Benin Joins the Pragmatists

by L. Gray Cowan

The People’s Republic of Benin (known from independence in 1960 until 1975 as the Republic of Dahomey) is the narrow, tubular state wedged between Nigeria and Togo along the coast of West Africa. From a 60-mile coastline, it stretches 400 miles inland to the border of Niger, occupying a total land area of 43,483 square miles. The population, concentrated in the south, is estimated at some 3.7 million. Although the economy is largely based on food production agriculture, Benin has a budding industrial sector and, since 1982, has been a modest producer of petroleum from an offshore field.

The Colonial Background

Benin’s contact with the West goes back to the establishment in the seventeenth century of a Portuguese trading post at Porto-Novo, the present administrative capital. Trading by French, English, Spanish, and Dutch companies prospered along the coast through the nineteenth century despite the rivalry between the British (established at Lagos) and the French (whose business was concentrated in the area of Cotonou, now Benin’s main commercial port). The last slave ship from West Africa sailed in 1859 from the port of Ouidah and landed at Pritchard, Alabama — an event celebrated early in 1986 with the twinning of the two cities.

In the 1880s, as the competition among the European nations to colonize Africa grew more intense, France established a series of protectorates on the Dahomey coast. Behanzin, king of the regionally dominant ethnic principality of Abomey, mounted a spirited military resistance, but was defeated by the French in 1893. Soon thereafter the colony of Dahomey became part of the new federation of French West Africa. As in France’s other colonies, the formerly absolute authority of the indigenous rulers was subordinated to French administration.

Little was done by the French to accelerate Dahomey’s economic development during the colonial period. The colony’s major export was the brains and skills of an elite largely educated in mission schools. Many educated Dahomeyans, finding few opportunities at home, migrated to professional careers in Paris, to administrative posts of high responsibility throughout the French empire, and even to English-speaking Africa. Ethnic and commercial ties were especially strong with neighboring British-ruled Nigeria. Inevitably, the competitive edge of the Dahomeyan migrants resulted in stresses with the neighboring peoples among whom they settled, culminating in periodic forcible repatriations.

The Post-Independence Kaleidoscope

At the time of independence, three regional figures were predominant: Hubert Maga (from the north), Sourou-Migan Apithy (from the southeast) and Justin Ahomadegbé (from the southwest). Maga was elected as the country’s first president in 1960; Apithy became vice president. Three years later, Maga was overthrown in a military coup led by the army chief of staff, Colonel (later General) Christophe Soglo. Another short-lived civilian regime was deposed late in 1965, to be replaced by a military government headed by Soglo. Two years later, Soglo was displaced in a military coup led by junior officers. A new constitution approved by popular referendum in March 1968 would have established a strong executive president, but the subsequent elections were declared void after major political figures were prevented from participating and only a small minority of the voters took part.

The military then nominated Dr. Emile-Derlin Zinsou (who had served as foreign minister under Soglo) as president — a selection confirmed by referendum. The Zinsou regime lasted only some 17 months, partly because his increasing reliance on French support complicated his relations with the military. A military directorate then assumed power and undertook to hold a presidential election in March 1970. No single
candidate emerged as the clear victor, however, and this poll too was abandoned.

Next, in one of Africa’s most interesting institutional experiments, the military directorate handed over power to a triumvirate of the three major regional political veterans — Maga, Apithy, and Ahomadégbé. Each of the three members of this new political council was to act in rotation as head of state for a two-year period. Maga took his turn from 1970 to 1972, when he was succeeded by Ahomadégbé. It rapidly became clear, however, that this novel experiment in civilian rule had no real substance, since in reality it could only be enforced by the military who had devised it. In October 1972, therefore, yet another military coup took place, led by Major (now Brigadier-General) Mathieu Kerekou, then deputy chief of the military staff. Most of the country’s civilian political leaders, past and potential, were either detained or fled the country.

Kerekou established a National Revolutionary Council consisting of four officers from each of the three main ethnic regions — the north, the southwest, and the southeast. Even this political balancing act proved unworkable, however, as a result of growing tensions within the leadership of the armed forces. Following the threat of an overthrow plot by exiled former political figures, the armed forces were reorganized and a single political party under the president’s leadership, the Parti de la Révolution Populaire du Bénin (PRPB), was created. Partially as a means of erasing both the memory of the colonial period and the turbulence of the preceding decade, the country’s name was changed from Dahomey to Benin in December 1975.

Ethnicity and Politics
Much of the explanation for the seeming inability of the Beninois during the country’s first dozen years of independence to choose leaders who could retain power for a reasonable period lies in the long-standing ethnic rivalries among the three main regions and the economic disparity between north and south (factors exacerbated by French indifference to “nation building” during the many years when administrative convenience was the priority throughout colonial Africa).

The Fon, who were dominant in the south before the arrival of the French, benefited most from contact with mission education and were inclined to resent any government controlled by less-educated northerners. As in neighboring Nigeria, the Yoruba of southern Benin have long been a strong economic force that has profited from cross-border trade and also developed a high regard for free enterprise unregulated by the state. The northern ethnic groups — Dendi, Pila, Yoaba, and Bariba — have long resented the disadvantages inherent in their distance from the commercial and administrative centers, as well as their limited access to educational opportunities. Despite — but also partly because of — a strong sense of cultural separatism and a determination not to be subjugated to the more aggressive southerners, the northern groups have become increasingly important politically. Benin’s 3,500-member army is drawn heavily from the north, and President Kerekou is a northerner.

Benin Becomes a “People’s Republic”
To the critical political factor of ethnic rivalries was added an ideological split when Kerekou announced in November 1974 that the official ideology of the country would henceforth be Marxism-Leninism. Toward this end, it was decreed that banks, insurance services, and several key companies would be nationalized. With the seizure of French firms, relations with France underwent a period of severe strain. Unlike Guinea, however, Benin retained membership in the Franc Zone and thus benefited from the stability of the CFA franc. The National Revolutionary Council was replaced by a civilian regime with the election in November 1979 of a National Revolutionary Assembly. In an effort to downplay old ethnic rivalries, the Assembly membership was based on sociopolitical classes rather than on geographical representation. The single political party, the PRPB, held its first congress shortly afterward and in February 1980 Kerekou was elected president by some 97.5 percent of the voters. There followed an extended period of consolidation of power under the new president.

At the outset, Kerekou was strongly supported by the young, well-educated, Marxist-oriented members of La Ligue, a multiracial and multiregional group formed in 1973 for the purpose of pushing the regime to the left. Since 1982, however, the Ligue has lost a good deal of its influence with the presidency. In 1984, the Assembly, now reduced from 336 to 196 members, reelected Kerekou as head of state for another five-year term. A reshuffle and reduction in the number of government ministers placed power firmly in the hands of Kerekou’s men, and established effective presidential control over revenues from the new oil field. The new sense of security was illustrated by President Kerekou’s decision to announce an amnesty for many political prisoners (the former civilian presidents had already been released in 1981).

Foreign Policy Shift
Kerekou’s proclamation of a policy of Marxism-Leninism resulted initially in close and friendly relations with the Soviet bloc nations. Any expectation that ideological affinity would bring substantial Soviet economic aid was clearly misplaced, however; Benin was of only marginal strategic interest to Moscow since it was not a major actor in African politics and its economic prospects were limited. Despite many stresses between 1974 and 1979, France remained Benin’s most important trading partner and its most reliable source of economic assistance. Relations with Paris have improved steadily in the 1980s, and President Mitterrand made an official visit to Benin in January 1983. Relations with the West were also warmed with the arrival of a U.S. ambassador in 1983.

Benin’s most critical relations in 1986 are with neighboring Nigeria, and arise from the long history of trade between Yoruba living on both sides of the common border. Nigeria’s oil affluence in the 1970s and early 1980s greatly increased this lucrative trade, legal and illegal, especially in European luxury items. Much of the prosperity of southern Benin derived from the vast market at Dantopka, near Cotonou — where the

CSIS Africa Notes, February 28, 1986
Nigerian naira, although legally not convertible, was accepted as the common medium of exchange. So important was the Nigerian trade that even the expulsion of some 224,000 Beninois job-holders from Nigeria early in 1983 was downplayed. The collapse of this trading bubble in early 1984, when Nigeria closed the border following the military coup overturning the Shagari government, has had serious economic consequences for Benin. Even if the border is reopened, the devaluation of the naira against the CFA franc makes revival of large-scale trade doubtful.

The Economic Outlook
Benin's mounting economic problems since 1981 have been in part the result of factors beyond the control of the government — drought, the closing of the border by Nigeria, and a decline in import and reexport tax revenues. Although state control and management extends in principle to all economic sectors, there has been some relaxation in the past three years. The government has begun to initiate reforms which include rehabilitation of public sector enterprises with World Bank technical assistance. The 1983-87 Development Plan emphasizes agriculture, transportation, and small and medium enterprises rather than large, capital-intensive projects. Development investment, almost 80 percent of which will be financed from outside sources, is weighted on the side of industry and infrastructure, with only slightly over 15 percent earmarked for rural development.

Government borrowing for three large development projects — the Save sugar refinery, the Onigbolo cement plant, and the Seme oil field — largely accounts for the recent rapid rise in the external debt. Public and publicly guaranteed debt rose by 1984 to $581 million; over the next five years the debt service will exceed $400 million. Interest arrears now stand at $90 million. It is questionable whether the heavy investment made in the sugar refinery and the cement plant will ever pay off since Nigeria was the anticipated market for their production.

A more encouraging picture is presented by Benin's balance of payments situation. The overall balance improved over the past two years as a result of a decrease in imports; the deficit in 1984 stood at $54.7 million as opposed to $76.3 million the previous year. More than 75 percent of Benin's imports come from OECD countries, while trade with the United States has thus far been minimal. Total U.S. exports to Benin (chiefly tobacco, rice, and nonfat dry milk) dropped from $24 million in 1982 to slightly over $12.5 million in 1984. Imports from Benin to the United States also dropped during this period from $1.5 million in 1982 to $331,000 in 1984. In the intervening year, 1983, crude oil shipments accounted for a brief upsurge to $28.7 million.

Agriculture is by far the most important area of the economy, employing more than 75 percent of the economically active population and accounting for more than 40 percent of the gross domestic product. Because the bulk of agricultural production is in subsistence food crops, Benin has in the past been self-sufficient in food. Food production has declined over the past decade, however, partly as a result of drought and inadequate technical skills but also as a consequence of artificially low prices paid by government agricultural agencies to the farmer. Cotton production, in sharp contrast, has increased by 44 percent over the past two years. This is an instance in which producers have predictably responded to the government's policy of increasing prices (by 67 percent since 1982) by raising output each year.

The industrial sector, producing primarily textiles, beverages, and construction materials, employs only five percent of the economically active population. More than two-thirds of the state-owned enterprises in this sector have suffered from serious financial problems. Even if rehabilitation were to make improved performance possible, industrial growth prospects are limited by the small domestic market and the limited purchasing power of consumers, both domestic and regional.

Benin's diversified resource base could meet projected energy needs. More than 85 percent of these needs are now covered by fuelwood and other biomass energy sources, but these sources could decline rapidly without the active reforestation projects now being initiated by...
government. Until December 1983, 90 percent of the electricity supply was imported from Ghana. Since then, drought has cut Ghanaian production by 50 percent and the supply has had to be replaced by domestic thermal generation. Local hydropower resources are now being developed through the joint Benin-Togo Nangbeto Power Project scheduled for completion in 1986.

Oil was discovered in Benin in 1968, but the find was considered unprofitable for development at that time. Ten years later, higher world oil prices helped motivate Saga Petroleum AS of Norway to sign a service contract for development of the Seme field. Benin borrowed the development capital, and Norway guaranteed 90 percent of the loan. The field, some 13 miles offshore, began production in November 1982 at a rate of 4,000 barrels per day and is now producing 7,200 barrels per day. Ironically, even though the Seme field produces more than enough oil to meet the 13 percent of the country's energy needs serviced by petroleum, Benin (like some other African oil-producing states) must still rely on imported oil because it lacks a refinery.

Known petroleum reserves are estimated at 17.7 million barrels and the Seme field may be depleted by 1992. With the assistance of the International Development Association and other cofinancers, a second petroleum development phase was launched in 1984 in the hope of confirming possible additional reserves, and new concessions have been offered to foreign oil firms.

Changing Directions in Government

President Kerekou's Marxist-Leninist rhetoric and the implementation of socialist goals never received the wholehearted support of the Beninois body politic. By 1980 it was officially acknowledged that there was widespread apathy and even disillusionment regarding the relevance of the new doctrine. The notion of compromising socialist ideals aroused bitter debate in the ruling circles but economic realities were becoming overriding. The large-scale development projects to which the government devoted much of its resources had not improved the lot of the average citizen.

The government signaled that it would welcome Western private investment. At the urging of the World Bank and the IMF, a beginning was made in economic reform and development planning designed to improve the environment in which the private sector could operate. Ideologues of the extreme left were removed from positions of real power and the military majority was replaced by a civilian majority in the National Executive Council.

The regime recognized as early as 1982 that the nationalization route was costly in subsidies to money-losing enterprises and that it was plagued by shortages, underutilization of productive capacity, inefficiency, and corruption. The parastatal sector was trimmed to four major companies and the powers of the provincial agricultural agencies substantially reduced. Within defined limits, private sector activity was encouraged and an effort was made to bring back the many skilled Beninois who had been working abroad. But the low salaries the government was able to pay, combined with high inflation and the limited availability of consumer goods, discouraged any large influx of returnees.

President Kerekou has been cautious about making public acknowledgment of ideological adjustments, but he finally announced at the most recent congress of the PRPB (November 1985) that "in all conscience and in the full realization of the consequences" he had sought the intervention of the IMF to relieve Benin's financial crisis. The official daily newspaper Ehuuz engaged in a remarkable feat of intellectual gymnastics in justifying the president's statement as "opening the productive forces of the society of Benin to the positive contributions that capitalism has made to humanity in science and economics." To deny the necessity of such a step, the editorial concluded, would be a failure to advance the cause of scientific socialism.

These indications of a shift in economic course are not necessarily precursors of an imminent end of socialist rhetoric. Indeed, the rhetoric may become stronger, if only to assure that the left does not defect. A case in point may be a recent presidential statement that "the revolution in Benin is merely in advance of its capabilities." Despite rumors of plots against the government that led to the arrest of some junior army officers in 1985, President Kerekou remains firmly at the helm. He does so by walking a precarious tightrope between the ideologues and the popular discontent that austerity measures dictated by the IMF will produce.

In its quiet watering down of socialist economic organization, Benin is following the path already taken by other African states in the past year (see "Africa Reconsiders Its Parastatals" by L. Gray Cowan in CSIS Africa Notes no. 33, September 4, 1984). Tanzania has adopted measures to encourage the private sector that would have seemed unthinkable a few years ago. Once wedded to the socialist path, Mali has recently moved to dismantle many of its agricultural parastatals, reduce the size of the civil service, and reform its commercial code to encourage private investment. The new pragmatism is partly a result of a closer look at doctrines embraced, and partly the result of the rise to power of a generation of leaders who see the necessity of a fresh approach to development that admits that government is unable to manage every aspect of the economic life of its citizens.

L. Gray Cowan was director of Columbia University's Institute of African Studies from 1960 to 1970, and subsequently served as dean of the Graduate School of Public Affairs at the State University of New York/Albany. His early classic, The Dilemmas of African Independence, originally published in 1964, was updated and reprinted in three subsequent editions. He has also published books on local government in West Africa and on the financing of education in Kenya, as well as articles on Nigeria and various French-speaking countries of Africa. Dr. Cowan is currently working with the U.S. Agency for International Development, specializing in analysis of privatization trends in the public sector in developing countries.