76
Illiteracy (% of population age 15+)	61	37	37
Gross primary enrollment (% of school-age population)	75	86	95
Male	79	92	103
Female	70	80	87
KEY ECONOMIC RATIOS and LONG-TERM TRENDS			



KEY ECONOMIC RATIOS and LON	IG-TERM 1	RENDS			
		1982	1992	2001	2002
GDP (US\$ billions)		2.6	6.0	4.6	4.9
Gross domestic investment/GDP		12.2	14.8	20.1	20.8
Exports of goods and services/GDP		33.0	23.3	29.7	29.3
Gross domestic savings/GDP		-2.5	7.4	12.0	13.0
Gross national savings/GDP		-6.6	5.8	14.2	15.6
Current account balance/GDP		-10.3	-6.7	-6.4	
Interest payments/GDP		1.5	0.8	1.2	1.3
Total debt/GDP		72.1	60.8	75.1	79.3
Total debt service/exports		12.7	13.0	12.6	14.3
Present value of debt/GDP				51.9	
Present value of debt/exports		'		147.9	••
	1982-92	1992-02	2001	2002	2002-06
(average annual growth)					
GDP	2.3	4.7	5.7	2.4	4.8
GDP per capita	-0.5	1.9	3.2	0.0	2.7
Exports of goods and services	1.7	5.1	6.6	5.4	5.1

1.7 2.4 4.5 1.3

4.7

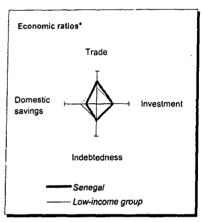
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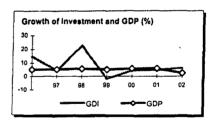


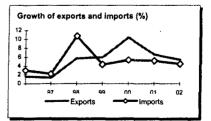
STRUCTURE of the ECONOMY				
	1982	1992	2001	2002
(% of GDP)				
Agriculture	21.7	18.9	17.9	18.2
Industry	15.0	18.8	27.0	28.1
Manufacturing	10.4	12.5	17.7	18.2
Services	63.3	62.2	55.1	53.7
Private consumption	84.3	77.2	77.9	77.0
General government consumption	18.2	15.4	10.1	10.1
Imports of goods and services	47.7	30.7	37.7	37.1
•	1982-92	1992-02	2001	2002
(average annual growth)				
Agriculture	1.4	3.5	6.9	6.9
Industry	3.4	6.1	6.8	6.4
Manufacturing	3:6	5.0	4.7	4.7
Services	2.2	4.8	5.0	3.8

Private consumption

General government consumption Gross domestic investment Imports of goods and services

OTRUGTURE . / IL - ECONOMY





PRICES and GOVERNMENT FINANCE	1982	1992	2001	2002	inflation (%)
Domestic prices					
(% change)					⁵ T
Consumer prices	17.3	0.0	3.0	2.4	
Implicit GDP deflator	9.3	0.6	2.6	2.6	
·					97 98 99 00 01
Government finance					97 98 99 00 01
(% of GDP, includes current grants)]
Current revenue	17.9	18.9	18.1	19.6	-s ¹
Current budget balance	-3.5	2.6	2.0	6.6	GDP deflator CPI
Overall surplus/deficit	-7.2	-2.6	-5.9	-2.1	
TRADE					
	1982	1992	2001	2002	Export and import levels (US\$ mill.)
(US\$ millions)					
Total exports (fob)	502	828	992	1,046	2,000 T
Groundnut products	128	66	112	147	_ ■
Phosphates	56	60	35	37	1,500
Manufactures	182	190	. 250	250	
Total imports (cif)	984	1,355	1,678	1,847	1,000
Food	235	363	359	409	
Fuel and energy	292	150	283	278	500 + 2 - 2 - 2 - 2 - 2 - 2 - 2 - 2 - 2 - 2
Capital goods	137	175	283	313	96 97 98 99 00 01 02
Export price index (1995=100)	91	93	79	81	96 97 98 99 00 01 02
mport price index (1995=100)	80	89	93	97	■ Exports ■ Imports
Terms of trade (1995=100)	113	104	85	84	
BALANCE of PAYMENTS					
	1982	1992	2001	2002	Covered account belones to CDR (9/1)
US\$ millions)					Current account balance to GDP (%)
Exports of goods and services	892	1,404	1,375	1,448	0+
mports of goods and services	1,277	1.851	1,747	1,833	(2) (2) (3) (3) (4) (4) (4) (4) (4) (4) (4) (4) (4) (4
Resource balance	-385	-447	-372	-385	
(CSCG) CG Dalarice	-505	-4-1	-5/2	-303	-2
Net income	-116	-133	-79	-73	
let current transfers	10	34	181	205	4+100 100 100 100 100 100 100 100 100 100
Current account balance	-266	-401	-297		-6
inancing items (net)	140	422	352		
Changes in net reserves	126	-20	-55	-47	-8 1
femo:					
Reserves including gold (US\$ millions)	25	22	596	630	,
Conversion rate (DEC, local/US\$)	328.6	264.7	729.0	718.6	
XTERNAL DEBT and RESOURCE FLOWS	1982	1992	2001	2002	
JS\$ millions)	1302	1992	2001	2002	Composition of 2002 debt (US\$ mill.)
•	4.004	0.000	0.400	0.040	Composition of East Cook Immily
otal debt outstanding and disbursed	1,861	3,666	3,482	3,919	
IBRD	79	62	0	0	G: 293
IDA	166	873	1,384	1,579	F: 46
otal debt service	123	210	206	218	
IBRD	8	17	200	0	
IDA	2	9	19	16	B: 1,579
	-	-	· -		E: 1,147
omposition of net resource flows	 .				
Official grants	71	331	148		
Official creditors	263	255	83	117	
Private creditors	7	-31	41	1	
Foreign direct investment Portfolio equity	28 0	21 0	126 0	••	D: 601 C: 253
orld Bank program	U	J	U		G: 253
Commitments	19	44	165	. 45	
		44	155	45	A - IBRD E - Bilateral
Disbursements	26	103	119	114	B - IDA D - Other multilateral F - Private
Principal repayments	3 .	14	11	6	C - IMF G - Snort-term
Not flavor	23	89	108	108	L
Net flows			<u></u>		
Net flows Interest payments Net transfers	7 16	12 76	10 99	10 98	

8/20/03



Economic Indicators -- Senegal



		Sub-		
		Saharan		Gross Domestic Product, Senegal, 1975-2000
Gross Domestic Product, 2000	Senegal	Africa	World	
GDP in million constant 1995 US dollars	5,806	362,493	34,109,900	
GDP PPP (million current international dollars) {a}	14,386	1,053,452	44,913,910	14,000
Gross National Income (PPP, in million current				
international dollars), 2000 (a)	14,103	994,240	44,458,520	12,000
GDP per capita, 2000	•		•	9 10 000
in 1995 US dollars	616	617	5,632	8,000 S 10,000
in current international dollars	1,527	1,797	7,416	8,000
Average annual growth in GDP, 1991-2000	•		,	Joseph Jo
Total	3%	2%	3%	o su 6,000 - 4
Per capita	1%	0%	1%	9
Percent of GDP earned by:				¥ 4,000 -
Agriculture, 2000	18%	17%	Х	
Industry, 2000	27%	31%	: X	2,000 -
Services, 2000	55%	53%	X	0
				1975 1980 1985 1990 1995 2000
International Trade				million constant US\$ million \$intl (PPP)
Trade in Goods and Services (million current \$US)				THINOI COISCARL US\$ THINOI \$110 (FFF)
Imports, 2000	1,729	80,986	X	
Exports, 2000	1,335	78,438	X	
Exports as a percent of GDP, 2000	31%	33%	X	GDP per capita, 1985-2000
Balance of Trade, 2000 (million current \$US)	-394	1,213	X	6,000 7
Official Development Assistance (ODA) and Fin	ancial Flows	•		V 5000
ODA in million US dollars, 1998-2000 (b)	487	8,040	59,073	5,000 4,000 4,000
ODA per capita in US dollars, 1998-2000 (b)	53	17	10	4,000
Current Account Balance (million \$US), 2000	-310		X	SD 4,000
Total external debt, million \$US, 1998-2000 (b)	3,646		×	3,000
Debt service as a % of export earnings, 1995-97 (b)	16.2%	X	X	66
Foreign Direct Investment, net inflows				2,000
(million current \$US), 2000	107	6,664	X	3,000 1,000 1,000
International Tourism Receipts,		•		5 1,000
1995-1997 (million \$US)	147	. X	X	
,	,	-	• • • • • • • • • • • • • • • • • • • •	0
				1985 1990 1995 2000
				Senegal Sub-Saharan Africa World

View more Country Profiles on-line at http://earthtrends.wri.org

Economic Indicators -- Senegal

	_	Sub- Saharan		Allocation of GDP by Sector, Senegal, 2000
	Senegal	Africa	World	
National Savings (as a percent of Gross Nationa	=		\	
Gross National Savings, 2000	14%	13%	23%	
Net National Savings, 2000	5%	5%	X	
Adjusted Net Savings, 2000	8%	-1%	X	18% ■Agriculture
ncome Distribution (years vary)				
Gini coefficient (0=perfect equality;	•			■Industry
100=perfect inequality)	41	· X	x	56%
Percent of total income earned by the richest		• •		26% ■ Services
20% of the population:	48.2%	X	×	
Percent of total income earned by the poorest				
20% of the population:	6.4%	X	хi	
National Poverty Rate	33.4%	. X	x	Distribution of Income, Senegal
Poverty Rate, Urban Population	X	X	×	60
Percent of population living on less than \$1 a day	26.3%	. X	X	
Percent of population living on less than \$2 a day	67.8%	X	Х	50
Other Resources:				20 10 20 10 10 10 10 10 10 10 10 10 10 10 10 10
Country Profiles of the Food and Agriculture Organi	zation			<u></u> 30
of the United Nations, Economic Situation:				ō 20
http://www.fao.org/fi/fcp/en/SEN/profile.htm				
			•	poorest > richest
				Quintile of Population

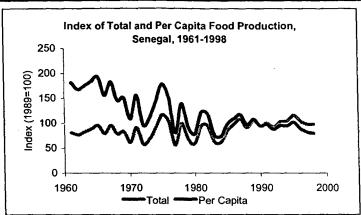
a. Data are in international dollars, adjusted for purchasing power parity (PPP). PPP rates provide a standard measure allowing comparison of real price levels between countries. b. Data are averaged for the range of years listed.

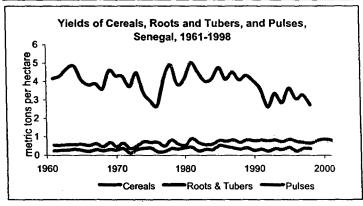
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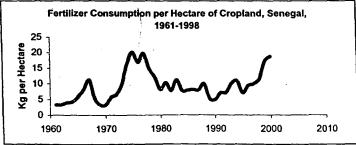
Agriculture and Food-- Senegal



	Sub-Saharan			
Agricultural Production and Yields	Senegal	Africa	World	
Cereals, 1999-2001				
Average production (000 metric tons)	1,061	87,715	2,075,387	
Percent change since 1979-81	25%	54%	32%	
Per capita production (tons per person)	113	135	343	
Percent change since 1979-81	-27%	-11%	-4%	
Average crop yield (kg per ha)	854	1,221	3,096	
Percent change since 1979-81	24%	9%	41%	
Roots and tubers 1996-1998				
Average production (000 metric tons)	51	132,744	638,438	
Average crop yield (kg per ha)	3,037	7,694	12,958	
Pulses, 1996-1998				
Average production (000 metric tons)	29	6,499	55,469	
Average crop yield (kg per ha)	330	481	808	
Meat, 1999-2001				
Average production (000 metric tons)	165	8,124	233,218	
Percent change since 1979-81	140%	49%	71%	
Agricultural Land,				
Total cropland (000 ha), 1999	2,266	173,572	1,501,452	
Hectares of cropland per 1,000 population,	,		.,,	
1999	247	274	. 251	
Arable & permanent cropland as a percent of				
total land area, 1998	11.5%	7.1%	11.3%	
Percent of cropland that is irrigated, 1999	3.1%	3.8%	18.3%	
	•			
Agricultural Inputs				
Average annual fertilizer use, 1999				
Total (thousand metric tons)	28	2,124	141,360	
Intensity (kg per hectare cropland)	12	12	94	
Pesticide use, 1994-1996 (kg/ha cropland) {c}	183	X	X	
Number of tractors, 1997	550	261,984	26,334,690	
Agricultural workers as a percentage of the	~~~~			
total labor force, 1990	76.7%	. X	×	
Percent of GDP generated from agricultural	40.224	46 701	E 084	
activities, 2000	18.2%	16.7%	5.0%	

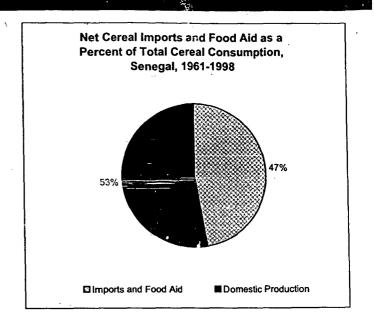






Agriculture and Food-- Senegal

	Senegal	Sub-Saharan Africa	World
Food Security			
Variation in domestic cereal production, 1992-20	01		
(average percent variation from mean)	10.7%	6.5%	3.5%
Net cereal imports and food aid as a percent			
of total consumption {b}, 1998-2000	47.3%	13.5%	Х
Food aid as a percent of total imports,			
1998-2000	2.7%	19.9%	X
Average daily per capita calorie supply,			
1999 (kilocalories)	2,307	2,238	2,808
Average daily per capita calories from			
animal products, 1999 (kilocalories)	206	152	460
Percent of children that are underweight,			
1995-2000 {c}	18.0%	30.0%	27.0%



Other Resources:

Country Profiles of the Food and Agriculture Organization of the United Nations, Agriculture Sector: http://www.fao.org/countryprofiles/index.asp?subj=4&iso3=ALB

Footnotes:

- a. The index of agricultural production is a ratio of country's net agricultural output in 1996-98 relative to the base period 1989--91. This ratio is then multipled by 100 to obtain an index number.
- b. Negative values, indicating a net export of grain, are not shown. Cereal consumption is defined as production plus imports minus exports.
- c. Data are for the most recent year available within the given time range.



