

British government split over Tanzanian radar system

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A public row in the British government surrounded the granting of a licence to a British aerospace firm, BAE Systems, to export a \$40 million air traffic control system to Tanzania. The purchase of the system was opposed by the World Bank, following its own research that showed it was unsuitable and that a system costing \$10 million would be adequate.

The sale is backed by Prime Minister Tony Blair and Foreign Secretary Jack Straw but was opposed by the Chancellor of the Exchequer Gordon Brown and the vocal Minister for International Development Clare Short.

Tanzania is one of the poorest countries in the world and was recently granted \$3 billion in debt relief by the World Bank and the International Monetary Fund on the basis that it would then impose austerity measures. The purchase of the BAE Watchman radar system is a clear breach of the condition that it only supports “sustainable development.” It will earn very little money by charging aircraft for the safe use of Tanzanian airspace, and is clearly a system that is designed for military purposes.

After the heated Cabinet meeting that voted for the sale to go ahead, Short publicly attacked the decision, claiming it breached the government’s commitment to social justice. She was particularly incensed by the fact that Tanzania had already financed the contract and BAE had gone ahead building the radar system before the export licence was issued.

According to the *Financial Times* Tanzania was under pressure from the World Bank to stop the purchase. A Tanzanian government document dated November 20 promised the World Bank a “consultative and mutually satisfactory resolution of this problem” and claimed, “all payments to BAE systems have been frozen.” Yet BAE denied that the money had been

stopped and when the export licence was issued last week, the Tanzanian government welcomed the decision. President Benjamin Mkapa claimed that the equipment was needed to replace outmoded technology and air safety could not be left “in the hands of God.”

Short’s criticism of the deal has been backed by sections of the British liberal establishment, led by the *Guardian* newspaper, several backbench MPs, and charities such as Oxfam. In an editorial the *Guardian* complained that the deal would wipe out two thirds of the savings that Tanzania had made under the recently granted World Bank and International Monetary Fund debt relief scheme. Kevin Watkins of Oxfam wrote a comment piece in the *Guardian*, “Debt relief to feed Tanzania’s children will aid UK arms dealers”, pointing out that \$40 million, whilst a minimal sum in Western terms, could finance public health for three million people in Tanzania, or increase primary education spending by fully one fifth.

The *Guardian* was particularly disappointed at the contrast between the deal and Blair’s constant references to the need for aid to Africa, arguing in its typical fawning fashion, “the Blair government has been an agenda-setter in international efforts to combat debt-induced poverty in Africa.”

Opposition politicians in Tanzania were unaware of the purchase of the system. Ibrahim Lipumba, leader of the Civic United Front, explained, “the issue was not presented in parliament in a way that delegates knew what was going on and the issue never came up in the public expenditure review.” A campaigner from the Tanzania Development Research Group complained at the lack of public awareness: “If this had happened in Uganda or Kenya, there would have been a major mobilisation.”

Although the British government is not using the

“tied” aid method of financing this deal—the system by which aid to third world countries is used to pay for contracts with western companies—it emerges that Tanzania was able to borrow the money to purchase the radar from Britain’s Barclays bank. Whilst the World Bank and the IMF would not finance the purchase, Barclay’s stepped in with a loan at a much lower rate of interest than market rates. Such a risky venture for a private bank would have to be underwritten by the government. As the editor of the magazine *Africa Confidential* pointed out, “Sales of military equipment around the world, particularly between developed western countries and poor countries in the third world, are usually accompanied with a number of financial and other inducements to the purchasing government.”

Apart from claiming the radar would be of great benefit to Tanzania, the only justification the British government could make for the radar system sale was that it would secure 250 British jobs. It was clearly pushed through at Christmas time to avoid publicity, having been dropped as too sensitive an issue in the run-up to the general election earlier this year.

Its military usefulness to Tanzania is negligible, as the country only possesses 19 military aircraft in various states of disrepair. Given Blair’s foreign policy of piggy-backing the Bush administration’s supposed “war on terrorism”, it is more likely that the equipment is to be used for western military operations in East Africa. The Mkapa regime has a history of following IMF and World Bank prescriptions to the letter, has cooperated fully with the Bush administration in its anti-terror offensive, and would hardly buy the system without US backing.

Subservience to the US military offensive is a source of growing antagonisms within British ruling circles and appears to have been the spark for Short’s angry attack on the Blair leadership, for which she may well be sacked. Speaking on BBC radio over Christmas, she attacked those on the “extreme Right” in Washington who were not interested in “nation building.” She warned, “That is not a very caring attitude; I think it is also a very foolish attitude.”

Short’s disagreements with Blair are of an entirely unprincipled character, focused on how best to impose the interests of British imperialism internationally. But the latest explosion by her points to the contradictions inherent in British policy. “Nation building” is

interpreted by Short in terms of aid and debt reduction in third world countries. The amounts involved are miniscule—British aid has now been increased to 0.31 percent of annual output, compared with an even smaller average of 0.22 percent in other western countries. Moreover debt reduction, as in Tanzania, requires rigorous implementation of IMF privatisation policies and the small reduction in debt repayment will soon be eroded. Anti-debt campaigners Jubilee 2000 point out in their recent analysis that Tanzania and other countries in the debt reduction scheme will soon have unsustainable levels of debt again “if realistic projections for commodity growth and commodity prices are used, instead of the World Bank/IMF’s over-optimistic economic growth and inflated commodity price projections.”

But Short and Gordon Brown—who has just returned from Washington having attempted to promote his latest “Marshall Plan” for western countries to increase aid payments—are not concerned with spending money on the poor but in opening up the developing world for corporate investment. Short insisted in her BBC interview that the British government had up until now successfully balanced the needs of the world’s poorest people with business considerations. But she now had to fight this battle once again.

Such concerns may find support in the capitals of Europe, but are dismissed by the military planners in Washington where, as Larry Elliott, the *Guardian* economic correspondent complains, a martial plan has replaced the notion of a Marshall Plan. They are also being given short-shrift by Blair and his inner coterie, deepening the antagonisms within his Cabinet still further.



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