

# BURUNDI:

Proposals for the resumption  
of bilateral and  
multilateral co-operation.

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## EXECUTIVE SUMMARY

Since the suspension of sanctions against Burundi on 23 January 1999, Burundian diplomacy has been directed towards a single objective: the resumption of international co-operation, which was suspended a few weeks before the coup d'état led by Major Buyoya in 1996. Given five years of war, two and a half years of embargo and no international aid, the state coffers are empty and the socio-economic situation is catastrophic. Since June 1998, donors have clearly indicated a desire to support moves to engender greater political dialogue and to finance "extended humanitarian aid".

The long-term solutions and various interventions proposed by the international community must be conceived within the perspective of a future, more ideal vision of Burundi and not recreated on the basis of a memory of Burundi as it existed prior to the conflict.<sup>1</sup>

- In this spirit, it is important that the international approach based on the three Rs – Rehabilitation, Reconstruction and Resettlement – do not aim to 'Reproduce' pre-war conditions by tackling only the symptoms without a comprehension of why there was a war in the first place.
- It would not be desirable to resume co-operation along the lines of the 1993 model. In any case, this never succeeded in resolving the structural problems of the Burundian economy. Instead, it inadvertently encouraged cronyism and increased dependence on international aid. The resumption of co-operation should be linked not only to political reforms, but also the to the economic reforms that are necessary for the country's development.
- The main division in Burundian society is to be found between those who hold power and those who are excluded. The replacement of one network of cronies and contacts by another, Tutsi or Hutu, functioning on the same principle of exclusion, will never bring a solution to Burundi's problems. Burundi will only change if there is growth and a liberalisation of the economy. These should go hand-in-hand with the creation of jobs and opportunities for greater social mobility. The economy can act as a force for change when the decision-makers are so desired, but it can also act in the opposite way and restrict the possibilities of individual advancement.

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<sup>1</sup> See ICG Burundi Report N° 3: "Burundi: Internal and regional implications of the suspension of sanctions."

- A short-term vision of the Burundian conflict will not change the present situation of social injustice. If the principles of equality of opportunity and merit are respected within the socio-economic, military and political domains, the tensions will be relaxed.
- The international approach must not concentrate exclusively on the victims, but also on those responsible for the violence. How can the level of violence be decreased and the chances for a lasting peace increased? How can wealth be produced and distributed in a more equitable manner that will reduce the frustration of those presently excluded? If some kind of precipitately dispossession and redistribution is to be avoided, it seems reasonable to look for a way to create a surplus of wealth so that each may have a share.

Although the framework is fragile, the efforts at national dialogue presently underway in Burundi merit support and a show of solidarity for a population that is among the poorest in the world. How can the peace process be supported without signing over a blank cheque? Who would profit from the chaos that would result from the social explosion if nothing were done? What are the alternatives to considered support for the coalition government that has been in place since June 1998? These are the kind of questions that face potential donors as they consider the case for a resumption of co-operation. This report, prepared by ICG's Burundi analyst, identifies key issues to be addressed and sets out some concrete proposals aimed at policy makers in donor governments.



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**I. INTRODUCTION**

The resumption of international co-operation must accompany the return of a durable peace to Burundi. International aid will consequently become a political tool to get the different protagonists in the conflict to agree to sharing power in the short term through the partnership agreement and the Arusha process.

At the longer-term economic level, international aid must be conceived in such a way that it will resolve, rather than exacerbate, the acute economic problems in Burundi. These stem mainly from an essentially agriculture-based economy, a very limited export base and an increasingly limited availability of land in the face of a rising population and deteriorating environment. The ethnic conflicts that the country has experienced since independence are partly rooted in high levels of poverty that fuel extremism.

The international donor community must therefore work together with Burundi to devise a common strategy for promoting equitable economic growth and strengthening the country's economic and social fabric. This is the only way towards peace and hope for a better future.

**II. IMPACT OF THE CIVIL WAR AND THE EMBARGO**

Five years of war and two years of economic sanctions have had a devastating impact on Burundian society and the economy.

**A. AT THE HUMANITARIAN LEVEL<sup>2</sup>**

- About one million Burundians have been forced to leave their homes: 600,000 displaced persons are living in around 300 camps in Burundi; and over 300,000 refugees are in neighbouring countries, particularly Tanzania, which had already received around 200,000 Burundians following the massacres in 1972.

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<sup>2</sup> The source of information on the humanitarian situation is *"Choosing hope. A case for constructive engagement in Burundi"*, UNDP, December 1998, pp 2-3.

- The percentage of the rural population living below the poverty line went from 35% in 1990 to 58% in 1997; the comparative figure for urban populations rose from 33% to 66% between 1992 et 1996.<sup>3</sup>
- About 350,000 people receive some kind of food aid on a daily basis, and 40,000 are being treated for malnutrition in therapeutic feeding centres.
- Between 1993 and 1996 the number of children in primary education fell from 70% to 43%, vaccination coverage dropped from 83% à 54%, and infant mortality rose from 110% à 136‰.

## **B. AT THE MACRO-ECONOMIC LEVEL**

- Production levels have fallen by 5% per year since 1993. This has been particularly marked in the coffee industry, which represents 80% of the country's foreign currency receipts.
- Public finances are going through a turbulent period that is giving particular reason for concern: expenditure is rising, income is falling and there is a growing budget deficit (currently at 30%) that the government is financing by printing more banknotes, but without reserves to back them up. This situation is having inevitable effects on the state's capacity to meet essential needs: for example, in education and health.
- The resulting inflation is having negative effects on other sectors of the economy, such as transport, industry and employment.
- The soaring prices of basic foodstuffs and medicines have drastically reduced the real value of family incomes (there has been no rise in salaries to offset these) with the most disadvantaged among both the urban and rural poor most hard hit. The average cost of a basket of basic food has risen by 120% since July 1996.<sup>4</sup>
- There has been a drastic fall in gross investments (financed up to 80% by foreign donors prior to the crisis) and savings as a percentage of GDP between 1993 and 1998.
- The blockade has accelerated the development of an informal speculative economy and further increased the gap between rich and poor.
- Burundi's economic regression will have a lasting impact on the regional economic integration plan following the unilateral break in commercial relations with neighbouring countries. Certain products, ranging from vegetables to gold, which used to transit via Bujumbura, have now been redirected through Uganda or Rwanda. Coffee is now exported via Zambia and South Africa. It is estimated that the loss to the Tanzanian economy from the non-utilisation of its ports of Kigoma and Dar es Salaam, as well as its roads and railways comes to tens of millions of US dollars. There are also financial repercussions on the economies of the countries imposing sanctions and these must also be taken into consideration.

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<sup>3</sup> Ibid. p 16.

<sup>4</sup> Ibid. p17.

- Corruption, which was kept under control prior to the crisis, is now taking on increasingly alarming proportions and further eroding an already fragile social cohesion. The departure of competent and skilled, but badly paid, civil servants could have disastrous consequences for public services and their relations with the private sector. There is a danger that the temptation of making easy money in a variety of ways, not to mention the distorting effects of corruption on the economy, may destroy any attempt at political and social reform.
- The war economy has generated its own logic of looting, created new opportunities for making profits (e.g. monopolies), and given rise to a new category of entrepreneurs, including officers of the government army and the rebel movement, who live off the profits of speculation and the war itself.
- Despite the suspension of sanctions, the economy is likely have difficulty in getting into gear for some months yet. The flow of foreign currency back into the country will be the decisive factor. By March 1999, the Burundian franc had hardly begun to rise in value against the dollar.

## **C. INTERNATIONAL CO-OPERATION AND CONDITIONS ATTACHED TO IT**

The resumption of international co-operation should be the occasion for both donors and beneficiary country to begin a detailed examination of the past.

### **1. International co-operation prior to 1993: economic dependence**

Since independence in July 1962 and especially during the 70s, thanks to massive technical and financial assistance, whether multilateral (European Union, World Bank, UN agencies, African Development Bank, etc.) or bilateral (Belgium, France, Germany, China, etc.) Burundi invested in a wide range of economic and social infrastructure. This included the Moso sugar company, the Rwegura dam, hospitals and schools. The country also capitalised on its human resources by training doctors, engineers, economists and teachers.

Foreign aid, which exceeded an average of 300 million dollars per year between 1989 and 1992, alleviated the notorious gap between national savings and investments. International funds were responsible for well over 80% of total investment.

International aid should, theoretically, have led the country to a higher growth rate and a better distribution of national revenue. However, between 1962 to 1992 the average per capita income remained static, or even fell slightly. This downward tendency has increased during the crisis.

Questions must be asked about the causes of this relative failure and lessons drawn for the future. In many cases, international aid interfered with essential economic reforms, particularly in regard to taxation, investment and savings.

Outside assistance has also involuntarily exacerbated social divisions; a large part of the revenue from the public sector fell into the hands of those close to the government. This situation arose because the main donors preferred to deal exclusively with the government, to the detriment of the private sector and civil associations. Consequently, the private sector has been unable to develop as funds were distributed in such a way that the administration and public enterprises were the main beneficiaries.

The low rate of saving can be partly explained by the absence of fiscal incentives as the government was not obliged to undertake necessary reforms. International financial assistance became the substitute for any attempt to mobilise internal resources that might have ensured a minimal capital accumulation. In parallel with this, export promotion policies were neither sufficiently vigorous nor properly implemented. The structural deficit in the trade balance has been aggravated over recent years to the extent that the ratio of exports to imports now stands at 1:5.

The production of coffee, Burundi's main crop and principal export, has dropped over the years. The lion's share of the profit from the coffee trade goes to the state and various intermediaries, for which there can be no economic justification, while the producer receives a little less than 35%.

In conclusion, the resumption of aid could aggravate economic problems instead of resolving them, neglecting structural aspects and indefinitely postponing necessary reforms. Seen from this point of view, the suspension of aid to Burundi and the imposition of the embargo in 1996 have, paradoxically, at least had a certain positive effect on the country. Burundians have been obliged to take initiatives and implement creative measures to ensure the economy survived and the state continued to function. They have succeeded remarkably well considering the size of the Burundian economy.

## **2. Towards a redistribution of power and the suppression of cronysim**

The stated objective for resuming co-operation is support for the peace process. However, if a durable peace is to be created, there must be an understanding of what were, and still are, the motivating forces behind the oppressive system that has existed since the coup d'état by Captain Micombero in 1996 and the subsequent domination of the regime by the Tutsi of Bururi province.

The interaction between an authoritarian regime and the accumulation of economic benefits has been characterised by the exploitation by the elite of the income from primary, agricultural and mining resources. A hidden power structure has developed behind the so-called "legal state"<sup>5</sup> profiting from public enterprises and financial establishments, as well as from Burundi's involvement in more or less legal international economic networks dealing in gold, ivory and drugs. Although the embargo interrupted this kind of activity, which has been taken over by operators in neighbouring countries, Burundian entrepreneurs have profited from the embargo and extended their monopolies over other goods, such as petrol fuel. This structure functions in a collegiate manner, through different interest groups, one of which President Buyoya is a member. It is difficult to know how much autonomy he has within this structure and what his exact role is, but this is certainly his principal source of support, both politically and economically.

The drama of the conflict in Burundi is that it combines an identity problem with a problem in regard to economic redistribution. To make an extreme simplification, the Tutsis feel threatened by the genocidal ideology propagated by the elite Hutu party and therefore justify the use of violence in order to

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<sup>5</sup> *La criminalisation de l'Etat en Afrique*, Jean-François Bayart, Stephen Ellis and Béatrice Hibou, Editions Complexe, Paris, 1997, p 42.

maintain their privileges and economic practices. As a consequence, the majority of Hutus perceive themselves to be excluded from the financial rewards of government just because they are Hutu, and have grown acutely frustrated as a result. Each cycle of massacres in 1965, 1972, 1988 and 1993-1999 has reinforced the fear of violence on the part of one, and reprisal on the part of the other.

The economy is directed towards the creation of an elite and hermetic system, and the perpetuation of this system. Since the 1966 coup led by Captain Micombero, a Bururi Tutsi, and especially since the massacre of Hutu intellectuals in 1972, the economy has been regarded as an instrument of politics. It has nourished the government in place, which has run it according to the principles of predation and cronyism. By concentrating wealth in just a few hands, the regime HAS taken care to ensure that access to power is reserved exclusively for the members of its inner circle.

In fact, Burundians function within networks. Their first loyalty goes further than the ethnic categories of Hutu or Tutsi, and it would be dangerous to apply such an extreme simplification to their social situation. On the contrary, basic loyalties are founded on the family and the neighbourhood; in short, at the level of horizontal and local relationships. The neighbourhood refers to roots in a particular commune, or on a particular hill. These first loyalties are superimposed on others, which may depend on region, clan, membership in a political party, or in a wider sense, on ethnic group.

All political strategy in Burundi seems centred around the principle of whether one is "in" power, or "out of" power. To observe the networks out of which the different politicians operate is to see that each network operates more or less exclusively. Although some might coincide, they rarely collide.

The network of former President Bagaza, who held power from 1979 to 1987, brought to the fore an ethnic, regional minority. Within this could be found a few families and clans that were close both to the army and the government: the Tutsi of Bururi or, more precisely, of a few communes in Bururi. His followers are still mainly from that minority, which composed his "circle of power". Since the Buyoya I regime between 1987 and 1993, the natives of Bururi have been divided between support for Buyoya, who also comes from Bururi, and for his opponents, who have become members or supporters of PARENA, the party set up by Bagaza in 1994.

As for PALIPEHUTU and FROLINA, they both depend on networks that are exclusively Hutu, family-based and regional. The founder members of PALIPEHUTU come from the province of Muramway, but their fighting men come from among the Hutu refugees who fled to camps in Tanzania in 1972. Most were from provinces in the south of Burundi: Makamba, Bururi, Rutana. Those from Bururi were better educated. This resulted from the fact that a large number of officials in the administration came from Bururi and could influence admissions to the limited places in the province's schools in favour of their own people. In addition, Bururi was relatively unaffected by the 1972 massacres. A paradoxical consequence of the regime's policy of excluding Hutus is that the Bururi Hutus, generally better educated, asserted themselves as the natural leaders of the nascent political movements.

When its predecessor, the original FRODEBU movement, was secretly set up in 1986, it became a rival to PALIPEHUTU in two ways: FRODEBU opted for

peaceful political combat, while PALIPEHUTU chose an armed fight, and FRODEBU's Hutu elite came from the south in contrast to PALIPEHUTU's early leadership, which came from the centre of the country. FRODEBU became a larger, more progressive movement at the end of the 80s, including some of the original ideas, but recruiting some Tutsis. However, during the election campaign of 1992-1993, FRODEBU made an alliance with PALIPEHUTU. As this was intended to meet the needs of the campaign, it was in fact dominated by a crushing majority of Hutus. Some Tutsis, either disappointed with the Buyoya I regime<sup>6</sup> and hoping for change, or coming from poor backgrounds and aspiring to better things, also joined FRODEBU. The party then comprised the *Parti du Peuple*, the *Parti Libéral* and the *Rassemblement du Peuple Burundais*.<sup>7</sup> This FRODEBU network split into two branches when the convention of government was signed in September 1994: the internal wing, represented by the political parties, and the external wing: represented by the CNDD-FDD, which opted for armed struggle. The FDD joined up with PALIPEHUTU fighters and for a time was even commanded by PALIPEHUTU officers.

Militants within FRODEBU and the CNDD played the regional card when they left their original movements to create others. Léonard Nyangoma, founder member of FRODEBU, set up clandestinely in 1986 and officially registered in 1992, and then of CNDD, set up in 1994, relies on the Bururi network. In addition, the recent evolution in the party and the breach between Nyangoma and the armed FDD branch has produced a division over the question of membership and regional representation. It appears that this has led to purges and an inevitable rise in tension among its officers.

Finally, the mode of recruitment preferred by Buyoya network's can be distinguished from that of the others in the extent to which the president has worked since 1987 to promote several different ethnic and regional groupings. For example, he has encouraged the emergence of Hutu and Tutsi personalities from the north and south (also known as the "Third World" in Bujumbura). Since he launched his policy of national unity in 1988, he has endeavoured to ensure that his governments are ethnically and regionally balanced and has promoted civilians and soldiers from different networks. Thanks to the Hutu nominations to his government, creating a regional and ethnic balance, a small Hutu middle class has grown up. This was the group that FRODEBU relied on to finance the 1993 campaign.

However, under Buyoya I and II, the family, neighbourhood and region were the basic criteria when appointments are made. For example, although he has appointed Hutu ministers, there are proportionately fewer Hutus in senior civil service posts. Natives of Bururi remain largely over-represented today and occupy key posts in the administration, the army and the economy. They are also numerous in delegations to negotiations, whether it be for the talks in San't Egidio in Rome or the peace process in Arusha.

During his two periods in power (1987-1993 and since 1996) the political sphere has started to become increasingly inclusive, although the economy rests in the hands of a few. It seems that there is a growing tendency to concentrate economic power as the peace process advances and power sharing becomes an inevitable prospect. This is very obvious in the banking

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<sup>6</sup> 1987-1993.

<sup>7</sup> The People's Party, the Liberal Party and the Burundian People's Assembly.

system. The population of a region, sometimes even of an individual commune, select a specific bank as the exclusive depository of their capital.

Nominations to posts in the economic sphere, for example, to the *Office du Café ou du Thé du Burundi* (Burundi Tea and Coffee Office), are made by decree and can therefore be used by the government to compensate active party members and supporters for services rendered. The handful of people admitted to the inner circle of government is handpicked and co-opted. Individuals revolve from one function to another from the background of their various networks. It has become the tradition that a soldier or civilian who has held an important post will be handed the management of a state enterprise either halfway through or at the end of his career. Beginning with access to public funds, individuals favoured by the government continue to accumulate wealth through the public markets that state enterprises either control directly, or through sub-contracting arrangements.

The partnership and the new network alliances have changed the configuration of the political landscape. A split has recently appeared within Buyoya's group between those in favour of his policy of negotiating and those opposed to it. Led by Charles Mukasi, party president, this scission came into the open during the CNDD-government negotiations in Rome in 1996-1997. On FRODEBU's side, the partnership and the negotiations have also provoked division between the external wing, including former CNDD members and FRODEBU politicians in exile since the 1996 coup, and the internal wing, who decided to make up with Buyoya. Today there is an alliance, founded on power sharing between internal groups, including Buyoya's supporters and the internal wing of FRODEBU.

### III. CONCLUSIONS

- The main division in Burundian society is between those who reap the benefits of power and those who are excluded from it. Personal ability has little role to play in the political and economic spheres.
- All the political actors wield economic influence, and the inverse is also true. For example, local entrepreneurs given work by the NGOs and other aid agencies are mainly Tutsi and form part of a family or interest group that is in some way connected with political power.
- Burundi's problems cannot be resolved by simply replacing one network with another as they all function on the same principle of exclusion. If the cake to be shared out is a small one, by definition only a few people will get a piece of it. And if the cake is further reduced in size, which is the case after five years of war, two of embargo and the suspension of international aid, there is unlikely to be any initiative aimed at opening up the circles of power.
- This is the context in which to evaluate the partnership's efforts to open the government up to people outside the inner circle. But the question remains: are we seeing the beginning of a real attempt to redistribute wealth, or is co-option still a fixed agenda whereby the opposition is offered a small part of the cake in the hope of quelling discontent?

- Cronyism is not exclusive to either the Tutsis or the Hutus, or to regional interest groups in particular. When Ndadaye won the elections in 1993, his government swept aside the old administration and replaced civil servants en masse, along with the territorial administrations, the directors of public enterprises, etc. When Buyoya returned to power in 1996, although he made less radical changes and had greater respect for a balanced leadership, a large part of the civil service was again replaced.
- Any aid strategy must serve to redefine the national interests and ensure continuity in the functions of state, given that the state is supposed to defend these interests above ethnic and political divisions and beyond changes in government administrations.
- The economy could be just as much a factor for social immobility as it could be a force for change. But change will only occur when there is liberalisation and growth in the economy, when jobs are created and when there are wider opportunities for social advancement.
- It is likely that by annexing conditions to aid agreements the main actors will be forced to change their approach if they wish to gain legitimacy. But all these conditions must be carefully and strictly applied in order to adjust the balance of power between *“the adherents of the old order and the partisans of political revolution.”*<sup>8</sup>
- The resumption of bilateral and multilateral co-operation must be conditional not only on political reforms, but also on the practical reforms required for the country to develop.
- It would be preferable to regard the war and chaos in Burundi as creating a new system to redistribute benefits and power, rather than as destroying the old order. While the government elite presently use the state of disorder to justify violence against those lower down the economic and political hierarchy in order to protect its own interests, the rebel movement believes that its survival depends on perpetuating a war economy. Thus the violence should not only be seen as the result of an ideological quarrel; all the agendas are increasingly dominated by short term economic objectives.
- The international approach must not concentrate exclusively on the victims, but also on those responsible for the violence. The question then becomes one of how to reduce the benefits to be reaped from violence and increase those to be harvested from peace. Consideration must be given to the economic advantages that might be granted to those presently benefiting from the war, once peace is achieved; but without sacrificing justice in favour of impunity. Rather than precipitately dispossessing some groups of their economic privileges and redistributing them to others, it seems more reasonable to work towards the accumulation of a surplus of wealth.
- In the same spirit, it is important that the international approach towards the three Rs—Rehabilitation, Reconstruction and Resettlement—should not target the effects of the war without understanding why it happened in the first place. In

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<sup>8</sup> See footnote <sup>59</sup>.

other words, the pre-war situation must not be re-created because it was the prevailing conditions that led to the conflict. It would therefore be very undesirable to resume the kind of co-operation that operated in 1993.

## **A. FOR AND AGAINST THE RAPID RESUMPTION OF AID**

### **1. It is too early to resume aid**

- The resumption of co-operation will legitimise Buyoya's position before the Arusha negotiations reach a conclusion.
- The Arusha process must be given time to develop its own dynamic.
- The war is not yet over. It is therefore likely that the resumption of co-operation will serve to resupply the state coffers and consequently the war machine, bearing in mind that over 50% of Burundi's budget goes on the army.
- The resumption of aid cannot guarantee a limit to how long Buyoya remains in power. The government might dissemble that a gradual approach is acceptable and take advantage of this to delay making reforms.

### **2. Should Buyoya receive international support?**

- The objective would be to relieve the misery among the populace and encourage the normalisation of economic and social life.
- If co-operation were not resumed, this would provide encouragement to Buyoya's adversaries. If his opponents believe that the state and the government are in difficulty, they will be happy to continue to profit from the chaos. During the period of the government convention they worked hard to destabilise the state, obstructing his authority at every turn and encouraging divisions among the army so as to turn it against the state. Their success in the latter objective was the reason for Burundi's civil war between 1995-1996.
- As long as Buyoya's government does not receive outside support, his opponents can claim that he is accepted neither by the region or by the international community, and that his proposed solutions to Burundi's problems are inadequate. They could then gain the support of all who are dissatisfied with this perceived state of affairs.
- If the new government is left without new resources to conduct its business, it will continue to be dependent on the powerful business interests that kept the country going during the embargo.
- Aid could be used as a carrot for gaining acceptance of a peace agreement. The more diversification there is in the provision of outside resources, the greater the chance of reaching a solution flexible enough to satisfy all party leaders and all those putting obstacles in the path of the peace process out of fear of losing their privileges.

## **IV. RECOMMENDATIONS**

In the future, international aid should become a powerful factor favouring the redistribution of wealth and acting as an instrument to put pressure on the political decision-makers to undertake essential political and economic reforms.

### **Principles for co-operation**

- Priority should be given to projects that create jobs and those that will affect the largest number of people in order to inject investment and stimulate consumption.
- Aid should be decentralised and the involvement of local leaders favoured in order to encourage a plurality of networks to emerge.
- The principle of equality should be imposed in every sphere of socio-economic life.
- Interlocutors should be clearly identified in Bujumbura and in the provinces.
- Aid should be distributed by instalments.
- Aid experts should be experienced in dealing with politicians so that they can more effectively control the deployment of aid and avoid its diversion to the promotion of political interests.

### **A. IN THE SHORT TERM**

#### **Reconstruction and priority support for health, education and agriculture**

This is the priority area for the government and one in which international co-operation can play the role of catalyst. It should not only be concerned with assisting the resettlement of thousands of displaced and refugees, but should also provide them with a minimum amount of capital in the form of seed, hoes and cattle so that they can quickly return to farming activities. If international aid should target the regions most affected by the civil war, it must also be directed towards those local citizen-based associations that have the capacity to act as middlemen between populations and donors. Foreign NGOs, although recognised as those most capable of efficient intervention in the field in such exceptional circumstances, may sometimes inadvertently produce distortions in the economy. For example, local agricultural producers or established importers of foodstuffs may see them as rivals. And their priorities may often conflict with those of a government inexperienced in co-ordinating and monitoring aid.

Other activities that could be financed in the short term include the rehabilitation of the infrastructure in the health, education and agriculture sectors.

#### **• Job creation**

Jobs must be created urgently in order to increase the purchasing power of the population, ensure a more equitable distribution of financial

resources to make this possible, lower prices and allow the economy to accumulate a surplus of wealth.

- **Support for the peace process and a more effective communications policy**

Despite organisational and management problems, and the difficulty in defining objectives that were evoked earlier, it is important that the discussions continue in Arusha, although the Facilitator's team should become more professional. Both the internal and the external processes are necessary and should be encouraged to complement each another and capitalise on the progress each has already achieved. All the external Burundian forces must be integrated into the debate on the future of the country and the internal parties must accept that change is inevitable, including in the government.

There must also be pressure towards improving the communications policy in regard to the peace process. Burundians inside the country have so far been kept uninformed and, as a result, show little interest in what is happening in Arusha.

- **The return of the refugees, the displaced and those re-grouped and dispersed**

There are more than 500,000 displaced persons in Burundi and about 300,000 refugees outside the country, most of them installed in camps in Tanzania.

- **Demobilisation and the reinsertion of combatants into the community**

There must be an urgent evaluation of the cost of a binding cease-fire and a progressive reform of the army. It is estimated that there are 65,000 government soldiers and anything from 15,000 to 50,000 rebel fighters. Even if the regional and internal situation in Burundi makes it impossible to envisage an immediate demobilisation by both sides, the national army must eventually be a smaller force than would be reached by merging both forces as they presently stand.

A plan must be put in place to allow soldiers from both sides to return home and reinsert themselves into civilian and professional life. Guerrilla fighters wishing to join the army will have to receive military training. At this point it would be useful to recall that the army and the guerrilla movement represent good prospects both for careers and as food sources for young people with few other alternative opportunities in terms of employment. Their resettlement will have to be accompanied by training programmes, job creation and assistance in setting up income-generating activities.

UNDP has calculated the cost of the Rwandan programme for the demobilisation and reintegration of 57,000 men (40,000 ex-FAR troops and 17,500 from the RPA) at 37 million dollars.

Aldo Ajello, the EU's special envoy, offered an interesting reflection in regard to demobilisation: "The question of resources is important. One of the nightmares I had in Mozambique was that I could find as much money as I wanted for

politically correct development, i.e. humanitarian concerns and vulnerable groups such as women and children, but demobilised soldiers were not considered politically correct. However, in my view, dangerous groups such as demobilised soldiers should be considered together with those vulnerable groups. My priority is to ensure that the peace process is effective and to create an environment in which the vulnerable groups can live without fear.”<sup>9</sup>

- **Foreign debt relief**

This remains one of the prior conditions for the reconstruction of the country and the region. Burundi's foreign debt in 1995 represented a little over 1.57 million US dollars, or 100% of GNP.

Arguments in favour of cancelling the foreign debt of sub-Saharan countries have been presented on many occasions and in several international forums. The justification given in regard to the Great Lakes region is that if these countries are to surface from a situation of permanent crisis their foreign debts will have to be cancelled so that they can begin to restructure their economies. If institutional donors could write off 15 million dollars of foreign debt for a country like Poland, a fortiori they could surely throw a lifeline to Burundi, which has practically exhausted its financial reserves. In exchange, the government should commit itself to economic reforms that would channel more resources to social programmes aimed at reducing poverty.

## **B. IN THE MEDIUM AND LONG TERM**

What proposals should be made in regard to a strategy for resuming international co-operation? What sectors should be focused on? The challenges to be met seem impossible to attain given the size of the obstacles to be surmounted.

### **General objectives**

- Support for the social sectors (health and education) with the aim of alleviating and eventually eradicating poverty and improving the population's access to these sectors.
- Support for those sectors that are important if the peace process is to be consolidated (an active policy in favour of education and training, reforms of the judiciary and the police, support for the independent media and civil society associations, etc.)
- Support for economic reform programmes aimed at the development of the private sector.
- Finance for the economic and social infrastructure indispensable for assuring economic growth.

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<sup>9</sup> Interview with Aldo Ajello , *Outlook*, May 1998.

## Proposals

- **Support an active education policy and equal access to education**

The percentage of children in full-time education in Burundi today is around 60% at the primary level and 20% at the secondary level. The government is presently trying to implement a policy aimed at increasing the number of communal secondary schools. Whereas primary schools are to be found throughout the country, secondary schools are unequally distributed among the provinces. There is a striking difference between the number of secondary schools in Bururi, the province from which most of the elite originate, and some of the northern provinces, such as Cibitoke or Bubanza, where there has been only one school for a long time, or none at all. And it is in these provinces that the Hutu rebel movement has really caught on: it was not difficult to mobilise the population on the theme of exclusion.

As entry to the civil service or to the army is by competitive examination, it is not hard to see how an indirect selection operates on the basis of ethnicity and region. In the short and medium term, a big effort is required to build secondary schools throughout the country and promote the principle of equality of opportunity for each pupil. This will also require an infrastructure to provide shelter for children who have no families in the towns to which they will have to go in order to receive secondary education. At the same time, essential support must be given to teacher training and to a review of their salaries and status. Many people trained to teach presently prefer to find work in another sector as teaching is so badly paid. There are therefore not enough teachers to provide even a minimal quality of education.

- **Support for the sectors forming the foundations of a state of law**

- Support for police training; there must be transparency in regard to both recruitment and training.
- Support for the media: more journalists need to be trained, resources should be allocated for transmitting live debates, independent radio stations and newspapers should be encouraged to promote the free exchange of opinions.
- Support for the penal and judiciary systems; the country needs help in the form of more lawyers, and the international community should monitor trials.
- Support for the rehabilitation of the local justice system (*Bashingantaha*) until the state judiciary is capable of taking over full responsibility.
- Support for professional training for lawyers, magistrates, etc. There is talk of a national training school for the magistracy and another for civil service officials in the government programme.
- Support for the National Assembly, particularly in regard to the travel expenses of deputies and development initiatives in their constituencies.

- Support for citizen-based associations: civil society as such cannot really exist in Burundi within the context of acute violence.

- **Diversify production and treat self-sufficiency in regard to food production as a priority.**

One of the ways to achieve this is by registering all rural property in order to grant ownership rights to every peasant on the basis of which he will be able to obtain loans for investing in his land. Given that there is already a very strong pressure on land and that the population will reach 13 million in 20 years time, several problems need to be tackled urgently. Agriculture must be intensified so as to exploit the land in the most efficient and profitable manner; agricultural production should be diversified with a view to increasing exports, and new export markets must be found. In addition, landless peasants should be encouraged to move into the towns where urban services must be developed for them (93% of the population are presently based on the land).

- **Create ad hoc investment funds in the form of risk capital**

Despite numerous attempts, there are no financial institutions capable of meeting the requirements of a rural population. International aid should therefore support some initiatives that are already underway in the country. For example, assistance could be given to setting up investment funds at the local level (province, commune). These would be promoted by private individuals and enterprises, religious organisations, communal development associations and local NGOs. The funds would be set up in such a way that no group would be able to dominate and thus be in a position to marginalise the other partners; this would ensure that there was a balance of power from the beginning.

Such an investment fund would act as a financial holding by mobilising potential savers and transforming their deposits into productive and profitable investments. The objective would be to relax pressure on the land by creating opportunities for landless peasants to become involved in the production of goods and services. This should encourage equitable growth.

- By providing guarantees for projects likely to be profitable in the long-term, investment funds could gradually convince financial establishments to make substantial investments in such long-term projects as the risk to them would be considerably reduced.
- At a later stage, the funds could call for foreign loans and/or donations in order to accelerate the expansion of the private sector by the creation of small- and medium-sized enterprises through share-holdings, advances and various other financial tools. Investment funds would act as a sort of incubator for a new generation of businessmen by developing their managerial expertise.

Several advantages would accrue to institutional donors from participation in the financing of such investment funds.

- These funds could prevent social implosion by the creation of a number of micro-enterprises, which would lead to thousands of new job possibilities, particularly for those with educational qualifications, whether at primary, secondary or tertiary level.

- They would form a durable and mutually beneficial relationship with several local partners (local co-operatives and other associations, NGOs, private individuals) so as to optimise local resources. Investment funds could make optimal use of the taxes on industries related to the production of coffee, tea, cotton, tobacco, rice, etc, which the state would cede back to the communes in the interests of further development.
- **Support for policies aimed at promoting exports and regional economic co-operation**

Burundi has advantages that international co-operation should assist them to make the best of, particularly the quality of its human resources and their capacity for work. It is imperative to optimise and maximise the use of local resources in order to gradually raise the low level of productivity in all sectors. International aid cannot, however, replace the long-term development of an export trade. The government will have to provide incentives if the economy is to integrate slowly but surely into the inevitable globalisation process by opening up the potentially profitable mining sector (nickel) to international investors. Here again, the economic potential cannot be realised without an educated work force.

Any apprehension on the part of donors that aid might be misappropriated in one way or another will be removed if they directly involve the beneficiaries (investment funds) in their negotiations with the government and other partners, such as the NGOs. The role of the NGOs will then be confined to providing technical assistance to economic and social development projects, as and when required and on the basis of the needs expressed by local co-operative associations.

- **Support for reforms in state administration**

Finally, international co-operation should encourage the state to undertake an in-depth reform of the civil service that would result in a smaller staff force, but one that works efficiently and is well paid. This reform would put the government in a position to concentrate on improving its institutional capacity to support development strategies. It presupposes strong financial support from institutional donors to retrain those losing jobs so that they can be redeployed in the private sector.

## **C. CONCLUSION**

In conclusion, international co-operation must direct its future support towards projects that have previously been discussed between the government, institutional donors and the beneficiaries. The private sector should receive considerable financial assistance once it represents a wide spread of development initiatives favouring interlocking interests at the supra-ethnic, regional and national levels. The prelude to Burundi's re-entry into the international community as a legitimate state will be reached once the private sector has been strengthened and the population has become a cohesive force of citizens driven by common and concrete interests.