3

AGRICULTURAL CRISIS: PAST AND FUTURE

Philippe Bonnefond and Philippe Couty

Peanut production has played a prominent part in the economic and social history of Senegal. This activity, which is faltering nowadays, has unfortunately not been replaced as the mainspring of the economy. Moreover, insufficient domestic production has made it difficult to reduce food imports that had previously been purchased with revenue from peanut exports. In sum, Senegal has been experiencing a general lack of economic growth and development, complicated by problems of inadequate food supply and trade balance difficulties. This disquieting situation is the result of long-term and deep-seated processes that give little room for corrective action.

Despite some uncertainties, available demographic and macroeconomic data give a clear picture of the situation. According to a World Bank data (1986: 198, 246), Senegal had 6.4 million inhabitants in 1984. Some estimates of growth rates predict a population of 10 million by the year 2000. A French study, on the other hand, (Senegal, Ministère des Relations Extérieures/Coopération et Développement 1983), forecast decreasing growth rates between 1975 and 2000, leading to a population of only 7,867,000 inhabitants in the year 2000.

There is disagreement about production data as well. According to the World Bank (1986: 200), the average growth rate of Senegal's GDP was 1.5 percent between 1965 and 1973, and 2.6 percent between 1973 and 1984. Official Senegalese estimates give a 3 percent annual growth rate of GDP at the constant prices since 1980. Yet another source of estimates,

This chapter is a shorter and updated version of an article on the same topic published in *Revue Tiers-Monde*, Vol. XXIX, No. 114 (April-June 1988): 319–40.

the French Ministère de la Coopération, suggests lower rates: 0.5 percent per year from 1979 to 1984 and 0.7 percent per year from 1975 to 1981 (Braibant 1986: 18).[1] Since 1968, the long-term growth trend has probably not been more than 1 percent per year, and that rate has been stable. This economic sluggishness can be explained by a lack of growth in the rural sector, a paralysis of the modern sector, and a decrease in public spending at constant prices since 1980. Former growth activities were not replaced by fishing, phosphates, or tourism. Agricultural performance has been particularly poor. The contribution of agriculture lato sensu (primary sector) to Senegal's GDP in 1965 was 25 percent, but that share fell to 17.6 percent in 1984 (World Bank 1986: 200). Considering crops only, their share in GDP has been even less: 17 percent in 1965, and 7.4 percent in 1984. Three-fourths of the active population, however, are employed in agriculture, where production has hardly been increasing for the last 20 years. In sum, during this period of 20 years, Senegal's GDP increased slowly, the agricultural GDP remained nearly stable, and the population continued to increase. The GDP per capita, therefore, decreased at an annual average rate of 0.5 percent between 1965 and 1984 (World Bank 1986: 198).

VICISSITUDES OF PEANUT PRODUCTION

Peanuts are the main source of income for Senegalese farmers and hold a major rank—although declining—among exports. The 1985/86 output was about 600,000 tons in the shell, which implies a 10 percent decline compared to the preceding year's crop. Failure of seed and fertilizer delivery systems provides a partial explanation of this decline. Official commercialization, on the other hand, (355,000 tons, or 59 percent of total output) increased significantly, approaching the 1983/84 level. Despite rising producer prices and the cessation of all deductions, unofficial marketing, local grinding, and illegal exports continued.

Net revenue officially distributed to farmers during this same year was about CFAF 32 billion, substantially more than during the preceding season (about 13 billion). Agro-industries worked on a reduced scale with consequences for the Senegalese economy. The entire peanut sector is in deficit. Peanuts are no longer included among products dealt with by the Caisse de Péréquation et de Stabilisation des Prix (CPSP), which means that the Société Nationale de Commercialisation des Oléagineux du Sénégal (SONACOS) must find a solution for the oil industry's deficit, although money is unavailable. Designing a special fund for subsidies

may not be advisable, but sooner or later the government will have to contribute.

Exports of peanut products reached CFAF 31.8 billion in 1985, 60 percent less than in 1984. The prospects for improvement are poor, owing to a long-term price collapse of peanut oil. From 9,960 French francs (FF) per ton in May 1985, prices fell down to 4,081 FF per ton in June 1986. Exports of peanut products in 1985 were only 13 percent of total Senegalese exports, compared to 23 percent in 1984. As of November 1989, export prices FOB Dakar for Senegalese peanuts were 12,200 FF per ton.

As early as 1850, Colonial Governor Protet thought that peanuts would "save the country" (Monteil 1966: 189). It was believed that the slaves, emancipated in 1848, would cultivate peanuts with support from the *marabouts*. That was the beginning of a process that has molded the economy of Senegal until the present.

Around 1900, peanut output was about 100,000 tons. At that time, it was increasing at a faster rate than the population (Vanhaeverbeke 1970: 14). Table 3.1 provides useful indications for the period until independence.

First among the reasons for this increase was the building of two railways: Dakar-St. Louis, completed in 1885, and Thiès-Kayes, completed in 1923. Adequate infrastructure was indispensable for the expansion of cultivated area. Vanhaeverbeke recalls that this expansion proceeded

Table 3.1
Four-Year Averages of Peanut Output

Period	Thousands of metric tons
1885/86 - 1889/90	31
1902/03 - 1906/07	125
1910/11 - 1914/15	232
1925/26 - 1929/30	458
1935/36 - 1939/40	529
1953/54 - 1957/58	579

Source: Vanhaeverbeke 1970: 16.

along a NW-SW diagonal.[2] A recent comparison of Institut Géographique National, Paris (IGN) aerial photographs dated 1954 and processed by Brasseur,[3] with LANDSAT photos dated 1977–79, shows that the Peanut Basin kept moving toward the south or southeast during that period, by means of complex territorial compensations involving spatial upstream restructuring and downstream structuring (Lake and Toure 1984: 51). The moving process is not likely to conclude before the end of this century.

Behind the facts disclosed by maps, one can sense a powerful mobilization of population. Administrative control played an essential part, and a close look shows that the organizations set up after independence (such as the Office National de Coopération et d'Assistance pour le Développement—ONCAD—in Dakar, from 1966 to 1980, and a Peanut-Millet Scheme entrusted to the Société d'Aide Technique et de Coopération—SATEC—in Paris, from 1964 to 1968) were nothing more than a continuation—in a modern style—of former interventions, such as schemes for moving *navétanes* (migrant agricultural workers exchanging labor for land and food) during the interwar period (Suret-Canale 1964: 312–13). Autonomous forces and extraeconomic motivations also helped to push peanut cultivation forward to such an extent that output increase cannot be dissociated from the expansion of Islamic brotherhood, Mourides in particular (Couty 1982).

The increase in output slowed after the first expansion period: the yearly increase of 7.5 percent between 1885 and 1930 went down to 2.9 percent between 1935 and 1965 (Vanhaeverbeke 1970: 10). During the late 1960s, a change became obvious: sown area approached an upper limit, and output oscillated without substantial increases (see Table 3.2).

In other words, until 1967, Senegal experienced an increase in output based primarily upon the increase of cultivated area and the movement of farmers toward better-endowed regions or unexhausted soils. This process resulted in an average GDP increase of 3 percent per year in the long term,[4] slightly more than the increase of population. It was an extensive growth process for two reasons: the increase in output did not result from a yield increase stemming from intensification, and there was practically no increase of production per capita, since population and production increased almost at the same rate (Reynolds 1983).

Since the increase in output involved the use of previously unemployed production capacity (land and labor), the peanut story is well described by the "vent-for-surplus" model of economic development (Myint 1966; Hopkins 1973: 231–36; Eicher and Baker 1982: 31). After the brunt of the land surplus was absorbed, however, a decrease in marginal and average labor productivity was inevitable, since there was no yield increase due

Table 3.2
Production and Sown Area of Peanuts, Millet, and Sorghum, 1960–1986

	PEANUTS				MILLET AND SORGHUM			
Year	Sown area (thousands of ha)	Production (thousands of tons)	Yield (kg/ha)	Price paid to producers (current net CFAF/kg)	Sown area (thousands of ha)	Production (1000 ton)	Yield (kg/ha)	Price paid to producers (current net CFAF/kg)
1960	967	829	914	20 5	741	320	431	
1961	927	856	913	22	762	392	514	
1962	1066	995	811	22	831	407	489	15
1963	1015	914	900	21 5	865	424	490	16
1964	1094	952	878	21 5	959	478	498	16
1965	1055	1019	966	21 5	1011	532	526	15
1966	1114	1131	1007	21 5	1069	564	528	17
1967	1114	857	769	18	997	423	424	17
1968	1154	1005	864	18	1155	651	566	17
1969	1191	830	697	18 5	1024	450	439	17
1970	953	781	828	19 5	1037	623	600	18
1971	1043	583	556	19 5	976	401	410	17
1972	1060	994	932	23 7	975	503	515	18
1973	1071	570	532	23	946	586	620	17
1974	1076	679	630	29 8	1094	511	467	25
1975	1062	980	924	31	1154	795	689	30
1976	1203	1412	1174	41 5	963	621	644	30
1977	1346	1708	897	41 5	895	607	566	35
1978	1113	519	466	41 5	943	417	442	40
1979	1179	1061	900	41 5	1056	796	753	40
1980	1029	626	642	45 5	968	496	512	40
1981	1075	490	456	46	1117	545	487	40
1982	1010	854	870	60	1177	736	625	50
1983	1167	1145	981	60	991	585	590	50
1984	965	571	594	60	828	362	425	55
1985	858	669	780	60	1002	471	470	60
1986	594	601	1012	90	1136	950	711	70

Note: Production of peanuts in 1960 means production of the 1959/60 campaign, and so on. Only one figure is given for added production, or sown areas, of millet and sorghum.

Source: Senegal, Ministère des Relations Extérieures/Coopération et Développement, unpublished document 1985.

to innovation or increased use of intermediate inputs (Vanhaeverbeke 1970: 27, 43).

Area expansion still continued, at a slower rate after the labor frontier began to close, which helped to slow the decrease of labor productivity. Equipment delivered to the Peanut Basin was used primarily to increase cultivated area whenever possible, but did not, as a rule, bring about an improvement of tillage practices. Area expansion sometimes entailed a diminution of fallow periods and, as a result, a decrease in fertility (Lericollais 1972: 100). Thus, farmers managed to uphold average labor productivity, although occasionally at the cost of decreasing yields (Trincaz, 1979). Migration to the urban areas—temporary or permanent—may also have helped to slow the decrease of average labor productivity in rural areas, although with negative results as far as urban income per capita was concerned. Finally, a moderate decrease in labor input per agricultural worker may also have postponed the decrease of productivity per agricultural labor hour, but *not* the decrease of real income, since alternative employment is scarce or nonexistent.[5]

These considerations of the evolution of labor productivity in the peanut sector are substantiated by Braibant's findings (1986: 27). From 1961/63 to 1982/84, total cultivated area (peanuts and other crops) increased only by 15 percent, while the active agricultural population increased by more than 50 percent. Cultivated area per worker decreased, as did output per worker (see Table 3.3). The decrease in labor productivity resulting from declining output per worker was even greater, due to declining relative prices for peanuts. Suret-Canale had already pointed out the unfavorable evolution of the rate of exchange between peanuts and rice from 1913 to 1956 (Suret-Canale 1964: 372). After 1964, farmers would have had to increase output by 25 percent in three years, primarily through additional labor input, in order to counter the effects on income of lower relative prices for peanuts.[6] They could not have failed to see the situation as anything other than a diminution of the price paid for their work. The simultaneous onslaught of drought was an unfortunate complication.

A new trend began in 1968 as a result of two factors: serious climatic difficulties and a decrease in the nominal price paid to peanut farmers. The latter resulted from the suppression of price supports dating from colonial times. The 1963 Yaounde agreement had maintained peanut supports for a five-year period. It was, however, clearly understood that oleaginous products would eventually enter France and other EEC countries at current world prices.

After 1968, Senegalese peanut production fell below 1 million tons (with the exception of specific years: 1976, 1977, 1979, and 1983). As a consequence, while real agricultural income per capita had remained unchanged from 1960 to 1969 at CFAF 18,000 (in constant 1971 francs), it decreased by about 32 percent between 1969 and 1973 (France, Ministère de la

Table 3.3
Cultivated Area and Output per Agricultural Worker (1971 = 100)

	Harvested Area per Worker	Output per Worker
1961/63	101.6	142.9
1982, 84	80.2	113.8

Source: Braibant 1986: 29.

Coopération 1983). Agricultural income in constant francs returned to slightly over the 1960/61 level in 1976, but fell again after 1977.

Can one expect higher yields in the future as far as peanuts are concerned? As early as 1951, an agronomist called Portères predicted a 70 percent increase in output per hectare. Similarly, the Peanut-Millet Scheme assigned to SATEC in 1964, and followed up by the Société pour le Développement et la Vulgarisation Agricole (SODEVA), anticipated a 25 percent yield increase by 1967 (Gatin 1968). In fact, output in 1986 was only 25 percent higher than the 1951 level; additional yield increases seem unlikely.

The cessation of the agricultural program since 1980/81 has nullified years of hard work and threatens the replacement of existing farm equipment. Braibant (1986: 131) reports that in 1985, farm equipment levels fell back to those of 1970. There has also been a withering of the regional development societies that provided inputs in the past. For example, fertilizer is no longer delivered: only 20,000 tons were used during the 1986/87 campaign. Rough estimates suggest that a quantity 10 to 15 times larger was needed.

In any event, a return to high levels of peanut production is probably not advisable. Real prices continue to fall, and EEC importers show a tendency to choose South American competitors, who appear to be more reliable suppliers across years. Since 1980, peanut cakes—suspected of containing aflatoxins—were being gradually replaced by soya cakes for livestock feed (Perez de Arce 1986: 168). Exports to the EEC, however, have resumed somewhat, owing to the recent opening of a cake treatment plant in Senegal.

Peanuts bought at the 1986 procurement price of CFAF 90/kg appear to be financially attractive to farmers. However, since three kilograms of peanuts are needed to produce one liter of oil worth only CFAF 200 at 1986 world prices ($600 U.S. per ton), "the production system of Senegalese peanuts is not profitable at the national level" (Gaulme 1986: 2784). The present move toward local grinding is economically justified but is not feasible for disposing of a high level of output.[7]

Peanut production was once profitable for both individual farmers *and* for Senegal as a whole, but that was the result of colonial preferences and subsidies, which came to an end in 1968. In 1933, France put a customs tax on imports of peanuts from countries other than Senegal, thereby protecting the Senegalese share of the market. At the same time, France was able to secure its own market in Senegal for manufactured cotton products. Some time later, limits were set on quantities of oil seeds and fruits imported from the Dutch East Indies, British India, Argentina, and Nigeria. Thus, the crisis of the 1930s brought about the establishment of a protected exchange area uniting France with its colonies. This safeguarded both a technically backward agricultural sector in Senegal and a declining textile industry in France (Marseille 1984: 213, 233, 291).

When France decided to pay for Senegal's peanuts at lower world prices, the financial consequences would be substantial for already impoverished Senegalese farmers. The latter typically grew 700 or 800 kilograms of peanuts per hectare with 500 hours of labor in the 1960s, and they suddenly had to compete with U.S. farmers growing 1,850 kilograms of soya per hectare with 14 hours of labor (Viau 1975).

THE CEREAL DEFICIT

Peanut production in Senegal cannot be considered apart from cereal food crops: millet, sorghum, maize raised in the peanut basin, and rice grown in the River Valley and in Casamance. Significant rice and wheat imports also must be taken into account.

Vanhaeverbeke wondered in 1970 why the production of peanuts had not led to the elimination of millet production. This is important, since comparison of net yields for each crop, prices paid to farmers, and costs of labor made it clear that the net income ratio favored peanuts. Hourly income at the time was CFAF 18 for millet producers, and CFAF 31 for peanut producers (Vanhaeverbeke 1970: 62). Agricultural workers, however, tended to apportion half of their cultivated land to millet. Despite substantial variation around the mean trends, many observers have noted that the ratio of the areas devoted to millet and peanuts was consistant in Senegal during the 1960/80 period.

In the same line of argument, Yung (1984: 6) remarked that the area devoted to millet and sorghum, depending on regions, varied between 53 percent and 60 percent of the total cultivated area (including peanuts), according to SODEVA investigations that were carried out in 1981/82. It varied between 50 percent and 58 percent, according to Lake and Toure (1984: 11), who point out that farmers did not really alter the ratio of the area devoted to millet and peanuts during the 1960s in the Louga, Thiés, Diourbel, and Sine Saloum regions.[8]

Vanhaeverbeke's explanation of this stability still rings true today. First, millet and peanuts are complementary crops, not substitutes, with respect to both labor and land use. Millet often comes first in the crop rotation on any given field.[9] Second, the price and yield structure analyzed by Vanhaeverbeke was beneficial to peanuts whenever millet was grown for sale at harvest. When millet was produced for home consumption, however, which was more often the case, the ratio of net incomes could be favorable to millet, owing to the high value of cereal when sold in producing areas at retail prices during the precrop scarcity period. In other words, millet cultivation provides an opportunity to use productive resources that might otherwise remain partially idle.[10] Moreover, maintaining domestic food production provides minimal security as far as food supply is concerned.

Millet is seldom grown for sale (Yung 1984). An important reason for this is that urban needs have long been met with imported rice. At the beginning of this century, rice shipped from Indochina began to reach Senegal (Suret-Canale 1964: 74). The largest group of consumers consisted of urban dwellers, although many were *navétanes* who were employed to raise peanuts during the rainy season (Craven and Tuluy 1981). As a result of these imports, statements about a possible "cereal deficit" began to emerge. In 1924, to make up for that deficit, Governor-General Carde included rice in the projected Niger inner delta scheme (Suret-Canale 1964).

Today, there is still talk about a cereal deficit, although the problem is more about price ratios and trading systems than about production problems. There is both a long-term (structural) and a short-term (circumstantial) deficit. The long-term deficit arises from inadequacy between the cereal supply, consisting mostly of millet or sorghum, and urban consumer demand, oriented mostly toward rice and wheat. The short-term deficit concerns primarily millet and sorghum, and it arises from inadequate rainfall.[11] The consistent lack of precipitation has helped transform the short-term deficit into a long-term deficit.

While commercial imports make up for the long-term deficit, food aid can offset short-term supply deficiencies. In 1985, Senegal's cereal imports fell to 432,000 tons from 678,000 tons in 1984. Food aid also decreased, due to the increase of domestic output. Despite this increased domestic output, rice imports reached 336,000 tons because they brought fiscal benefits to the state and served private financial interests. Wheat imports, on the other hand, decreased to 89,000 tons.

In 1985, the value of rice imports decreased by 24 percent, to CFAF 26 billion, and accounted for 7 percent of total imports, compared with 9 percent in 1984. In that respect, Senegal took advantage of the fall in world prices that began in April 1985. Wheat imports reached CFAF 7.5 billion (up by more than 4 percent) and accounted for 2 percent of total imports.

In 1986, it seems that cereal imports did not exceed 430,000 tons, but they probably declined in value as a result of low rice prices: CIF (cost, insurance, and freight) prices fell to CFAF 44 per kilogram, while the retail price in Dakar was CFAF 160 per kilogram. Domestic cereal output, therefore, met 68 percent of consumer demand in 1985/86, compared to only 54 percent during the previous campaign. Imports might have declined by as much as 100,000 tons, depending upon the respective levels of output and consumption.

An economic appraisal of irrigation schemes on the left bank of the Senegal river shows that out of 54,340 tons of paddy produced in 1982/83, 62 percent went to domestic consumption (Bonnefond and Raymond 1983). Total turnover of the rice sector was CFAF 3.2 billion.[12] Distributed income (CFAF 3.7 billion) was greater than the value added, due to a CFAF 1.3 billion contribution from the state financing organization, subsidies to productive resources, unpaid bills, and write-offs. The level of income for farmers was low everywhere, and even negative on small perimeters where unprofitable agricultural activity must be financed with other sources of income. Farmers raise crops primarily to secure home consumption and to insure against food scarcity.

Another report concludes:

> "A strategic choice was made to grow rice in the driest region of Senegal, but that decision is exceedingly costly. The production cost of rice is three times superior to the price of imported rice. As a result, success for the scheme, at current prices, would require an annual subsidy of 35 billion CFAF. In addition, the State would lose 15 billion in taxes upon rice imports. The whole cost would be equivalent to 1/4 of the national budget. It is fortunate that Senegal did not reach its objective (France, Ministère de la Cooperation, unpublished document).

Those views are substantiated by a 1986 study showing that the Société d'Aménagement et d'Exploitation des Terres du Delta du Fleuve Sénégal (SAED) bought paddy at CFAF 85 per kilogram in the river valley (Bonnefond 1986). Rice was then sold at CFAF 179 per kilogram to CPSP, which sold it to wholesalers at a loss at the average price of CFAF 150 per kilogram. The retail price at the time was CFAF 160 per kilogram. Clearly, the CFAF 85 per kilogram producers' price and real production costs had nothing in common; a problem exacerbated by the lowering of the retail price to CFAF 130 in 1988. Production costs can be estimated for the entire sector. Current producer prices still include several subsidies and expenses covered by the state. At the moment, the production cost of rice is about CFAF 300 per kilogram, not including depreciation costs of dams. In addition, agreements with Thailand in 1986 and 1987 allowed for imports of rice to Dakar at a CIF price between CFAF 45 and 60 per kilogram thereby providing the state with conspicuous revenue.

The situation in Senegal is not unlike the situation in Côte d'Ivoire. An unpublished paper by Roch (1987) made clear that due to low CIF prices of imported rice, the government of Côte d'Ivoire has collected almost CFAF 64 billion since 1977. This sizable surplus was used to subsidize rice processing plants and to finance a retail price equalization scheme (*péréquation*). The obvious interest of the government is to maximize rice imports, despite official statements extolling national self-sufficiency.

Senegal recently drew up a Cereals Plan aimed at an 80 percent coverage of national needs through domestic production by the year 2000. The plan was approved by donors in June 1986. It emphasized the development of dry-farming in low rainfall regions both by input delivery and an increase in cultivated area, but it also recommended augmenting irrigated cultivation. Success will require manifold intervention: giving producers the means to act responsibly, reshaping state action, improving input delivery, setting up an adequate credit system, deregulating trade while fixing floor prices for producers (and ensuring compliance), setting up a cereal processing policy together with a coherent system of consumer prices, and finally, promoting a composition and level of cereals imports more in harmony with those of domestic cereals output—a demanding set of requirements.

In conclusion, Giri (1987) recalls that since Sahelian countries are immersed in the world market system, the objective of national food sufficiency at all costs, and in spite of climatic conditions, is not justified. Hampered by inadequate exchange rates, farmers cannot face international competition. Before talking about cereal policies in a country like Senegal, a new exchange rate should be set to prevent Thai or U.S. wheat from reaching Dakar at a lower price than that of domestic grain, just as Senegalese farmers were protected between 1933 and 1968 in order to export peanuts to France. An unsuccessful protection already exists, insofar as retail rice prices in Senegal are superior to the CIF price of imported rice. Insufficient protection, however, is no protection at all, as long as production costs do not decline.[13]

Calculations by Phelinas (1986: 233–53) show that the protection afforded to rice in Senegal sometimes provided supplementary income to producers, but with a consumer loss.[14] This view does not conflict with the hypothesis that a rural-urban dualism is disadvantageous to farmers (Delgado and Mellor 1984). One may, however, qualify this rural-urban dualism, or "urban bias," in Senegal. From 1960 to 1983, urban income seems to have been halved, while rural income probably decreased by only 22 percent. The conditions of both urban and rural people grew worse, but the urban-rural income ratio probably changed from 7:1 to 5:1. Experts point out that the decline in average urban income (per capita and in constant francs) could be explained by the influx of rural people

to town. Migrants did not receive a lower individual income when moving to town; they were situated in the lower bracket of an already low-income category and found access to lower brackets of a higher category (France, Ministère des Relations Extérieures, unpublished document). Detailed budget studies will be necessary to substantiate these views.

FINANCIAL ADJUSTMENT OR STRUCTURAL CHANGE?

Dakar was an important city during colonial times, when it was the capital of French West Africa. The country now lives beyond its means and must be categorized as a low-income country. This transformation is the consequence of a historical process that Senegal, up to now, was unable to reverse.

Senegal's external debt is $3 billion (U.S.), but the actual level of paid-out debt is declining,[15] since 70 percent of the debt is drawn up in dollars and special drawing rights, both of which are declining in value. The level of paid-out debt was CFAF 901.2 billion at the end of 1985 (less than 4 percent of 1984 level), according to the IMF, or 75.9 percent of GDP.[16] Current debt servicing, on the other hand, keeps increasing even after rescheduling.[17] Rescheduling the timetable of payments does not offset the increase of charges. Before rescheduling, debt servicing was CFAF 110 billion in 1985—20.9 percent more than 1984—while it was about CFAF 118.5 billion for the 1986/87 financial year. After rescheduling, debt servicing was CFAF 77.2 billion in 1985, more than 34.7 percent of GDP, or 31.7 percent of the total value of exports.

Since 1980, the IMF has provided financial and technical assistance to help Senegal overcome the crisis. Two agreements (made in 1981 and 1983), each amounting to 63 million special drawing rights, were finalized. A confirmation agreement for 76.6 million special drawing rights was made on January 16, 1985, and was finalized on June 30, 1986. A new agreement with the Paris Club, in November 1987, arranged a 16-year rescheduling. On March 3, 1986, net amounts drawn by Senegal on the IMF were 234.2 million special drawing rights (around 1 percent in one year).[18] Funds paid out by the IMF are now less than Senegal's reimbursements, which raises a serious problem. The World Bank arranged for a structural adjustment credit of $70 million (U.S.) granted in February 1986, half of which has been paid out.

The assistance of the IMF, the World Bank, and other leaders requires from Senegal a serious effort toward economic and financial adjustment. It is clear, however, that such a policy has been unsatisfactory. Adjustment to the world market system began in the late 1970s. Unfortunately, Senegal's effort was thwarted by several factors including the climate, defective endowment in natural resources, strong population growth, and faulty management of rural development organizations. Present attempts

toward normalization will only bring further delay to the resolution of the crisis, and the country will remain deprived of the financial resources necessary for structural change. Cases of limited transformation have occurred in the agricultural sector, as they relate to the urban sector, but the present situation looks more like an adjustment to an impoverished environment than an improvement in conditions.

International organizations recommend market development. Clearly, free trade, private input delivery, private output marketing, price incentives, protection against imports, and modification of the exchange rate between farmer and urban consumers are key components of change. They cannot be successfully implemented, however, without the following affirmative policy measures: (1) technological innovation that will cut per unit costs, particularly labor costs, and (2) rural infrastructure, organization of farmers, better marketing, and improved research (Delgado and Mellor 1984).

Unfortunately, the present course of change in Senegal does not look promising. It is widely agreed that keeping the state away from agricultural production is no solution, and that redefining the role of development parastatals would be more appropriate.

The deteriorating situation in Senegal will probably continue, and the likely consequences are overall impoverishment, increasing inequality, and risks of social disturbances. A self-fulfilling prophesy is emerging. Inasmuch as donors are somewhat compelled to renew their aid, but also to implement increasingly stringent controls over the country, most of the economy is rapidly slipping into the informal sector, thereby requiring additional assistance. Given such a situation, what purpose can agreements, policies, and incentives serve?

Policymakers do not pay enough attention to environmental problems, demographic growth, unemployment, social inequalities, and external debt. In this respect, they are equally irresponsible for bringing about and aggravating the present crisis.

Senegal's creditors must recognize that they have made mistakes, and that they must endure the financial consequences of their blunders. Reductions in interest rates and longer repayment periods would make it easier to plan the extensive financial assistance that, according to authoritative advice, is absolutely essential to the improvement of production structures in Senegal. In other words, there will be no development for Senegal without a long-lasting deficit in the balance of payments.

In the world as a whole, production and population increases are, for the most part, located in different areas. Corrective action requires either weakening or eliminating the boundaries that give rise to these dangerous imbalances. Simply rescheduling the debt in developing countries is not sufficient. The international community, albeit reluctantly, realizes that it must support the increasing population of countries like Senegal. Rich

nations are begining to understand that they are not so rich after all, and poor nations are not as poor as previously thought. Discovering our common fate seems more promising than defiant insistence upon independent development.

NOTES

1. The French Ministry of Cooperation used different name at different times: Secrétariat d'Etat aux Affaires Etrangères, Ministère des Relations Extérieures/ Coopération et Développement, and Ministère de la Coopération.

2. In the printed edition (Vanhaeverbeke 1970: 12), one reads "from NE to SE." An obvious misprint, as the following pages make clear: "The center of gravity of peanut production, located in the railway zone between 1850 and 1910, moved via Baol towards the Sine Saloum region . . ." (p. 14).

3. The outcome of Brasseur's treatment is a land-use map, with a scale of 1/100,00, published by Institut Fondamental d' Afrique Noire (Dakar) in 1964.

4. This analysis of causality by Mas (1962) won some acceptance at the time among specialists in the French Ministry of Cooperation.

5. Roch (1975), on the other hand, shows that the monetary returns of dry season migration activities from a village near Touba were the equivalent of one-fourth to one-eight of the value of peanut output in the whole village.

6. The price paid to groundnut producers was CFAF 21.5/kg in 1967 and CFAF 18/kg in 1968. At the same time, fertilizer prices increased from CFAF 12/kg in 1964 to CFAF 16.5/kg in 1968.

7. This is true even when the large vegetable oil consumption practices of farmers in the Peanut Basin are considered: (one) liter of oil for three or four kilograms of rice at meals served during collective agricultural work sessions (Couty 1972: 199).

8. In 1984, Sine Saloum was divided into two regions: Kaolak and Fatick (Braibant 1986: 15).

9. This is true even when rotation is altered. Lericollais (1972: 87) noticed, in a Serer village that he intensively studied at the end of the 1960s, that a former fallow-millet rotation was followed by a three-year fallow-millet-groundnut rotation, and eventually by a two-year millet-groundnut rotation.

10. "It seems that after a given amount of land has been devoted to peanuts, optimal labor use requires that surplus land be devoted to millet" (Yung 1984).

11. In 1985/86, the output of millet and sorghum (950,000 tons) was double that of the 1984/85 output. For the same reason—greater precipitation—the output of maize increased by 63 percent (147,000 tons).

12. The breakdown for this turnover value is as follows: value added, CFAF 2.4 billion; imports, CFAF 0.8 billion.

13. Current protection might be adequate for dry-farming rice raised in Sénégal Oriental, or rice in the Casamance, but definitely *not* for rice coming from irrigated areas of the river valley—the only rice actually marketed.

14. In Senegal, the consumer loss was CFAF 2 to 3 billion, with two peaks over CFAF 9 billion in 1976 and 1979 (Phelinas 1986: 233).

15. Total paid-out debt is lower than Senegal's total liabilities.

16. According to Senegalese data, the level of paid-out debt was only CFAF 806 billion, or 59.5 percent of GDP, in June 1986.

17. Rescheduling occurred five times before the Paris Club conference and twice before the London Club conference.

18. The following are yearly gross drawings: 1981, 57.7; 1982, 53.2; 1983, 37.0; 1984, 31.5; 1985, 55.6.

THE POLITICAL ECONOMY OF SENEGAL UNDER STRUCTURAL ADJUSTMENT

Edited by

Christopher L. Delgado

and

Sidi Jammeh

THE POLITICAL ECONOMY OF SENEGAL UNDER STRUCTURAL ADJUSTMENT

Edited by
Christopher L. Delgado
and
Sidi Jammeh

Published in Cooperation with
the School of Advanced International Studies,
Johns Hopkins University

PRAEGER

New York
Westport, Connecticut
London