

## Africa Report by Thierry Lalevée

### Egypt's struggle for development

*Large-scale land-reclamation projects promise to make the desert bloom, if the IMF and World Bank can be defeated.*

**I**t is imperative to ease the pressures on both town and countryside. The only hope of doing this at the present time resides in great expansion of land reclamation. Egypt has vast desert areas which can become arable land. Add water and the ingredients are at hand.

"There have been suggestions that we use Lake Nasser water to irrigate large areas of the western desert by cutting a canal or canals from the lake in a northwesterly direction. . . . One pioneering scheme deserves mention, namely, the Sahelia project east of the Delta. The Sahelia reclamation has produced excellent farming opportunities. One essential element, however, is missing. [This] requires the establishment of an agro-industrial complex. . . . The field is wide open for such development, but it is a matter which brooks no delay. . . ."

So reads the editorial, "Making the desert bloom," published in the Oct. 7, 1984 issue of the *Egyptian Gazette*. It is only one small reflection of Egypt's struggle to achieve economic development through the year 2000.

The point of view expressed in the editorial is also an active strategy. In recent months, with limited means, the Egyptian government has planned or launched a variety of land-reclamation projects. Essam Radi, Egyptian minister of irrigation, visited the Sudan at the end of November and announced an agreement for a joint Sudanese-Egyptian effort to "step up work on the Jonglei Canal" in Sudan. Upon completion, the canal would

provide the basis for turning the swampy south of Sudan into a rich agricultural area, in addition to creating important new transportation capabilities. But its construction was recently stopped under international financial pressures from such sources as the IMF and World Bank.

Earlier, the joint Sudan-Egypt or Nile Valley parliament had voted to step up the digging to tap large underground resources of water in an area extending 130 kilometers inside Sudan and 100 km. inside Egypt. Such underground waters, as the *Egyptian Gazette* demanded, are to be used to green the desert.

That such projects are vital for both countries and the region should be obvious; the transformation of millions of feddans of unused Sudanese land into arable land is the key to bringing the entire continent out of its cycle of hunger and epidemic. However, two interconnected problems must be solved: the need for a cheap and abundant source of energy in Egypt, which means nuclear energy, and the necessary credit from the United States and international financial institutions.

A number of recent energy symposia held in Cairo underlined the first problem. Egypt's program to build five nuclear plants was killed when the U.S. Export-Import Bank under Malthusian William Draper III withdrew its financial guarantees, declaring the project "unnecessary." In fact, the Eximbank had simply endorsed the arguments of the IMF and World Bank, which claimed that subsidized oil and

gas prices inside Egypt made fossil fuels there among the cheapest in the world, making investments in nuclear energy unprofitable. Such an argument hardly conceals the fact of IMF and World Bank opposition to all nuclear energy projects and, for that matter, all Third World development projects of any type.

However, following the re-election of President Reagan and months of lobbying, the Eximbank reversed its decision. Egyptian Minister of Energy Maher Abaza reported that the bank was ready to guarantee up to \$300 million of debt incurred to build a first nuclear plant. The plant is expected to cost close to \$1 billion. At a mid-December press conference, Maher Abaza said bidding for the first plant, which will almost certainly be won by a consortium led by Westinghouse, should be completed by next February, more than a year and half later than planned.

But that is not the end of the troubles for Egypt and its regional partners. Cairo's yearly "White Paper" detailing its requests for economic and military aid from the United States has been put in question by IMF and World Bank attacks on the government's subsidy program for domestic food and fuel. As if on cue, Secretary of State George Shultz has implicitly threatened to adopt the same aid policy imposed on Israel: Shultz is pressuring Cairo on behalf of the IMF to cut down its subsidies now—as if Shultz wanted to celebrate the anniversary of the 1977 anti-austerity riots with new disturbances.

The issue is not economics; the issue is Egypt's political struggle for the right to development, which means access to the means of development. This is an issue that Ronald Reagan will have to face when he meets with President Hosni Mubarak in the first few weeks of his new term.