 by Mary Lalevée

IMF threat to Guinea's stability

The Organization of African Unity will call for a summit on the foreign debt.

The attempted coup in the West African nation of Guinea on July 4 was not an affair of "tribal conflict" of Malinkes versus Peuls, as generally reported. It is true that the author of the attempted coup, Col. Diara Traore, former prime minister, and education minister in the new government, is the leader of the military committees of the Malinke ethnic group, and it is also true that he turned for support to fellow Malinkes. However, the real reasons for the attempted coup go somewhat deeper, and reflect the problems facing many African countries.

From its independence in 1958, until April 1984, Guinea was under the control of Sekou Toure. At that time, Guinea had voted against joining a community with France, and when the French left, they took everything with them.

Sekou Toure turned to the Soviets, but gained little. The Soviets were only prepared to pay a low price for Guinea's sole raw material, bauxite, and made no real effort to help the country develop. In the late 1970s, Sekou Toure began looking to the West for help, and this "look West" attitude continued after the death of Sekou Toure and the overthrow of his regime in April 1984. The country is one of the 30 poorest countries in the world, with a GNP per capita of only $360.

However, all help from the West now has one precondition: that Guinea agree to the demands of the International Monetary Fund. France has promised that Guinea can enter the franc zone, for instance, but only on condition that the Military Council of National Recovery (the CMRN, or government) signs on the dotted line with the IMF.

An IMF mission visited the capital of Guinea, Conakry, in April this year, and called for a massive devaluation of the currency (the syli). The IMF recommended a two-stage devaluation to bring the official exchange rate from 25 sylis to the dollar to 250 sylis to the dollar. Other measures proposed were: relaxing exchange controls, quadrupling the price of imported rice, tripling the price of gasoline, and the dismissal of 20,000 state employees.

The IMF's stated aim was to "open the country up for private international capital," although exactly how this would help the population of the country was not clear.

The government of Guinea has not agreed to knuckle under to the IMF, which may explain the attempt to destabilize the country on July 4.

The economic crisis of all African countries will be the subject of the Organization of African Unity summit due to take place July 18-21 in Addis Ababa. Foreign ministers meeting to prepare the summit have proposed that African heads of state call for an international conference on the debt crisis facing the continent. They will also call for new credits for African nations, the extension of repayment periods to 15 years, and the limiting of debt service to not more than 20% of a country's income from exports.

Africa now has debts of $150 billion, and this will reach $170 billion by the end of this year, and represented 51% of Africa's GNP in 1982, and 59% in 1983. In a recent interview, Tanzanian President Julius Nyerere pointed out that at the average interest rate of 10.1%, Africa is paying $15 billion annually in interest alone. "So here is a continent which at present has to live on charity because otherwise millions of its people would die, but that same continent will probably be paying to the rich North this year an amount of $15 billion in interest alone. And of that $150 billion owed, Africa south of the Sahara, the poorest part, owes $90 billion, meaning that it will pay about 10 or more billion dollars in interest alone."

Nyerere continued, "So when one is talking about what Africa can do to be self-reliant, what resources Africa itself can produce, we cannot ignore this yearly drain of $15 billion in interest alone. We have to sit down with the governments of the North and discuss more seriously how Africa can be assisted to develop her own resources." Nyerere called for the development of Africa, saying "The real solution to the African problem is *development*. You have got to help African countries stand on their own feet, because the potential is there in Africa for producing enough food to feed the population of the continent. But the conditions have to be created for the development. The attitudes of the rich countries of the world at present are not conducive to the continent's efforts to be self-reliant. There is a continuing transfer of resources from the poor countries (including the African countries south of the Sahara) to the rich countries of the world. Unless this is reversed somehow, we are going to have this kind of problem recurring year after year."