

USAID WORKSHOP ON FRAGILITY, RESILIENCE, AND PRIORITY PROGRAMS IN BURUNDI: JULY 27, 2005

TASK 1: IDENTIFY SOURCE OF FRAGILITY AND RESILIENCE, ECONOMIC SECTOR

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Patterns of fragility in economic sector in Burundi can be divided in five groups: (1) Food insecurity, (2) Poverty, (3) Mismanagement of public resources, (4) Weak human capital formation, and (5) Lack of diversified exportable goods to increase national income.

1. FOOD INSECURITY

○ FACTORS

The imbalance between rapid population growth and food production is the main cause of food insecurity. Food production brings about issues of land tenure/ownership (especially with returnees from 1972 civil war onward and Tutsi elite, mainly in Bururi, that confiscated land), farming systems, agricultural technologies, agricultural extension services, food distribution among regions, agricultural inputs, resource allocation (budget to agricultural sector), government response to food crisis, and security in the country.

○ RESILIENCE

Any policy of land reform is going to be seriously resisted by Tutsi elite, who has occupied the land confiscated for more than 30 years. In fact, land issue is so serious, especially as farmland sizes are eroding, that it may constitute a major factor of conflict.

○ Example of conflict over land

“On July 20, 2005 in Rumonge, two families had an argument over a plot of land occupied prior to 1972 by one of the families and after 1972 by the other family. Members of a household were besieged for one entire day by the family claiming its right to occupy the house, while the case is being resolved. Security forces intervened to send the family sitting-in away” (United Nations Office for the Coordination of Humanitarian Affairs in Burundi, in arib.info, July 2005).

○ ACTION

Measures to mitigate food insecurity and curb population growth include:

- Creation of income generating activities;
- Formation of middle class income group, through promotion of private sector;
- Capacity building in farming systems and appropriate technology;
- Education to reduce employment in agricultural production;
- Promotion of small-scale enterprises;
- Increased quantity and accessibility of agricultural inputs at reasonable costs;
- Land reform;

- Creation of financial institutions for agricultural credits; and
- Promotion of regional trade.

2. POVERTY

○ CAUSES

Since most people count on agriculture sector for employment, whereas arable land carrying capacity is saturated, and that jobs for unskilled labor in other sectors are scarcer, unemployment in urban and urban areas is a major problem. Population below poverty line will keep increasing. Hence, higher level of unemployment would be a breeding ground for all kinds of activities, including enrollment in rebel groups. Unemployment is therefore a crisis trigger, as spoilers recruit mainly from unemployed people.

○ ACTION

Measures to be taken to reduce poverty include:

- Creation of labor-intensive activities;
- Increase household income through creation of income generating activities;
- Increase vocational schools; and
- Diversify economy (not just relying on agriculture).

3. MISMANAGEMENT OF PUBLIC RESOURCES

○ FORMS OF INEFFECTIVENESS

- Corruption, which results from inadequate salaries, government kinship practices (as a means to consolidate power within a region, or of one ethnic group/clan) and lifestyle in Burundi (extended family and social obligations), is a sign of government ineffectiveness and illegitimacy;
- Disproportionate allocation of the budget;
- Regional bias in wealth accumulation;
- Ill-management of state owned enterprises, or premature privatization of the latter; and
- Poorly planned market liberalization.

○ PRECONDITIONS

As long as internal savings are not formed to allow most Burundians to buy state owned enterprises, acquisition of the latter by foreigners will not a sustainable policy. Alliances between again Tutsi elite and foreigners will be formed, exacerbating ethnic cleavages, and triggering conflicts. Indeed, fighting takes place in Burundi under the justification of social and economic justice.

○ ACTION

In order to mitigate corruption and mismanagement of public resources, the following can be implemented:

- Review the salary system;
- Capacity building in good governance;
- Equitable distribution of resources among regions;
- Debt relief by donors;
- Flexible plan of donors (e.g., IMF, World Bank, USAID) toward spending by new government, as there is much of socio-economic infrastructure to be restored;
- Tighten monitoring of use of foreign aid; and
- Promote private sector to avoid relying on government as the sole source of income.

4. HUMAN CAPITAL FORMATION

○ FACTS

Burundi has an elitist and ethnicity-based education system. Less than 20% of children in sixth grade access secondary school due to economic factors (cost), ethnic factors, and to some extent, regional factors. Dropout children fall into the vicious circle of rural poverty. An educated Hutu will be considered as a threat to the Tutsi power (Hutu Peril syndrome), leading to preemptive actions of ethnic cleansing.

○ ACTION

An overhaul of education system is necessary to increase access to higher level of education for all ethnic groups. Specifically,

- Free education for all should be provided until 10th grade;
- Vocational schools should be increased to give a chance to dropouts, or those who do not want to be employed in agriculture sector, to increase their standard of living.

5. LACK OF DIVERSITY IN EXPORTABLES

○ ECONOMIC VULNERABILITY

Reliance on coffee as a major source of income can only increase economic vulnerability, with fluctuating global market prices and limited land resources availability within the country. The society, on the other hand, considers other food crops as more vital in its livelihood.

○ ACTION

In order to increase national income and reduce economic vulnerability, the following measures can be implemented:

- Promote major food crops;
- Create agro-industries per ecological zone;
- Increase regional trade in the Great Lakes;
- Streamline taxation system;
- Establish predictable exchange rate to avoid parallel markets, and avoid frequent devaluation of the Burundi Franc (as exports are lacking), are some of the measures to stabilize the country.