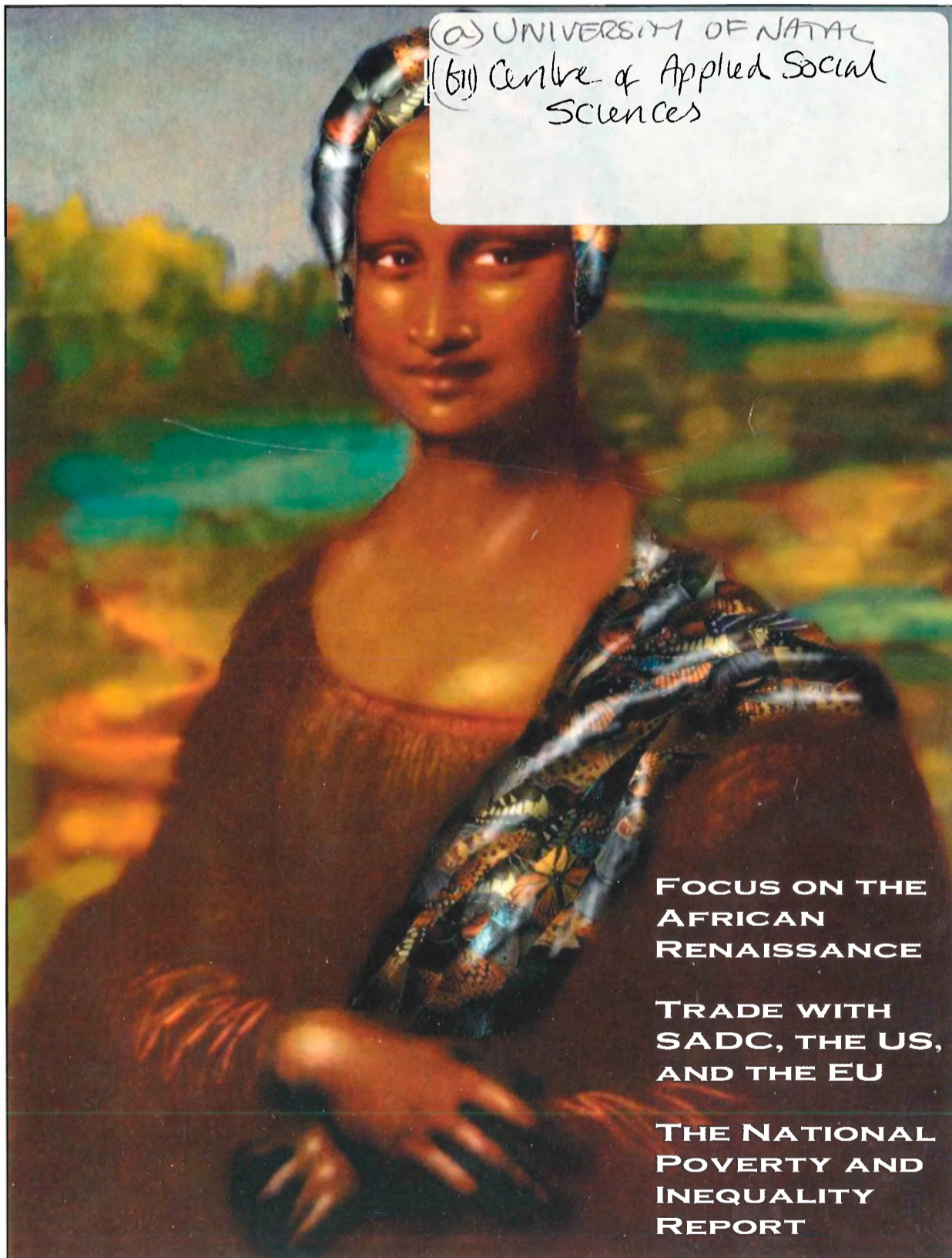


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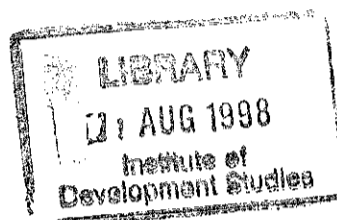
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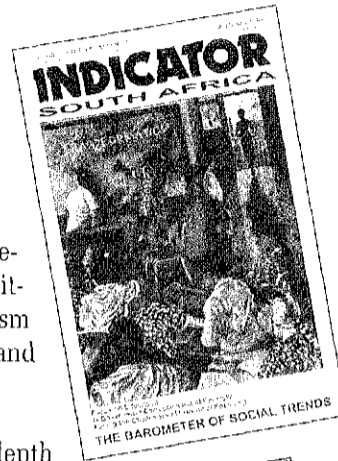
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## EDITORIAL

Like any good piece of political rhetoric, the "African Renaissance" is vague enough to be all things to all people. To begin with, it is unclear whether the term is descriptive or programmatic – is the Renaissance something that is happening spontaneously or is it something we must tailor national policy to promote? The word "African" has both geographic and ethnic connotations, allowing the term to be interpreted as a rallying cry for both black nationalists and those big capital concerns with an interest in developing the continental market. And, to paraphrase Pieter-Dirk Uys, "Renaissance" is a peculiar descriptor for an Afrocentric movement.

Deputy President Mbeki seems to interpret the Renaissance along primarily economic and political lines. The surge of democratic elections in the last decade and the impressive growth rates of recent years, suggest that Africa is on the mend, at least from the World Bank's perspective. Certain elements of the ANC apparently think this process would be facilitated by greater economic and political integration; to resist the hegemony of globalising capital, African nations must pool their resources and create a collective market worth courting. For South African industry, already running a massive trade surplus and hungry for more, the opening of African borders would be a dream come true – the rest of Africa does not have trade unions with the kind of connections that we do.

But there are those who see the Renaissance as primarily cultural, as the popular understanding of the term would imply. Too long, these Africanists would argue, has Africa's past been denigrated, too long have African institutions been dictated to from the outside. It is time that the continent contributes its voice to

the global dialogue, providing its unique perspective on the issues that confront us all. "African solutions for African problems!" is their revolutionary cry. They are surprised when they find the Western powers joining in.

Now that the Berlin Wall has fallen, it seems the West is decidedly less interested in African problems. This growing aspiration to self-reliance suits them fine. "Trade, not Aid!" they rejoin, and the "new African leadership" finds it difficult to object.

Africa is a youthful continent. For the majority of its people the colonial era is history, but racist aspersions are not. For them, the prospect of an African Renaissance is not about trade surpluses and globalising capital. It's about personal self-worth.

This issue of *Indicator* reviews the span of views on the Renaissance, including what may be its single greatest impediment – the dead weight of persistent poverty. As exports continue to be seen as the panacea for economic weakness, there are articles on trade ties with the SADC, the EU, and the US. Mark Malan assesses indigenous peacekeeping capacity, a prerequisite for extensive trade integration. The Comparative Monitor looks at our most problematic SADC neighbours – Mozambique and Zimbabwe – and at the other giant on the continent – Nigeria. Former United Nations Under-Secretary-General Adebayo Adedeji advocates educational reform as the key to the Renaissance, and the Legal Monitor concludes with an analysis of the puzzle of maintenance for women with dependent children – how does one protect rights without adequate institutions?

**Ted Leggett**  
Editor

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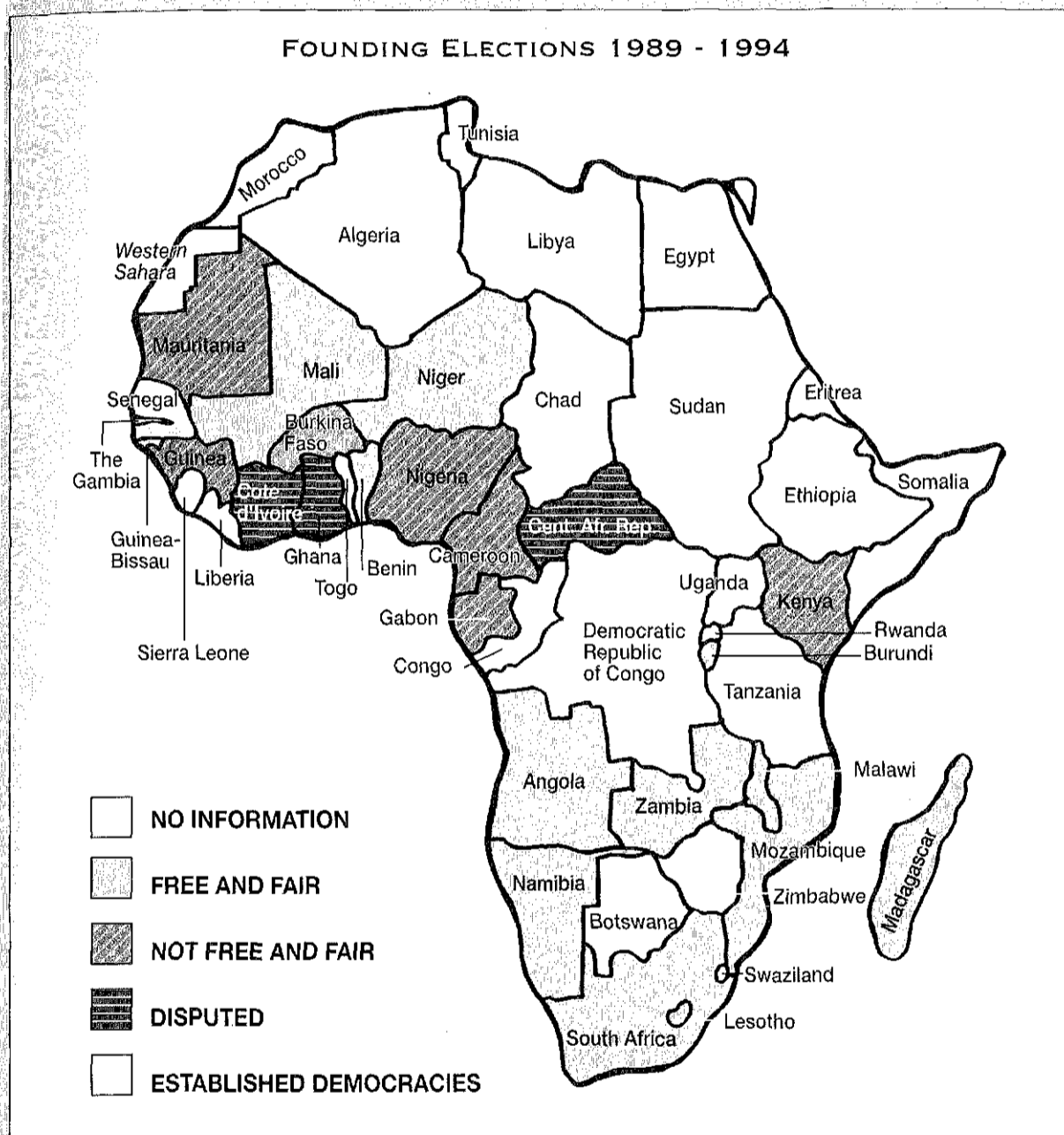
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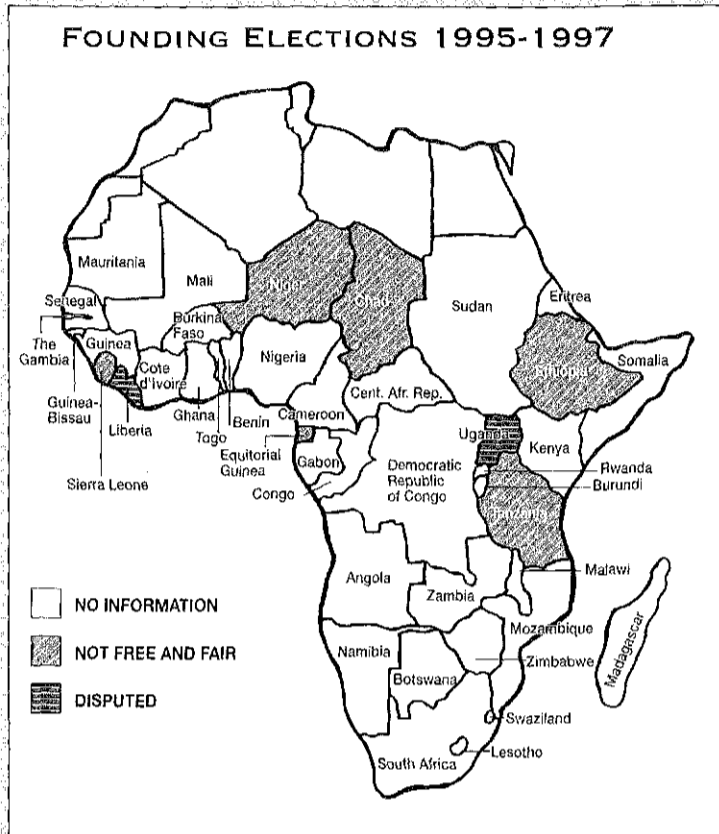
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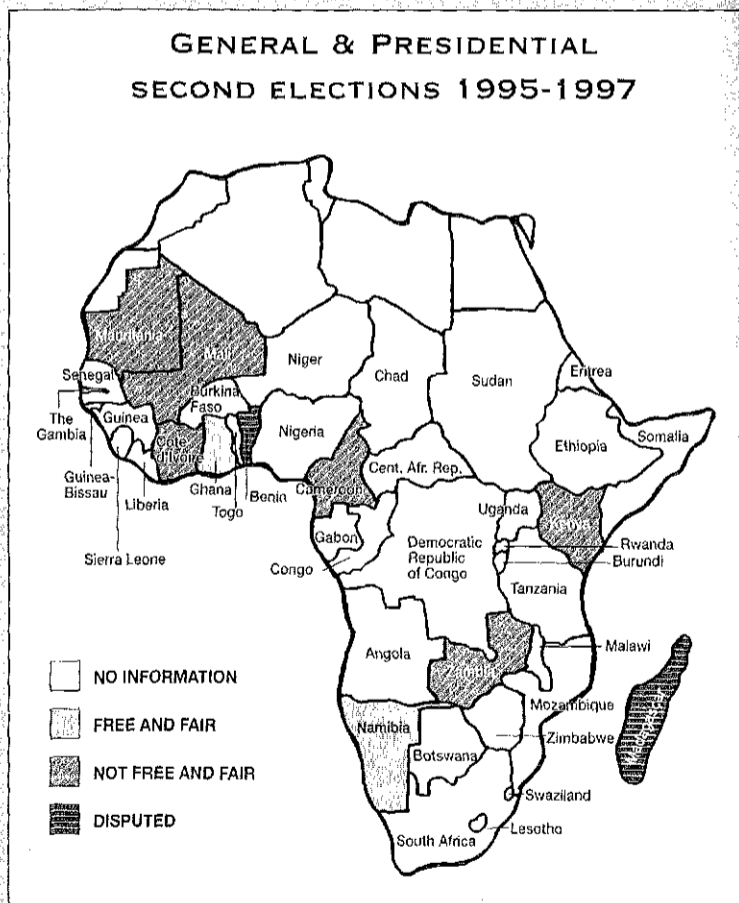
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FOUNDING ELECTIONS ARE DEFINED AS ELECTIONS IN WHICH THE HEAD OF GOVERNMENT IS OPENLY CONTESTED FOLLOWING A PERIOD IN WHICH MULTI-PARTY POLITICAL COMPETITION WAS DENIED. FROM 1989-1994, MOST FOUNDING ELECTIONS WERE DEEMED "FREE AND FAIR" BY BOTH INTERNATIONAL AND DOMESTIC ELECTION MONITORS.

SINCE 1995, HOWEVER, NO FOUNDING ELECTIONS HAVE BEEN DECLARED UNAMBIGUOUSLY FREE AND FAIR.

AN UNFORTUNATE AMOUNT OF BACK-SLIDING HAS BEEN SEEN IN RECENT YEARS AS WELL. WHILE FIRST ELECTIONS IN MALI, BENIN, AND ZAMBIA WERE FREE AND FAIR, SECOND ELECTIONS IN THOSE COUNTRIES WERE NOT AS POSITIVE.



SOURCE: Michael Bratton and Nicolas van de Walle, *Democratic Experiments in Africa* (New York: Cambridge Press, 1997).  
Michael Bratton "Second Elections in Africa," *Journal of Democracy* forthcoming, July 1998.

## THE AFRICAN RENAISSANCE THE ART OF THE STATE

RICHARD CORNWELL  
*Institute for Security Studies*

- PRESIDENT MANDELA'S INITIAL CALL FOR A RENAISSANCE, MADE SHORTLY AFTER LIBERATION, WAS DAMPENED BY SUBSEQUENT FOREIGN POLICY FAILURES ON THE CONTINENT.
- LATER MUSINGS ON THE CONCEPT HAVE BEEN INCONSISTENT, AND SEEM TO FOCUS ON GROWING OPTIMISM AND A RETURN TO AFRICAN VALUES.
- A STATE-LED RENAISSANCE IS HAMPERED BY THE FACT THAT, CONTRARY TO EXPECTATIONS, THE END OF THE COLD WAR WEAKENED THE AFRICAN STATE.
- DEMOCRATISATION, PROPELLED BY BOTH RAISED PUBLIC CONSCIOUSNESS AND DONOR REQUIREMENTS, HAS PLACED A STRAIN ON ESTABLISHED POWER RELATIONS AND WEAK POLITICAL INSTITUTIONS.
- STRUCTURAL ADJUSTMENT HAS DENIED GOVERNMENTS THE ABILITY TO APPEASE THE PUBLIC AT PRECISELY THE SAME TIME THAT DEMOCRATISATION HAS RAISED EXPECTATIONS. THE SHIFT IN EMPHASIS AMONG DONORS FROM "DEMOCRACY" TO "GOOD GOVERNANCE" IS A RECOGNITION OF THIS DILEMMA.
- THE LACK OF POLICY CHOICES AVAILABLE TO GOVERNMENTS CONTROLLED BY FOREIGN DONOR AGENDAS HAS RESULTED IN A POLITICS FOCUSING ON PERSONALITY AND LOCAL/ETHNIC INTERESTS.
- AFRICA'S BEST HOPE LIES NOT IN THE CRUMBLING REMAINS OF EXTERNALLY IMPOSED SYSTEMS OF GOVERNMENT, BUT IN THE INDIGENOUS "SECOND POLITICS" - THE INFORMAL MEANS OF GOVERNANCE CREATED BY THE PEOPLE THEMSELVES.

### EXECUTIVE SUMMARY

IN TUNIS ON 13 JUNE 1994, President Mandela made his first speech at an OAU summit. He invoked the vision of an African Renaissance following on the liberation of South Africa, and pledged that his country would do all in its power to transform that vision into reality. It was an impressive and moving call for Africa to take responsibility for its own fate, to recognise past failings and for its leaders to cooperate towards the greater good of all.

At the time it seemed that the President was establishing the central place of Africa in South African foreign policy. Subsequent developments, however, suggested that this rhetorical commitment might not be reflected in practice. Policy setbacks over Nigeria, the negative responses of Algeria and Morocco to Pretoria's attempts to mediate in what they perceived as

internal conflicts, and the relative impotence of South African efforts in the Great Lakes crisis all pointed to the practical difficulties of pursuing a more active and positive policy line in Africa.

Not least among the constraints, of course, was the lack of adequate financial and economic muscle, and the strength of South Africa's military arm was as yet untested following recent and drastic surgery. It seemed that South Africa's influence in the continent would depend increasingly on the efforts of the private sector, eager to take up the opportunities now offering themselves in the privatisation of the continent's economies. Ironically, South Africa's ability to project itself militarily into the continent was also left to private sector concerns, where effective, though controversial, interventions were made by South African led security companies.

PERHAPS THE AFRICAN  
RENAISSANCE IS  
INTENDED TO FACILITATE  
THE AFRICANIST  
AGENDA.

For some time the African Renaissance retreated from view, obscured principally by the appalling developments in Central Africa, but also by the sporadic emergence of other conflicts and the continuation of protracted civil wars. Over the past two years, however, the vision has reappeared, most notably at the World Economic Forum/SADC summit in Harare, in the speeches of a number of South African leaders, including President Mandela and Deputy-President Thabo Mbeki. Again it was a happy image, though not one that was seized upon too readily by speakers from other parts of the sub-continent.

Commentators from South Africa continued to refer to the idea, however, and sought to explain how the promise might become reality. In so doing they risked falling into the trap of taking a piece of rhetorical metaphor, an iconic communication, and attempting to reify it. This can be a dangerous practice if the intention is to lay down a strategy rather than simply to uplift and inspire the public.

#### PONDERING THE RENAISSANCE

What are the content and objectives of an African Renaissance? How is it to be transformed into a meaningful source of political, economic and social values and action? These were questions posed by Claude Kabembe. He believed, mistakenly, that the idea was Mbeki's, prompted by geopolitical change in Southern and Central Africa as reflected in the collapse of Mobutu's Zaire.

*"Other changes include the donor fatigue that gives an opportunity to escape from the problematic dictates of structural adjustment; the newly-found commitment to democracy and market-oriented policies showed by some African countries; and the challenges posed by globalisation. These changes hold the promise of ending the preceding African historical period characterised by military coups, mounting external debt and poor economic performance which still underpins the African condition.*

*In short, these changes provide new ways of thinking, organising and representing the African reality. It is how Africa responds to these changes that will turn the renaissance into reality or myth."*

Kabembe did rightly point out that the call for an African Renaissance represents a rejection of Afro-pessimism. The essence of an African Renaissance should be to combat the continuity of negative features on the continent and to revive the African esteem.

Writing in *The Independent*, Vusi Mavimbela, a political advisor to the Deputy President, made some of the same points in an article, which while purporting to represent his personal views, no doubt reflected many of those held by his principal.

*"The end of the cold war and the surge of more open political and economic interaction on a world scale has inspired a new vision of political and economic renewal in Africa, a vision surpassed only by the optimism which greeted the first years of decolonisation in the 1960s."*

He followed this with some rather idiosyncratic musings on the course of European and African history, also drawing on the experience of the "Asian Tigers" to serve as a lode-stone. In so doing he took a number of liberties with historical interpretation and seemed to be making unwarranted assumptions about the propensity of history to repeat itself, albeit in an upward spiral. One must remember of course, that he was writing for an audience to whom such niceties would possibly seem besides the point, but if this reflects the type of thinking that underpins concrete policymaking then, indeed, there would be cause for some alarm.

Perhaps the idea of the African Renaissance is also intended to facilitate another, principally political, agenda – that of the Africanists. Perhaps it is largely meant to persuade constituents that, for all his urbanity and intellectual gifts, the President Presumptive is essentially a man of Africa. This would not be the first time that an African leader, cut off from his roots by prolonged exile and the acquisition of

Western modes of thought and education, has sought to re-establish his political credibility with the masses by consciously embracing "African" values.

#### THE RENAISSANCE AND THE STATE

It would appear that, although the call for an African Renaissance has been directed at the public at large, a significant role is reserved for the state, particularly in those countries under relatively new leadership. The extent to which those countries will now be either willing or able to alter their *modus operandi* is a moot point, however. The apparent falling out between Uganda and Rwanda on the one hand and Laurent Kabila's Democratic Republic of Congo on the other, and the conflict now raging between Ethiopia and Eritrea would suggest that the "newness" of these leaderships and their approaches to African affairs may be more apparent than real. In addition, it is surely foolish to place too many demands on that fragile structure, the African state.

It is unwise, of course, to fashion generalities about so diverse a continent, yet there are certain discernible similarities which relate particularly to Africa's position in the current world order, and these are worth identifying, for they have a direct bearing on the likelihood of a state-led Renaissance.

Contrary to most people's expectations at the time, and for reasons I shall touch upon later, the end of the Cold War did not see Africa become a more peaceful place. Indeed, as in some other parts of the world's margins, the dissolution of the bipolar world order was also accompanied in some cases by the collapse of individual states. We must be clear about what we mean by state collapse.

As William Zartman points out in his recently edited work on the subject, the phenomenon of state collapse goes farther than the overthrow of a regime: it reflects the disintegration of structure, legitimate authority, law and political order within the confines of the state. This, however, does not necessarily imply that anarchy reigns; other actors move into the vacuum left by the collapse of the state (Zartman, 1995).

If these interim authorities are of local ori-

gin, they may be ethnic nationalists or simply warlords; if foreign they generally take the form of international companies providing for their own security or that of others. Zartman then sees a period in which various rivals vie with each other and resist attempts to re-establish central authority. During this period the state itself, as a legitimate functioning order, is gone (ibid.).

Though the phenomenon of collapsed states is by no means confined to the post-Cold War environment nor to Africa, it is here that it is most often encountered. Having said that, the current situation has been some decades in the making. What is remarkable, if one looks back over the literature of the last 20 years, is the recognition by many experienced observers of the growing crisis experienced by the African state. Though it was too early to describe the phenomenon as collapse, the symptoms of a wasting disease clearly were already in evidence.

Take for example the picture being painted by Jackson and Rosberg in 1982:

*"Black Africa's forty-odd states are among the weakest in the world. State institutions and organizations are less developed in the sub-Saharan region than almost anywhere else.... Most of the national governments exercise only tenuous control over the people, organizations and activities within their territorial jurisdiction.... Some governments have periodically ceased to control substantial segments of their country's territory and population... there have been times when Angola, Chad, Ethiopia, Nigeria, Sudan, Uganda and Zaire have ceased to be "states" in the empirical sense - that is their central governments lost control of important areas in the jurisdiction during struggles with rival political organizations."*

Writing at virtually the same time, the journalist and traveller, Patrick Marnham made the following trenchant observation:

"In many African countries the city limits

CONTRARY TO MOST  
PEOPLE'S EXPECTATIONS,  
THE END OF THE COLD  
WAR DID NOT SEE AFRICA  
BECOME A MORE  
PEACEFUL PLACE.

mark the effective borders of the state. Outside the city official life evaporates: within is the favoured area, the place where all the money goes, the place where the entire educated community insists on living. It is the one lump of earth out of the whole inheritance which the fragile governments can make more than a pretence of governing."

The transition from a chronic condition to one potentially terminal coincided with the end of the Cold War, and the bipolar rivalry that had made African states useful pawns. Suddenly the states of sub-Saharan Africa were confronted by their own vulnerabilities, unsheltered by the mediation of more powerful "allies".

#### WHAT PRICE, THE RENAISSANCE?

It is certainly no coincidence that the debate about Africa's "second liberation" and democratisation has taken place in an environment in which the major powers no longer need to compete so ferociously for Africa's international support. In the early 1990s,

for the first time since independence, African rulers discovered that domestic support could be more important than foreign patrons, and this forced them to confront the inherent weaknesses of their regimes and to consider sharing power with others. The early 1990s were uncomfortable times for Africa's rulers and their clients, for all this happened at a time of deep and structural economic crisis.

The driving force behind Africa's second experiment with democracy came both from ideological conviction and the growing impatience of an ever-bolder public consciousness, and from the related matter of the continent's prevailing economic woes. On the one hand, the politically-conscious, urbanised, professional and student bodies began to rail against the continued failure of their rulers to match rhetoric and promises to economic progress, for much of Africa had experienced a steady decline in living standards through the 1970s and 1980s.

For their part, the World Bank, the IMF and

other bilateral aid donors also made it quite clear that if further financial assistance were to be forthcoming, Africa's governments had to give urgent attention to their human rights records. More specifically they had to become politically more accountable to their people, and curb corruption. They were also required to adopt structural adjustment programmes and to allow market forces to send the major signals through their economies.

Structural adjustment entailed a number of policy changes, few of which were calculated to increase the short or even medium term popularity of the politicians expected to execute them. In short, the course of economic and political liberalisation advocated, and even enforced, by the apostles of the free market was not without a certain inherent paradox, because for many African countries structural adjustment programmes involved a sharp decline in living standards and a steep rise in the price of food and social services, especially in the towns. But locally the democracy movement had been driven largely by popular demand for improved living standards. Structural adjustment programmes thus aggravated social welfare problems, diminishing the capacity of governments to cope with political demands.

The contradiction between the imperatives of democratisation and structural adjustment soon became apparent: at the very moment when democratisation stimulated the popular demand for better social and welfare services, structural adjustment required that this be denied.

Simultaneously, the insistence upon governmental accountability, and the reduction in rent-seeking opportunities this brought in its train, put severe pressure upon state-centred patronage networks. This meant that despite increasingly adverse conditions rulers had to try to build new constituencies based on consent. Inasmuch as structural adjustment created a drastic change in patterns of resource allocation, it eroded the clientelistic foundations on which most African state systems were based. In essence this structural adjustment/aid-linked movement towards democracy contained within it the seeds of its own undoing. As one wag put

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it: "At the end of the light was the tunnel."

There are some critics, indeed, who argue that the change of emphasis from democratisation to good governance implies a recognition of these difficulties, and that the donors' priority has shifted now to the creation of bureaucratic structures capable of carrying out the instructions of foreign technocrats rather than the will of the electorate.

As René Lemarchand warned us some time back, it is one thing for an urban mob, a guerrilla army or a national conference to topple a dictator, it is quite another to construct a democratic polity. This is especially true when scarce resources are made scarcer, and where the political environment has been shaped by the intolerance and brutality of previous regimes.

The expectations of many of the opponents of autocracy have proved over-sanguine. Many of the new leaders have proved just as ambitious and fractious as the men they replaced, and lack a strong civil society in the Western sense to contain them, or a political culture that internalised what Adedeji had called the five Cs: consent, consensus, conviction, commitment and compassion.

In any event it soon became apparent that new leaders, where they have come to power, have little or no say in shaping their countries' economic destinies, so all-encompassing is their economic dependence on external forces. It is perhaps this closing down of the political space, and the denial of policy options that constitutes the most serious flaw in the Washington consensus. By emptying the political arena of ideas, competition for power is reduced to its bare essentials, and personality and local/ethnic considerations become paramount.

Meanwhile the very viability of many African states and their ability to provide a modicum of order or a stable enabling environment, has also been eroded by lack of resources. The further one moves from the capital or the major centres, the weaker the influence of the state becomes.

The weakness of the centre has helped revive the old, unresolved tensions between ethno-politics and the demands of the nation-state. Some African states have more or less dis-

integrated now that the end of Cold War competition means that the major international players no longer feel any pressing need to sustain largely fictitious entities as diplomatic or juridical units.

Increasingly, the men with the guns – and Africa is awash with them after the conflicts of the 1980s – have become important players in the political arena. The reduction in ideological conflict has reduced the political and military incentives for outside powers to intervene on the continent and, contrary to some expectations, an Africa omitted from the calculations of external rivals has not become a more peaceful place.

Now that local disputes are less globalised, outside powers have less influence on the conduct, termination and outcome of these conflicts. Local rivalries and antagonisms are given freer rein, being more remote from world centres of power and insignificant in terms of the global system. African states are therefore less able to rely on outside assistance to end local wars that are no threat to vital foreign interests.

In addition, new non-state actors are given freer rein for their activities. The "privatisation of war" is a noticeable trend, as uprooted men-at-arms offer their services to new versions of the chartered companies, perhaps a real echo of the "free-lances" of the Italian Renaissance.

#### AFRICAN DEMOCRACY

There is much talk about democratisation in the African context these days. As with the concept of globalisation, there is a grave danger that we surrender to the temptation of reifying the idea of democracy – of seeing this phenomenon as one thing, rather than as a variety of coping mechanisms, adapted to the prevailing circumstances.

There is also a tendency in much of the current literature about the process of democratisation to see each country as located somewhere on a continuum. This is modernisation theory

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revisited. Where it also fails to reflect the experience of many African states and communities is in its inclination to seek likenesses of the Western experience, which is tacitly accepted as the norm, even though there are many questions to be asked about the nature of these idealised forms of democracy. This is most apparent in the search for civil society, which is assumed to be one of the elements vital to the democratic project.

Yet Western insistence upon conformity to a culturally and historically specific norm may be self-defeating in its expressed intention to secure human rights and civil peace. As certain innovative researchers have demonstrated, what is remarkable about Africa is the way in which the well-known phenomenon of the second economy is paralleled by a second politics. This involves the creation of voluntary neighbourhood governments and rural grassroots movements that produce alternative insti-

tutions of decision making, drawing on customary notions of justice, fairness and political obligation.

In addition to this, one may identify certain centres of power, alternative to the formal political arena, emerging that suggest a transmogrification of traditional systems of order. It is here that Africa's ability to innovate will be revealed for better or worse. One suspects that it is here rather than in the impossible uniformity advocated by the acolytes of globalisation, that African communities will find the answers to the quest for security.

In conclusion, then, a final word of caution (or is it hope in this case?) taken from the lines added by Orson Welles for his characterisation of Harry Lime in Graham Greene's *The Third Man*.

*"In Italy for thirty years under the Borgias they had warfare, terror, murder, bloodshed - they produced Michelangelo, Leonardo da Vinci, and the Renaissance. In Switzerland they had brotherly love, five hundred years of democracy and peace, and what did they produce? The cuckoo clock!"* ■

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# WHO'S AFRAID OF THE AFRICAN RENAISSANCE?

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- IF THE IDEA OF AN AFRICAN RENAISSANCE IS NOT TO GO THE WAY OF "UBUNTU" AND "THE RAINBOW NATION," WORK MUST BE DONE TO CONSOLIDATE AND INSTITUTIONALISE THE CONCEPT.
- THIS WILL INVOLVE A RE-ANALYSIS OF AFRICA'S PAST AND A REASSESSMENT OF PRESENT CONDITIONS.
- IT WILL ALSO INVOLVE THE ACTIVE WORK OF TERTIARY INSTITUTIONS, IN CONJUNCTION WITH LOCAL COMMUNITIES, TO SPREAD THE RENAISSANCE IDEAL AMONG INTELLECTUALS AND THE YOUTH, THROUGH CONCRETE PROGRAMMES.
- TO PREVENT THE IDEA FROM BECOMING SUBVERTED, IT IS IMPORTANT THAT RENAISSANCE THINKERS ARTICULATE WHAT THE CONCEPT MEANS AND WHAT IT DOES NOT MEAN.
- IT IS NOT ABOUT IGNORING AFRICAN CULTURAL DIVERSITY, OBSESSING ON THE PAST, OR GENERATING ETHNIC RESISTANCE.
- IT IS ABOUT INTERROGATING ANEW THE POSITION OF AFRICA IN GLOBAL SOCIETY.

EXECUTIVE  
SUMMARY

*"It is not the literal past, the facts of history, that shape us, but the images of the past embodied in language. We must never cease renewing those images, because once we do, we fossilise."*

*Brian Friel*

THE IDEA OF THE AFRICAN Renaissance has begun to resonate across the globe. Only yesterday it was the philosophy of *ubuntu*. We also toyed around the concept of the Rainbow Nation - today that concept remains a grey cloud against the African skies. I believe that unless the African Renaissance is clearly articulated, it will suffer the same fate as *ubuntu*, "rainbowism" and several other such other ideas.

The African Renaissance is not a process of elites, contrary to what Ted Scales (1998) tells

us: "Whether or not there is a Renaissance in Africa will depend on the collective wisdom and determination of its political and business leaders."

To appropriate Mangaliso Sobukwe's words, the African Renaissance must be a "multifrontal and an unfolding" process, which must be "all-embracing," involving the political, business, social, psychological, and academic aspects of our lives.

In introducing the African Renaissance, Deputy President Thabo Mbeki continues a long

history of Africa's struggles for its identity, its search for a sustainable guide to stability, prosperity and peace. At the heart of the African Renaissance beats the pulse of *ubuntu*. There have been many attempts at effecting *ubuntu*, and concomitantly the Renaissance, in Africa.

- Kwame Nkrumah of Ghana attempted the development of "Consciencism;"
- Kenneth Kaunda of Zambia advocated what he called "Humanism;"
- Mobuto Sese Seko of Zaire called his vision "Authenticism;"
- Daniel Arap Moi of Kenya formulated "Nyawoism;"
- Mwalimu Julius Nyerere of Tanzania brought forward "Ujamaa."

All these attempts failed for several reasons but principally because they were reduced to some sort of elitism. To effect a clear and meaningful African Renaissance project we must first lay a proper analytical basis for it. What is the African Renaissance?

It is the rebirth of the African continent after centuries of subjugation. It is about the redress of knowledge, of correcting negative images inculcated into its people; a people made to believe by systematic Eurocentric education that they had no history (Hegel), or at best they were noble savages (Rousseau). The Renaissance project must usher in a three-pronged programme if it is to succeed:

1. To excavate Africa's past. South Africa is literally littered with evidence of African history; Sterkfontein, Thulamela, Makgaheng, Mapungubwe and many other archaeological sites bear testimony to pre-colonial civilisations.
2. To examine Africa's present position, and the valiant efforts made by many African and non-African people in reversing the debilitating slide into perpetual chaos. According to the Economic Intelligence Unit, Uganda, Mauritius, Seychelles are like-

ly to be among the world's 20 fastest growing economies over the next two years.

3. To make plans for Africa's future.

#### AFRICA'S PAST

Africa is the cradle of civilisation. The British Royal Academy, in their exhibition entitled *The Art of a Continent*, showcased:

- a handaxe made in South Africa 600,000 years before the common era;
- a charcoal antelope drawing discovered in the Apollo II caves in Namibia dated 27,500 BCE;
- terracotta heads from Lydenburg, Northern Province, dated AD 500;

and many other ancient African artefacts. The Thulamela find last year contains articles dated 800-1000 years ago and offers evidence of trade between Africa, the Arab world, India and China.

Europe is replete with images of African people who graced buildings and museums in the European Dark Ages. During the Italian Renaissance many African ivory saleiros (salt cellars) were imported into Europe, where they came to be called Afri-Portugese salt cellars. These ended up in the collections of the Medici family, the Duke and Duchess of Tuscany, and in Albert Durer's collection.

The influence of African statuary on early Western modernism is best captured by a British art critic named Richard Cork (1995). Writing in his review of the Africa 95 exhibit at the Royal Academy, he writes:

*"Africa's electrifying impact on western art, above all in the early years of the present century, has been both a blessing and a curse."*

He goes on to quote Pablo Picasso, arguably this century's leading artist:

*"I have felt my strongest artistic emotions when suddenly confronted with the sublime beauty of sculptures executed by anonymous artists of Africa... They were the most beautiful things the human imagination has produced."*

AT THE HEART OF THE  
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BEATS THE PULSE OF  
UBUNTU.

The influence of Africa's art on Cubism, Surrealism, Expressionism and Fauvism is well documented.

During the European Middle Ages, Africa boasted large civilisations in Ghana, Kanem-Bornu, Monomotapa, Songhai, and Mali. As early as 1324 AD, Ethiopia opened an embassy in the Vatican.

We need the rebirth of the ideas, the philosophies that created these great empires. They cannot be recaptured, or reborn in their pristine, authentic, unmediated form, but their kernels can be gleaned.

The Italian Renaissance sought to capture the rebirth of Graeco-Roman classical learning, they sought to develop a new humanism - their equivalent of ubuntu. Their Renaissance ushered in an avalanche of cartography that led to voyages of discovery which in turn unleashed the first wave of globalisation. The rise of mercantilism created wealth which supported the arts that today are some of the greatest tourist attractions in Rome: the Sistine Chapel, Michaelangelo's sculptures, Da Vinci's works, the art of Raphael and many others.

Imagine what our new landlords could do? What our comrades in business could contribute!

#### AFRICA TODAY

The African Renaissance is more than a rebirth. It is a renewal of our determination to be global partners rather than afterthoughts at the dinner tables of other nations. It is a re-membering of the dismembered communities.

South Africa has always been more of an extension of Europe than of Africa. We need to re-integrate South Africa into a cohesive Pan-African union. The role of tertiary and other institutions in this endeavour cannot be over emphasised. To do this we must:

- Organise practical programmes exposing young South Africans to the rest of the continent. For example, students from the University of Durban-Westville (UDW) are planning an "Africa 98 Student Expedition" from the Cape to Cairo by train and buses. They will run workshops with their counterparts in several African states, visit his-

torical sites, and document the whole trip. Students and staff of UDW are engaged in a project with other tertiary institutions in the region to establish a centre for the African Renaissance.

- Create core courses in the African Renaissance in all faculties.
- Tutor staff in how to be effective mentors of the African Renaissance ideal.
- Use dance, visual arts, and music to reach a wider audience.
- Provide a dialectical link between institutions and the community.
- Establish a programme in which academics are mentored by key members of the local communities.
- Introduce "traditional intellectuals" into the university and technicians to lecture on key issues, like ubuntu.
- Develop the philosophy of ubuntu, give it form structure and direction.
- Rediscover and reclaim our past in science and technology.

SOUTH AFRICA HAS  
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The list of programmes is long.

The African Renaissance is about transformation. The African Renaissance project seeks to create a framework through which knowledge will be redressed, for unless we reverse the image that positioned, framed and fixed us, we cannot be productive enough to be competitive. It seeks to define, nurture and direct the content of transformation by creating centres of research and learning at all levels, from tertiary institutions to community and back.

#### RENAISSANCE THEORY

The African Renaissance project must be about seeking new ways of thinking and feeling about Africa, its history, and its economic, social and political status. It is an invitation to re-invent ourselves and what we do, how we do it and who benefits from it. It is about raising new questions, new possibilities, and regarding old problems from a new angle.

In our pursuit of the Renaissance, we must be mindful of what Owomoyela (1996) writes in his book, *The African Difference*. He cautions against a blanket concept of Africanity that denies the "diversity of Africanities" in a world of "hybrid cultures and identities". He also warns that an unbridled and uncritical allegiance to the African past can be an insurmountable obstacle to recognising and acknowledging those structural and behavioural adjustments necessary for modern time.

For those of us in the academy, the African Renaissance will open avenues for scholarly research, for theory, and for an effective practice. It must unleash a thorough interrogation of our own Eurocentric scholarship and the entire panoply of Eurocentric scholarship, to shake it from its contented hegemonic pose into an arena of meaningful contestation.

Of course this is not a new project. The decolonisation project was part and parcel of bringing about a new Africa: vibrant, hopeful, prosperous and just. Or at least that is what some of us thought.

The African Renaissance discourse is a process towards the decolonisation of the mind. We, as African "intellectuals," have been produced and reproduced within Eurocentric incubators. Our universities are clones and poor carbon copies of Oxbridge, in an age of information highways.

The Amazioni, the Ethiopian movements, and the Church of Shembe were all a search of

an "authentic", and "pristine" past. These demonstrate what Parry (1996) calls a "crucial inner re-creative response" to the violation of colonialism.

The Renaissance, as both remembering and re-remembering, it is about taking stock of losses and regaining new insights from past mistakes and shortcomings. It is about self-evaluation within the new architecture of cultures in a globalising world.

The position of South Africa and its projected role requires a thorough knowledge of Africa in all its aspects if we are to midwife change and help bring about peace, stability, prosperity and continental competitiveness in the world arena.

The concept of the African Renaissance will of course have its detractors and opportunists. It is important therefore, that we state our objectives clearly, urgently. We also need to state what we DO NOT stand for. We need to restate that the African Renaissance project is not a church, a sect, or a faction. It is an arena of contextualisation of meanings - a state of rationality and dissent.

There are those who see African as "ethnic" are therefore suspect. They read African Renaissance as ethnic resistance. We must, like Stuart Hall (1988), "decouple ethnicity from its equivalence with nationalism, imperialism and racialism. The term ethnicity acknowledges the place of history, language and culture in the construction of subjectivity and identity, as well as the fact that all discourse is displaced, positioned, situated, and all knowledge is contextual." ■

THE RENAISSANCE MUST  
NOT BE SEEN AS ETHNIC  
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# KEEPING THE PEACE IN AFRICA A RENAISSANCE ROLE FOR SOUTH AFRICA?

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- THE GREATER ECONOMIC AND POLITICAL INTEGRATION IMPLIED IN THE RENAISSANCE CONCEPT WOULD INEVITABLY LEAD TO SOUTH AFRICA ASSUMING AN ACTIVE ROLE IN PEACE MISSIONS ON THE CONTINENT, A ROLE THAT THE GOVERNMENT HAS THUS FAR BEEN RELUCTANT TO TAKE ON.
- THE RECENT RELEASE OF A DRAFT WHITE PAPER ON SOUTH AFRICAN PARTICIPATION IN PEACE MISSIONS REPRESENTS A FIRST STEP IN ASSUMING THIS RESPONSIBILITY, BUT THE PROPOSAL HAS SOME SERIOUS FLAWS.
- MOST NOTABLY, IT REFLECTS THE SOUTH AFRICAN RELUCTANCE TO MAKE MILITARY COMMITMENTS.
- IT FOCUSES ON VAGUE PRONOUNCEMENTS OF VALUES RATHER THAN LAYING THE GROUNDWORK FOR EFFECTIVE INTERVENTION.
- ITS EMPHASIS ON THE DEMOCRATIC PROCESS AND FAILURE TO PROVIDE FOR A STANDING FORCE WILL UNDERMINE THE RAPID DEPLOYMENT SO ESSENTIAL FOR AVERTING FUTURE CRISIS SITUATIONS, SUCH AS THE RWANDAN GENOCIDE.
- ADOPTING THIS POLICY STANCE WOULD MEAN OPTING OUT OF A LEADERSHIP ROLE IN MAINTAINING AFRICAN PEACE.

## EXECUTIVE SUMMARY

UNDERPINNING THE CONCEPT of an African Renaissance is an increasing determination to find "African solutions to African problems". In the realm of peace and security, this sentiment has been clearly expressed by H.E. Dr Salim Ahmed Salim, Secretary-General of the Organisation of African Unity (OAU). For example, in his opening address to the Second Meeting of the Chiefs of Defence Staff of Member States of the OAU Central Organ (Harare, 25 October 1997), Salim stressed that:

*"... OAU Member States can no longer afford to stand aloof and expect the International Community to care more for our problems than we do, or indeed to find solutions to those problems which in many instances, have been of our own making. The simple truth that we must confront today, is that the world does not owe us a living and we must remain in the forefront*

*of efforts to act and act speedily, to prevent conflicts from getting out of control."*

After drawing inspiration from the efforts of the Economic Community of West African States (ECOWAS) to bring peace to Liberia, Salim went on to add that:

*"... in this very region of Southern Africa, we were able to mobilise the support of the entire African Continent and the rest of the world, to defeat the forces of colonisation and racial bigotry in the form of Apartheid. Today, in this very hall with us, are some of the heroes of that Liberation Struggle. Today they are free men and women leading their countries to great heights. I put it to you, if those great comrades could confront the massive and more organised military might and establishments that were among the best in the world, how is it that we cannot do more to save the lives of our people around the Continent?"*

SOUTH AFRICA REMAINS  
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The significance of this last reference should not be lost on South Africa. It contains an inference to the effect that, as Africa mobilised to liberate the people of South Africa from the shackles of apartheid, the victors in this struggle cannot stand indifferent to the continued suffering caused by ubiquitous armed conflicts north of the Limpopo.

The most dramatic example of "indigenous" African peacekeeping has been the seven year intervention in Liberia by a coalition of West African states. Misleadingly named ECOMOG (Economic Community of West African States Observer Group), the intervention peaked at a strength of nearly 15 000 troops. It has been widely criticised for injudicious use of force, partiality, and Nigerian dominance. Nevertheless, the Liberian elections of July 1997 signalled the success of the mission, in much the same way as a singular electoral occurrence has been the benchmark of success or failure of the wider UN peacekeeping missions in recent years.

However, while a number of African countries are responding with great enthusiasm to the challenge of creating an indigenous peacekeeping capability, South Africa continues to remain extraordinarily indifferent to expectations that it should play a leading role in such efforts.

THE KEY PLAYERS IN  
HUMANITARIAN ACTION  
ARE NOT NATIONAL  
ACTORS, BUT  
INTERNATIONAL NGOS.

South Africa's role in peacekeeping has, at last, been articulated in the form of a Draft White Paper on South African Participation in Peace Missions. This document represents the culmination of a year-long consultative process which involved not only representatives from state departments, but also members of the academic community and civil society. The status of this draft is said to be one of an interactive working document representing the views of the Department of Foreign Affairs, the Department of Defence, Civilian State Departments and the intelligence community. As such, it may not be directly quoted until approved by the relevant role players. This arti-

cle therefore avoids such direct quotations, but attempts to highlight the essence of the thinking behind the draft guidelines.

#### A POLICY OF CLICHÉS

South Africa's philosophy on peace missions consists largely of a reiteration of what have already become truisms, if not clichés, in the international "peacekeeping" debate. According to this philosophy, South Africa intends to be a player in the total spectrum of non-military activities to be found in the larger latter day UN peace missions: diplomatic, human rights, humanitarian, administrative, social and economic.

In reality, however, the key players in respect of humanitarian action, human rights action, and economic and social action (priority South African roles) are not national actors, but inter-governmental organisations, international aid agencies, and NGOs.

While decision makers should take cognisance of this element, it has little to do with a national philosophy on peace missions, and even less to do with policy prescriptions. Yet the notion persists that South Africa's participation in peace missions will reflect a composite mix of civilian and military players drawn from government, the private sector and civil society.

While recognising the importance of the so-called "New Peacekeeping Partnership" (involving a complex admixture of military and civilian actors), it is naive to expect a single nation (especially one with South Africa's limited capabilities) to provide the entire range of participants which make up the new peacekeeping partnership, in proportional doses, for any particular peace mission.

Moreover, the South African philosophy on peace missions pays scant attention to international and continental trends and expectations regarding South Africa's role in keeping the peace. It ignores the harsh reality that, while no one is looking for more diplomats or more NGOs for peace missions in Africa, tremendous efforts are underway to create continental and sub-regional military standby capacities for peacekeeping. These are being supported not only by major foreign powers, but are also part

of the new resolve of Southern Africa's Inter-State Defence and Security Committee (ISDSC), and the Organisation of African Unity.

South Africa must surely attempt to meet, or at least to address such expectations through a philosophy on peace missions that links peace and stability in Africa and the region to the country's national interests.

#### NATIONAL INTERESTS

The relationship between national interests and South African participation in peace missions remains unclear at the policy level. It is based upon a repetition of well-worn truisms on the need to address "root causes" of conflict, which inevitably leads to the hollow prescription of development and good governance as a cure-all for conflict.

Although the emergent policy reluctantly admits that the South African government has been and will be called upon to assist the international community in managing conflict, it continues to emphasise that South Africa will direct the bulk of its energies to addressing the causes of crisis rather than the symptoms of crisis. If the root causes of African crises are poverty and under-development, it is difficult to comprehend how South Africa, a country which is afflicted by high levels of poverty and unemployment, can meaningfully address this malaise in other African countries.

Instead of linking reality (pressures to become involved in peacekeeping/peace enforcement) with tangible national interests, the draft policy deals with South African values, with the implication that conflicts may best be prevented or resolved by actively exporting such values. In addition to these values, a confusing array of "principles" are listed, which supposedly prove that it is in the national interest to become involved in peace missions, with a clear preference for (extremely resource-intensive) peace-building and peace-making efforts.

The inability to clearly explain why participation in international peacekeeping and, if necessary, peace enforcement, is in South Africa's national interest is rather strange. In fact, it is rather easy to identify a number of

clear national interests which would be promoted by participation in peacekeeping endeavours which involve moderate military assets rather than scarce financial resources.

For example, participation in international peacekeeping is a passport to international respectability and to an authoritative voice in the debate on the future of international conflict management and the reform of intergovernmental organisations such as the United Nations, the Organisation of African Unity and the Southern African Development Community. It is through such participation that countries with far less resources, such as Ghana, Senegal, Kenya, Botswana and Zimbabwe, enjoy a stronger voice in these debates – despite the considerable insight and analytical capability of South Africans in this arena.

Moreover, at the continental level, South Africa will continue to be overshadowed by Nigeria, as long as the latter country is revered for its pioneering sacrifices and achievements in the realm of African peacekeeping under the auspices of ECOWAS – and this has obvious relevance for Nigeria's competing claim to a permanent seat on the UN Security Council.

This is not to suggest that South Africa should become a regional policeman or hegemon in the Nigerian mould. In reality, even a relatively small commitment to multinational peacekeeping operations delivers a disproportionately positive return on the investment in terms of diplomatic "clout". Witness, for example, the respect gained by Zimbabwe through its battalion-level contribution to the UNAVEM operation in Angola.

Beyond these (albeit utilitarian) national interests, South Africa also has an obvious interest in preserving regional peace and stability in order to promote trade and development, and to avoid the spill-over effects of conflicts in the neighbourhood. At a more altruistic level, the country should also be very interested in pre-

THE INABILITY TO EXPLAIN WHY PARTICIPATION IN PEACEKEEPING IS IN SOUTH AFRICA'S NATIONAL INTEREST IS STRANGE.

AT THE CONTINENTAL LEVEL, SOUTH AFRICA WILL CONTINUE TO BE OVERSHADOWED BY NIGERIA.

NO NATION ASSIGNS  
CIVILIANS TO A UN  
PEACE MISSION.

venting gross human rights abuses and alleviating the suffering caused among African civilians by the scourge of armed conflict.

While the emergent policy does address the latter concerns, it does so in a rather abstract and detached fashion, without a clear linkage to an imperative for concrete actions. And where action is to be taken, the military is viewed as a far less useful instrument of foreign policy than an ill-defined grouping of civilian role players.

#### CIVILIAN CONTRIBUTIONS

South African policy places a great deal of emphasis on the civilian component of peace missions as a cardinal aspect of the "new peace-keeping partnership". However, this approach is fraught with naiveté.

No nation assigns civilians to a UN peace mission. All political and key civilian office-bearers are appointed by the United Nations itself. While any country can offer the services of certain diplomats and civilian experts, these are not likely to be appointed unless they are in good standing within the UN system and have extensive experience in previous UN peace missions. And the best way to achieve this is the route that most countries have taken – through troop contributions to UN peace operations.

SOUTH AFRICA IS  
RELUCTANT TO  
PARTICIPATE IN THE  
MILITARY COMPONENT OF  
PEACE MISSIONS.

Moreover, the type of civilians which are most in demand by the UN system are police personnel, but the SA Police Services have been extremely reluctant to enter the debate on South African participation in peace missions.

While most multifunctional peace operations since UNTAG (Namibia, 1989) have included a small civilian police component, the role of the police is now eclipsing that of the military in a number of ongoing UN operations. Two of the most recently established missions are dedicated exclusively to issues of policing – the UN Civilian Police Mission in Haiti (MIPONHU), and the UN Police Support Group in Croatia. Of course, MIPONHU follows on two previous UN mis-

sions which were also dedicated to the professionalisation of the Haitian National Police (UNSMIH (July 1996-June 1997) and UNTM (August to November 1997).

The mandate of the longer-standing UN Mission in Bosnia and Herzegovina (1995-present) is also concerned exclusively with law enforcement activities, and it is executed by some 1 976 civilian police from 40 countries (with only three military support personnel).

This fallacious South African point of departure – that civilians should form a "stand-alone" contribution to international peace missions – undermines the credibility and utility of a sophisticated programme which is envisaged for building a South African civilian standby capacity for such missions. On the other hand, scant attention is paid to the potentially important role of the SA Police Services in contributing to future peace processes, and to the creation of a military standby capacity for peace operations.

#### MILITARY CONTRIBUTIONS

A persistent theme which underpins the South African approach to peacekeeping initiatives in Africa is a reluctance to participate in the military component of peace missions – despite a grudging admission that occasions may arise where the use of military force is a necessary component of the broader objective of a Peace Mission.

It should be noted, in this respect, that the current debate on peace operations and indeed, virtually the entire UN Department of Peacekeeping Operations, is based on and dominated by the military – rightly or wrongly. This reality should be reflected in South African policy guidelines.

Given the propensity of South Africa to depreciate the importance of the military component, it is not surprising that the policy process has dealt only superficially with the military elements to be found in contemporary peace missions. For example, Military Observers are listed as one such element, without any further elaboration on the role and importance thereof. Once again, this omission points to thinking which is out of touch with the realities of contemporary UN peace operations.



After a brief experiment with large-scale, multifunctional peacekeeping and "peace enforcement" operations (1989-1995), the UN has settled into a phase of conducting much smaller and more specialised observer missions, while delegating the large-scale, personnel-intensive functions to regional organisations and arrangements.

Fourteen of the 16 UN operations currently deployed are observer missions. The odd ones out are the experimental Preventive Deployment Force (UNPREDEP) in Macedonia, and the recently-created mission in Central African Republic (involving the transfer of authority from a small African "coalition of the willing" to the UN). On the other hand, where more robust "peacekeeping" is being done by regional organisations and alliances, UN missions have been deployed to observe the "peacekeepers" as well as the belligerents (for example UNOMIL in Liberia, UNOMIG in Georgia, and UNMOT in Tajikistan).

South Africa has a significant repository of professional military officers in the ranks from captain to major, who are ideally suited for service as UN military observers. Yet this fact, and the opportunity provided by this valuable resource to gain experience on UN missions, is not reflected in emergent policy.

#### STANDBY ARRANGEMENTS

Current thinking on peace missions places heavy emphasis on the issue of popular domestic support and clear entry and exit criteria where South Africans participate in international operations. Such guidelines (specifying, for example, the need for parliamentary approval) may be very democratic, but they do not make for rapid and decisive action when faced with a crisis and the imperative to intervene.

It is exactly this factor which has discredited UN peace operations in Africa – the most notable disgrace in this regard being the world body's inability to mobilise sufficient resources to prevent or ameliorate the Rwandan genocide of 1994. As a leading African nation, it is surprising that the whole issue of rapid reaction (and even standby arrangements) is ignored in South African policy.

The draft policy guidelines correctly suggest that contributing countries should be consulted during the formulation of international mandates and have their responsibilities explained clearly by the UN. However, in order to be consulted, a country first has to be a troop contributor, or at least a potential troop contributor that has provided an indication of support for UN peacekeeping endeavours.

Subscribing to the UN system of standby arrangements would provide a very clear signal of positive intent in this regard. South African policy is silent on this issue, and South Africa continues to lag behind the growing list of African countries that have subscribed to the UN standby system: Botswana; Chad; Egypt; Ghana; Kenya; Niger; Nigeria; Senegal; Tanzania; Tunisia; Zambia; and Zimbabwe.

It is also significant that, during March 1998, Nigeria became the 15th UN Member State to sign a Memorandum of Understanding formalising its promised contributions to UN peacekeeping – on top of the country's heavy commitment to regional peace operations in West Africa.

South Africa also remains extremely cautious in its approach to the issue of regional peacekeeping arrangements. There is scant mention of the present trend towards increasing UN reliance on Chapter VIII of the Charter for the conduct of resource-intensive peace operations.

Chapter VIII deals with "regional arrangements", Article 52 (1) stating that: Nothing in the present Charter precludes the existence of regional arrangements or agencies for dealing with such matters relating to the maintenance of international peace and security as are appropriate for regional action, provided that such arrangements or agencies and their activities are consistent with the Purposes and Principles of the United Nations.

As mentioned above, the UN has begun to focus on much smaller and more specialised

SOUTH AFRICA HAS A SIGNIFICANT REPOSITORY OF PROFESSIONAL MILITARY OFFICERS WHO ARE IDEALLY SUITED FOR SERVICE AS UN MILITARY OBSERVERS.

IT IS SURPRISING THAT THE WHOLE ISSUE OF RAPID REACTION IS IGNORED IN SOUTH AFRICAN POLICY.

observer missions, while delegating the large-scale, personnel intensive functions to regional organisations and arrangements or ad hoc coalitions of the willing: NATO in the former Yugoslavia; CIS in the territories of the former Soviet Union; ECOWAS in West Africa; the Italian-led coalition in Albania; and the Francophone African coalition in Central African Republic.

While South African thinking suggests that regional operations should preferably be UN sponsored and financed, it is largely due to the UN's financial crisis that Chapter VIII arrangements have become an increasingly attractive option for the maintenance of international

peace and security. South African insistence on mechanisms to ensure that the country is reimbursed for its participation in any non-UN assessed peace missions stands in sharp contrast to the immense financial sacrifices that Nigeria, Ghana and other poorer countries have been willing to make to keep the peace in West Africa.

The emergent South African policy on regional peace operations is also based on the notion that no deployment of forces in a peace mission will be approved by the OAU if this deployment violates the sovereignty of the country or countries concerned. This has clearly not been the case with the recent forceful intervention by Nigeria (under an ECOMOG banner) in Sierra Leone.

Indeed, the OAU stated that it would support "whatever means it takes" to restore elected government to that country. With the growing intolerance of military coups at the level of both the OAU and SADC, and with the emergence of powerful humanitarian imperatives for intervention, considerations of sovereignty and territorial integrity will not necessarily carry the same weight as in the past.

#### **LACKLUSTRE LEADERSHIP**

The emergent South African policy on partici-

pation in peace missions falls somewhat short of providing concrete and meaningful guidelines to decision makers, and it does not offer much cause for optimism among concerned policy decision makers in the regional and international community. It reflects undue caution and unrealistic reluctance to become actively involved in peace missions, rather than the pragmatism and positivism which is expected of a regional and continental power.

The year 1998 marks half a century of United Nations peacekeeping. Since 1948 there have been 48 United Nations' peacekeeping operations; 35 of which were created by the Security Council between 1988 and 1998. Well over 750 000 military and civilian police personnel and thousands of other civilians from 111 countries have served in UN peacekeeping operations. More than 1 500 peacekeepers have made the supreme sacrifice while serving in these missions. Sixteen UN missions are currently under way, involving some 14 000 peacekeepers. Unfortunately, South Africa has had no part in these endeavours.

South Africa's reluctance to become involved in peace operations (let alone play a leading role) stands in sharp contrast to the commitment of smaller African states, such as Ghana, with armed forces that number less than one tenth of the SANDF's proposed strength. Since 1960, Ghana has participated in no less than 11 past and present UN peace operations.

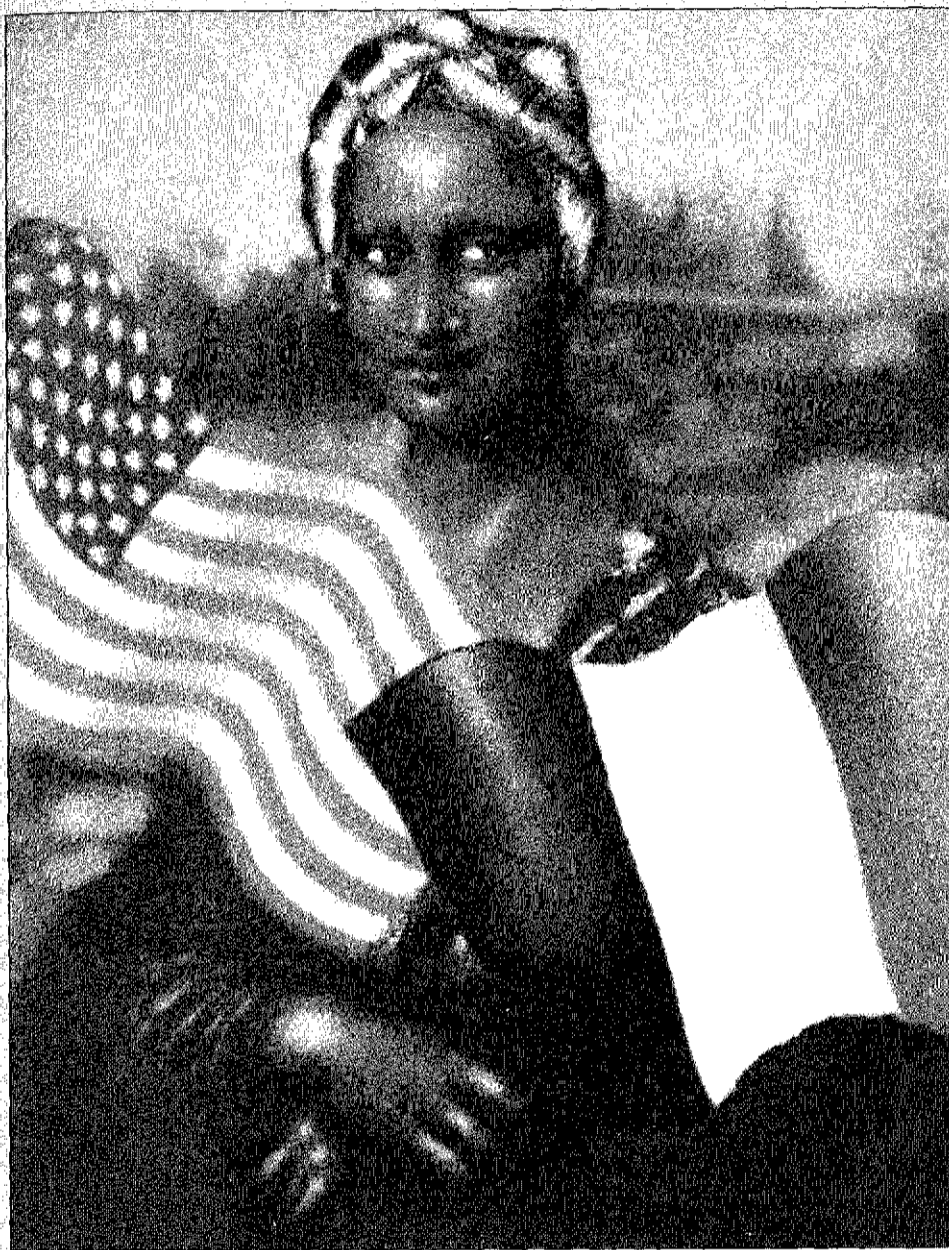
It also contributed at least 12 battalion rotations to the West African peace operation in Liberia. At one stage (1992-1993), Ghana Armed Forces contributed battalion-strength contingents to three major ongoing peace operations simultaneously: UNIFIL (Lebanon), UNTAC (Cambodia) and ECOMOG (Liberia). They have provided 34 contingents for UNIFIL alone.

It is perhaps no coincidence that UN Secretary-General Kofi Annan is Ghanaian. And it is clear that if South Africa has any aspirations towards permanent Security Council representation or a leadership role in Africa, it will have to be much more enthusiastic and robust in its approach to participating in future peace missions on the continent. ■

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# ECONOMIC

M O N I T O R



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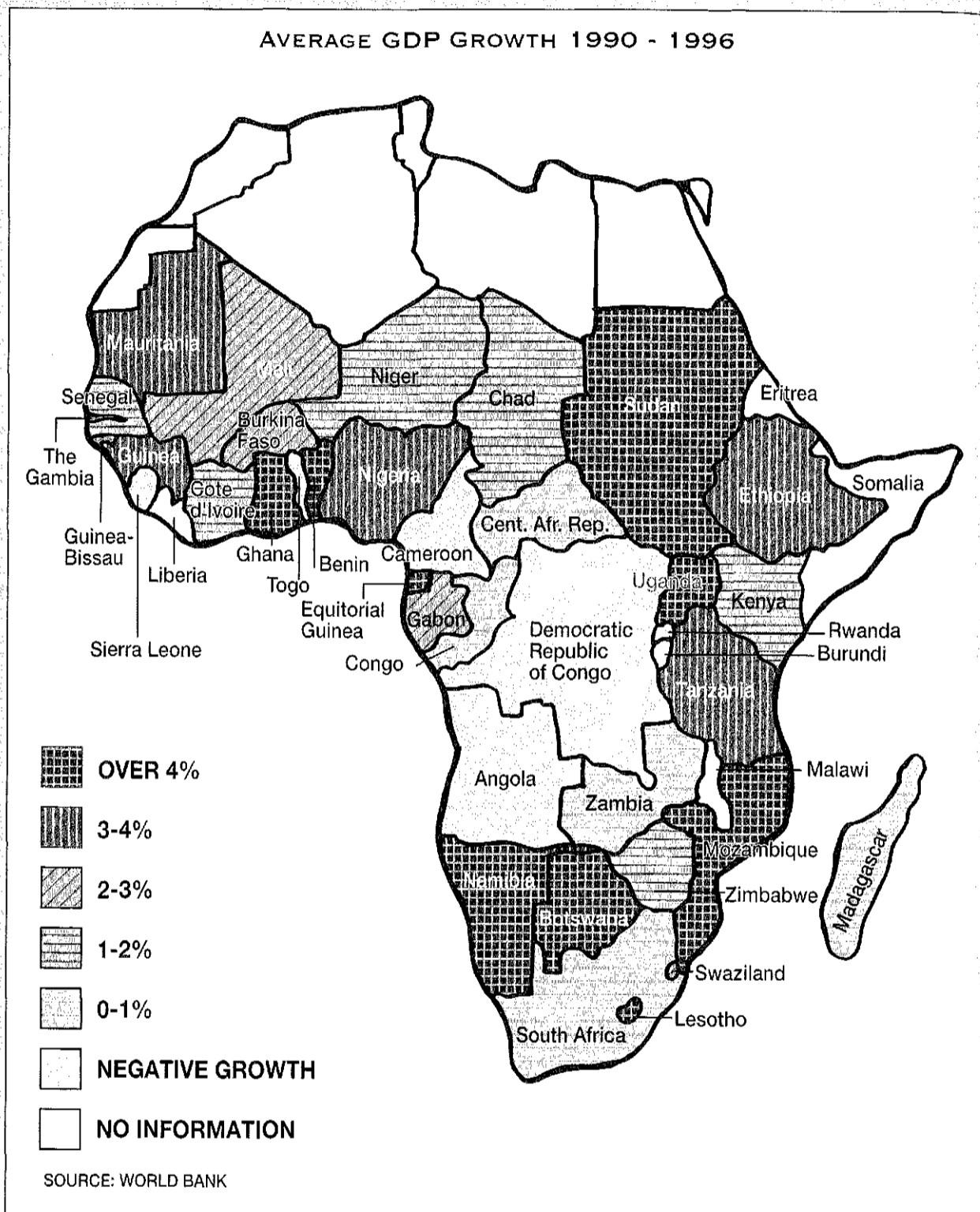
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**ECONOMIC  
INDICATOR**



OVERALL GROWTH HAS BEEN PROMISING IN RECENT YEARS, WITH NUMEROUS COUNTRIES SHOWING GDP GROWTH RATES EXCEEDING POPULATION GROWTH. IT IS ESTIMATED THAT GROWTH OF AT LEAST 8% WILL BE REQUIRED TO OVERCOME POVERTY IN MANY COUNTRIES, HOWEVER.

## TOWARDS AN AFRICAN RENAISSANCE THE ROLE OF TRADE INTEGRATION IN THE SOUTHERN AFRICAN DEVELOPMENT COMMUNITY

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- REGIONAL TRADE INTEGRATION IS A PREREQUISITE FOR AN AFRICAN RENAISSANCE. INTEGRATION WILL PROMOTE INDUSTRIALISATION AND ALLOW THE REGION TO SPEAK WITH A SINGLE VOICE.
- PRESENT INTRA-SADC TRADE FLOWS, HOWEVER, SHOW THE REST OF THE REGION TRADING WITH SOUTH AFRICA IN VERY MUCH THE SAME WAY THEY TRADE WITH THE NORTH - SOUTH AFRICA EXPORTS MANUFACTURES AND IMPORTS RAW MATERIALS, WITH THE TRADE BALANCE HEAVILY IN SOUTH AFRICA'S FAVOUR.
- TRADE VOLUMES HAVE INCREASED GREATLY IN THE LAST DECADE AND THE REGION PROVIDES AN IMPORTANT MARKET FOR SOUTH AFRICAN MANUFACTURES.
- ASIDE FROM TRADE WITH SOUTH AFRICA, THE OTHER NATIONS OF THE REGION HAVE MINIMAL TRADE WITH ONE ANOTHER.
- TRADE WITHIN THE SOUTH AFRICAN CUSTOMS UNION (SACU), HOWEVER, IS VIBRANT AND SOUTH AFRICA'S EXPORTS TO SACU EXCEED ITS EXPORTS TO EITHER ASIA OR NORTH AMERICA, DEMONSTRATING THE POTENTIAL OF REGIONAL COOPERATION.
- INCREASED TRADE INTEGRATION BRINGS THE PROMISE OF A LARGER "DOMESTIC" MARKET AND THE ATTRACTION OF INVESTMENT THAT IMPLIES.
- REGIONAL COOPERATION CAN OVERCOME MANY OF THE SUPPLY-SIDE CONSTRAINTS FACING THE REGION AND ALLOWS FOR GREATER SPECIALISATION THAN WOULD BE FEASIBLE IN ISOLATED DOMESTIC MARKETS.

### EXECUTIVE SUMMARY

THE TERM "AFRICAN RENAISSANCE" captures a vision of a future for the continent characterised by economic prosperity and political stability. It is increasingly gaining currency among the political leadership of Africa. In South Africa, it is likely to become one of the government's most important external policies in the next millennium.

Steps have been taken toward achieving this vision in the South African Development Community (SADC). SADC is comprised of Angola, Botswana, Democratic Republic of Congo, Lesotho, Malawi, Mauritius, Mozambique, Namibia, Seychelles, South Africa, Swaziland, Tanzania, Zambia and Zimbabwe. The adoption of a Trade and

Development protocol by these countries in August 1996 has set a framework for the pursuit of trade integration - a key economic dimension of the African Renaissance. If trade integration proves to be successful in the sub-region, it is likely to be replicated elsewhere and thus its impact could extend to the entire continent.

While a comprehensive analysis of each individual member country of the sub-region lies beyond the scope of this paper, an attempt will be made to illustrate the role which trade integration can play in the development of the SADC region.

### THE VISION

The end of the Cold War and the emergence of

a neo-liberal New World Order has created a range of challenges for the African continent. In the current context, Africa risks being globally marginalised. The vision of an African Renaissance is primarily a means of repositioning the continent globally in a way that serves the economic and political interests of its constituent nation states.

Regional integration is a critical strategy for redressing small and fragmented markets in Africa, enabling African economies to enhance intra- and extra-regional trade flows, and attract higher levels of FDI. In addition, cooperative approaches to the development of infrastructure, and investment in technology and human resource development are necessary to boost Africa's global competitiveness.

Regional integration is not just about trade flows. Rather, it is a new paradigm for industrialisation. Integration aims to change regional production structures through industrial diversification (Ostergaard, 1993). Trade integration, then, is a mechanism through which to foster industrial development in developing countries.

The SADC Trade Protocol marks the beginning of a process to implement a regional industrialisation programme. The primary obstacle to economic development in the SADC region is the lack of industrial development and diversification. If regional integration is to promote economic development in the region, the development of its industrial capacity must take priority.

The Free Trade Area (FTA) envisaged by the Trade Protocol enhances the prospects for industrial development in SADC countries by providing them with access to a larger market. Larger markets provide an opportunity for individual countries to exploit economies of scale and lower production costs. Moreover, in a world increasingly defined by regional blocs within the global economy, the pooling of sovereignty in regional blocs in Africa will help to make the continent's voice heard in the capitals of the world.

SOUTH AFRICA IS THE  
SINGLE ECONOMY THAT IS  
LINKED TO ALL OTHER  
SADC ECONOMIES  
THROUGH SIGNIFICANT  
VOLUMES OF TRADE.

#### INTRA-SADC TRADE FLOWS

Current trade patterns in the SADC region demonstrate that much has to change if the vision of a prosperous and stable continent with integrated sub-regions is to become a reality in the future.

Lack of reliable data and a substantial amount of unrecorded trade in the region make it impossible to arrive at conclusive estimates of intra-regional trade patterns. The general trends, however, conform to those found by the African Development Bank (1993).

While the economies of the region are relatively open, the current volume of intra-regional trade is very small as a proportion of total trade and is only significant among the Southern African Customs Union (SACU) subset of countries. SACU is a customs union comprising Botswana, Lesotho, Namibia, South Africa and Swaziland, which has been in existence since the colonial era.

Non-SACU, intra-SADC trade is under 4% of the total trade of these countries. Once intra-SACU trade is included, the significance of intra-regional trade increases substantially (Bronstein et al, 1996). These intra-regional trade patterns reflect the fact that while SACU has historically provided an institutional framework to facilitate trade, SADC has not.

In general, intra-SADC trade is characterised by unprocessed primary commodities going to South Africa and Zimbabwe, and manufactured goods and semi-processed intermediate goods going in the other direction. In addition, there is considerable cross border trade in tourist and business services, mainly in favour of South Africa. These trends are not surprising, given the lack of complementarity of the production structures of the individual economies and the fact that only South Africa and Zimbabwe have industrial capabilities of any significance.

The direction and volume of trade flows in the region is dominated by South Africa. Indeed, it emerges as the single economy that is linked to all other SADC economies through significant volumes of trade. As South Africa is likely to play a pivotal role in endeavours to foster trade integration in the region, trade patterns between South Africa and other SADC countries

warrant scrutiny.

Given the reliable data on South Africa's trade with the region and South Africa's dominant role in intra-regional trade, an analysis of such trade provides a reasonably accurate account of intra-regional trade. The analysis is, however, obscured by the fact that South Africa does not publish separate data on its trade with SACU countries and instead records SACU trade with the rest of the world. A disaggregation of such data for 1993, however, enables the analysis of trade patterns to factor in South Africa's trade with SACU.

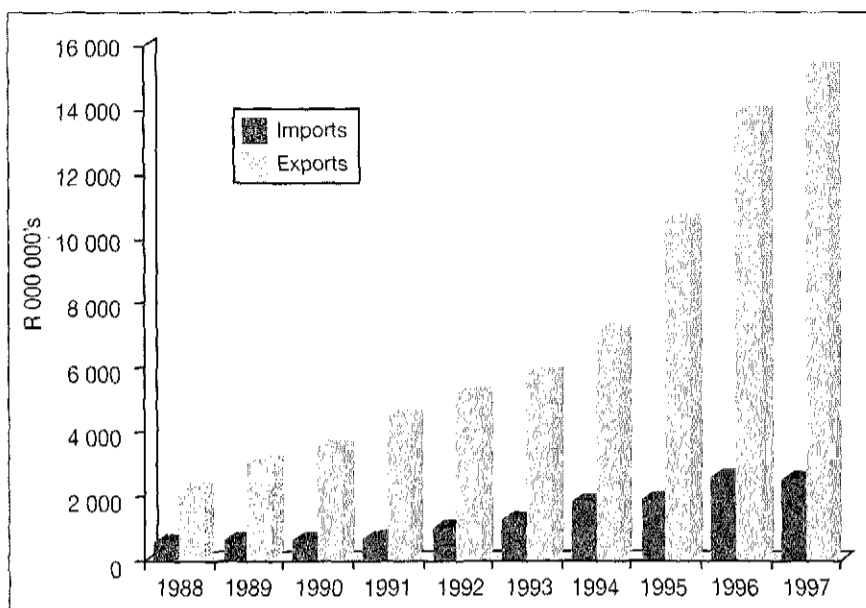
In 1993, South Africa's exports to SACU accounted for approximately 13% of total exports, while non-SACU, SADC countries accounted for 6% of South Africa's total exports. In terms of imports, the volumes are considerably lower, with SACU countries accounting for 5% of South Africa's total imports and non-SACU, SADC countries for a mere 2% (Davies, 1996; Bronstein et al, 1996).

Clearly, the existence of SACU, coupled with a regional structure of production characterised by significant complementarities in production between South Africa and the other SACU countries, has profoundly influenced the spatial distribution of trade in the region in favour of SACU countries. Indeed, in 1993, South Africa's exports to SACU countries amounted to R15 billion – more than its exports to either Asia or North America.

In the case of SACU's trade with non-SACU, SADC countries (which is clearly dominated by South Africa), Figure 1 provides an overview of aggregate trade flows between 1988 and 1997. The most striking feature of such trade flows is the rapid increase in South Africa's exports to the region – from 4% of total exports in 1988 to 11% of total exports in 1997.

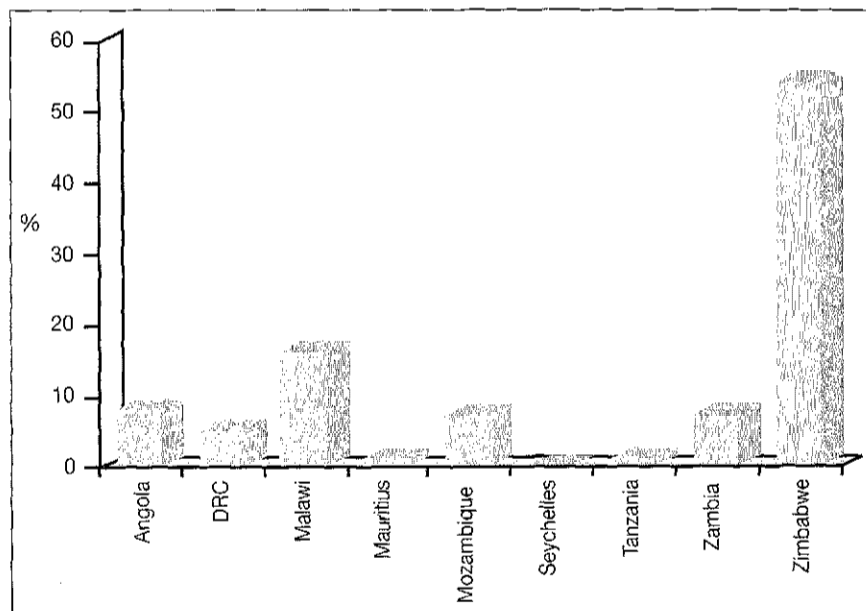
While imports from SADC countries have doubled between 1988 and 1997, they started from a low base and have grown at a slower rate than exports, resulting in the R13 billion surplus in SACU's favour. In addition, in 1997

FIGURE 1: SACU'S TRADE WITH SADC



Source: Industrial Development Corporation, 1998

FIGURE 2: SACU IMPORTS FROM SADC BY COUNTRY

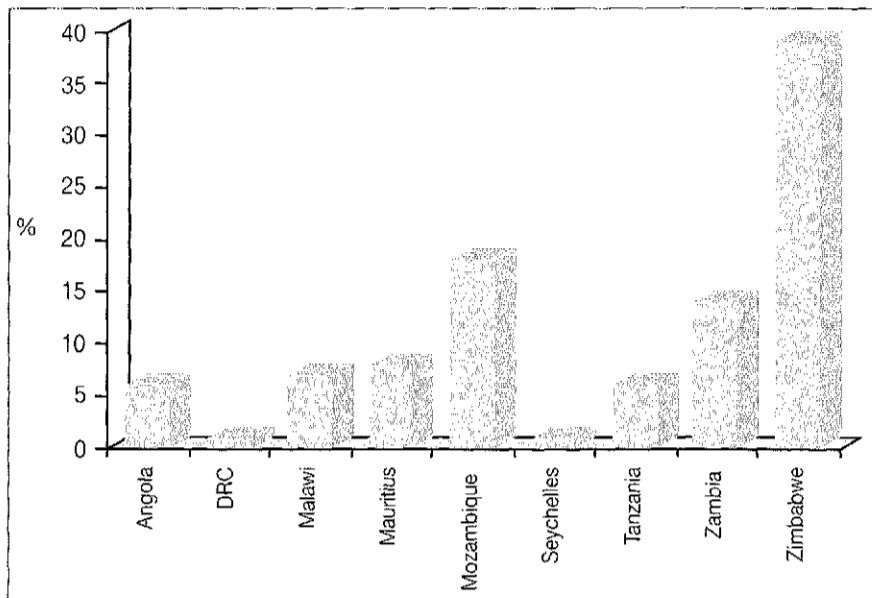


Source: Industrial Development Corporation, 1998

SACU's export to import ratio stood at 6:1, highlighting the structural imbalance in intra-regional trade.

Figure 2 provides a disaggregation of SACU's imports from SADC by country in 1997. It demonstrates that Zimbabwe is the most important source of SACU imports from the region, followed by Malawi, Angola, Zambia, and Mozambique. Mauritius, Tanzania, and

FIGURE 3: SACU EXPORTS TO SADC BY COUNTRY



Source: Industrial Development Corporation, 1998

SOUTHERN AFRICA IS THE ONLY REGION IN TO WHICH SOUTH AFRICA'S MAJOR EXPORTS ARE MANUFACTURES RATHER THAN PRIMARY PRODUCTS.

Seychelles emerge as marginal sources of imports.

In Figure 3, SACU's exports to the region are disaggregated by country. Zimbabwe is clearly the most important destination for SACU's exports in the region. Mozambique (18%), Zambia (14%), Mauritius (8%), Malawi (7%), Angola (6%) and Tanzania (6%), absorb the balance of SACU's total exports to SADC, while the Democratic Republic of Congo and the Seychelles are minor importers from SACU.

Non-SACU, SADC countries are the destination for the following proportion of South Africa's total exports: one-third of machinery and appliances, one quarter of motor vehicles, 21% of chemical products, 39.1% of plastic and rubber products, 16.9% of foodstuffs and beverages, and 13.8% of textiles and clothing (Davies, 1996).

Indeed, many analysts have drawn attention to the striking contrast between South Africa's profile of exports to Southern African countries and to other regions of the world. Southern Africa is the only region in to which South Africa's major exports are manufactures rather than primary products.

The nature of South Africa's trade with the region is clearly related to its structure of production. In contrast to the poor industrial potential among many Southern African countries, there is a great deal of complementarity between the South African economy and its neighbours. In some ways, SADC countries' trade with the North African countries is similar to their trade with South Africa. The African market is clearly important for South African manufacturing.

Although a large part of South Africa's manufacturing sector is uncompetitive, preliminary evidence suggests that South Africa's geographic proximity to the regional market is an important factor in its ability to compete with third suppliers in certain products. In particular, cheap transport cost, insurance, and freight (c.i.f.) play a role. Licensing agreements which allow

South Africa to export certain products to the region but not to the international market are also important.

#### THE CHALLENGE

Trade integration in the SADC poses a number of challenges, particularly given the disparate levels of economic development among member states. Trade integration should be used by the region to:

- develop & diversify the industrial base;
- diversify export markets;
- attract investment – domestic, regional and foreign;
- ensure an equitable distribution of the gains of trade integration.

Industrial development and diversification is imperative for SADC because only Zambia, Zimbabwe, Mauritius and South Africa have a sizeable manufacturing sector. Most of the other countries are reliant on agricultural and mineral raw materials.

Linked to economic diversification is the challenge of diversifying the region's export markets. Given the structure of production in SADC member countries – characterised by an underdeveloped industrial sector – it follows that all countries in the region, including South



Africa, are heavily dependent on exports of primary agricultural and mineral commodities to markets outside Africa.

Trade integration could be linked to investment policy in order to attract foreign direct investment (FDI). Most SADC countries have a negative resource balance: expenditure on investment exceeds the supply of domestic savings. In light of stagnant or declining aid flows, this gap will have to be filled by private external investment.

Regional integration could encourage foreign direct investment in Southern Africa. A major motive for promoting closer economic collaboration is the recognition that growth for many countries will be impeded by the small size of their domestic markets. A similar observation pertains to investment: it is more likely to be attracted to larger markets.

The final challenge is to ensure that the benefits of trade integration – principally industrial development and diversification – are equitably distributed across member states, given that trade integration effectively exposes the region to a problem usually experienced in domestic economies: the unequal distribution of economic activity and people in economic space, resulting in polarised development.

Trade integration provides SADC countries with an important policy tool to address the challenges outlined above, particularly in the realm of industrial development. It provides a range of opportunities to overcome the structural obstacles that have hitherto constrained industrial development.

#### THE OPPORTUNITIES

Trade Integration provides opportunities for SADC member states to:

- overcome the demand-side constraint facing small economies;

- redress supply-side constraints;
- engage in regional specialisation.

The critical demand-side constraint faced by SADC member countries, as a result of their small domestic economies, can be overcome in the context of a larger regional market. Moreover, given that supply-side constraints are the primary obstacle to industrial development in the region, measures are needed on the supply side to reduce transaction costs if firms are to benefit from economies of scale. These measures include cooperation on marketing of exports, on research and development facilities, and on human resource development.

In addition, regional economic integration creates the opportunity for specialisation on a regional level, which may be more efficient than at a national level. Specialisation comes about when the barriers to intra-regional trade are reduced and competition forces countries to specialise in goods they can produce competitively. Specialisation could be on an inter-industry (trade between different industries) or intra-industry (trade within the same industry) basis.

The vision of an African Renaissance is one to which most of the continent's leadership and peoples aspire. Trade integration, if appropriately implemented, is a powerful policy for bringing about economic development and diversification in the SADC sub-region.

While regional integration is not a panacea for Africa's economic problems, it provides a platform for sub-regions such as SADC to act collectively to bring about economic development and hence removes many of the obstacles faced by individual countries endeavouring to do so alone. ■

INTEGRATION WILL HELP  
ALLEVIATE BOTH SUPPLY-  
AND DEMAND-SIDE  
CONSTRAINTS.

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# IS REGIONAL ECONOMIC INTEGRATION A GOOD IDEA?

## AN INTRODUCTION

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### EXECUTIVE SUMMARY

- REGIONAL ECONOMIC INTEGRATION IS INEVITABLE, BUT IS OFF TO A SLOW START.
- THE EXCHANGE CONTROL RELAXATION IN JULY 1997, AND AGAIN IN THIS YEAR'S BUDGET, SPECIFICALLY FAVOURS OUTWARD INVESTMENT INTO THE SOUTHERN AFRICAN DEVELOPMENT COMMUNITY (SADC) BY ALLOWING INVESTMENTS OF UP TO R250M PER COMPANY. THIS IS FIVE TIMES THE LIMIT OF OFFSHORE INVESTMENT ELSEWHERE.
- DESPITE MANY POSITIVE OFFICIAL STATEMENTS, SOUTH AFRICA HAS SIGNED ONLY ONE OF SADC'S EIGHT PROTOCOLS AND THERE IS SCEPTICISM AS TO WHETHER THE FREE TRADE AREA IS ACHIEVABLE WITHIN SIX YEARS, IF AT ALL.
- THE REST OF THE REGION NEEDS THE SOUTH AFRICAN ECONOMY, WHICH IS FOUR TIMES THE SIZE OF THE REST OF THE SADC COMBINED, TO LEAD THE WAY TO RECOVERY, BUT IT IS APPREHENSIVE ABOUT SOUTH AFRICAN HEGEMONY AND IMPORTS.
- DESPITE LOW INCOMES, SOUTHERN AFRICA (EXCLUDING SACU) CURRENTLY TAKES 20% OF SOUTH AFRICA'S MANUFACTURED EXPORTS AND 10% OF TOTAL EXPORTS.
- IT IS HOPED THAT CONTINUING REGIONAL GROWTH (OUTSTRIPPING SOUTH AFRICA'S) WILL HELP EASE THE 5.8:1 TRADE IMBALANCE.
- BARRIERS TO INVESTMENT REMAIN PROBLEMATIC WITH THE GREATEST OBSTACLE BEING A LACK OF GOOD GOVERNANCE IN THE REGION.

RELATIONS BETWEEN SOUTH AFRICA and the countries of southern Africa are marked by a high degree of ambivalence. For South Africa, the regional hinterland is an important focus of diplomatic strategy and the target for economic integration. The region, meanwhile, fears South African dominance, but at the same time is concerned that southern Africa does not receive sufficient attention from Pretoria.

The regional response to South African business is also mixed: generally welcoming of inward investment, but concerned about South African imports flooding their markets.

However, it is not only possible for South Africa and the region to interact positively – it is vital for the economic and social upliftment of all the people of southern Africa.

South Africa is presently a hindrance to regional growth, but it has the potential to act as a spur to economic expansion. Various studies have been undertaken researching the benefits and pitfalls of regional integration in southern Africa. Regrettably, one constraint which seems to feature in all analyses is a dearth of open and good governance, such as transparent contracting procedures and a bureaucracy committed to

serving the population.

The time has now come for serious action concerning integration. Business in the region – and especially in South Africa – has indicated it is willing and able to rise to the challenge. Clearly, integration will have some negative impacts on certain sectors, but overall it is a welcome, and inevitable, objective for the region.

#### REGIONAL COOPERATION

Politicians in southern Africa stress the importance of regional co-operation with great fanfare – leaders meet at least twice a year to declare their support for the concept. South Africa has diplomatic representations in every regional capital. In an affirmation of commitment to the region, President Mandela's first official foreign visit as President was to Mozambique.

Moreover, the exchange control relaxation in July 1997, and again in this year's Budget, specifically favours outward investment into the Southern African Development Community (SADC) by allowing investments of up to R250m per company. This is five times the limit of off-shore investment elsewhere. This relaxation of exchange controls is presumably in support of SADC's intention to fully implement free trade within the borders of the community by 2004.

However, despite many positive official statements, South Africa has signed only one of SADC's eight protocols (as have Angola, Mozambique, Tanzania and Zambia – only Botswana has signed all eight). At a key regional meeting in South Africa in 1996, not a single South African cabinet minister attended the closure – all the other countries were represented by officials of cabinet rank. Consequently, there is scepticism as to whether the free trade area is achievable within six years, if at all. There is a demonstrable gap between policy, practice, and perception.

It would not be surprising if the business community followed a similar pattern. While there is significant public support for regional initiatives and a high profile is given to regional investments, far more investment has been directed at distant markets, and trade visits to Europe, Asia or the Americas are more popular

than local ones. Firms with established ventures in Africa often find it difficult to source expatriate staff because of harsh living conditions and a perception that such a posting is not conducive to corporate advancement.

Sceptical corporate attitudes to regional ventures is understandable. After all, the per capita income of the 14-member Southern African Development Community is a tenth of the global average (if South Africa is excluded). South Africa's economy, with 40 million people, is four times the size of the rest of the region, with its more than 130 million inhabitants.

The region, including South Africa, attracted only 0.3% of global foreign investment in 1996. If South Africa, Angola and Tanzania are excluded (the latter two saw significant interest in the oil and mining sectors, respectively), then SADC obtained only 0.1% of the global total – less than \$400m for all 11 countries. Given its limited income, the region does not seem to be as promising a market for South African business as Europe, Asia or the Americas. In any case, South Africa's export penetration into SADC already ranges as high as 80% of the total for countries in the Southern African Customs Union (SACU).

#### ALIGNING POLICIES

Despite these qualifications, the market is likely to become much more important in the future, as regional growth stimulates import demand. In global terms, SADC may be a small market, but for many South African sectors and firms, it is a crucial export base. An estimated 600 000 South African manufacturing jobs are at least partially supported by exports to SADC. Around three quarters of South Africa's exports to the region are manufactured goods. Southern Africa takes over 20% of South Africa's manufactured exports – and this excludes trade with our SACU partners (Namibia, Botswana, Lesotho and Swaziland). The region takes just under 10% of our total exports.

FIRMS WITH ESTABLISHED VENTURES IN AFRICA OFTEN FIND IT DIFFICULT TO SOURCE EXPATRIATE STAFF BECAUSE OF HARSH LIVING CONDITIONS AND A PERCEPTION THAT SUCH A POSTING IS NOT CONDUCTIVE TO CORPORATE ADVANCEMENT.

There are also sound political motivations for engagement. The average South African has an annual income approximately 30 times that of a Mozambican; South Africa's per capita income level is also more than six times that of the rest of SADC. It is thus not surprising that people from neighbouring countries keep streaming in. Estimates of the number of illegal immigrants in South Africa range from two million to over four million.

To slow this, SADC countries need to be helped to grow rapidly. Moreover, the creation of faster growing and larger regional economies would also remove the fear that South Africa will completely dominate southern Africa, thus allowing for a more mature discussion concerning regional co-operation.

The economic reasons for engagement are thus very sound, and are likely to improve over the next decade or so. The removal of apartheid has opened many doors – openings which South African firms are well placed to take advantage of. There are, however, also pitfalls: bureaucratic obstacles, poor infrastructure and communications, and a lack of skills.

Nonetheless, many private sector firms have been investing in the subcontinent, in areas from mining to manufacturing, trade to tourism. South African accents now dominate the Dar es Salaam yacht club, Castle Lager is becoming a pan-continental brand, shopping at Shoprite-Checkers is part of the weekly ritual in many regional capitals, and South African hospitals are chosen by political and business élites in the region. Trade relations, which were strong during the apartheid era, have strengthened further.

South African firms ignore southern Africa at their peril, but entering African markets ill-prepared is just as perilous. For those who do not prepare, setting up a business could take up to four times as long as initially expected, and all sorts of potential snares, such as work permit problems, unexpected increases in duties and the like, could trip up the unwary.

Unanticipated costs and taxes – while not able to engage in income-generating work – sink what looks, on paper, to be a profitable venture.

#### TRADE IMBALANCE

Southern Africa is already an important export market for South Africa – and a market that is becoming even more important over time. Although in 1992 the region took the same share of total manufactured exports – over 20% – its share of total exports going to the region had increased to 9%, from 6.5% five years ago.

Moreover, this penetration has become more one-sided. In 1992, for every R4.50 of goods exported, South Africa imported only R1.00 of products from its neighbours. The trade imbalance has steadily increased: in 1997, the ratio had improved (or worsened, depending upon one's perspective) to 5.8 to one.

Not surprisingly this has created some political tensions with regional partners. There is some thought that, although South Africa is likely to continue to export far more than it imports from the region, the ratio may narrow. As the region's economies stabilise and grow they can also export more to South Africa. Agricultural goods and clothing and textiles are two possible examples.

Further, there are plans to lower trade barriers within SADC, and this should give more firms better access to the relatively large South African market. Finally, as South African firms invest in the region, exports are likely to increase (to their subsidiaries). Importantly, these subsidiaries will increase exports back to South Africa or even further afield. Followed through, this trend should ease the pressure on South Africa to roughly balance trade with its regional partners.

#### WAITING FOR SOUTH AFRICA

Whatever happens in southern Africa – even if the best policies are vigorously applied – the outcome of the political and economic transformation occurring in South Africa is crucial. If South Africa grows, drawing global attention to the region, demand for the region's exports should increase, raising South African invest-

ment in the subcontinent. On the other hand, a falling South Africa would wipe the whole region off the investment and trade map.

What then, is the situation as far as South Africa is concerned? Government's policies largely embody much of international economic "best practice". As far as tariff reform, macro-economic stability, fiscal policy and a number of other issues are concerned, much is going right. However, in areas such as labour market policy, education, health management, and law and order the country is moving in the wrong direction.

In the short term, the pieces of new legislation that are employment-unfriendly are most crucial. If job shedding were to reach a critical level, the potential exists for raising political temperatures, leading to pressure on the government to roll back, even in areas where so far it has done much that is good. Attacks on the broad thrust of economic policy have become more strident – and more frequent – in recent months. As the 1999 elections approach, these

are likely to rise in volume, and the government's resolve could simultaneously weaken.

South Africa is expected to grow by some 2% this year, and 3% in 1999. This is insufficient for the country to be a real engine for the region – but current policies aim to significantly improve the medium-to-long-term growth performance to around 5%. At that level of growth, South Africa could fully perform the function of the powerhouse of the region.

This is conditional upon South Africa tackling the issue of governance vigorously. This is not the focus of "euro-centric" liberals alone; hard-nosed investors also worry about such issues. If corruption, nepotism and poor service were to be tolerated in the public sector, then no matter how good policies are, South Africa would be unable to deliver faster growth, more jobs, and act as the focus of economic regeneration in southern Africa. ■

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MORE THAN SIX TIMES  
THAT OF THE REST OF  
SADC.



## THE US AND AFRICA A NEW BEGINNING?

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### EXECUTIVE SUMMARY

- IN THE INTEREST OF GENERATING A "PARTNERSHIP", THE US HAS RECENTLY APPROACHED AFRICA WITH THREE INNOVATIVE PROPOSALS: THE AFRICA GROWTH AND OPPORTUNITY ACT (AGOA), AFRICAN CRISIS RESPONSE INITIATIVE (ACRI), AND HIGHLY INDEBTED POOR COUNTRIES (HIPC) RELIEF PLAN.
- MUCH FURTHER DEVELOPMENT ON THE CONTINENT IS NEEDED BEFORE A REAL PARTNERSHIP CAN BE CONTEMPLATED. EVEN IF THE US WERE TO PROMOTE UNRESTRICTED ACCESS TO ITS MARKET FOR AFRICAN TRADING GOODS, AFRICA IS HARDLY IN A POSITION, PRESENTLY, TO CAPITALISE ON THE OPPORTUNITY.
- THE NEED FOR AN ACRI IS UNDENIABLE, BUT A BASIC LACK OF CAPACITY AND EQUIPMENT MAKES THE REALISATION OF LOCAL PEACEMAKING CAPACITY A DISTANT ASPIRATION.
- THE HIPC INITIATIVE PROVIDES HOPE FOR COUNTRIES CRIPPLED BY DEBT, BUT MANY HAVE COMPLAINED THAT THE PROCEDURE IS CUMBERSOME AND SLOW.
- OBJECTIONS HAVE BEEN RAISED TO ASPECTS OF THESE PROPOSALS, BUT THERE IS A CONSPICUOUS LACK OF ALTERNATIVE STRATEGIES OF AFRICAN ORIGIN.
- THE "NEW AFRICANS" MUST DO MORE THAN PLAY ON THE EMERGING US /FRANCE RIVALRY.
- THE AFRICAN RENAISSANCE AS ENVISIONED BY MBEKI HAS TWO PILLARS: THE ECONOMIC AND THE POLITICAL. WHILE BOTH AFRICA AND THE WEST HAVE A RESPONSIBILITY TO GENERATE ECONOMIC RENEWAL, THE "NEW AFRICANS" ALSO OWE THE CONTINENT A GENUINE COMMITMENT TO DEMOCRACY AND GOOD GOVERNANCE.

IS IT WISE TO START TALKING about the emergence of a genuine "partnership" between the US and Africa? During his recent official visits to African states – Ghana, Uganda, Rwanda, Botswana – and state visit to South Africa, President Clinton boasted of an emerging, "United States-Africa strategic partnership for the 21st century." White House aides have put forward the goal of placing Africa on America's "corporate radar screen." The President suggests this "partnership" will be founded on common commitment to democracy and respect for human rights, economic growth, and mutual security. He put at least three US policy initiatives firmly on the agenda:

- the Africa Growth and Opportunity Act;
- the US initiated – and British and French backed – African Crisis Response Initiative (ACRI), and;
- partial forgiveness of Africa's debilitating debt burden of some \$230 billion via the Highly Indebted Poor Countries (HIPC) initiative.

The cautious reactions of African states to these overtures suggest that the proposed partnership is anything but guaranteed. For any alliance to work, some hard, even uncomfortable, questions will have to be confronted. Maybe the west should consider the need for a Marshall

Plan for Africa – this would constitute a giant step towards removing the cynicism and scepticism which currently surrounds the hype around the proposed “partnership.”

#### A NEW ECONOMIC REGIME?

The Africa Growth and Opportunity Bill has five key elements (Rice, 1998):

1. enhanced market access for Africa's trading goods (duty- and quota-free exports, with the exception of textiles and some agricultural goods), and an organised permanent (ten year) General System of Preferences (GSP);
2. US-guaranteed funds and support to boost private sector development;
3. support for regional integration initiatives;
4. an annual US-Africa Economic Forum for dialogue on trade matters; and
5. the establishment, over time, of free-trade areas with the strongest regions and countries in Africa.

The bill also promises \$150 million for an equity fund, a \$500 million infrastructure fund, and a \$120 million enterprise fund. It is aimed at increasing US exports to sub-Saharan Africa and promoting the Export-Import (Ex-Im) Bank lending in Africa. But, even though the bill hints at the continuation of other US aid to Africa, it does not spell out the new objectives of such aid.

The question is not whether Africa needs aid, but what this aid should accomplish. President Clinton was challenged during his recent visit to Africa to move away from his “aid to trade” paradigm. The African argument is that while it is important to move towards trade and investment, aid remains essential, though it is clear that its form should be changed.

African leaders and NGOs are complaining about what they perceive to be new forms of “liberal conditionalities” posed by the draft legislation. The US is quick to respond that these are not conditionalities, only “global best practice” provisions. Africans are concerned that the bill will reward, and come to favour, the strongest nations, and so perpetuate a divide and rule strategy, weakening the already fragile African unity. But Africans themselves are con-

spicuously silent as to what should replace these “conditionalities”.

#### AFRICAN SOLUTIONS

Africa should be engaging in debate around the positive and the negative aspects of the law as conceived. New strategies with an African origin should be investigated. US-Africa co-operation must strive towards a mutual understanding on policies, which will give a sense of ownership to both sides.

Currently, more than 80% of US trade and investment with the region is with only four of the 48 sub-Saharan African states: Nigeria, Angola, Gabon, and South Africa (US-SA Business Council, 1997). The former three are all oil-producing states which account for almost all of the US trade surplus with the region of some \$9 billion per annum. Total US direct investment for the period 1996-98 amounts to some \$8,5 billion (ibid.).

The picture is, therefore, a bleak one: even if the US were to promote unrestricted access to its market for African trading goods, Africa is hardly in a position to capitalise on the opportunity. A great deal of attention should, therefore, be paid to enhancing the economic potential and productivity base of individual African states. The onus of achieving this is as much on the US and other European powers as it is on Africa.

With regard to aid, the problem for Africans is that in the corridors of the Republican dominated Congress, the appetite for further direct assistance is fast waning. There is need for continental consensus on the role that aid should be fulfilling. Aid should ensure that concerns about economic growth, important though it is, should not supersede the need to create a workable democracy and an effective civil society in Africa.

#### TOWARDS A PAX AFRICANA?

There has also been a shift in position in the west with regard to security. The new line is that the security challenges of Africa can be addressed only through the work of Africans

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themselves. But a Pax Africana presupposes African capacity to deal with such challenges – hardly a given in the African context.

The need for an African Crisis Response Initiative (ACRI) is unquestionable. ACRI relates America's ostensible commitment to "building peace capacity" in Africa (Adebayo, 1997). The idea is to build co-operative relationships with the US, UN, and OAU. Such co-ordinating ventures will also be streamlined with the efforts of African regional entities such as the Southern African Development Community (SADC) and the Economic Community of West African States (ECOWAS).

After African states vehemently rejected the notion of an African standing force serving under a US command, the US was forced to make a fundamental U-turn on the idea. The ACRI, as it stands, promotes the notions of training and indigenous capacity-building. Although some countries have signed and undergone training and the OAU has endorsed the Initiative, there are still no rules specifying how the forces thus trained are going to be used.

The enormously complex conflicts in the Great Lakes region, for example, illustrate the importance of taking a long-term view of conflict management. Clinton expressed his desire to devote more effort to the prevention of violence when he proposed in Kigali a "Great Lakes justice initiative". The question however remains: how is it possible to create effective institutions in a hitherto inimical environment?

A good start would be to focus on enhancing the effectiveness of African forces, providing serviceable weapons and good communications equipment, upgrading tactical mobility and logistical support, providing training based on individual skills, and teaching of basic peace-making, peace-keeping and peace-enforcement doctrines.

#### THE DEBT

There is also the challenge of Africa's astonishing debt burden of some \$230 billion. The debt question will seriously put to the test the sincerity and earnestness of the west.

African governments are compelled to spend some \$12,5 billion on debt service repayment per annum, which is twice as much as they spend on education and health care combined. These countries are also among the world's poorest. The large debt load typically absorbs scarce foreign reserves, weakens incentives for reform, and is used to justify autocratic rule.

While President Clinton promised bi-lateral concessional debt relief to African countries of some \$1,6 billion, and undertook debt relief on the multi-lateral front, there is widespread concern in Africa that the Highly Indebted Poor Countries (HIPC) initiative is too slow. In addition, IMF conditionality is cumbersome and uncompromising.

#### A NEW EU-AMERICAN RIVALRY?

With the imminent conclusion of an EU-SA Free Trade and Development pact, Brussels' economic influence in Africa is sure to grow. Washington is already seeking to check Europe's growing clout on the continent. The deepening "Cold Peace" between the US and France is a vivid expression of this rivalry.

The French have long seen much of Africa as their private domain. They are now accusing the US of pursuing Anglophone hegemony at the expense of France. Washington, in turn, is attempting to cement "a strategic partnership" with Pretoria so as to reorganise African politics to its liking. But the growing search for an independent foreign policy by Pretoria means that this partnership is hardly guaranteed.

#### THE NEW AFRICANS

There remain serious challenges on the political democratisation front. The tendency on the part of many – including the Clinton administration – to embrace the "new Africans" – Meles of Ethiopia, Konare of Mali, Kagame of Rwanda, Aferwoki of Eritrea, Museveni of Uganda, Mbeki of South Africa – poses its own set of challenges.

To be sure these "new Africans" underscore the importance of market forces for Africa's renewal. They are determined to assume an equal place at the world table, dismiss the "blame the West" paradigm, and reject the willingness of the predecessors to submit to the US, France, World Bank and the IMF. They typically speak of "African solutions for African problems." They stress the need for critical alliances with the west so as to bolster the prospects for true Renaissance.

But they all remain weak on the democratic front. Some of them – Zenawi, Afeworki, Museveni – avoid the democracy debate altogether; being critical of liberal democracy, they are quick to avow that there exists no ideal model of governance.

But while South Africa's own democracy remains incomplete, Deputy President Mbeki is beginning to confront this issue head-on. His vision of an African Renaissance has two intertwined pillars: the political and the economic. Politically, the Deputy President speaks out against one-party dictatorship, military juntas,

corruption, and poor governance in Africa. Economically, Mbeki speaks of free markets as routes to economic recovery in sub-Saharan Africa. The new Africans, with the possible exception of Mbeki, remain weak on accountable government and fail to address the social and economic plights of their citizenry.

There is a critical need for Africans to constantly assess and reassess the political and economic challenges confronting the "African Renaissance". We should attempt to grasp both its extent and its limits. The important question is not so much whether there will be an African Renaissance, but what should be done to trigger it.

What the "new" Africans owe the continent is a genuine commitment to democracy. As for the western powers, they will, in the years to come, continue to influence Africa's destiny for better or for worse. It is the duty of Africans to ensure that they do much more good than evil. ■

WHAT THE "NEW"  
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# ANTAGONISTIC APPROVAL

## SOUTH AFRICA'S RESPONSE TO THE AFRICAN GROWTH AND OPPORTUNITIES BILL

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### EXECUTIVE SUMMARY

- SOUTH AFRICA'S OBJECTION TO THE AFRICAN GROWTH AND OPPORTUNITIES BILL SHOULD NOT BE SEEN AS A REJECTION OF MARKET INTEGRATION BETWEEN THE UNITED STATES AND AFRICA.
- SOUTH AFRICA HAS, HOWEVER, CALLED INTO QUESTION CERTAIN OF THE UNILATERAL CONDITIONS REQUIRED OF PARTICIPATING STATES BY THE BILL, AND THE "TRADE, NOT AID" POSITION THESE CONDITIONS REPRESENT.
- THE REALITY IS THAT MOST OF THE CONTINENT IS NOT READY TO ENTER INTO AN EQUAL BARGAINING POSITION WITH THE US.
- BY TAKING THIS INDEPENDENT STANCE IN RESPONSE TO AMERICAN OVERTURES, SOUTH AFRICA HAS ONCE AGAIN ASSERTED ITS INDEPENDENCE — AN INDEPENDENCE THAT, IF RESPECTED, WILL ADD GREATLY TO US CREDIBILITY IN FUTURE INTERACTIONS WITH AFRICA.

THE AFRICAN GROWTH AND Opportunities Bill formulates a new United States Trade and Investment policy for sub-Saharan Africa. The common perception is that the South African government has rejected this Bill, but the South African response has been a lot more nuanced than that. While some parts of the Bill have been subjected to criticism, its bottom line — the integration of African and US markets — has been accepted by South Africa.

Underlying the Bill is a particular, minimalist view of the role of the state. The state is envisioned as a facilitator for free trade, which is seen as the answer for the social and economic woes suffered by African countries. Ultimately, the Bill presupposes that the two imperatives of economic growth and equity can be pursued at the same time by a state that is prepared to provide the framework for the market to work.

The Bill is based on four pillars:

- USAID support for programmes to advance

sustainable development, creating an environment for economic growth.

- The establishment of the "United States-sub-Saharan Africa Trade and Economic Cooperation Forum" to discuss expanding trade and investment relations.
- The ultimate creation of a United States-sub-Saharan Africa Free Trade Area.
- The provision of funds to build capacity in the private sector, including an Infrastructure Fund of \$500 000 000 to support infrastructure projects (to be managed by the United States Overseas Private Investment Corporation — Opic) and the Modern Africa Growth and Investment Fund of \$150 000 000 to achieve long-term capital appreciation through equity investments in support projects.

### CONDITIONALITIES

In order to participate in the programmes, projects, assistance or other benefits offered by the

Bill as outlined above, certain conditions are imposed. These terms are intended to do three things: create favourable foreign trade and investment conditions, build national capacity, and encourage local investment.

The Bill requires the following of participating states in order to create favourable foreign trade and investment conditions:

- reduction of tariff levels, the binding of tariffs in the WTO and assumption of meaningful binding obligations in other sectors of trade, and the elimination of non-tariff barriers to trade;
- membership in the WTO and compliance with obligations to the IMF and other international financial institutions;
- free movement of goods, services and factors of production between the United States and Africa;
- support for the growth of regional markets within a free-trade framework;
- removal of restrictions on foreign investment;
- the provision of national treatment for foreign investors and other measures to attract foreign investors;
- protection of intellectual property rights, improvement of standards, testing, labeling and certification, and government procurement;
- the protection of property rights.

The Bill further requires the following in the name of national capacity building:

- the promotion of the production base through joint ventures;
- action toward the reduction of poverty.

Finally, several measures are seen as necessary to encourage local investment:

- the reduction of high import and corporate taxes, the control of government consumption, participation in bilateral investment treaties, and the harmonisation of such treaties to avoid double taxation;
- the encouragement of private ownership of government-controlled economic enterprises through divestiture programmes;
- numerous regulatory actions aimed at elimi-

nating government corruption; minimising government intervention in the market; monitoring the fiscal and monetary policies of government, and supporting the growth of the private sector by promoting the emergence of a new generation of African entrepreneurs.

#### THE GOVERNMENT'S RESPONSE

The popular view is that the South African government has rejected the Bill. What was rejected is the setting of unilateral conditionalities in the Bill, and its emphasis on trade (rather than aid) in the ties between sub-Saharan Africa and the United States.

The rejection of these conditionalities "not developed in the context of a multi-lateral agreement" needs to be understood against the background of the twofold nature of South Africa's foreign policy imperatives.

Firstly, South Africa has committed itself to the pursuit of "employment-creating international competitiveness" (GEAR, 1996). The government sees free markets as a route to economic recovery for sub-Saharan Africa. This implies a closer integration with globalising forces to attract increasingly mobile capital and commodities.

Secondly, South Africa is committed to the protection of its independence in foreign policy. This imperative is epitomised by President Mandela's famous "go jump in the pool" remark at the Clinton-Mandela press conference. South Africa seeks to nurse this independence not only through alliances with Africa, Asia and Latin America, but also with developed countries who promote its interests. As the Minister for Trade and Industry recently declared:

*"our future prosperity requires focused attention on strengthening linkages with vast and untapped markets in Africa, Latin America and Asia... Guided by the ideal of African Renaissance, the Government is pursuing its objectives of trade policy development and implementation in Africa in order to promote the regeneration and development of the continent," (Erwin 1998).*

WHAT WAS REJECTED IS THE SETTING OF UNILATERAL CONDITIONALITIES IN THE BILL, AND ITS EMPHASIS ON TRADE RATHER THAN AID.

South Africa is also in a better position to react to the Bill than most other African countries, firstly because of its relatively smooth transition to democracy and secondly because it is not, unlike the rest of the continent, heavily indebted to institutions like the IMF.

#### TRADE, NOT AID

The second objection to the Bill is the emphasis on "trade, not aid". South Africa holds the position that uneven development cannot be rectified solely by trade policy. It is argued that capacity is needed to operate in global markets, otherwise the result of trade liberalisation and integration into the global economy would be de-industrialisation instead of development.

South Africa would press the point that the United States and poor African countries, such as Burkina Faso or Mozambique, are not partners of equal weight, which could enter into an equal bargaining posture. There is a particular need to ensure that international measures do more than just open up African markets to sophisticated goods from the developed world. Questions could also be asked about the effect of trade liberalisation on

inequality within African countries.

South Africa therefore proposes a blend of policy measures, including a well-articulated regional industrial development strategy and investment policy. Thus, while the South African government has welcomed the establishment of the infrastructure and equity funds mentioned above, this is seen as insufficient to address the capacity problems faced by sub-Saharan African countries. The debate turns on the issue of the regulation of, or intervention in, "the market."

The difference in approach to regional inte-

gration becomes more visible when one compares the development vision behind the Bill with South Africa's policy towards the SADC. The latter supports:

- an asymmetrical free-trade area;
- variable speeds of dismantling;
- the linking of regional trade development to new investment in infrastructure and the productive sector;
- assistance to the least developed countries.

#### MAINTAINING INDEPENDENCE

In a sense, these views once again reflect South Africa's desire for independent foreign policy. In the long term South Africa hopes to pursue this independence through partnerships with other developing countries (hence its prominent position in the Non-Aligned Movement). The development of these countries and the strengthening of their relative economic and political weight would thus be in the long-term interest of South Africa.

It must be stressed that the South African government is ultimately not opposed to the closer integration of American and African markets. It is, however, concerned about who the winners and the losers in this exchange might be. It therefore proposes measures that will serve as protection and support to the likely losers.

Through these measures it seeks to establish itself, and the rest of sub-Saharan Africa, as more-or-less equal partners in economic exchanges with the developed world. In this way South Africa seeks to develop a measure of economic and political independence for itself.

Ultimately, the United States also stands to benefit from the legitimacy that South Africa could gain from some resistance to US trade overtures. If the US can engage a South Africa that is perceived to act independently, it will be so much easier to engage other countries in sub-Saharan Africa. ■

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CAPACITY IS NEEDED TO  
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## SOUTH AFRICA, AFRICA AND THE EUROPEAN UNION NEGOTIATING AN AFRICAN RENAISSANCE?

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- DESPITE OFFICIAL AVOWALS THAT TRADE NEGOTIATIONS WITH THE EU ARE INFORMED EXCLUSIVELY BY NATIONAL INTERESTS, THERE IS EVIDENCE THAT SOUTH AFRICA HAS BEEN APPROACHING THE BILATERAL TALKS WITH CONTINENTAL INTERESTS IN MIND.
- OTHER SADC NATIONS ARE UNDERSTANDABLY APPREHENSIVE OF A BILATERAL AGREEMENT BETWEEN THE STRONGEST ECONOMY ON THE CONTINENT AND ONE OF THEIR LARGEST MARKETS, BUT SOUTH AFRICA HAS REJECTED CERTAIN EU PROPOSALS FOR THE EXPLICIT PURPOSE OF PROTECTING ITS REGIONAL PARTNERS.
- THE BILATERAL TALKS HAVE BEEN CHARACTERISED BY TOUGH NEGOTIATIONS, WITH SOUTH AFRICA SHOWING AN INDEPENDENCE SURPRISING TO THE EU.
- THE EU, PERENNIALY PROTECTIVE OF ITS AGRICULTURAL SECTOR, HAS EXCLUDED 39% OF SOUTH AFRICA'S AGRICULTURAL EXPORTS FROM THE NEGOTIATIONS, WHILE ASYMMETRICALLY DEMANDING 95% FREE ACCESS FOR ITS OWN EXPORTS.
- THERE ARE ESTIMATES THAT THE PROPOSED AGREEMENT WOULD ONLY GENERATE 6% GREATER ACCESS TO THE EU MARKET, WHICH WOULD POSE A SERIOUS RISK TO DOMESTIC PRODUCERS.
- SOUTH AFRICA, HOWEVER, IS RISING TO THE CHALLENGE AND SETTING A NEW TONE FOR FIRST WORLD/THIRD WORLD TRADE RELATIONS.
- THE PRECEDENT THE SA/EU TALKS ESTABLISH SHOULD INFORM THE LOMÉ NEGOTIATIONS LATER IN THIS YEAR – NEGOTIATIONS THAT COULD MAKE OR BREAK THE AFRICAN RENAISSANCE.
- THE STRONG STANCE SOUTH AFRICA IS TAKING COULD HELP OTHER AFRICAN NATIONS NEGOTIATE AROUND IMPOSED CONDITIONALITIES AND FIND "AFRICAN SOLUTIONS FOR AFRICAN PROBLEMS."
- LOMÉ HAS BEEN SUPPORTIVE OF REGIONAL COOPERATION, ALLOCATING 11.5% OF THE AID BUDGET FOR ENCOURAGING THESE LINKS, AND THUS FACILITATING THE KIND OF AFRICAN SOLIDARITY THE RENAISSANCE ENVISAGES.
- SINCE THE RENAISSANCE HAS BEEN FRAMED BY THE ANC AS A RESPONSE TO GLOBALISATION, THE RELATIONSHIPS ESTABLISHED AT LOMÉ WILL DEFINE THE CHARACTER AND QUALITY OF ANY REBIRTH ALONG THESE LINES IN THE NEAR FUTURE.

THE TERM "AFRICAN RENAISSANCE" has recently gained a great deal of popular, academic and governmental coverage in South Africa. Currently, it is understood as both a process and a vision.

- The process refers to the perceived improvement of African prospects in recent years: greater political stability, the spread of democracy and improved economic growth statistics. This evaluation is hotly contested.

EXECUTIVE  
SUMMARY

BLADE NZIMANDE SAID THAT PROMOTION OF AN AFRICAN RENAISSANCE WAS ONE OF SOUTH AFRICA'S MOST IMPORTANT CHALLENGES.

- The vision points to what, ideally, Africa should become, and is coupled with prescriptions for how to achieve a "rebirth".

While commonly perceived as lacking substance, the idea nevertheless appears to be the emerging framework for ANC foreign policy. Since the ANC is likely to shape foreign and trade policy for some time, it is imperative that its definition of an African Renaissance be clarified. What does the Renaissance mean to the ANC and how might this notion impact on trade relationships between the European Union (EU), South Africa, and the rest of the region?

#### RENAISSANCE AS POLICY

The "African Renaissance" concept is central to the ANC's foreign policy. It is important to track how South Africa has applied this notion in current trade negotiations, because:

- this is likely to be reflected in its behaviour in the future;
- SA-EU negotiations may set a precedent for how African countries are perceived by the EU and how they will stand in negotiations over the Lomé Convention later this year, and;
- South Africa's approach may set the tone for ongoing North-South negotiations on international trade and development assistance.

THE DISCUSSION DOCUMENT STATES THAT THE AFRICAN RENAISSANCE IS "THE MAIN PILLAR OF OUR INTERNATIONAL POLICY."

Blade Nzimande, chairman of the ANC's Committee for International Affairs, said that the effective promotion of an African Renaissance was one of South Africa's most important challenges. The notion of an African Renaissance was developed in the documentation leading up to, and resulting from, the ANC's 50th National Conference, and was highlighted in a discussion document circulated prior to

that event.

The discussion document states that the African Renaissance is "the main pillar of our international policy not only relating to Africa but in all our international relations globally" (1997a). More specifically, the following objectives are outlined:

- rapid economic recovery of the continent
- people-centred economic growth and development which satisfies basic needs;
- breaking the pattern of neo-colonial relations between Africa and "the world's economic powers";
- mobilising Africans to take charge of their own affairs, thus keeping at bay self-interested outside powers, and;
- extension and consolidation of democracy, protection of human rights and promotion of peace and stability throughout Africa

A central strain within the ANC documents is that the continent must become empowered to act for itself and its interests" (1997a). This is essential in light of an unjust world order where western domination is reinforced by globalisation, which may further marginalise African countries.

The African Renaissance is presented as the framework for meeting these challenges – both "a strategic objective and a call to action" (1997c). The ANC envisages formulating a common agenda and establishing alliances with developing countries. Subsequently, South Africa is to prioritise "cooperation and co-ordination" in the Southern African region (1997a) – especially through economic association. Further, South Africa must establish "creative bilateral and multilateral engagement[s]" with developed countries in order to promote a just world order (ANC, 1997c).

It should be noted that the African Renaissance is an idea still under construction. There appears to be some disagreement within the ranks of the ANC as to exactly what the concept should entail. For example, the ANC's

implicit aversion to globalisation contained within these documents contradicts some of its current economic policies. Nevertheless, the African Renaissance does represent a vision for how the ANC is to develop its future foreign policy.

#### THE BILATERAL TRADE AGREEMENT

Given this background, the African Renaissance should figure prominently in South Africa's current trade negotiations with the European Union. It is an ideal moment for trade-dependent South Africa to negotiate better market access to its largest trade and investment partner while advocating a new African image and establishing a more just partnership with former colonial powers. So what role is the African Renaissance playing?

South Africa's changed political context necessitated a new relationship with the EU (formerly the European Community), whose previous policies centred on protests and sanctions. By the 1994 elections, the EU had become a firm political and financial backer of South African democratisation and development. In October 1994, the road to a new relationship began with the signing of a simplified agreement to re-open political dialogue, fund long-term sectoral development and liberalise trade. At the same time, the European Commission invited SA to begin negotiating a comprehensive long-term trade and cooperation agreement.

In March 1996, the courtship soured significantly when the Commission tabled its trade negotiating mandate from the European Council. The "twin-track" approach offered:

- qualified membership to the Lomé Convention, excluding SA from trade and development mechanisms but including certain benefits, and;
- a long-term bilateral trade and cooperation agreement to cover all non-Lomé areas, including political dialogue, development aid, regional cooperation, and trade.

Trade, arguably the most important area being negotiated within the bilateral agreement, has

been negotiated separately. While bilateral cooperation has progressed without major hitches, trade has been highly contentious.

The trade aspect of the EU's March 1996 proposal suggested the creation, over a 10-year transitional period, of a bilateral free-trade agreement covering all aspects of trade except special sectoral agreements. A disappointed South Africa offered a counterproposal, the Trade and Development Agreement (TDA), in early 1997.

Two years and nearly 20 negotiating rounds later, the two are still slowly manoeuvring through the free-trade minefield. Among other things, issues include exclusion of agricultural exports, the extent and speed of liberalisation on both sides, and effects on Southern Africa. South Africa and the EU optimistically hope to conclude talks by June 1998, a deadline crucial to political expediency. This is due to the passing of the Council presidency from the sympathetic UK to Austria, and the full negotiating schedule of the EU in the second half of 1998.

#### NEGOTIATING A RENAISSANCE?

With regard to the trade negotiations, an official source within the Department of Trade and Industry (DTI), said in May 1998 that the African Renaissance "plays no role whatsoever. The negotiations are hard-headed, and are driven exclusively by national interests." According to DTI and non-governmental sources, trade talks are highly technical and leave no room for the philosophy of the (sidelined) Foreign Affairs office.

It would appear that this touted framework has not left the realm of principle. Perhaps the idea, concretised by the ANC in 1997 with SA-EU talks well underway, is too recent to affect negotiations. Yet even current

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awareness seems limited.

Missed opportunities notwithstanding, the idea remains relevant. South Africa is setting the stage for a new context which will certainly shake Africa. Does the emerging trade agreement help or hinder a Renaissance?

#### DEFENDING THE REGION

African countries are understandably apprehensive of a bilateral agreement between the strongest economy on the continent and one of their largest markets. SACU countries have demanded a sector-by-sector impact study of the impending EU-SA arrangement, rightly fearing a loss of fiscal income, extreme competition from European manufacturing and agricultural exports, and greater unemployment. SADC countries have similar fears, despite signing the Trade Protocol in August 1996, which gives them a stronger place at the negotiating table.

But the negotiations reveal SA's commitment to the region. South Africa rejected the EU's initial offer, due to the projected effects such an agreement might have on SACU's tariff revenue. It further demanded compensation for trade diversion and loss of regional revenue, and greater asymmetry, harmonising the SADC/bilateral Free-Trade Agreement (FTA) implementation and excluding "sensitive" regional products (Lambrechts, 1997).

While effects should not be entirely negative – some observers stress the benefits of a strong regional economy (Jenkins and Naudé, 1995) – care has been taken on both sides to ensure a regional "fit". On the surface, neither SA nor the EU have undermined their African partners.

South Africa's concern for Africa is new and only partially altruistic: it depends on Africa's image, stability and markets for attracting capi-

tal. Nevertheless, its commitment has been described by one Western diplomat as an "extraordinarily magnanimous gesture," which may reflect a commitment to the African Renaissance.

#### TOUGH NEGOTIATIONS

South Africa can best advance an African Renaissance through its own growth and development, and a good trade agreement is the best means for Europe to help SA. Favourable terms could boost foreign investment, uplift the disadvantaged through cooperation and employment, and encourage SA's integration into a global economy.

South Africa has not found the EU as understanding as it hoped. The Commission's mandate set limits on sensitive areas, requested that SA liberalise to a greater degree, and excluded 39% of South Africa's agricultural exports from the negotiations. A disappointed SA stated in its counterproposal that the FTA should be more developmental in nature, by supporting the RDP, stimulating economic growth, removing "discriminatory" market access, and taking into account adjustment costs.

These thorns continue to trouble talks. South Africa claims that asymmetrical liberalisation is unfair, as it would have to liberalise far more than the EU and too quickly. Furthermore, negotiators were angered by the 39% exclusion in addition to the fact that the EU proposes 95% free trade on its own agricultural exports, but only 55% for South Africa's (Bertelsmann, 1997). Finally, there have been protracted discussions on which sensitive sectors to exclude and on what grounds.

Also worrying SA negotiators are critics back home who argue that bilateral trade may seriously harm domestic economic development. Some have estimated that South Africa will only experience 6% greater access to the EU market (SAIIA, 1997). This benefit must be balanced against serious risks, including local inability to compete (especially in the automobile, textile, footwear, and dairy industries), and potential unemployment.

Threatened domestic stakeholders are unimpressed by the EU's proposals and the South African response (SAIIA, 98). One commentator noted that without impact studies, there is no way to determine whether South Africa's agreement will have devastating consequences. And, according to one labour negotiator in May 1998, "If this is the current basis for agreement, labour isn't interested."

Thus, trade negotiations have revealed the tensions between economically unequal partners with distinctly different agendas. South Africa's tough stance appears to be paying off, with the EU allowing greater focus on poverty alleviation, restructuring SA industry and agriculture, and concessions for exports crucial to development. However, the EU has still been pragmatic and protectionist, as seen in the exclusion of SA agricultural goods because of powerful farming lobbies in the Mediterranean states, dumping on the Southern African beef market, and "sneaking in" a clause limiting Lomé benefits.

As stated by the ANC, economic self-interest is key in a globalising economy. Regional integration and opening Africa to the world economy are studied aims to this end. SA should therefore expect more tough trade negotiations in future.

#### SETTING THE TONE

"Breaking the pattern of neo-colonial relations" could be the most far-reaching outcome of these talks. While the SA-EU relationship is not really "neo-colonial," its bilateral talks may set precedents for African (and other) countries re-negotiating the Lomé Convention in September, and for future North-South bilateral and multi-lateral dialogue. The outcome might also shape future EU policy on similar agreements (Jenkins and Naudé, 1995).

South Africa needs to create an atmosphere of equality and mutual respect with Europe, in order to attract tangible benefits to Africa. It may be succeeding. Its tough negotiating style has been noted and appreciated in Europe. After one tense moment, a Spanish official told

SA journalists: "We think SA only signed issues that are of interest to them . . . you have good negotiators." European negotiators were also surprised, even taken aback, by SA's disdainful attitude to what they considered a generous offer.

While the current talks are not driven by African initiatives, they are consistent with the "partnership" mode sought by African countries. While the proposed arrangement may adversely affect the region initially, the switch from development aid and non-reciprocal preferential access to free-trade should promote greater equality and help eliminate the "psychological dependency" of African countries (Davenport, 1992 cited in Jenkins and Naudé, 1995).

Considering that SA must negotiate for itself, and on behalf of the continent of Africa and the Southern hemisphere at the same time, its performance has been commendable. However, the real test of its effectiveness will be when the Lomé re-negotiations begin later this year.

#### LOMÉ

For the past 23 years, the trade and aid relations between the majority of African countries and the EU have been governed by the Lomé Convention. Consequently, any exploration of European-African relations in the framework of the African Renaissance needs to critically consider this agreement.

Since the Lomé Convention expires in the year 2000, and re-negotiations start in September of this year, this is a pertinent time to be assessing shifts in approach. The African Renaissance concept would suggest three dynamics likely to underlie the African negotiations:

- the breaking of neo-colonial relationships;
- the strengthening regional ties, and;
- the process of engaging with globalisation.

THE EU HAS STILL BEEN PRAGMATIC AND PROTECTIONIST, AS SEEN IN THE EXCLUSION OF SA AGRICULTURAL GOODS.

A SPANISH OFFICIAL TOLD SA JOURNALISTS: "YOU HAVE GOOD NEGOTIATORS."

SOUTH AFRICA'S CONCERN FOR AFRICA HAS BEEN DESCRIBED BY ONE WESTERN DIPLOMAT AS "AN EXTRAORDINARILY MAGNANIMOUS GESTURE."

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Lomé not only provides aid on relatively generous terms but offers signatories preferential access, without reciprocation, to European markets for the majority of their exports. However, recent developments within the world trading regime have placed the future of differentiated, non-reciprocal trading agreements such as Lomé, in doubt.

Not only is the Lomé arrangement, as it currently stands, WTO incompatible, but certain stakeholders have argued that the EU's special relationship with this particular group of developing countries is no longer justified. Austria, Finland and Sweden for example, although sympathetic to development cooperation, view Lomé as "a relic of colonial history" (Bossuyt, 1995).

Debate around these and other issues within Europe has been heated since the release in November 1996 of the Green Paper on the future of Lomé. Although the EU has not finalised its negotiating mandate, it is now clear that there will be a future agreement. However, significant departures from the current arrangement are likely.

#### A NEO-COLONIAL ARRANGEMENT?

The need to break neo-colonial relations between Africa and the world's economic powers is a constant theme in any discussion of the African Renaissance. Lomé is particularly interesting in this regard, in that all Lomé countries are former colonies of EU member states. It was due to this link that the association was initiated.

When the first Lomé Convention was signed in 1975 it heralded a few significant departures from colonial arrangements. The agreement was argued to be a "partnership" and was negotiated in a consultative manner. Not only did the Convention secure preferential trade, but it introduced a compensation scheme for primary product producers who suffered short-term declines in their export earnings.

This scheme, however, could not meet the demands placed on it during the recessionary 1980s, which led the EU to unilaterally reduce compensation on several occasions. Further, due to non-tariff barriers to trade, Lomé producers still struggled to expand their market share in European markets. Lomé countries' share of EU imports has dramatically declined over the years.

Some commentators have argued that despite lip service to the contrary, the Lomé relationship was designed to preserve "the existing Eurafican relationship whereby the EU obtained raw materials from the Lomé states and sold processed goods back to them" (Parfit 1996:53).

Neo-colonialism describes a situation in which an independent country suffers from the intervention and control by a foreign government. The trend to far greater conditionality in EU development cooperation is thus an important one to consider. The 1995 review of Lomé introduced conditionalities of good governance, human rights, democratic principles and the rule of law (Article 5).

Further, the following implicit economic conditionality was added:

*"the contracting parties ... recognise the importance of promoting ... an environment favourable to the development of the market economy and of the private sector ... (as well as) the fundamental importance of trade in energising the development process" (Article 6 and 6a).*

The Green Paper on future relations identifies the need to "tackle the policies and institutions which are still the cause of high costs, low productivity and uncompetitiveness" (1997:30-1), clearly suggesting the need for deregulation and increased flexibility.

One of the issues on which there is clear consensus in Europe is the need for these kinds of conditionalities. This is confirmed in the guidelines for the negotiations that the European Commission released in December 1997. The conditionalities suggested do not



necessarily contradict the African Renaissance project. However, what is at issue is the unequal power dynamic – the notion of EU intervening in African affairs. Conditionalities run counter to an essential tenet of the African Renaissance – African solutions for African problems.

#### REINFORCING REGIONALISM

The Convention has, over time, placed increasing emphasis on regional cooperation. Under the current Lomé Convention, 11.5% of the aid budget (1.25 billion ECUs) was allocated for this purpose. This trend has been dramatically accelerated in recent debates within Europe about the nature of the future agreement.

It is clear from European Commission documentation that the future agreement will, in essence, be made with regional groupings. In as far as the African Renaissance specifically aims to strengthen regional groupings, the future of Lomé appears to complement the Renaissance project. However, attempts at regional cooperation among African countries in the past have been fraught with difficulties.

There is a concern that certain groupings are not sufficiently sophisticated to enter into such an arrangement with the EU. This is clear in Southern Africa, where 10 of the 12 SADC members are also members of a larger grouping of the Common Market for East and Southern Africa (Comesa). How the EU plans to negotiate such dynamics remains to be seen. The upcoming negotiations, however, may provide some impetus to regional cooperation projects.

Since South Africa is only a partial signatory of Lomé, some South Africans have questioned whether Lomé is of any significance. The relevance of Lomé to South Africa is related to the issue of regionalism. All members of the South African Development Community (SADC) are signatories to the Convention. Lomé has shaped development in the region and the future agreement will continue to do so.

Consider, for example, the Lomé trade regime – approximately 40% of the region's exports are to the EU, a large proportion of which qualify for Lomé preferences. Loss of

these preferences has potentially significant implications. The same can be said for other likely changes such as the introduction of reciprocity. With the proposed free-trade area for the SADC by 2004, economic development in South Africa will increasingly be linked to that of the region.

#### GLOBALISATION AND LOMÉ

As has been pointed out the success of the African Renaissance, as the ANC has construed it, "depends on the extent to which it challenges globalisation" (1997a).

The upcoming negotiations have, from the EU's perspective, been firmly located in the context of "the growth of trade, the unification of capital markets and the globalisation of production and distribution networks" (The Green Paper, 1996).

The Treaty on European Union forwards the integration of developing countries into the global economy as a primary aim of development cooperation. While poverty reduction is said to be "the cornerstone" of future cooperation, no real analysis is offered for how this can be achieved, except as a result of economic growth and the integration of developing countries into the world economy.

Relying on generalised, trade-induced growth to bring development is a highly contested approach. For certain Lomé countries it is inappropriate – these countries have little ability to trade and low levels of investment. Further, a large proportion of the goods in which African countries do have comparative advantage are agricultural. Due to the subsidisation of agriculture in Europe, African goods struggle to compete.

It is thus clear that the ANC's "African Renaissance" and the dominant mode of European thinking represent two divergent ways of looking at African development. In the

10 OF THE 12 SADC MEMBERS ARE ALSO MEMBERS OF A LARGER GROUPING OF THE COMMON MARKET FOR EAST AND SOUTHERN AFRICA.

APPROXIMATELY 40% OF THE REGION'S EXPORTS ARE TO THE EU, A LARGE PROPORTION OF WHICH QUALIFY FOR LOMÉ PREFERENCES.

struggle between these perspectives, the EU could be criticised for not sufficiently taking account of two things.

- the current international situation is not necessarily structured to the advantage of African countries,
- rapid integration into the world economy has negative implications for developing countries in the short to medium term.

Referring to the African Renaissance, Joseph points out that Africa is in limbo, "between two worlds, an old order that is dying but not yet dead and a new order that is conceived but not yet born." (1997). Bilateral trade talks with the European Union have revealed that the birth is still incomplete. The renegotiation of Lomé presents Africa with an ideal opportunity to give more substance to the notion of an African Renaissance. ■

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# DEVELOPMENT

M O N I T O R



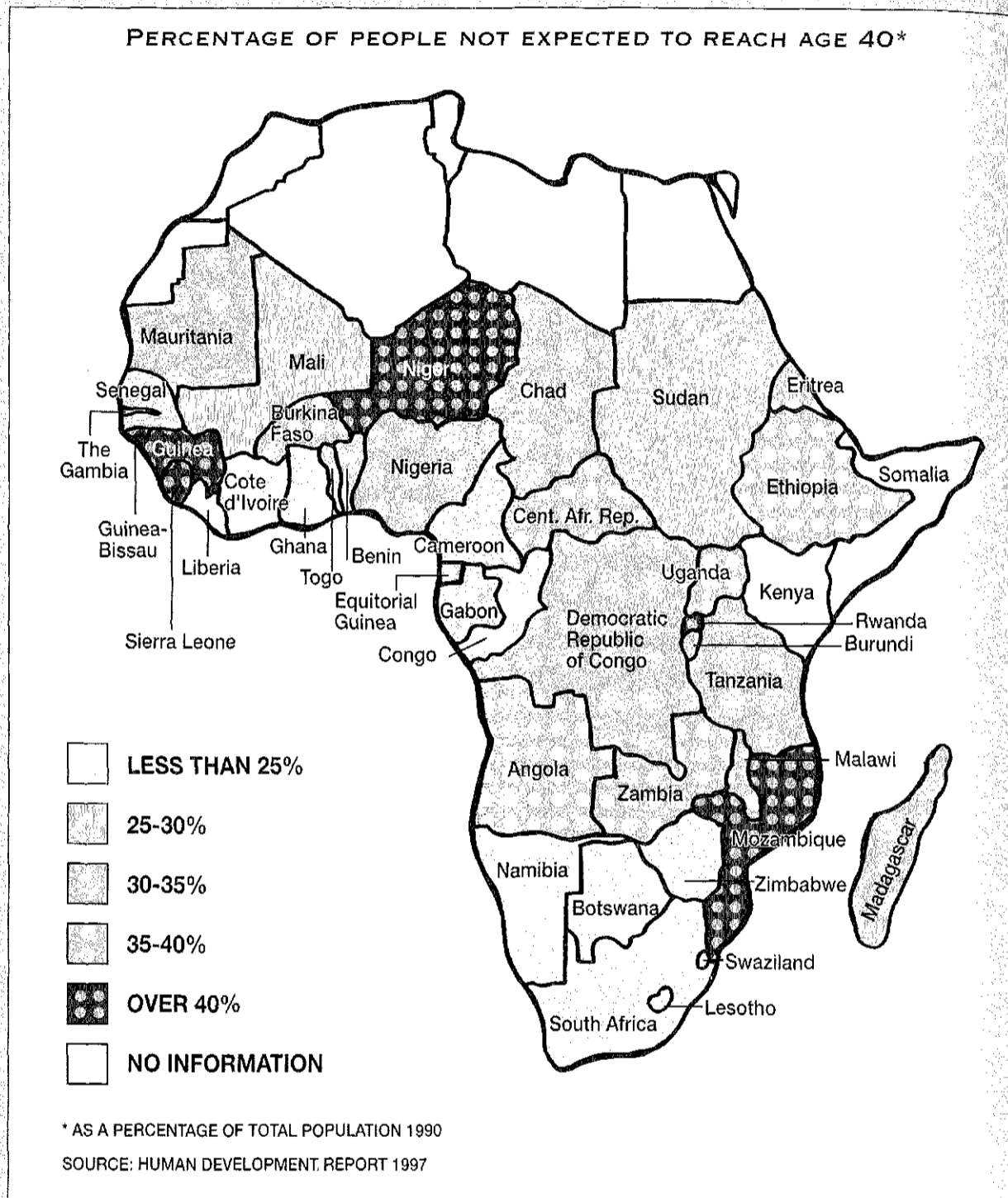
## THE BURDEN OF AFRICAN POVERTY

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**DEVELOPMENT**  
INDICATOR



DESPITE CONSIDERABLE GAINS IN RECENT YEARS, LIFE EXPECTANCY IS STILL LOW IN AFRICA, AND THE POPULATION VERY YOUNG BY INTERNATIONAL STANDARDS. THE SPREAD OF THE AIDS VIRUS IS EXPECTED TO EXACERBATE THIS TREND, WITH 22.2 AIDS CASES PER 100 000 PEOPLE REPORTED IN 1995.

# POVERTY AND INEQUALITY IN SOUTH AFRICA

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- THE RECENT POVERTY AND INEQUALITY REPORT (PIR) ASSESSED THE STATE OF POVERTY IN SOUTH AFRICA AND THE EFFECTIVENESS OF GOVERNMENT PROGRAMMES TO ADDRESS THIS ISSUE.
- FULLY 50% OF SOUTH AFRICAN HOUSEHOLDS ARE CLASSIFIED AS "POOR", EARNING LESS THAN R352.53 PER ADULT PER MONTH.
- THIS POVERTY IS CONCENTRATED AMONG AFRICANS (61%) AND FEMALE HEADED HOUSEHOLDS (60%).
- MOST OF THE POOR LIVE IN RURAL AREAS (72%).
- AT 0.58, SOUTH AFRICA'S GINI COEFFICIENT (A MEASURE OF THE DEGREE OF INEQUALITY) IS ONE OF THE HIGHEST IN THE WORLD.
- IN TERMS OF THE HUMAN DEVELOPMENT INDEX, GREAT DIVERGENCE IS SEEN BETWEEN THE RACES, AND BETWEEN REGIONS WITHIN SOUTH AFRICA.
- THE CONDITIONS CREATED BY APARTHEID CONTINUE TO UNDERMINE DEVELOPMENT.
- THE PRESENT GOVERNMENT HAS DEDICATED INCREASING AMOUNTS TO SOCIAL SPENDING – 60% OF ALL NON-INTEREST SPENDING IN THE 1997/98 BUDGET.
- THE PIR REVIEWS THESE INITIATIVES AS BEING WELL-FOUNDED IN THEIR CONCEPTION, BUT WEAK IN IMPLEMENTATION.
- THE PIR RECOMMENDS, AMONG OTHER THINGS, THE MAINTENANCE OR EXPANSION OF CURRENT SPENDING (ESPECIALLY IN PENSIONS), THE USE OF THESE FUNDS TO UPGRADE INFRASTRUCTURE AND SERVICES USING LABOUR INTENSIVE METHODS, AND LAND REFORM.
- PIR ALSO ADVOCATES THE CREATION OF A PLANNING COMMITTEE TO COORDINATE THESE EFFORTS AND TO MONITOR THEIR PROGRESS.

## EXECUTIVE SUMMARY

IN 1995, THE WORLD BANK proposed that an assessment of poverty in South Africa be conducted in cooperation with the South African government. Around the same time, the United Nations Development Programme also approached the government with a request to prepare a Human Development Report for South Africa. In October 1995, the South African cabinet agreed that a Poverty and Inequality Report (PIR) be undertaken by South African researchers. The PIR brings together research undertaken over the past 15 years in South Africa with an analysis of the current policy framework for the reduction of poverty and inequality prepared by the new government.

### GROWTH AND POVERTY

Over the past decade, governments have been increasingly constrained in the actions that they are able to take to promote growth or regulate the ways in which the benefits of growth are distributed. The tacit assumption behind this approach has been that the benefits of growth would reach the poor through a trickle down effect. All that was needed for successful development, then, was the freeing up of markets and removal of state controls and intervention.

Increasingly, these views are being challenged from the theoretical perspectives of both neo-classical economics and political economy. Experience has also shown that an unqualified

belief in the ability of the market to provide for the poor is incorrect. In many instances, the poor have not benefited from market-oriented macroeconomic policy reforms because the underlying institutional context has remained the same.

Views tend to converge on sources of market failure that might call for some form of state intervention. It is also argued that the state has a central role to play in the development of non-tradable goods such as infrastructure and public

administration. Finally, there has been wide spread agreement on the importance of the state in the provision of social safety nets, such as employment guarantees and public works programmes, food distribution and other types of nutrition programmes, and micro-enterprise credit. Strengthening the abilities of people to fight poverty may be added to this list.

The approach adopted by the PIR is based on breaking the forces that have perpetuated vicious cycles of poverty at one extreme, while encouraging income, wealth and opportunity to be amassed at the other. In particular, it is suggested that economic growth and human development are linked through the constraints and opportunities that each impose upon the other. Thus, while growth is a necessary condition for the alleviation of poverty, it is not a sufficient condition. Enlarging what South Africans can do, or rather, can be, correctly emphasises human development as being the primary objective of government's actions.

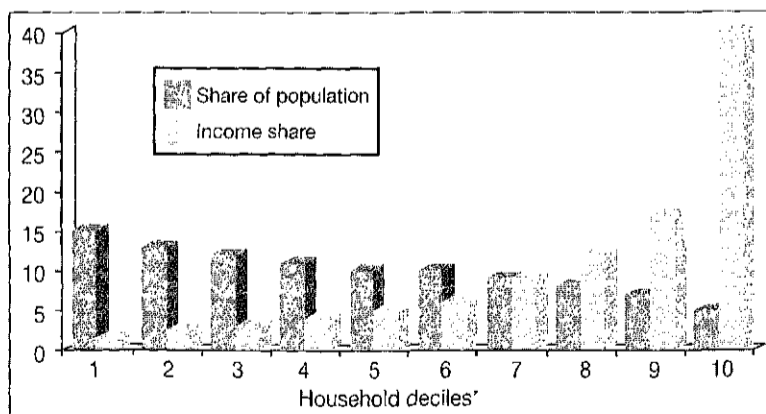
TABLE 1: ALTERNATIVE POVERTY LINES

Poverty Line Measure	% of Households classified as Poor
Poor: Poorest 40% (R352.53 per month per adult equivalent)	50%
Ultra-Poor: Poorest 20% (R193.77 per month per adult equivalent)	27%
\$1 per day	21%

TABLE 2: COMPARISON OF SOCIAL INDICATORS BY RACE

Social Indicator	White	Coloured	Indian	African	S.A. Total
Infant mortality rate 1990	7.4	28.6	15.9	48.3	40.2
Infant mortality rate 1994	7.3	36.3	9.9	54.3	48.9
% of deaths 5 years and younger	12	19	13	20	-
Male life expectancy at birth 1990	69	59	64	60	62
Female life expectancy at birth 1990	76	65	70	67	68

FIGURE 1: INEQUALITY IN SOUTH AFRICA



POVERTY IN SOUTH AFRICA

In per capita terms, South Africa is an upper-middle-income country, but most South African households experience either outright poverty or vulnerability to poverty. The distribution of income and wealth in South Africa is among the most unequal in the world, and many households still have unsatisfactory access to clean water, energy, health care and education.

For the purpose of this analysis, "poor" is defined as the poorest 40% of households and "ultra-poor" as the poorest 20% of households in terms of consumption expenditure. For comparison, the international "rule-of-thumb" measure of US\$1 per day is also shown.

About 18 million people live in the poorest 40% of households and are thus classified as poor, and 10 million people live in the poorest 20% of households and are thus classified as ultra-poor. Most of the poor live in rural areas: 45% of the population is rural, but the rural areas contain 72% of those members of the total population who are poor. The poverty rate (the proportion

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of people falling below the poverty line) for rural areas is 71%.

Poverty is not confined to any one race group, but is concentrated among blacks, particularly Africans: 61% of Africans and 38% of Coloureds are poor, compared with 5% of Indians and 1% of Whites. Three children in five live in poor households, and many children are exposed to public and domestic violence, malnutrition, and inconsistent parenting and schooling. Women are more likely to be poor than men: the poverty rate among female-headed households is 60%, compared with 31% for male-headed households.

At 0.58, South Africa's Gini coefficient (a measure of the degree of inequality) is one of the highest in the world. Another way to express the degree of inequality in a country is to examine the income shares of declines of households. Using this approach, the poorest 40% of households account for only 11% of total income, while the richest 10% of households, equivalent to only 7% of the population, accrue over 40% of total income.

This is not simply a picture of rich whites and poor blacks. Inequality between African households accounts for between

29% and 49% of overall inequality, depending on the measure chosen. This is born out by the high Gini coefficient among African households of 0.54.

Within South Africa, there is great divergence of living standards between regions. At the time of analysis, South Africa ranked 86th

**TABLE 3: COMPARISON OF HDI FOR SELECTED COUNTRIES, RACE AND PROVINCE**

Selected countries (1992) <sup>1</sup>	HDI Rank	HDI	Province (1991) <sup>2</sup>	Race (1991)
<b>High human development</b>		0,886*		
Canada	1	0,932		
Israel	19	0,900		Whites
Singapore	43	0,836		Indians
Venezuela	46	0,826	Western Cape	
Poland	49	0,818	Gauteng	
Mexico	52	0,815		
<b>Medium human development</b>		0,649*		
Thailand	54	0,798		
Malaysia	57	0,794		
Brazil	63	0,756		
		0,698	Northern Cape	
		0,694	Mpumalanga	
Paraguay	84	0,679		
South Africa	86	0,677		
Botswana	87	0,670		
		0,663		Coloureds
		0,657	Free State	
China	94	0,644		
		0,602	KwaZulu-Natal	
Egypt	110	0,551		
		0,543	North-West	
Swaziland	117	0,513		
		0,507	Eastern Cape	
		0,500		Africans
<b>Low Human Development</b>		0,355*		
Lesotho	120	0,476		
Zimbabwe	121	0,474		
		0,470	N. Province	
Namibia	127	0,425		
Mozambique	159	0,252		
Guinea	173	0,191		

\* The average of the HDIs of those countries falling in that particular category.

<sup>1</sup> Source: UNDP (1994)

<sup>2</sup> Derived from: CSS Statistical Release P0015, 8 May 1995.

TABLE 4. FUNCTIONAL CLASSIFICATION AS % OF TOTAL EXPENDITURE

Function	1994/95	1995/96	1996/97	1997/98
Government Services and unallocated expenditure	7,6	6,9	7,6	7,0
Protection Services	18,1	16,0	15,9	15,7
Social Services	45,0	47,1	45,6	46,9
Economic Services	11,7	11,1	11,0	10,0
Interest	17,5	18,8	19,6	20,4

among countries for which the HDI had been measured. However, the Western Cape and Gauteng show a high level of human development, similar to that of Venezuela or Singapore. The Northern Province, on the other hand, has a low HDI, comparable to that of Zimbabwe or Namibia.

As with the poverty line, there are large racial disparities in human development in South Africa. White South Africans have a level of human development similar to that of Israel or Canada, while Africans score lower on the HDI than countries such as Egypt or Swaziland.

#### SUBJECTIVE INDICATORS

Statistics such as those given above say little about the actual experience of poverty. The experiences documented in the various reports prepared for the recently completed South African Participatory Poverty Assessment (SA-PPA) provide a clearer picture of the effects of extreme poverty. What emerges is a situation of continuous ill-health, arduous and often hazardous work for virtually no income, no power to influence change, and high levels of anxiety and stress.

The absence of power is almost a defining characteristic of the poor. Powerlessness is linked to gender power relations, as is illustrated in this quote from KwaZulu-Natal: "My husband is demanding money. I have no choice, I must give him. I am alone. No one is helping me."

Among other reactions, the emotional stress produced by struggle, uncertainty and extreme living conditions can be linked to hopelessness. This is summed up by a woman interviewed in

the SA-PPA: "Since birth I have had a difficult life. Things did not improve after my marriage. Through my experience, I have got used to the difficulties."

#### THE CAUSES OF POVERTY

In the South African context, a number of specific causes of poverty can be identified. These are:

- the impact of apartheid, which stripped people of their assets, especially land, distorted economic markets and social institutions through racial discrimination, and resulted in violence and destabilisation;
- the undermining of the asset base of individuals, households and communities through ill-health, over-crowding, environmental degradation, the mis-match of resources and opportunities, race and gender discrimination and social isolation;
- the impact of a disabling state, which included the behaviour and attitudes of government officials, the absence of information concerning rights, roles and responsibilities, and the lack of accountability at all levels of government.

These triggers have shaped the nature of poverty in South Africa, and have continued to aggravate it, despite political reforms.

#### ACHIEVEMENTS SINCE 1994

Since coming to power, the current government has adopted a broadly pro-poor policy framework. The share of total government expenditure going to social services has increased from about 43% in 1985 to 57% in 1995/96. In the 1997-98 budget allocations, social services account for 60% of non-interest spending and 46,9% of total consolidated national and provincial expenditures. Of this allocation, education receives the largest share, followed by health, social security and housing.

During 1993-94, South Africa spent 7.1% of its GDP on education, as compared to an average of 2.9% for countries with a medium HDI. In the 1997/98 budget, this figure is 6.5% of GDP. However, there is room for improvement in terms of targeting, as an incidence analysis of



the benefits of this expenditure reveals. Fiscal activities in 1993/94 were serving to redistribute income away from the richest quintile to the middle quintiles, but not to the poorest quintile.

The PIR identified over 50 programmes, pilot projects, and grants that are relevant to the reduction of poverty and inequality. The preparatory work for the majority of these has been completed, and most involve the welfare of children, water provision, municipal services, adult education, increasing the capacity of different spheres of government, and job creation.

This plethora of policies and programmes reflects the broad commitment to the reduction of poverty and inequality that has constantly formed the basis of the vision presented by government. However, these policies have yet to be presented as a systematic response in which priorities and sequencing is indicated. In addition, the implications of current macroeconomic policy for the implementation of sectoral policies remains a subject for debate, while the microeconomic impact of different policies is unclear.

Of particular concern are the many programmes that have encountered problems in their implementation. In some instances, this can be traced to insufficient resources allocations, and in others, the problems relate to poor planning and targeting. A general concern is the capacity of the inherited institutional structure to implement a developmental agenda and the risk of corruption that is associated with this.

#### RECOMMENDATIONS

To avoid generating another "wish list" of interventions, the PIR puts forward proposals that can be accommodated within the current constraints placed on government expenditure. The central recommendations are:

1. As an on-going strategy, to maintain, and preferably increase, the share of current government expenditure on social ser-

**TABLE 5: MEANS OF GOVERNMENT EXPENDITURE IN DEVELOPING COUNTRIES (1985-1990)**  
(AS % OF TOTAL EXPENDITURE)

Sector	East Asia	South Asia	Sub-Saharan Africa	Latin America	MENA*	South Africa (1997/98)
Social Services	33,51	26,5	26,18	31,34	28,59	46,9
Education	20,45	8,95	13,9	14,85	10,73	21,3
Health	7,03	4,2	5,47	7,21	4,35	10,7
Social Security and Welfare	3,09	5,66	2,29	5,48	8,23	9,8
Housing	2,19	5,36	2,44	3,11	3,28	2,2
Economic Services	25,17	30,56	22,19	18,56	20,47	10,0

Source (Pardhan, 1996; SA Budget Review, 1997:B6)

\*MENA - Middle East and North Africa

vices. This should apply to all spheres of government and should be reflected within current initiatives to prepare a Medium Term Expenditure Framework (MTEF).

2. In the medium to long-term, to increase the resources available to programmes for the redistribution of assets. This should also be reflected within the MTEF of the national government. Specifically, resources for the land reform programme should be increased, and measures should be investigated by which other assets can be redistributed. For example, the potential role of the privatisation of state assets should be reviewed as an element of this process.
3. As an on-going strategy, and into the long-term, to maintain the current system of social pensions, which acts both as support for the elderly and a safety net for other members of the household. In the short-term, on-going improvements in the efficiency of this service should be implemented, and private sector pension planning among workers should be promoted.
4. In the medium- to long-term, to promote labour intensive approaches to the delivery of infrastructure and services by government. This need not be done by government itself, and procurement and tendering policies could be adapted to assist this.
5. In the medium- to long-term, to identify mechanisms for the expansion of micro-

finance facilities. Specifically, the feasibility of expanding existing micro-finance organisations should be investigated and, if possible, policy adopted to encourage the entry of the private sector into this sphere.

6. In the short-term, to develop more accurate mechanisms for targeting under-resourced schools at provincial level, and redirecting government resources to these schools. This support must include in-service training.
7. In the short term, to direct financial and technical resources towards the implementation of the Consolidated Municipal Infrastructure Programme, while ensuring the mechanisms for the long-term sustainability of this infrastructure are being put in place.
8. In the short-term, to prioritise urban and rural housing and tenure programmes.
9. In the short-term, to direct resources towards maintaining the current activities of the Department of Water Affairs and Forestry. Water should be provided for productive as well as consumptive uses.
10. In the short-term, to deploy Community Based Public Works Programmes as an interim measure, pending the anticipated increase in the pace of job creation in other sectors. Such public works programmes should be carefully targeted towards areas of high vulnerability, as well as areas in which existing livelihoods are being undermined (for example, areas in which jobs are being lost).
11. As an immediate priority, strategies should be supported that improve both the commitment and capacity of local government to plan and implement development related activities, including the delivery of services, local economic development and the collection of payments.
12. As an immediate priority, a high-level committee should take responsibility for the coordination of the many activities

relating to the reduction of poverty and inequality, as well as for the assessment of progress in this regard;

14. To do this, as an immediate priority, a system for monitoring the impact of government policy on poverty and inequality should be established and adequately resourced. This should be comprised of three elements:
  - The collection of input information concerning the activities of departments and the programmes that they are implementing. This should cover all spheres of government, be collated by Central Statistical Services, but collected by the departments as a part of their on-going management
  - The collection of impact information via national household surveys at one level, and through the establishment of surveillance sites in vulnerable areas;
  - Finally, the analysis of the impact of government expenditure through procedures such as a state expenditure review. This could be developed from exercises such as the Women's and Children's Budget projects, whereby the impact of state expenditure is disaggregated by gender, social group, income and livelihood class.

The challenge facing the new South African government is immense and, from the perspective of policy formulation, the government has responded in a credible fashion. From the perspective of implementation, however, current progress does not appear to have met either the expectations of policy makers or the poor. These are many reasons for this, the most important of which relate to the underlying distortions in economic markets and social institutions introduced by apartheid, which continue to produce and reproduce poverty and inequality in South Africa. The purpose of the PIR has been to offer a critical insight into the coherence and effectiveness of this policy response, and in this manner, contribute towards the monitoring and evaluation of government's actions. ■

# THE PEOPLE'S BUDGET AND THE POOR

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- THE "PEOPLE'S BUDGET" SHOULD BE EVALUATED FOR ITS IMPACT ON THE POOR.
- NUMEROUS TRENDS IN TAXATION AND INDIVIDUAL PROGRAMME SPENDING ARE ENCOURAGING, BUT THE GOVERNMENT'S APPROACH IS FLAWED BECAUSE IT DOES NOT MAKE EFFICIENT USE OF AVAILABLE RESOURCES.
- INDIVIDUAL PROGRAMMES ARE NOT AS WELL TARGETED AS THEY COULD BE, AND ISOLATED EFFORTS FLOUNDER IN THE ABSENCE OF A COHERENT POVERTY REDUCTION STRATEGY.
- THE CREATION OF A HIGH-LEVEL POLICY COORDINATION UNIT IN THE DEPUTY-PRESIDENT'S OFFICE IS A POSITIVE INNOVATION.
- THIS UNIT COULD FACILITATE POVERTY REDUCTION EFFORTS IN A NUMBER OF WAYS: BY MAINTAINING A DATABASE TRACKING EXPENDITURE, BY INITIATING A POVERTY REDUCTION LEAD PROJECT, AND BY ESTABLISHING THE CAPACITY TO MEASURE THE IMPACT OF THE BUDGET.
- A BROADER ISSUE IS THE POORLY TARGETED NATURE OF SOCIAL SPENDING. FOR EXAMPLE, THE POOR COMPRISE ABOUT 53% OF THE SOUTH AFRICAN POPULATION BUT ONLY RECEIVE AROUND 40% OF THE EDUCATION BUDGET.
- THE REAL VALUE OF PENSIONS AND THE SHARE OF NATIONAL SPENDING DEDICATED TO WELFARE ARE BOTH SET TO DECLINE IN THE NEXT THREE YEARS.
- TAKE-UP RATES ARE EXPECTED TO INCREASE FOR ALL GRANTS, AND SOCIAL SERVICES ARE DECLINING AS PART OF THE WELFARE VOTE.
- THERE ARE ALSO NUMEROUS EXAMPLES OF URBAN BIAS IN THE BUDGET.
- PERHAPS MOST SERIOUS IS THE LACK OF AN INTEGRATED PLAN TO OVERCOME THE STRUCTURAL PROBLEMS IN THE LABOUR MARKET.
- ALTHOUGH THE GOVERNMENT HAS BUDGETED FOR INCREASED CAPITAL EXPENDITURE THIS YEAR, EMPLOYMENT GROWTH IN THIS SECTOR CANNOT BE RELIED UPON.
- DESPITE SEVERAL ENCOURAGING PROGRAMMES, THERE IS A NEED FOR A COHERENT STRATEGY TO ADDRESS THE STRUCTURAL PROBLEMS UNDERLYING UNEMPLOYMENT.

## EXECUTIVE SUMMARY

THE MINISTER OF FINANCE termed this year's budget a "People's Budget" – a budget that will take a significant step toward alleviating poverty in South Africa. The government has been hard pressed to achieve its plans for social delivery under the fiscal constraints of GEAR. Consequently, it has been under broad and increasing pressure to revise GEAR's stringent targets. This year's budget was intended to show how the government plans to effect socio-economic change and deliver on growth and equity.

But what are the implications of the 1998/99 Budget for poverty alleviation in South Africa?

While the government has performed well in stabilising the economy and is steadily moving towards socio-economic change and redress, this approach to poverty will fail as it does not maximise the effectiveness of the resources at government's disposal. In addition, the current budgetary process and format prevents the legislature or civil society from effectively overseeing poverty alleviation.

WHILE ACTUAL GROWTH  
WAS LOWER THAN  
EXPECTED IN 1997, THE  
DEFICIT TARGETS REMAIN  
UNCHANGED.

#### ADDRESSING POVERTY

An analysis of expenditure and taxation trends since 1994 indicate that the government is gradually shifting resources to poorer South Africans. On the tax side, there is a clear shift towards favouring working people over those in higher income brackets.

The tightening of the medical aid and trusts loopholes provides extra revenue, which can be channelled to the alleviation of fiscal drag and bracket changes adversely affecting those with incomes under R60 000 a year. While it is likely that the new 25% tax on retirement income and 2.5% demutualisation levy will, at least partly, erode these gains, greater analysis is needed.

On the expenditure side, there were several other positive interventions to alleviate poverty in this year's budget:

- The new Umsombovu Trust, created to generate employment opportunities and fund skills development, particularly for the youth.
- A R500 million allocation to labour-based poverty-relief programmes this year, increasing to R800 million in 2000/1.
- A projected shift in the budget, over the next three years, from economic services to social services, with health and education as the strongest beneficiaries.
- A continuing shift to primary health care and basic services, supported by conditional grants to cover hospital infrastructure, training and research.
- An increase in provincial and national support services in important areas, including systems development in health, welfare and education and provincial financial management training.
- The phasing in of the child support grant that will target the poorest children under seven years of age.

Despite the incremental shift of resources toward the poor, the government is not max-

imising the effectiveness of the resources available for poverty relief. There are six areas in which the budget fails in this regard:

1. The restraints of GEAR and the pace of change
2. The lack of an integrated poverty strategy
3. The ineffectiveness of expenditure
4. The vulnerability of the Welfare vote
5. The urban bias
6. The problem of employment creation

#### GEAR AND THE PACE OF CHANGE

A wide range of organisations, including the Financial and Fiscal Commission, have recently come out in favour of relaxation of the government's deficit reduction targets. Such relaxation could inject urgently needed resources into development, allowing an increase in the pace of delivery. At the very least, GEAR's deficit targets should be brought in line with its growth performance.

While actual growth was lower than expected in 1997, the deficit targets remain unchanged. For example, growth was expected to be 3% in 1997, but turned out to be closer to 1.7%. Yet the deficit reduction target for 1998 remains unchanged at 3.5%. Lower growth ultimately means lower than expected taxation, increased demand for entitlements, and even more pressure to increase the deficit. If this trend continues, meeting the deficit targets in 1998 will require even greater sacrifice on the expenditure side.

The debt is large and great efforts have been made to tame inflation. Nevertheless, the Constitution demands that we make the maximum possible resources available for poverty alleviation and ensure that the approach to growth is congruent with the approach to poverty. GEAR's performance, juxtaposed against growing poverty, demands a full investigation into the possibility of easing up on the pace of deficit reduction without aggravating inflation.

Even if the deficit and tax targets in GEAR remain unchanged, there are still ways of increasing the effectiveness of existing expenditure on the poor.

**INTEGRATED POVERTY STRATEGY**

The government does not have an integrated vision for poverty alleviation in South Africa, despite the opportunities for long-term planning offered by multi-year budgeting. The Budget makes numerous references to provisions for poverty alleviation. However, these efforts are piecemeal and concentrated in isolated pockets. The stated provisions do not interact to address poverty in a focused and systematic manner.

Apart from social assistance grants in the Welfare Vote, the various poverty initiatives are fragmented between sectors, and their achievements for the poor, if any, are lost due to a lack of supporting initiatives. The absence of a common approach and strategy minimises the impact of these expenditures. Alleviating poverty is a project beyond the scope of any single department, and will require a coordinated effort.

The recent creation of a high-level Policy Coordination Unit in the Deputy-President's office is a positive innovation, but unfortunately only R400 million is allocated for this critical function in the current year – 50% of the amount allocated to the youth commission. It is important that the Deputy-President's office serves as the technical and political driver for the integrated poverty programme.

The following two projects are suggested as a useful starting point for the Unit:

- The design and collation of two integrated databases to track functional allocations to poverty and the incidence of expenditure.
- The creation of a further Presidential or Deputy-Presidential targeted lead project that is coordinated and financed from national government and delivered in partnership with provincial and local government.

The functional budgets should focus on allocations to target constituencies, such as women, children and the unemployed. The incidence database should collate information on the impact of expenditure on target groups of poor or unemployed. The incidence database should

be integrated with the output and outcome data that will be added to the MTEF. Both sets of information are critical to planning and integrating effective spending on poverty. The databases should be available to all government personnel and to legislatures.

The lead project should focus on a key area that is lagging in delivery, such as housing, and utilise all available partners. The pilot project, together with other Presidential lead projects, should be integrated into provincial departmental budgets as soon as they are operational. The aim of the programme is to allow government to break through key obstacles and provide successful models of delivery.

**INEFFECTIVE EXPENDITURE**

South Africa's social expenditure budgets are relatively large in proportion to other middle-income developing countries. Yet our socio-economic indicators are poor. This is related to the inequality and ineffectiveness of spending. In situations of extreme budgetary pressure, the effectiveness of expenditure in poverty alleviation is critical.

Although data are sparse, recent reports indicate that the incidence of social spending in South Africa is not pro-poor, despite the shares allocated to education and health expenditure. The share spent on the poor and "ultra-poor" is much lower than their share of the population.

For example, the poor comprise about 53% of the South African population but only receive around 40% of the education budget. The "ultra poor" form around 29% of the population, but only receive 20% of the education budget. Moreover, while there has been significant reprioritisation of the health budget towards basic health services over the past few years, there is still scope for prioritising further shifts, particularly in the targeting of previously disadvantaged areas (Castro-Lcal,

THE GOVERNMENT DOES NOT HAVE AN INTEGRATED VISION FOR POVERTY ALLEVIATION, DESPITE THE OPPORTUNITIES FOR LONG-TERM PLANNING OFFERED BY MULTI-YEAR BUDGETING.

THE SHARE SPENT ON THE POOR AND "ULTRA-POOR" IS MUCH LOWER THAN THEIR SHARE OF THE POPULATION.

NOMINAL PENSIONS ONLY  
RISE BY R20 (A 4%  
RISE) IN THIS BUDGET.  
THE REAL DECLINE IN  
THE VALUE OF THE  
GRANT WILL IMPACT  
HEAVILY ON POVERTY IN  
RURAL AREAS.

1996 in FFC, 1998).

The poor incidence of pro-poor social spending has generated calls for finer expenditure targeting. Targeting is not without problems (witness the administrative problems of the Primary School Nutrition Programme), but there does seem to be a case for greater targeting to improve the incidence of public spending, at least in education and health.

It is for this reason that the Policy Coordination Unit in the Deputy President's Office should maintain a database and provide regular reports on expenditure. This tool will provide key information on policy implementation to the MTEF planning process – an element notably lacking at present.

#### THE WELFARE VOTE

Where programmes directly target the poor, they are often under threat. The Welfare Vote is a case in point.

The 1998/99 budget identifies social assistance as the primary tool for poverty relief in South Africa. Social assistance grants do play a major role in supporting rural families in particular, but nominal pensions only rise by R20 (a 4% rise) in this budget. The real decline in the value of the grant will impact heavily on poverty in rural areas.

Although the budget does provide for national allowances for backlogs and new systems, there are no firm interventions to obviate another pension crisis in 1998. Over the next three years, the share of the budget going to welfare will decline from 9.7% to 9.3%.

It is likely that many of the provinces that had problems in covering pension mandates in 1997 may experience similar difficulties this year. Many of the weaker provinces received block allocations that are lower in real terms (the Northern Province received 4.35%) and greater take-up rates are expected for all grants (including the phasing in of the new child support grant).

Social services are declining as part of the

Welfare Vote. Pressure due to unfunded welfare mandates from the national government has led to the inevitable slashing of social welfare services at the provincial level. This is particularly worrying as the social services component provides critical services to the most vulnerable in society.

Core welfare service programmes are targeted at abused women and children, street children, children in need of care, the disabled, the mentally handicapped, HIV/AIDS victims and AIDS orphans, as well as educational support services such as early childhood education. The Welfare Vote should be split into social security and social services to ensure adequate, rather than residual, funding for these key areas.

#### URBAN BIAS

Although government policy documents correctly identify the rural areas as the locus of poverty in South Africa, there is a lack of effective rural targeting in budgetary programmes. This is evident in a number of areas:

- the share of the budget spent on Water and Forestry will decline from 1% to 0.9% over the MTEF period;
- allocations to Community Public Works Programmes, targeting the unemployed in rural areas, received only R85 million in 1997/8;
- the important Primary School Nutrition Programme has not been effective at providing sufficient nutrient intake to school children;
- the lack of pro-poor spending in social services, particularly health and education reduces the amount of spending on the rural poor;
- the minimal resources directed towards agricultural support programmes (R10 million) and a reduction in resources spent on agricultural research;
- an urban bias in spatial development initiatives, industrial promotion, urban renewal programmes, and increased allocations to road development in urban areas.

### EMPLOYMENT CREATION

The major driving force for employment creation in GEAR is growth generated through the private sector. Yet, despite lower than anticipated growth the budget makes no adjustments to its employment targets and plans. Nor has allowance been made for the unanticipated job shedding that has occurred in the private sector.

There has been an endemic decline in the labour absorptive capacity of the formal sector of the economy, despite increased growth in output over the past few years. This points to a critical structural problem, yet government employment policy and the budget do not recognise this issue.

The Budget Review strongly asserts that the government expects private sector employment to increase from this year, arguing that the current labour shedding is a short-term effect of private sector competitiveness restructuring. There is no certainty, nor explanation offered for this fortuitous development.

Most of the accent in the budget is on incentives to private sector employment and small business development. These include supply side measures targeting export growth, spatial development initiatives and tax incentives, and various SMME supports, but there is no evidence of an integrated plan to overcome the structural problems in the labour market.

The government should not aim to become the major employer in the economy, but the public sector must accept a greater role in providing short-term employment for those groups most vulnerable to poverty.

The innovative creation of an employment fund for youth is encouraging and further details on the fund and its targets are awaited. The creation of the fund depends on a once-off contribution associated with demutualisation, so further details will have to explain how the fund will be sustained.

There are several further initiatives on

employment in the budget including the Community Based Public Works Programme, the Working for Water programme and the flagship programme for unemployed women with children under five. However, as in the case of poverty alleviation, there is no integrated approach to employment creation.

These few programmes are fragmented across sectors and employ a small fraction of the unemployed, not even absorbing those jobs lost in private sector restructuring. There is also no plan to deal with the problems in existing short-term employment programmes.

The Community Based Public Works Programme has not delivered sufficiently (although the NGO-led public works initiatives seem to be doing well). Similarly, while there are funds set aside for Public-Private Partnerships, the programme has been hampered by the lack of effective take-up from municipalities on infrastructural spending.

Although the government has budgeted for increased capital expenditure this year, it is not clear that this will be realised. In fact, during 1997 rising current and operational expenditure at provincial and local spheres of government squeezed out capital expenditure, specifically on infrastructural programmes.

Should declining government capital expenditure occur again this year, it will have two serious consequences. First, it will reduce short-term employment creation. Second, as public sector investment leads private sector investment in the South African economy, declining government capital expenditure will reduce the growth potential of the economy, and therefore the medium-term ability to generate formal sector jobs. ■

DECLINE IN THE LABOUR  
ABSORPTIVE CAPACITY OF  
THE FORMAL SECTOR OF  
THE ECONOMY, DESPITE  
INCREASED GROWTH,  
POINTS TO A CRITICAL  
STRUCTURAL PROBLEM,  
YET THE BUDGET DOES  
NOT RECOGNISE THIS  
ISSUE.

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# AFRICAN RENAISSANCE, ECONOMIC TRANSFORMATION AND THE ROLE OF THE UNIVERSITY

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## EXECUTIVE SUMMARY

- AS THE EAST ASIAN EXPERIENCE HAS SHOWN, ECONOMIC REVIVAL CANNOT BE ACHIEVED WITHOUT A SUBSTANTIAL INVESTMENT IN EDUCATION.
- HISTORICALLY, THERE HAS BEEN CLOSE CORRELATION BETWEEN THE DEGREE OF ACADEMIC FREEDOM AND THE EQUALITY OF OPPORTUNITY IN A SOCIETY, AND THE RATE OF SCIENTIFIC AND TECHNOLOGICAL DEVELOPMENT.
- THE EUROPEAN RENAISSANCE WAS A CONFLUENCE OF AN EMERGING GLOBALISATION, AN ECONOMIC EXPANSION, AND AN INTELLECTUAL RECEPTIVITY TO THE WISDOM OF AN EARLIER AGE. IF A RENAISSANCE IS TO OCCUR IN AFRICA, A SIMILAR ENVIRONMENT MUST BE CULTIVATED.
- AFRICAN UNIVERSITIES ARE NOW POOR COPIES OF OVERSEAS INSTITUTIONS. THEY FAIL TO INCULCATE THE INTELLECTUAL, PHYSICAL, MORAL AND SOCIAL QUALITIES THAT ARE REQUIRED TO FACE THE FUTURE, FAIL TO STIMULATE CURIOSITY, AND FAIL TO GENERATE SCIENTIFIC SKILLS AND KNOWLEDGE.
- EDUCATIONAL AND ECONOMIC REBIRTH REQUIRE AFRICA TO EMBRACE TECHNOLOGY, ESPECIALLY BIOTECHNOLOGY AND AGRICULTURE, TO LEAPFROG THE 19TH CENTURY INTO THE 21ST.

ECONOMISTS HAVE LONG RECOGNISED the role of primary, secondary and tertiary education in human and economic development. Adam Smith stressed the importance of education as fixed capital which benefits not only the people who acquire it but also the society to which they belong. According to Alfred Marshall, the most valuable capital is that invested in human beings.

Any student of the Asian Miracle cannot but be impressed by the massive investment in education in East and Southeast Asia. This strategy allowed Asia to bridge the gaps between the income levels in their countries and those of the industrial countries in just one generation. These countries have laid even more stress than European countries on ensuring that as many of their young people as possible receive tertiary

education.

Indeed, in the increasingly competitive global economy, education holds the key to the capacity of countries to face the next millennium and substantially improve both the standard of living and the quality of life of their people. There is no way in which a country can transform its political economy and society without first transforming its schools and its universities. No one now disputes the fact that education is a critical ingredient in the transformational process.

### RENAISSANCE AND THE UNIVERSITY

According to Jakob Burkhardt in his *Die Kultur der Renaissance in Italien (1860)*, the Renaissance was a sustained and uniform movement of the human spirit that was a complete



break with the life and thought of previous centuries. It was a revolution wrought in reaction to the gloom of the "Dark Ages" during which Christianity had served as a poor substitute for the intellectual and spiritual glories then in existence in ancient Mediterranean countries, especially Greece and Egypt.

The Renaissance signified a rebirth of the Graeco-Roman spirit of scientific curiosity and virtuosity and of "pagan naturalism" (that is, humanism) in arts and letters. It marked the restoration of sciences, the revival of learning, the restitution of ancient culture, the rebirth of antiquity and increased nationalism which was a contributor to the success of the Reformation.

The main characteristics that distinguished the Renaissance from the Middle Ages have been sustained in modern time:

- rationalism, rather than clerical universalism;
- commercial urbanism, as opposed to agricultural regionalism;
- the exaltation of the individual over the collective group, and;
- science, as opposed to superstition.

The Renaissance put an end to the dark ages and ushered Western Europe into the age of science, technology, capitalism, marketisation, imperialism and globalisation.

The Renaissance was a process, not a one-shot-in-the-arm affair. It was a process that took several generations to spread throughout Western Europe and become internalised. It was possible only in countries that enjoyed economic prosperity, and thus did not take place in Eastern Europe.

It is not surprising that the Renaissance took place in Western Europe, as did the Reformation, because it is in Western Europe where the tradition of academic freedom had become deeply rooted and economic progress had begun its onward journey. Indeed, over the centuries and in the course of human development, there has been a close correlation between the degree of academic freedom and equality of opportunity and the rate of scientific and technological development in any society.

#### AFRICAN UNIVERSITIES

An institution, like an individual, is but a product of its heredity and environment. The effectiveness of a university in discharging its many responsibilities depends largely on the nature of its society and the kind of governance prevailing in the country. No university can successfully fulfil its role unless there is complete freedom of thinking, debate and publishing of ideas. These are the basic prerequisites for intellectual dynamism and creativity.

African universities face a number of interrelated weaknesses:

- They have been reduced to a sort of "factory" churning out products called graduates with labels called "degrees", of dubious relevance to society.
- There is a perception that our universities are not preparing our youth for the challenge of the future by inculcating in them the intellectual, physical, moral and social qualities that are required to face and master the future.
- Many universities have failed to generate indigenous scientific research or act as agents for the acquisition, adaptation, and dissemination of scientific and technical knowledge.
- A university which does not encourage curiosity, criticism, discussion and tolerance turns out "products" who lack the elements that are essential to innovation, inventiveness, and problem-solving, without which social transformation and development cannot occur.

African schools and systems of education have been copied from outside models which no longer satisfy even those who exported them. Complex systems have been set up without any consideration of the reality of the local area or they have

THE RENAISSANCE  
MARKED THE  
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OVER THE CENTURIES  
THERE HAS BEEN A  
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been deliberately distorted in order to fit into the racist and apartheid mode of governance. The inherited colonial bias towards liberal arts education and deficient appreciation of the decisive leverage of science and technology has resulted in men and women acquiring professions which often are not those that Africa needs, or have requirements and expectations that Africa cannot meet.

It has thus become imperative that African universities must be indigenised — not merely in terms of staff but also in their basic philosophy, their curricular and their overarching objectives and approaches. They must draw their inspiration from their African environment and in turn inspire and propel that environment towards rebirth, renewal, revival, rejuvenation, and restitution — in other words, Renaissance.

#### THE AFRICAN UNIVERSITY

How can the African University exert maximum influence over the pace and direction of the transformational process? How can it, through its learning and research activities, develop world-class programmes of both basic and applied research and of post-graduate education which are the breeding grounds for the mastery of science and technology? How can the African university increase the continent's capacity to absorb and use new knowledge?

Africa cannot and need not be at the forefront of all scientific and technological advance. Humanity's stock of knowledge is exploding every day. But to be able to benefit from such knowledge, Africa must develop the capacity to select the relevant from the not-so-relevant and adapt it for use to its peoples' benefit. But this requires African mastery of the science underlying these developments as well as the capacity for their adaptation. Can the universities produce the manpower with the specific skills and know-how required?

Africa needs an agricultural revolution which lays the foundation for self-sustained development, acting as a stimulant for the

growth of agro-allied industry and services while at the same time ensuring internal food security and self-sufficiency. But at present the sector is characterised by a low-level of productivity, a high-level of under-employment and the application of rudimentary technology. Agriculture in Africa is extremely vulnerable to climatic conditions by virtue of its heavy dependency on rain, and most countries in Africa are drought-prone. And only one-third of the continent's arable land is actually being cultivated.

Some years ago, an Economic Commission for Africa (ECA) study revealed that within Southern Africa (excluding the Republic of South Africa) there are four million hectares of land that could be put under irrigation. If this could be successfully done, the Southern African countries (excluding South Africa) would be self-sufficient in food and expand significantly their agro-industrial base. In addition, between six and eight million jobs would be created. The scope and possibility of an integrated, holistic programme like this could unleash the process of structural change and transformation in Southern Africa, the ECA study concluded.

But without an appropriate skills and knowledge base, this kind of intervention is impossible. Placing four million additional hectares of land under cultivation would require thousands of agriculturists, agronomists, veterinary scientists and technicians, soil scientists, agricultural engineers, and technicians. To market the additional produce would require the construction of more roads and bridges and railway lines. These would have to be constructed, operated and maintained by engineers and technicians as would the agricultural industries that would also be established to process the agricultural goods produced. There would be a high demand for accountants, auditors, financial analysts, bankers etc. To produce all these skilled men and women requires many additional lecturers and researchers in the universities.

Unfortunately, the universities of Southern Africa are in no position to undertake such a task. In a survey of university capacity in Eastern and Southern Africa which was conducted a decade ago by the Eastern and Southern Africa Universities Research

Programme, 66% of the 18 universities in the sub-region had no faculty of engineering; 83% had programmes in forestry and 65% had no programmes in veterinary science. Virtually nothing is being done in the field of hydrology, climatology and meteorology.

Research has virtually disappeared since the 1980s. As the financial crisis of tertiary education deepened, research budgets were subjected to early and severe cuts. This has jeopardised Africa's long-run ability not only to take advantage of the worldwide advances in science and technology but also the initiation of any imaginative policy to launch the transformational process. For these same reasons, advances in genetic engineering and other areas of biotechnology, micro-electronics, and materials science are underexploited in Africa. And yet these advances have considerable implications for the continent.

#### A NEW AFRICA

As we move into the 21st century, global attention is increasingly focused on exploiting new and emerging technologies better to serve the needs of the human race. The real power of any country now rests on the capacity of its people to translate scientific knowledge, through its exploitation of technologies, into economic productivity. Major technological foundations that will take humanity into the future are being laid. African countries, which have not yet even begun the race, face a daunting challenge in securing a competitive position, and thus escaping domination in the years ahead.

In this regard, what are the prospects for Africa? The answer to this question is that all depends upon how responsive the African universities are to the challenge of the 21st century. There are plenty of opportunities, for example, in the field of genetic engineering for food and agriculture. In other countries, genetic engineers have been conducting research on how to develop healthier foods by isolating genes for proteins with superior nutritional properties and inserting such genes into crops.

Crops that can survive under harsh climatic conditions (particularly drought) have been genetically engineered. Genetic engineering is

also being used increasingly in the field of public health, particularly in designing drugs that can successfully combat some of the maladies that are pandemic in Africa, such as AIDS, sickle-cell anaemia, asthma, malaria, hypertension, and Alzheimer disease.

The African university must be born again in order to be able to play a role in fostering the Renaissance and economic transformation. Such a university must adopt a four-track approach in meeting these challenges:

- The new African university must not only be devoted to the renewal, revival, renovation and restitution of learning, it must inculcate in students the intellectual, physical, moral and social qualities to prepare them to face the future.
- As a corporate institution, it must be directly involved in productive activities through the application of research findings to the problems facing the country. Africa cannot move into the 21st century via the 19th century. The 19th and 20th centuries have been geological, fossil-fuel-based, but the 21st century will be biologically-based. Pristine environments, variety of plants and animals and solar energy are the real capital that should be treasured and exploited. Africans should hang on, by all available means, to their biodiversity.
- Among the emerging economies of the world, the most successful are the ones that have educated their workers up to, and in many cases beyond, levels achieved in the West. In the world of today, comparative advantage is increasingly knowledge-based. The proportion of tertiary graduates in African populations over age 24 is only about 0.4% compared with other developing regions which are, on average,

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## DEVELOPMENT

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about 6.0%. Yet a country like Malaysia plans to provide university places for 40% of its secondary school students and Thailand's universities produce 12,000 engineers and 6,000 scientists annually, with plans to increase the outputs to 17,000 and 10,000 annually respectively.

- In order for the New African University to perform as an effective agent of restitution it

should have a deep and extensive comprehension of the nature and scope of those things it sets out to restore. The programmes and policies of restitution must encompass institutional restitution, the restitution and modernisation of the traditional mode of governance, public administration and social organisation and the restitution of traditional values. ■

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## CAN THEY COME CLEAN?

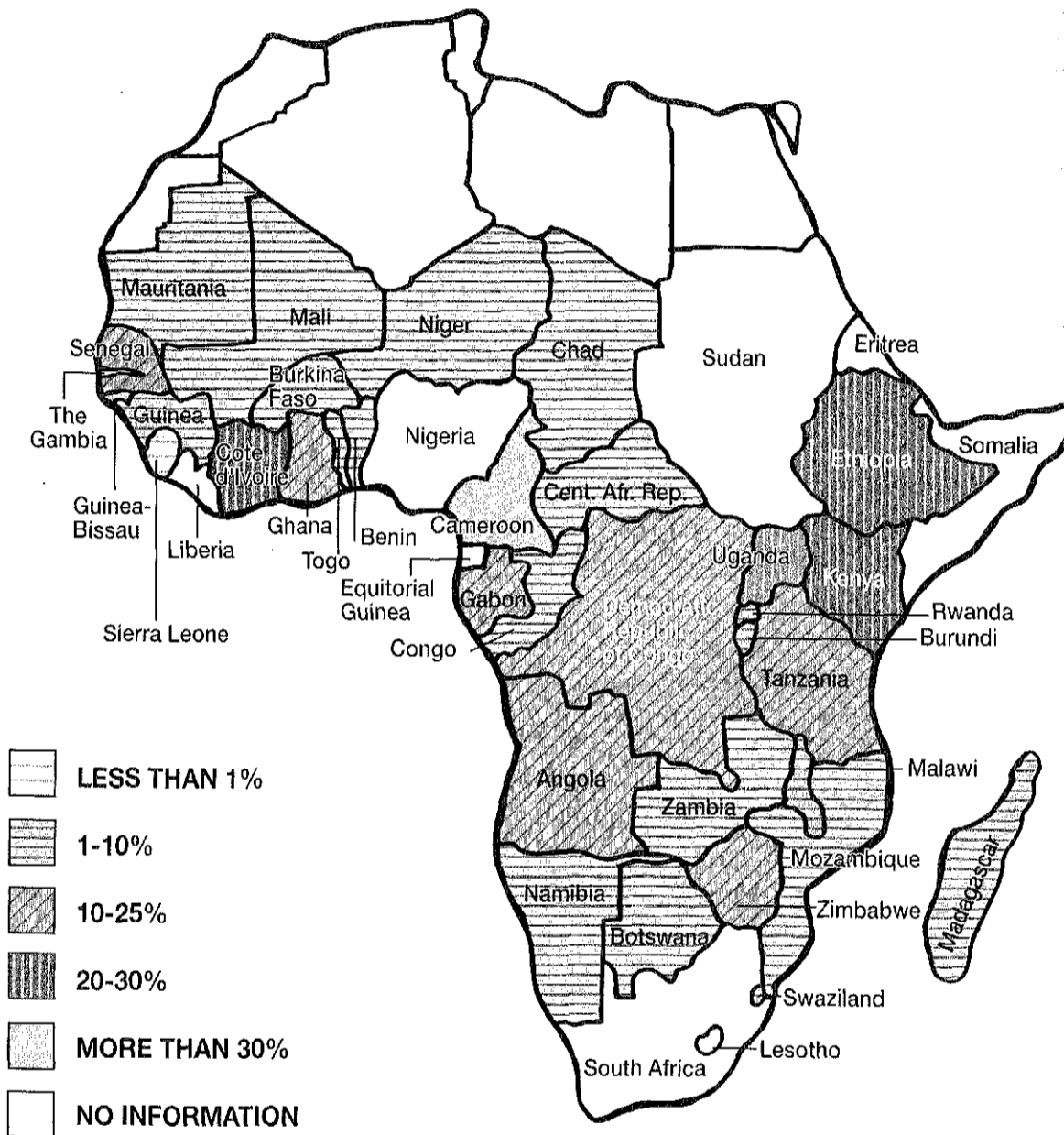
MOZAMBIQUE 71

ZIMBABWE 77

NIGERIA 82

COMPARITIVE  
INDICATOR

GDP PER CAPITA (1996) AS A PERCENTAGE OF BILL GATES' NET WORTH



SOURCE: WORLD BANK, FORBES

MOST AFRICAN NATIONS WOULD HAVE TO LABOUR AT LEAST 20 YEARS TO PRODUCE THE WEALTH BILL GATES HAS ACCUMULATED IN HIS LIFETIME. ACCORDING TO FORBES MAGAZINE, BILL GATES WAS WORTH ALMOST \$40 BILLION IN SEPTEMBER OF 1997. WILL THE NEXT GATES COME OUT OF AFRICA?

# THE AFRICAN RENAISSANCE IN MOZAMBIQUE

JESSICA SCHAFER  
Queen Elizabeth House  
University of Oxford

- THE EFFECTS OF MOZAMBIQUE'S MACROECONOMIC TRENDS ON POVERTY AT A LOCAL LEVEL HAVE NOT BEEN UNIFORM.
- IN AREAS WHERE TRANSPORT LINKS HAVE BEEN RE-ESTABLISHED, MANY PEOPLE HAVE BEEN ABLE TO TAKE ADVANTAGE OF THE LIBERALISATION OF IMPORTS AND PRICES TO SET UP THRIVING INFORMAL ENTERPRISES.
- WAGE EMPLOYMENT, HOWEVER, HAS BEEN DRASTICALLY REDUCED DUE TO CUTS IN THE CIVIL SERVICE AND PRIVATISATION OF STATE BUSINESSES.
- TEACHERS, HEALTH PERSONNEL AND TECHNICIANS HAVE BEEN HARDEST HIT AND DELIVERY OF SERVICES HAS SUFFERED AS A RESULT: TEACHERS REQUIRE PUPILS TO PAY UNDER THE TABLE TO PASS EXAMS, CIVIL SERVANTS LEAVE THE OFFICE TO WORK IN THE FIELDS OR USE STATE PROPERTY TO EARN A PERSONAL INCOME, AND EXPECTANT MOTHERS CANNOT EXPECT TO RECEIVE HELP WITH DELIVERY UNLESS THEY HAVE SOME EXTRA MONEY TO SLIP THE NURSES.
- AREAS WHERE TRANSPORT INFRASTRUCTURE HAS NOT YET BEEN REHABILITATED HAVE NOT BENEFITED FROM THE INCREASED AVAILABILITY OF CONSUMER GOODS, NOR THE NEW MARKETING POSSIBILITIES. THESE AREAS CONTINUE TO BE MARGINALISED, BECAUSE RURAL DISAFFECTION WAS ONE OF THE ROOT CAUSES OF THE CIVIL WAR.
- IN MARGINALISED AREAS TRADITIONAL STRUCTURES ARE DECAYING WITHOUT DEMOCRATIC INSTITUTIONS TO REPLACE THEM. MATERIAL AND THE INSTITUTIONAL REQUISITES FOR A STRONG ADVANCEMENT OF DEMOCRACY AND POLITICAL PARTICIPATION APPEAR TO BE LACKING.
- GOVERNMENT'S CAPACITY TO RESPOND TO THE DEMANDS OF THE CITIZENRY IS SEVERELY LIMITED BY THE CONSTRAINTS OF THE STRUCTURAL ADJUSTMENT PROGRAMME, THE COSTS OF THE DEBT, AND THE TIGHT CONTROL OF DONORS OVER BOTH FUNDS AND POLICY OPTIONS.
- SOME AID HAS CLEARLY BEEN OF BENEFIT ON ITS OWN TERMS, BUT COLLECTIVELY IT HAS CONTRIBUTED TO AN UNSUSTAINABLE POLITICAL STRUCTURE.
- ASSISTANCE FLOWS IN FOR A MULTITUDE OF UNCOORDINATED PROJECTS AND CAPS ON EXPENDITURE DUE TO IMF STABILISATION POLICIES MEAN THAT DONORS BECOME INVOLVED IN THE RUNNING OF BASIC SERVICES.
- DEBT RELIEF AND A LOOSENING OF FISCAL CONTROLS TO ALLOW THE ESTABLISHMENT OF AN EFFECTIVE STATE ARE ESSENTIAL FOR MOZAMBIQUE TO PROGRESS BEYOND ITS PRESENT, AID-DEPENDENT POSITION.

## EXECUTIVE SUMMARY

IN THE SMALL COMMUNITY OF Mude in rural Mozambique, the chief who ruled almost uninterruptedly for the last 40 years has just died. Under his tutelage Mude inaugurated its first school and health post in the late 1950s. In a district where most adult males migrated to South Africa or Rhodesia as an integral part of household survival strategies, Chief Mude

attempted to provide an alternative by introducing smallholder farmers to the production of cotton as a cash crop.

After Independence in 1975, government policies alienated chiefs. War spread through the district and Chief Mude was forced to flee. But after the Peace Accord in 1992, a group of community members sought him out in

THE ONLY PERIOD IN WHICH INFLATION WAS REDUCED WAS PRIOR TO THE IMF'S TIGHTENED STABILISATION POLICIES.

Zimbabwe to request his return and he responded to the call of duty. In the post-war period, he supervised the rehabilitation of the health post, rejuvenated the community's structures of authority and conflict-resolution mechanisms, and, most recently, made Mude into a model for a female literacy and income generation programme run by an Italian non-governmental organisation.

His death occurred in suspicious circumstances. The son of the former chief returned from refuge and laid claim to the chieftaincy, although he had never ruled previously. As a nephew rather than a son, Chief Mude must have felt that this claim was legitimate, because he stepped aside. This was not enough for the new claimant, and it is believed that his hounding

caused the chief to fall ill. Allegations of witchcraft abound, and even an expatriate doctor working in the district commented that the new chief's witchcraft was stronger than her own.

What cannot be disputed, though, is that Chief Mude's demise also sounded the death knell to his progressive activities and community development. The new chief has cancelled the community's participation in the literacy and income generation project, and taken the land set aside for the flourishing market garden for members of his own family. He threatens to move the school and the clinic from their current sites, and to destroy the village monument of which Mude was so proud. Most worryingly, he has forbidden the people to take measures to prevent the spread of cholera. As a result, Mude is the only community in the district where the cholera epidemic has worsened.

What does the idea of an African Renaissance mean in the context of a community such as Mude? Have its people benefited from the much-touted economic and political reforms of the last decade? What do the macro-trends imply for the future of such communities, and the average inhabitants of both the countryside and cities in Mozambique?

#### A BLEAK PICTURE

Structural adjustment was introduced in Mozambique in 1987, while the war was still raging and much of the countryside was cut off from governmental control. It is therefore difficult to ascertain its impact on the rural economy at the time, in a country where agricultural production is a central part of livelihood strategies for the majority of the population. Some evidence indicates that there was economic growth in this period, as the government devalued the currency and improved terms of trade for agriculture (Hanlon 1997, Wuyts 1996).

However, it did not implement the full structural adjustment package required by the International Monetary Fund (IMF), continuing to provide an urban food ration, control prices and provide social services, subsidise industry and maintain state control of much productive activity. In 1990, it was forced to submit to a more strict IMF structural adjustment programme, although a social component was introduced to mitigate the worst effects on the most vulnerable groups.

Though statistics in Mozambique are notoriously untrustworthy, if available at all, it appears that the macroeconomic trends have not been positive since the introduction of structural adjustment. Peasant terms-of-trade have worsened, growth has been slow, inflation has not been reduced to target level, exports have not shown a rapid enough improvement, and most seriously, external debt continues to be unsustainable (Billetoft 1998). Even judged only by the IMF's own criteria, it is difficult to call Mozambique a success story: the only period in which inflation was reduced was the period 1987-89 prior to the IMF's tightened stabilisation policies (IMF 1996).

Clearly, though, even if there were economic growth as intended by the IMF, this does not necessarily guarantee an improvement in the quality of life for everyone. The effects of Mozambique's macroeconomic trends on the pattern of poverty at a local level have not been uniform. In urban and rural areas where transport links have been re-established, many people have been able to take advantage of the liberalisation of imports and prices to set up thriving



ing petty trade and production enterprises in the informal sector.

On the other hand, wage employment has been drastically reduced due to cuts in the civil service and privatisation of state businesses. Teachers, health personnel and technicians have been hardest hit, dependent on a minimum wage which has not kept pace with the huge rise in prices for basic goods. Delivery of services has suffered as a result; teachers require pupils to pay under the table to pass exams, civil servants leave the office to work in the fields or use state property to earn a personal income, and expectant mothers cannot expect to receive help with delivery unless they have some extra money to slip the nurses.

But areas where transport infrastructure has not yet been rehabilitated have not benefited from the increased availability of consumer goods, nor the new marketing possibilities. These are frequently areas which were marginalised during the colonial period, a situation which was not reversed after Independence under the Frelimo government. They then became the areas most susceptible to Renamo control during the war (Adam et al. 1995; O'Laughlin 1996).

It is therefore particularly worrying to see that these areas continue to be marginalised, because rural disaffection was one of the root causes of the transformation of Renamo from an externally-based counterinsurgency into a locally-rooted rebel force. Although there may be political reasons why the Government has not prioritised investment in these former-Renamo areas, its capacity to undertake rehabilitation is also severely limited by the caps on public expenditure implied by structural adjustment. Non-governmental organisations bringing assistance have tended thus far to be concentrated in the most accessible areas, and are only gradually penetrating into these poorest and most isolated rural communities (Adam et al. 1995).

#### **MUDE, A BORDER TOWN**

The community of Mude occupies an intermediate position between the most marginalised and the most accessible. It lies directly on the border with Zimbabwe, and is therefore not as

isolated as many other areas which were under Renamo control during the war. However, internal markets have yet to be rehabilitated, and therefore the people of Mude depend on cross-border trade to market their produce and obtain basic consumer goods.

Although there is a school in Mude, disputes between the Renamo-associated teacher and the Frelimo district administration have delayed its re-opening. Therefore, the majority of children in Mude study in Zimbabwe if their parents can raise the school fees. Some children even work on the tea plantations in order to take advantage of plantation schools.

Its favourable location makes the people of Mude luckier than their rural compatriots who have no access to such crucial goods and services. But there are catches, of course. Cross-border activities are highly vulnerable because of their uncertain legal status. Some days the path to market is a straightforward journey across a porous border. Other days, the border police are a worrying menace as they can stop Mozambicans at any time and confiscate their possessions or request bribes.

In addition, Mozambican children can only study to a certain level in Zimbabwean schools without a Zimbabwean identity card. Even if parents are able to afford to send their child for further education in Mozambique, the school systems are not compatible, and many children in the area speak only English and Shona rather than Portuguese.

For such communities, debates over regional integration have an immediate relevance. But currently, there appears to be more rhetoric than serious political will to advance SADC or other regional bodies promoting integration. There is a tendency for regional integration to make capital flows more free, but not to do the same for labour (Odén 1996).

The Zimbabwean government has taken

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steps towards legalising some of the cross-border movement which has been going on illegally for so long. Thus, people living within a few kilometres of the border are allowed some freedom of movement within Zimbabwe. This has been popular with the owners of the tea and coffee plantations along the border which benefit from cheap Mozambican labour. It has caused outcries from Zimbabwean unions, however, and created tensions between cross-border communities historically linked by kinship ties but divided by colonial-era boundaries.

In other borderland areas of the country, similar situations are in evidence, but thus far regional governments have only acknowledged the need to standardise border procedures, grant exemption of visa requirements to certain categories of people, and ease the requirements for obtaining visas (AIM 131, 6 April 1998).

#### RETURN OF THE CHIEFS

Just as the consequences of the new economic policies have been uneven, the political scene has also responded varyingly to recent reforms. Some observers see more continuity than transformation (Pitcher 1998), while others characterise current political arrangements as a return to colonial-style administration (Bowen 1992; Plank 1993).

As the case of Mude shows, at the local level chieftaincy is once again an important institution, despite its marginalisation during the Frelimo era. However, the role to be played by the chiefs in the new political arrangement is not yet clear. Chief Mude, for example, was called to a meeting with the District Administrator and all of the chiefs in the district, and was happy at this recognition of his right to work with his community. The chiefs were not told what their duties would be, though, and many were in a state of limbo, waiting for uniforms and salaries as they had received in the colonial era and the instruction to collect taxes.

Some have taken up the duties of conflict resolution and adjudication of land claims with gusto. But in many places there are other officials whose duties and jurisdictions overlap with that assumed by the chiefs, as well as cases of disputed succession such as that in Mude. The hierarchy of authority is no longer clear, and ordinary people lose out by not knowing to whom they may appeal or by being caught in between jurisdictions. Dislocations caused by war have also led to increasingly heterogeneous communities, making lineage and kinship-based rule obsolete or biased against those perceived as "outsiders".

#### DEMOCRACY

While chieftaincy rule is not altogether clear, democratic rule is even more obscure for most ordinary Mozambicans. In Mude, the national elections left people puzzled. The urns were sent off to Maputo and after a few weeks they heard the result, but it did not coincide with their own votes and political brokers immediately alleged fraud. Since Frelimo appointed its own people at all levels below the National Assembly, the actual political geography of the country was not reflected in a change in the pattern of control locally.

Information about politics is scarce, as there are few people with radios in the community, and even fewer who read newspapers; what little news there is usually comes from Zimbabwe. Thus, participation in national political debate is limited. Issues of importance debated locally continue to be the harvest, witchcraft, land disputes, marriage, birth and death, which do not seem to be addressed by political debate at an official level.

This may all change dramatically with the upcoming local elections. These are being held in only 33 cities and towns, which hold 27% of the population (Mozambique Peace Process Bulletin, 1998). The Government attributed its reluctance to hold elections in the entire country, particularly in rural districts, to the lack of capacity in these places for local resource management.

The idea behind the elections is to devolve budgetary responsibility to municipalities, such

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that they will now be responsible for generating and managing their own resources independently of the central state. Given the current sub-standard conditions of state administration, even at the provincial level, it might seem ambitious to expect any of the municipalities involved to achieve self-sufficiency.

There are mixed feelings among those currently holding office at a local level as to the advantages of the new system. For example, the Mayor of Chimoio city expressed eagerness to wrest control over the resources flowing through the municipality, while the District Administrator in Guro was worried about the loss of revenue from the general state budget, in an office where lack of pens and paper makes even the most basic tasks a strenuous effort.

It is not promising that Renamo has chosen to boycott the local elections, pulling out shortly before the deadline for registration. Their expressed concerns over fraudulent registration centred on a number of registration books which had disappeared since the 1994 elections, but underlying this seems to be a desire to recover the privileged status they enjoyed during the peace negotiations and first national elections.

They have not had much success transforming their war-time territorial control into a civilian administration and national political party. In urban areas, in particular, their profile is very low and accordingly their popularity, although in Beira, the second largest city, the candidate whom they are backing looks set to become mayor (AIM 132, 21 April 1998).

The National Elections Committee (which includes Renamo appointees) and members of the international community in Mozambique have denied any evidence of fraud, and a re-registration process was undertaken to deal with the missing registers. Despite this, Renamo has not rescinded its boycott. In some parts of the country there are reports of intimidation and physical interference with elections by local Renamo members.

### AID AND DEBT

What appears to be lacking are both the material and the institutional requisites for a strong advancement of democracy and political partic-

ipation. Government's capacity to respond to the demands of the citizenry is severely limited by the constraints of the structural adjustment programme, and the tight control of donors over both funds and policy options. Not only the amount of aid but its relative importance in the economy has increased dramatically over the last decade (Hanlon 1991, Plank 1993, Wuyts 1996).

Some aid has clearly been of benefit on its own terms, but collectively it has contributed to an unsustainable political structure. Assistance flows in for a multitude of uncoordinated projects and is difficult to oversee centrally to ensure even coverage and coherence. Parallel structures are set up by NGOs which undermine Government's capacity to provide services coherently and sustainably.

Caps on expenditure due to IMF stabilisation policies mean that donors become involved in providing not just investment but also running costs of basic services. The aid-propelled demand for skilled Mozambican technicians bids up salaries so that Government has to submit projects to re-hire its own staff as consultants (Hanlon 1997). Civil servants from the bottom to the top of the scale cannot survive on their salaries, and thus the state becomes a locus of contestation for wealth and resources and no one is able to expose corruption. All of this contributes to a climate of political cynicism and moral disillusionment with the idea of citizenship and community.

The idea of "African solutions for African problems" is attractive in the abstract, but does not appear to be a realistic proposition for Mozambique in the near future. It is true that in the absence of effective assistance ordinary Africans are using their creativity and tenacity to negotiate their livelihoods and make their paths into the future.

In Mude, as in other communities, post-war social reintegration and reconciliation has pro-

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WHY SHOULD MILLIONS  
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OF A COLD WAR AND  
ANTI-APARTHEID  
IDEOLOGICAL STRUGGLE?

ceeded independently and almost miraculously, given the terrible and violent recent past. Some people are managing to capitalise on openings in the new configurations of economic and social life. Notwithstanding, Mozambique's future is intimately connected with circumstances external to it and to a large extent out of its control.

Decisions made in places which most Mozambicans have never heard of have repercussions in the price and availability of basic goods such as oil, salt, sugar and soap in the most remote locations of the country. Unless there is a change in the structure of Mozambique's political economy, only a few will really benefit from what has been termed the "African Renaissance", while the majority see the peace dividend dwindle to a dot on the horizon.

Given that the structural adjustment programme does not seem to be successful even on its own terms, and that the cap on government expenditure appears to be the main impediment to post-war rehabilitation and reconstruction of

the economy, there ought to be a policy re-think.

If imaginative new solutions are difficult to mandate, there are still precedents from the past which could provide hints on alternative policies. Many point to the examples of post-war reconstruction which occurred in Europe after the Second World War, involving large grants for infrastructure and economic rehabilitation. These enabled the devastated economies to recover but also enabled politicians to rebuild a democratic relationship with citizens, beginning with the provision of basic needs.

In that context, it was argued that the debt service burden for Germany would only be sustainable at a level of 5% of export earnings rather than the 20% target for Mozambique. Why should millions of people suffer malnutrition and deprivation, a generation of children lose out on access to education, families be unable to scrape together a livelihood despite hard labouring, and youth be pushed into marginalisation, because of a debt incurred largely due to Mozambique's being caught in the middle of a Cold War and anti-apartheid ideological struggle? Before there can be any Renaissance, the debts of the past must be buried. ■

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## ZIMBABWE A GOOD EXAMPLE DEFUSED

COLIN STONEMAN  
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- IN 1990, ZIMBABWE HAD DEFIED WORLD BANK "BEST PRACTICE" GUIDELINES AND YET HAD ACHIEVED MUCH OF WHAT SOUTH AFRICA IS AIMING FOR TODAY.
- THE ECONOMY WAS STRONG AND BALANCED. EXPORTS ACCOUNTED FOR 32% OF GDP AND WERE GREATLY DIVERSIFIED, WITH MINING COMPRISING ONLY 8.2% OF GDP AND AGRICULTURE CONTRIBUTING ONLY 12.9%.
- IN OCTOBER OF 1990, HOWEVER, A POORLY ADMINISTERED STRUCTURAL ADJUSTMENT PROGRAMME SENT THE ECONOMY INTO CRISIS, RESULTING IN A NEGATIVE BALANCE OF PAYMENTS AND AN INCREASED DEPENDENCE ON AGRICULTURE.
- MANUFACTURING VALUE-ADDED DROPPED BY 21% BETWEEN 1991 AND 1995, WITH REAL WAGES DROPPING BY 30%.
- ALTHOUGH BY 1996 THE COUNTRY APPEARED TO BE ON THE MEND, THE FALL IN COMMODITY PRICES IN 1997 AND A SERIES OF POLITICAL BLUNDERS PRECIPITATED THE PRESENT DISASTER, EFFECTIVELY "DEFUSING" A GOOD EXAMPLE OF AFRICAN ECONOMIC SELF-DETERMINATION.

### EXECUTIVE SUMMARY

AS CLOSER ECONOMIC AND political ties between Southern African countries rise higher on the agenda following recent SADC agreements, an increased interest in the consequences for all parties follows. Of course, the region has been heavily integrated in the past, so it is not as if there were a proposal to integrate with, say, Nigeria, with all the uncertainty of its present negative political characteristics added to low economic knowledge.

But the integration of Southern Africa has previously been almost entirely on South Africa's terms, and a democratic, negotiated integration, beneficial to the region as a whole, will limit South Africa's ability to pick and choose among the characteristics of its neighbours that it wants to deal with and those that it wants to avoid.

Very high on the list of bilateral relations is that between South Africa and Zimbabwe, and although mutual knowledge between the two

partners is relatively high, it remains befuddled by a comprehensive range of misconceptions and deliberately engineered myths. For South Africans, Zimbabwe is now a disaster, politically and economically, and I am not here intending to argue against this view.

What I am going to do is to argue that in the 1980s Zimbabwe set a good example that was a threat both to the orthodoxy of the World Bank and the IMF and to the strategy of the then apartheid regime, whose propaganda gave most South Africans – including most blacks and anti-apartheid whites – a false view that persists to this day.

The defusing of this threat has produced a Zimbabwe which, on paper, is more in the economic and political mainstream, and theoretically, therefore, a more acceptable partner for a liberal market South Africa, but which is weaker economically, and far more corrupt and manipulative politically than it ever was when

BETWEEN 1979 AND  
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GREW AT A RATE OF JUST  
OVER 4%.

one-party state aspirations were still on the agenda.

In other words, the negative aspects of Zimbabwe's image are not inherent Zimbabwean characteristics of which to be wary. They are, to some degree, the creation of the apartheid regime's destabilisation policy (although less dramatically than in the case of Mozambique) and of the Western powers' determination to remove the "threat of a good example" (Melrose, 1985) in Zimbabwe's earlier NIC-like economic nationalism. Zimbabwe therefore has lessons to teach South Africa, as well as warnings of what to avoid.

#### A GOOD EXAMPLE?

In the 1980s, Zimbabwe laboured under a number of severe constraints. These included:

- the Lancaster House Constitution, which to a large extent froze the income and wealth distribution in a colonial pattern;
- destabilisation by the apartheid regime, which for instance closed the natural trade routes through Mozambique until Zimbabwe was forced to spend about 5% of its GDP guarding the Beira Corridor;
- and the hostility of the international financial institutions and major aid donors such as the UK and the USA, which suspended programme aid in the face of economic policies that were contrary to their recommendations but in fact successful.

Despite these constraints Zimbabwe was modestly successful in a number of social and economic areas in the 1980s. It is widely recognised that the main achievements since independence were in the field of social welfare, especially education and health. Primary education became effectively free and universal almost immediately after independence, while secondary education enrolments rose eight-fold by 1987, by which time about three-quarters of all children were getting some secondary education.

The health of the population also improved, with free health care being made available to the families of all those earning less than Z\$150 a

month (then around US\$75). Access to the services was improved with a rapid expansion of primary health care through the opening of rural health clinics.

Between 1979 and 1989 Zimbabwe's GDP grew at a compound annual growth rate of just over 4%, or about 1% in per caput terms. This compares very favourably with the average African growth rate in the 1980s of about 1.5% (very close to the rate in South Africa) and therefore representing an annual 1.5% decline in per caput income. Of course some countries did dramatically better, but this is invariably explicable in terms of dramatic advantages over Zimbabwe, for example Botswana's enormous diamond revenue, Gabon's oil, etc.

The economy was better balanced than that of South Africa, being much less dependent on mining. Mining contributed 8.2% to the Zimbabwean GDP in 1990, with agriculture contributing 12.9% and the manufacturing industry 26.4%, with other industrial activities (construction, electricity & water, transport & communications) contributing a further 13%.

By 1990, exports constituted 32% of GDP, up from 27% in 1979 and a low of 21% in 1982-83. This may be compared with South Africa, where exports were 23.7% of GDP in 1995. Calculations of the GINI-Hirschman index for export diversification (Ncube, 1992) confirm the better balanced nature of Zimbabwe's exports. The indices were 0.9 for South Africa and Zambia, 0.8 for Botswana, 0.6 for Malawi, 0.5 for Mozambique, 0.4 for Swaziland and 0.36 for Zimbabwe.

Finally, it should be noted, Zimbabwe has a good infrastructure, including a sophisticated financial sector and stock exchange. In these respects it is among the best in Africa, although not achieving the scope and sophistication of South Africa. However, and again as in South Africa, the disparities between provision in urban areas and communal farming areas are extreme.

#### A BAD EXAMPLE?

Against these achievements were a number of failures, some self-inflicted, others caused by external constraints. The ruling Zanu-PF party's

perceived desire to monopolise power and patronage, and its heavy-handed attempts to impose the party on Matabeleland, created a monster of tribalism where none existed.

The result was an invitation to apartheid-ruled South Africa to exploit the divisions – an invitation which it accepted cleverly (Hanlon, 1986). The initial coalition government fell apart, and there ensued a bloody war of oppression of much of the population in Matabeleland which has left a legacy of bitterness to this day.

Government ensured that it got the worst of both worlds by professing a radical socialism while doing nothing effective about it because of internal and external opposition, apparently hoping meanwhile that the pilloried capitalist structures would deliver the growth that would finance their own expropriation. Pragmatic caution thus meant that it avoided necessary radical measures at home, for fear of losing the aid promised for honouring the Lancaster House Constitution, while at the same time high-principled rhetoric on foreign policy issues alienated most donors.

It may therefore not be too severe a judgment to say that a set of impeccable egalitarian principles ended up as little more than a cover for the spreading of a buccaneering capitalism to a small black élite with the eager connivance of a white élite which was sharp enough (unlike the world at large) to see through the rhetoric to the opportunity offered for its own survival.

In the economic sphere, one of the most obvious and admitted failures was in job creation. The annual number of school leavers, a majority of them with O-level or better qualifications, rose from under 50,000 in 1980 to over 200,000, 10 years later. Meanwhile the number of jobs created rose by less than 200,000 over the whole decade.

What was needed to complement the battery of constraints on capital was a battery of incentives to push it in the direction of job creation and longer run foreign exchange saving and earning capacity; the actual criteria were invariably too short term, with many proposals being rejected simply because they would have harmed the balance of payments in the current financial year (Stoneman, 1988).

A parallel failure occurred in the area of land reform. Only about 60,000 families have been resettled in the 17 years since independence – barely a third of those that were planned to be resettled in the first three years (Palmer, 1990).

#### STRUCTURAL ADJUSTMENT

In October 1990, government introduced a programme of trade liberalisation, which eventually developed into a full World Bank-type market-led economic structural adjustment programme ("ESAP" as it is called locally). The need for this was said, both by politicians and business, to be because of the failure of earlier policies (Stoneman 1990).

Whatever the causes or desirability of ESAP, it was in practice very poorly implemented. Another cause of the early failure of the programme may have been a conscious decision on the part of the World Bank to prevent Zimbabwe backsliding on the reforms by delaying disbursement of the promised funds for over a year, during which time the relaxation of import controls forced high borrowing, a crisis devaluation, and an unintended approach to the IMF for a new programme (EIU, 1992). Some of the proposed changes, however, paralleled reforms that were needed and often recommended in any case under the old system.

The key expected benefit of the programme – rising exports – failed to materialise, at least until 1994, with exports which had been growing at 9% annually actually falling. Zimbabwe thus shifted from a situation in which it was running a balance of payments surplus with falling international debts, to one in which its accounts were deep in the red with international indebtedness rising steeply.

In fact, the consequences to the country were all negative, but for the World Bank and the IMF an embarrassing counter-success story had been defused. However, a dramatic increase in trade in 1994 following huge tobacco, maize and sugar exports raised the export ratio to 38.6%, but exports fell again in 1997. Certainly the basis for manufactured exports has been seri-

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ously undermined, with manufacturing value added 21% lower in 1995 than in 1991, and about one-third below what it would have been had the trend in growth of the 1980s continued.

While the World Bank and the Zimbabwe government continue to be optimistic about the longer-term benefits of ESAP, there is no doubt about who is paying the short-term costs. Official statistics show that real wages have fallen by over 30% since 1990 and there are many indicators of declining education and health care standards. The ability of many poor people, especially in urban areas, to meet their basic needs has also declined (Tevera, 1995; Gibbon, 1995).

#### THE 1997 CRISIS

I would thus argue that Zimbabwe's present troubles need to be seen in the context of its earlier significant achievements made in the teeth of severe constraints. External undermining of this earlier strategy then shifted the internal balance in favour of the most retrograde forces, so that corruption became almost the only means whereby redistribution could occur, and sharing of the spoils of privatisation and indigenisation took over from planning and wealth creation.

PRESIDENT MUGABE HAS  
BEEN TRYING TO DEFLECT  
ATTENTION BY  
INCREASINGLY MILITANT  
STATEMENTS ON LAND  
REFORM.

During 1996, everything seemed to come good, with exports rising by over 13% in US dollar terms for the third year running and GDP rising by 7.2%. Although the agreement with the IMF had broken down in 1995 over a high budget deficit, Zimbabwe was able to cock a snook at its conditions for a restoration of the programme as it no longer needed the financial support.

Unfortunately, it was living in a fool's paradise for a number of reasons. In particular, following structural adjustment, the former strategy to develop industry and reduce reliance on the export of primary commodities had been reversed. Mining and agriculture, especially tobacco growing, boomed, while the share of

industry in GDP fell from about 26% of GDP in 1990 to 18% in 1996.

In 1997 many commodity prices fell, and for almost the first time a fall in the price of tobacco (by 20%) was not compensated for by a rise in the gold price, which in fact fell to the lowest level for 20 years. The result was a balance of payments crisis beginning in mid-1997 which effectively made the country once again critically dependent on support by the IMF and the World Bank. This loss of freedom of manoeuvre was then compounded by a number of serious political miscalculations which together destroyed business confidence.

The first was the increasingly blatant use of a war veterans' compensation fund to provide handouts as part of political patronage. When an independent MP and the independent press broke the news that many members of the government had recently received substantial compensation for alleged (mainly psychological) disabilities resulting from traumas suffered in the liberation war, which had ended 17 years before, the anger of genuine war veterans, many of them unemployed, exploded.

Public sympathy was initially strongly behind the war veterans, and President Mugabe caved in to their demands for gratuities and pensions without consulting his finance minister or cabinet. This followed shortly after a budget which had already been deemed to be unsatisfactory by the IMF as it allowed for a higher deficit. Various tax increases, including a special war veterans' levy of 5% on income tax, then produced a public reaction which forced unprecedented defeats for the party at its congress last November and later for the government in parliament. Although government initially simply ignored these votes, it was eventually forced to remove nearly all the taxes in face of riots and general strikes.

Meanwhile, President Mugabe had been trying to deflect attention from this fiasco by increasingly militant statements on land reform. Following a highly successful if limited land resettlement programme in the 1980s, government had repeatedly passed up opportunities for a further programme. In 1993 a new programme was discredited in the face of press dis-



closures that the only beneficiaries were ministers and high-ranking party officials who had gained leases on land acquired, while no funds were being made available to resettle the land on a smallholder basis.

The 1997 programme was for acquisition without compensation of nearly half of the 11.5 million hectares of land still in white hands – some 1,470 farms. From the start analysts pointed out that this strategy was unviable. Land acquisition costs had historically been only about half of the total costs of resettlement and spending constraints meant that only about 10 of the farms acquired could be resettled unless international support (already in fact on offer from Britain) could be obtained. But such support was, of course, conditional on the payment of compensation for acquiring the land.

Once again the proposal blew up in the government's face as initial public support turned to hostility. It was realised that, once again, any land acquired would either stand idle or at best be leased (if not given) to government clients. Despite promises to resettle half the farms to overcrowded peasant families, the whole programme was cut down to about 100 farms where the owners had not contested the takeover, with further loss of face to the President and government.

Both these issues, of course, hit severely at business confidence, and in November and December the Zimbabwe Stock Exchange industrial index plummeted 28% and the currency

fell 31%.

Government was thus forced to go cap in hand to the World Bank, the European Union and the IMF early this year. A rescue package has now restored confidence (the currency regained about half of the value it had lost) but at the cost of guarantees that the land reform programme would involve fair compensation for land acquired and be "poverty-oriented" – that is redistributed to small peasant farmers rather than "indigenised" to rich black commercial farmers.

#### POSTSCRIPT

At risk of ending on a sour note, it should be added that Zimbabwe's recent troubles have not all been self-inflicted. The new South Africa also bears a share of the responsibility.

The long delay in renegotiating the bilateral trade agreement between the two countries, which has been in existence since 1929 and came up for renewal in 1992, was mainly a result of the hard bargain driven by South Africa at the behest of its much larger companies. A combination of falling tariffs and removal of export subsidies in Zimbabwe at the behest of the World Bank met rising tariffs and GEIS in South Africa. One result was the decline of Zimbabwe's main industrial export hope, the textile industry, to one third its former size. ■

THE NEW SOUTH AFRICA  
IS PARTLY TO BLAME FOR  
ZIMBABWE'S TROUBLES.

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# THE AFRICAN RENAISSANCE CONCEPT PROSPECTS FOR THE ROLE OF NIGERIA

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## EXECUTIVE SUMMARY

- THE LAST TWO DECADES HAVE BEEN A TROUBLING PERIOD FOR ALL OF AFRICA, INCLUDING NIGERIA. THE OIL WEALTH WHICH FLOWED INTO NIGERIA AFTER THE ARAB-ISRAELI WAR OF 1973 WAS NOT REINVESTED IN THE PETROCHEMICAL INDUSTRY, AND FOCUS ON OIL ALLOWED THE TRADITIONAL AGRICULTURAL BASE TO FALL INTO DECLINE.
- THE INTERNATIONAL DROP IN COMMODITY PRICES IN THE 1980S HIT NIGERIA PARTICULARLY HARD, AND THE NATION FELL TO 141ST OF 171 RATED COUNTRIES IN TERMS OF HUMAN DEVELOPMENT.
- THE NIGERIAN GOVERNMENT IS TAKING STEPS TO ADDRESS THESE INTERNAL PROBLEMS, BUT FUTURE ECONOMIC GROWTH WILL DEPEND ON REGIONAL COOPERATION. DESPITE FREE TRADE PROVISIONS IN THE ECOWAS TREATY OF 1975, NIGERIA'S TRADE RELATIONSHIPS ARE ALMOST EXCLUSIVELY WITH EUROPE.
- SOUTH-SOUTH LINKAGES NEED TO BE CULTIVATED, INCLUDING TIES BETWEEN NIGERIA AND SOUTH AFRICA. POLITICAL DIFFICULTIES AND CONFLICT MAKE THIS PROBLEMATIC EVERYWHERE, AND NIGERIA AND SOUTH AFRICA HAVE IMPORTANT ROLES TO PLAY IN SECURING PEACE IN THEIR RESPECTIVE REGIONS.
- COOPERATION BETWEEN THESE TWO MAJOR POWERS SHOULD BE EXPLORED IN EDUCATION AND RESEARCH TAILORED TO AFRICAN PROBLEMS.
- DUE TO INTERNATIONAL CONDITIONS, AID WILL CONTINUE TO BE NECESSARY, BUT AFRICAN LEADERS SHOULD TAP LOCAL CAPACITY IN THE SEARCH FOR ECONOMIC SELF-DETERMINATION.

THE IDEA OF AN AFRICAN Renaissance is itself a subtle admission of some state of decadence on the continent. To observe that Africa is in the throes of a strangulating crisis is to state the obvious. Africa's economic decline in the 1980s was both staggering and precipitous to the extent that the decade has been labelled "lost" to development. Economic growth on the continent in the 80s barely managed an average rate of 2.1% per annum. This translated into a fall in real per capita incomes of about 1% a year. In the same period, the social conditions of the majority of the African people worsened considerably.

In the 1990s, it was assumed that the worst was over and that African economies would experience an upturn. The World Bank and the

IMF predicted growth rates of between 3.5% and 3.6%. But the first three years saw a deepening of the economic crisis and worsening of its human impact. Even the Eastern and Southern states, which had previously recorded food surpluses, required food aid after severe drought struck Africa. The growth rate for sub-Saharan Africa was recorded at 2.1% and 1.4% in 1991 and 1992 respectively.

Ethnic conflicts and war exacerbated the situation, resulting in famine and massive population displacement, especially in the Horn of Africa. From 1989, Liberia was locked in a bitter civil war, sending thousands of refugees into Guinea and Sierra Leone. All told, some 8 million Africans have been turned into refugees and a further 40 million were displaced from their countries.

**THE NIGERIAN DECLINE**

In the case of Nigeria, we come face to face with an economy that showed a lot of promise, but got derailed along the way. At Independence, Nigeria was sustained by agriculture – cocoa, rubber, palm oil, groundnuts, cotton – and minerals like tin and coal. After the Arab-Israeli War of 1973, oil experienced a four-fold increase in price, the profits from which, tragically, were not prudently managed. The country failed to develop its petro-chemical industry.

In 1981, after the Soviet invasion of Afghanistan, a Western consortium looking for alternative sources for oil offered to develop Nigeria's gas industry. The Government in Lagos, for some inexplicable reason, dragged its feet until the consortium broke up in frustration. In 1985, the new military government woke up to the fact that four times the initial investment would now be needed to develop half the production capacity, and that the market for oil was now saturated. It was a classic example of a missed opportunity, one from which Nigeria has never recovered.

During this time, Nigeria neglected its agricultural industry. What was once the bread basket of West Africa became a net importer of food. Mass urbanisation put further strain on an already crumbling infrastructure. Unemployment and crime followed. Nigeria slid to 141st of 175 nations in terms of human development.

**NIGERIA TODAY**

Taking a bird's eye view of the Nigerian economy today, it would appear that the government is taking some positive steps. There is greater consultation with the private sector in the formulation of economic policies and direction, including budget preparation. The Government assembled the Vision 2010 Committee, made up of prominent citizens from both private and public sectors, to draw up a blueprint for Nigerian economic transformation. It also established the Failed Banks Tribunal to bring sanity to the banking industry while enhancing transparency and accountability in this vital arm of the economy.

Deficit spending has been reduced, and tax

incentives are being offered to promote non-oil exports. A one-stop Ministry for Industries has greatly simplified the procedure for setting up business in Nigeria. The Government moved quickly to counter advance-fee fraud that was being used to cheat foreign businessmen. The Petroleum Trust Fund, a parastatal organisation drawing revenues from petroleum taxes, has been assisting in the resuscitation of vital infrastructure, including the roads, communications, and health care delivery systems.

**COOPERATION**

While cleaning up the domestic economic landscape is essential, no one can deny that Africa's development depends upon regional cooperation and integration. A credible step was taken in this direction at the Abuja Summit of the Organisation of African Unity (OAU) in 1991, when the African Economic Community (AEC) was established. But many obstacles to integration remain, including:

- the dominant outward links of the African economies;
- the strong sense of affiliation to different monetary zones;
- an unwillingness to relinquish national sovereignty over economic matters;
- adherence to structural adjustment policies, which make cross-border coordination more difficult.

Nigeria also occupies a central position in the Economic Community of West African States (ECOWAS), established by treaty in 1975. The Treaty provided for free movement of goods and persons within the Community, but despite the signing of several protocols, the lack of political will continues to stall progress. The continued influence of the erstwhile colonial powers on the trading patterns of member states continues to be a problem, even for Nigeria.

Figures issued by the Nigerian Federal Office of Statistics for 1995, for example, show that 37.6% of Nigeria's exports went to Western Europe and 51.4% to the United States (mostly crude oil), with only 5.5% going to ECOWAS

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states. Imports have a similar pattern: 16.2% come from Germany, 13.8% from the United Kingdom, 8.1% from France, 23% from the rest of Europe, 7.3% from Japan, 10.4% from the United States, a dismal 0.6% from ECOWAS, and 0.4% from the rest of Africa. For Nigeria to be role model for the African Renaissance, a fundamental re-orientation of the pattern of trade will have to be initiated.

#### **SOUTH-SOUTH TRADE**

South-South trade is essential to strengthen Africa's bargaining position with the North. The South Commission has proposed a programme of cooperation with the following aims (South Commission, 1990):

- to develop human resources;
- to take advantage of financial coordination;
- to establish a debtor's forum;
- to establish a South Bank;
- to promote South-South trade;
- to improve the position of the South in world trade through supply management;
- to promote links and cooperation between businesses in the South;
- to coordinate food security efforts and research in science and technology.

Nigeria and South Africa could play a pioneering role in promoting South-South trade and cooperation. With the former being rich in natural resources and the latter in technological advancement, both states are potential locomotives for African development. South African manufactures would find a ready market in Nigeria, with prices that could out-compete Europe, Japan, and the United States. Crude oil and semi-processed goods should likewise do well in South Africa's market.

Unfortunately, the tremendous goodwill that was cultivated during the years of the anti-apartheid struggle has suffered a setback due to subsequent political developments. Nigeria's stuttering

political transition ended in the inexplicable annulment of the June 1993 elections, judged to be Nigeria's freest and fairest. Military dictatorship returned in November, driving a wedge between Nigerian and South African political leadership. Allegations of gross human rights violations culminating in the execution of renowned playwright and minority activist Ken Saro Wiwa along with eight others in November 1995 further soured relations.

#### **REGIONAL PEACE**

Analysts conclude that the lack of stable democratic regimes, political accountability, and respect for human rights on the continent are substantially impeding any chance of a Renaissance. The past few years have witnessed a democratic awakening in many parts of Africa, but it is one thing for democratic regimes to emerge, and quite another for democracy to flourish and endure.

The African military, having tasted the forbidden fruit during the first decade of independence, now take any civilian discontent as an excuse to seize power. If the break-down in law and order after the shamelessly rigged election in Western Nigeria led to the Army's seizure of power in 1966, there was no pretext for a repeat performance in the Second Republic in 1983. The same is true of Major Johnny Koromah's seizure of power in Sierra Leone in 1997, from a democratically elected government that had hardly spent a year of its four year electoral mandate.

Africa is therefore left with no choice but to democratise society throughout the continent until it becomes an unstoppable tide and an entrenched tradition. A continent that is incapable of living in peace and sorting out its own disastrous conflicts is a marginalised continent and the rest of the world will perceive it as such, particularly those who have to do the rescue job the Africans should have done in the first place. The adoption by the OAU at its 1992 Summit of a "Mechanism for Preventing, Managing and Resolving Conflicts in Africa" was a step in the right direction, but the recent conflict between Eritrea and Ethiopia is happening right outside OAU headquarters.

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## COMPARITIVE

M O N I T O R

Both Nigeria and South Africa are well-situated to perform conflict management in their respective regions. Nigeria recently led ECOMOG forces to restore the democratically elected regime in Sierra Leone, and President Mandela was able to broker a peace deal in Zambia between President Chiluba and Dr. Kenneth Kaunda. An African Renaissance must be founded on regional arrangements of this sort that will guarantee peace and security.

### DEVELOPING A RENAISSANCE

Africa's regional institutions have a vital role to play in advancing the Renaissance. The Economic Commission for Africa, the OAU, and the African Development Bank have an historic responsibility to advance development and promote regional cooperation, through programmes such as the AEC. Indigenisation of the development process will require the strengthening of self-confidence and the effective use of local expertise. One sad legacy of the 1980s has been the ready acceptance by African governments of outside advice in the formulation of economic reform programmes. Very little has been done to involve local capacity and innovation in this field.

Fortunately, both Nigeria and South Africa have a formidable array of institutions of higher learning, and an exchange programme between the two would undoubtedly enrich the reservoir of knowledge and skills available to the continent. Educational reform is needed at all levels. Of particular importance is education to produce "job creators" and not merely "job seekers." In Nigeria, there is a depressing phenomenon in which thousands of university graduates walk the streets unemployed for years, just as returning exiles with good educations are without jobs in South Africa.

### THE INTERNATIONAL COMMUNITY

The prospects of a Renaissance remain dim without substantial external assistance. It is conceded that most African governments have brought economic and social woes upon themselves through rampant corruption and mismanagement, leading to massive capital flight. But some external economic phenomena, not of

Africa's own making, have impacted the economic landscape. The collapse of commodity prices led Africa to lose \$50 billion in export earnings in 1986-1990 alone (UN, 1991). This happened despite Africa increasing the volume of its exports by 7.5% in the same period.

Matters have been made worse by a marked deterioration in the purchasing power of the region's exports and in its terms of trade, which fell sharply since 1980 (=100), averaging 75.5% during 1981-1985 and only 53.7% during 1986-90. The external resource crunch in the same period had been exacerbated by the debt crisis. On a debt of some \$300 billion, the debt service payment to export ratio averaged around 30%. Net resource flows to Africa declined steadily during the 1980s to \$23.3 billion in 1990, while official development aid stagnated at around \$16 billion annually, in real terms, in the last five years of the 1980s. Official Development Assistance (ODA) inflows have barely managed to offset Africa's trade losses.

Since African countries are experiencing a serious decline in foreign exchange earnings due to the collapse of commodity prices and declining terms of trade, unrealistic debt repayment demands, and declining real resource inflows, it is hardly to be expected that the continent should recover on its own without the removal external constraints on growth. Lasting solutions to perennial problems must be found, as the market for development resources is becoming even more competitive.

The new democracies of Eastern Europe are now absorbing scarce international development resources. Eastern Europe can expect to be rewarded for jettisoning the monster of communism, but this is development that will be gained at the expense of Africa. As first world powers struggle to balance their own budgets, a decline in ODA to all areas should be anticipated.

### WHAT AFRICA MUST DO

But what can Africa, and specifically the strong nations of Nigeria and South Africa, do to assure

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a Renaissance in the 21st century? The following actions are essential:

- Africa must embark, as a matter of top priority, on a programme of self-sufficiency in food production. A continent that cannot feed itself has no future.
- The quest for growth must be sought elsewhere, away from dependence on primary commodities and economic policies that are demand-restraining and stagflationary. Africa must attain socio-economic transformation through increased individual and collective self-reliance. Nigeria and South Africa must continue to promote regional cooperation in ECOWAS and SADC respectively, and should move towards greater cooperation with one another.

An ominous cloud still hangs over these expected developments, however, because the Nigerian political transition programme is not being embraced by the vast majority of the peo-

ple, as evidence by low voter turnout in all elections held so far. The manipulative exclusion of some well-known political giants from the electoral process has engendered widespread apathy. The imprisonment of Chief Moshood Abiola, the acclaimed winner of the June 1993 Presidential elections, has inhibited the growth of genuine democracy and people-centred institutions.

President Mandela's ringing denunciation of tyrannical rule at the OAU Summit in Burkina Faso should leave no one in doubt – cooperation with South Africa requires common perceptions of the rule of law and internationally accepted norms of democratic governance. This is a hurdle that will have to be overcome before both countries can move together towards an African Renaissance.

The sudden death of Nigerian Head of State General Sani Abacha on June 8, 1998 opens a window to an opportunity for genuine democracy. It is too early to conjecture if the successor military leadership will take advantage of it. ■

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# **LEGAL**

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M O N I T O R

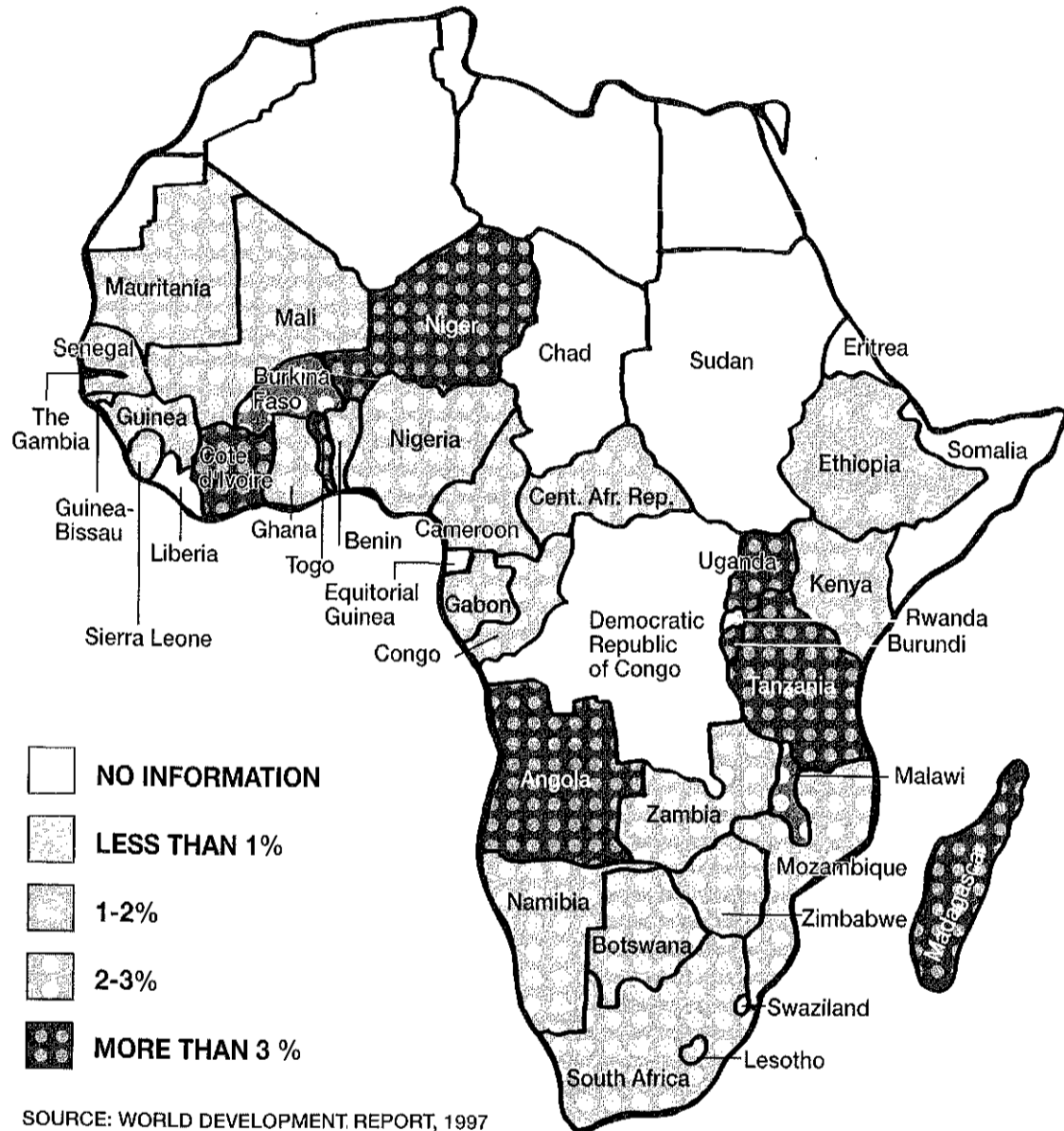


## **PROVIDING FOR AFRICA'S CHILDREN**

MAKING FATHERS PAY 89

**LEGAL**  
INDICATOR

**ANNUAL POPULATION GROWTH 1990 - 1995**



WHILE SUB-SAHARAN AFRICA SHOWS SOME OF THE HIGHEST POPULATION GROWTH FIGURES IN THE WORLD, FEW COUNTRIES SHOW GROWTH RATES OVER 3%. POPULATION IN THE REGION IS EXPECTED TO DOUBLE BETWEEN 1994 AND 2019. CONTRACEPTIVE PREVALENCE BY ANY METHOD WAS ESTIMATED TO BE 16% BETWEEN 1987 - 1994.



# BEATING THE DEADBEATS THE REFORMATION OF THE MAINTENANCE SYSTEM

SHIREEN MOTARA

*NADEL Human Rights Research and Advocacy Project*

- A WOMAN'S RIGHT TO CLAIM MAINTENANCE FROM THE FATHER OF HER CHILDREN IS CONSTRAINED BY THE INEFFICIENCIES OF THE LEGAL SYSTEM. GIVEN THE HIGH NUMBER OF SINGLE-PARENT HOUSEHOLDS IN SOUTH AFRICA, THIS IS A MATTER OF SOME IMPORTANCE.
- THE LUND COMMISSION, INVESTIGATING THE WAY THE STATE PROVIDES WELFARE BENEFITS TO MOTHERS WITH DEPENDANT CHILDREN, HAS BROUGHT THE DEFICIENCIES OF THE PRESENT MAINTENANCE SYSTEM TO THE FORE.
- MANY CHILDREN WHO SHOULD BE RECEIVING SUPPORT FROM THEIR FATHERS HAVE BECOME RELIANT ON THE STATE.
- TWO SEPARATE INVESTIGATIONS INTO REFORMING THE LAW HAVE BEEN INITIATED, EACH PRODUCING ITS OWN DRAFT BILL — ONE BY THE LAW COMMISSION AND ONE BY THE DEPARTMENT OF JUSTICE.
- BOTH OF THESE INQUIRIES AGREE THAT DEFAULT JUDGMENT, AUTOMATIC GARNISHMENT, AND USE OF COURT-APPOINTED INVESTIGATORS NEED TO BE PROVIDED FOR.
- STILL TO BE DETERMINED IS WHETHER THE PROCEDURE SHOULD BE A CRIMINAL MATTER AT ALL, OR WHETHER SOME CIVIL ADMINISTRATIVE REMEDY WOULD BE MORE APPROPRIATE.
- MAINTENANCE OFFICERS ARE PRESENTLY SIDELINED PROSECUTORS, AND THE POSITIONS WOULD PERHAPS BE BETTER FILLED BY PROFESSIONALS DEDICATED TO THE TASK.
- PROVISIONS FOR STREAMLINING THE INVESTIGATION OF CASES AND THE ISSUING OF ORDERS NEED TO BE EXPLORED.
- THE MECHANISM FOR ENFORCEMENT ALSO NEEDS TO BE REFINED, EITHER BY CREATIVE USE OF THE CRIMINAL SANCTION OR BY SOME SORT OF AUTOMATIC STATE COLLECTION. SUGGESTED AUTOMATIC SCHEMES RANGE FROM A "TAX" ON ALL NON-CUSTODIAL PARENTS TO GARNISHMENT OF INCOME TAX REFUNDS AND UNEMPLOYMENT BENEFITS.

## EXECUTIVE SUMMARY

HIGH LEVELS OF POVERTY continue to pervade the lives of black people in South Africa, especially women. The reasons why women are the hardest hit by poverty are numerous. Black women occupy the lowest rungs of the employment scale and are concentrated in the unskilled labour market. In 1995, black women totalled less than 1.5% of managers and made up 89% of unskilled labour. (Budlender, 1996). Other reasons include the

fact that women still bear the burden of unpaid labour in the form of housework and child-rearing, the majority of single parents in South Africa are women, and women continue to be the victims of violence inside and outside the home.

The Growth, Employment and Redistribution policy (GEAR) of government has not improved this situation much. Instead of creating employment, thousands of jobs have been

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lost. These job losses are concentrated in education and the clothing and textile industry, where women predominate. Consequently, women have increasingly been turning to the maintenance system to provide for their children. Although some men also apply for maintenance, this article refers to women as they make up the majority of the maintenance court users in South Africa.

The duty of parents to support their children has long been part of common law. Additionally, section 28(1)(b) of the Constitution (Act 108 of 1996) statutorily entrenches a child's rights "to family care or parental care or to appropriate alternative care when removed from the family environment." In most cases, this responsibility falls squarely on the shoulders of the mother, who is often faced with the responsibility of raising the child on her own.

To ensure support from the father, single mothers frequently have to turn to the justice system for assistance. This involves countless trips to court, often at a loss of income due to absence from work.

Even after all of this, there is still no guarantee that the claim will be paid.

The maintenance system has been fraught with problems ranging from the excessive discretion given to maintenance officers to the lack of proper enforcement mechanisms for maintenance orders. Many of these problems are due to the inadequacy of the Maintenance Act (23 of 1963). Currently, there are two processes underway, both aimed at improving the maintenance system: a review of the law by the Department of Justice and an investigation by the South African Law Commission.

#### REFORMING MAINTENANCE

A 1996 review of the state and private maintenance systems by the Lund Committee revealed numerous deficiencies. This prompted the Minister of Justice to request the South African Law Commission to examine the Maintenance Act and recommend long-term reform measures.

To provide for immediate relief, the Department of Justice produced a consultation

document on maintenance law reform and an interim bill in October 1997. This interim bill, which should be passed this year, aims to bring much-needed relief by addressing some of the urgent problems around enforcement of maintenance orders.

In addition, the Law Commission has released a proposed Maintenance Amendment Bill with its interim report. The problems discussed in the interim report relate to two parts of the maintenance process where many practical problems arise:

- the procedure leading up to the making of a maintenance order;
- the enforcement of maintenance orders by way of conviction for the failure to comply.

According to Mr Pieter Smit, researcher for the project committee on maintenance, the Minister is intent on introducing legislation on maintenance in Parliament in 1998 and the process has now reached the stage where the Minister must now decide which bill to proceed with – the Department's or the Commission's.

#### THE INTERIM BILL(S)

An examination of both bills reveals the following similarities:

- Both recommend that default judgment be granted against a summonsed respondent who does not appear in court. Obviously, the respondent will still have the opportunity to return to court to have the order amended. This provision will go some way towards providing relief for women, avoiding countless trips to the maintenance court only to find that the respondent has not arrived. However, the efficacy of this provision will depend on the respondent first being traced, a task which in itself is often difficult to achieve;
- Both support garnishee orders becoming automatic once the maintenance order has been made – garnishment will no longer be dependant on criminal conviction of a defaulter. Presently, garnishee orders are not being utilised to their full extent by maintenance officers, and the proposed legislation would take away this discretion;

- Both bills support the appointment of tracers/investigators. This provision is absolutely essential to hold accountable the large number of respondents who attempt to escape their responsibilities. The success of these tracers will ultimately depend on the resources made available to them.

In addition to the above, the Law Commission also identifies the following interim measures:

- the introduction of a separate procedure for the execution of maintenance orders, which will function independently from a prosecution for the failure to comply with a maintenance order;
- the extension of the definition of "maintenance order" to include payment of non-periodic expenses made towards a person's maintenance.

Other interim measures provided for in the Department of Justice's bill relate to two enforcement options. At this stage it is unclear which route the Department will follow:

- Option 1 – On conviction for failure to pay maintenance, the court must take steps to identify and enforce payment of arrears. The court must not convert a prosecution into an enquiry into maintenance levels unless it has enquired into the case and considers conversion to be in the interests of justice. However, converting the proceedings would mean loss of the court's powers to enforce arrears. An Attorney-General may appoint maintenance officers to appear in criminal prosecutions related to non-payment of maintenance.
- Option 2 – Where a complaint is made that maintenance has not been paid, the proceedings shall be by way of a civil enquiry. Non-payment of maintenance would remain a criminal offence, but no prosecution of such offence could take place unless the court refers the case to the public prosecutor. The civil court must determine whether maintenance has been paid, identify the amount of arrears, decide whether arrears should be enforced, and specify the method

of enforcement, as well as decide whether to refer the case to the prosecutor.

#### LONG-TERM REFORM

The long-term reform process undertaken by the Law Commission aims to address the ineffectiveness of the present judicial maintenance system. The Commission has raised a number of these issues in its Issue Paper (SALC, 1997).

Firstly, it is an open question as to whether judicial procedures should be used at all. In Australia and the United Kingdom, administrative procedures have replaced the judicial process, and formulae are employed to determine the amounts to be paid for maintenance. The Commission cautions against the use of formulae since these are not able to provide for every contingency. If formulae are used, these will have to be designed to take into account the realities of South African society.

Another option may be a so-called "Dad Tax" which would impose a levy on all non-custodial parents from which funds are obtained to pay a form of pension or grant to custodial parents. (SALC, 1997). The disadvantages of this method are that it does not take into account maintenance payments that have already been agreed upon and it increases the tax burden on many South Africans.

#### HUMAN RESOURCES

The second area identified for reform is human resources. Problems experienced within the maintenance system are compounded by the role played by maintenance officers, who have broad discretion over both the amount to be paid and whether the case ever comes to court. And, since a maintenance enquiry is not a criminal matter, prosecutors are often compelled to work in the maintenance section because of poor performance in another section.

The Law Commission admits that the problem of human resources "does not easily lend itself to a solution by means of law reform". Part

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of the problem is a lack of sufficient staff to deal with complaints, lack of funds to appoint more staff, and a high turnover of personnel due to dissatisfaction among prosecutors who work as maintenance officers.

The Commission suggests that the position of the maintenance officer be separated from that of the prosecutor. This will entail the development of a "suitable career structure and career prospects" for those appointed as career-oriented maintenance officers. Due to a shortage of resources this may be difficult to achieve, but the possibility of uniting the office of the maintenance officer with that of the family advocate may be considered.

#### INVESTIGATIONS

The third issue deals with the investigation process. The Act does not specify the scope of investigation and, consequently, practices vary from one maintenance court to another. In a case where no agreement is reached, or the defaulter does not attend the joint interview, the maintenance officer should institute an inquiry. However, there are cases where this does not happen. The Lund Commission has recommended that an inquiry should be instituted in all cases where no agreement is reached. Two options are available in this regard:

- the recommendation made by the Lund Commission should be legislated;
- the maintenance officer should have the discretion to decide whether a complaint merits an inquiry.

According to the Law Commission, the latter option presupposes a corps of well-trained and dedicated maintenance officers who will be able to sift the unsubstantiated complaints from those that merit further attention.

#### ORDERS OF MAINTENANCE

The fourth issue being investigated by the Law Commission deals with the orders made by the maintenance courts. In this case the Act does

not "allow the court to make any ancillary orders to ensure compliance with these orders" and this, ultimately, affects the efficacy of the maintenance order.

The declaration of a maintenance order also requires that both parties present themselves at the court. Respondents often do not attend, for reasons ranging from a low success rate in serving the summons to a complete disregard for the law. A proposed solution to this problem is the issuing of a garnishee order with the maintenance order.

The effectiveness of the garnishee order may be ensured by structuring it in such a manner that it will not apply to one specific employer, and may be deducted in the same manner as PAYE payments. Failure by the respondent to attend court proceedings may be addressed by the use of tracing agents or by granting default judgement against such respondents provided that they were notified of the inquiry. The respondent may then approach the court to amend the order. This provision is also contained in the interim bills of the Department of Justice and the Law Commission.

#### ENFORCEMENT

The fifth area of consideration is enforcement. Due to the impracticality of jailing respondents who are convicted for non-compliance, criminal sanctions have lost their deterrent effect. Even though the court may order that arrears be paid and that maintenance continue in the future, these orders may only be made once a defaulter has been convicted for failure to comply with a maintenance order.

This also applies in cases where the court may authorise the issue of warrants to execution against movable or immovable property. Garnishee orders have limited success because they are dependant on the respondent being employed or staying with the same employer. The Law Commission admits that criminal law is not necessarily a successful medium for the enforcement of maintenance orders, but that periodical imprisonment provided for in the Criminal Procedure Act (51 of 1977) may be an option to consider.

Another option may be correctional supervi-

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sion in terms of the Correctional Services Act (8 of 1959), as this may subject defaulters to monitoring and control over their financial affairs and to educational programmes to provide financial management skills. Compliance with these programmes may be required for suspension of criminal sentence. Although these options are already available to maintenance courts they are not frequently used.

Regarding imprisonment, the Law Commission suggests that a defaulter who is imprisoned may pay the arrears owed and then apply to court to be released from prison. However, the Commission cautions against this option in light of the decision of the Constitutional Court in *Coetzee v Government of the Republic of South Africa; Commanding Officer, Port Elizabeth Prison, and Others v Matiso and Others 1995 (4) SA 631 (CC)*, where the court decided that the provisions of the Magistrates Court Act 32 of 1944 providing for the imprisonment of a debtor are unconstitutional in terms of section 11(1) of the Constitution.

After much discussion on whether or not maintenance falls within this category, the Commission concludes that it does not and that a defaulter may be imprisoned for failing to pay maintenance "by virtue of the fact that such a failure constitutes an offence."

Other possibilities for enforcement put forward by the Law Commission are:

- to separate the execution of maintenance orders from criminal sanctions related to failure to comply with such an order. This means that the process to ensure payment of maintenance should not be dependant on the conviction of the defaulter;
- that the maintenance order may be statutorily accorded the effect of a civil judgement, which may then be registered with the clerk of the civil court having jurisdiction and executed in the same manner as a judgement of the court;
- that an applicant may be allowed to apply to the court for a warrant of execution in respect of any payment that has become due in terms of a maintenance order, plus inter-

est on such payments;

- that an applicant may be allowed to sue for a warrant of execution out of the office of the clerk of the court.

Finally, the Law Commission looked at maintenance pending divorce and how to provide faster and cheaper relief in this respect. The suggestion is to allow maintenance courts to hear such applications. However, full court rolls and staff shortages may cause delays in hearing these applications. The family courts may be a more suitable venue for hearing these matters, but according to the Commission the efficiency of these courts will depend on the availability of sufficient resources for staffing and operation.

#### NEW REFORM MEASURES

Recently a number of women marched on the offices of the Department of Justice in Johannesburg after their maintenance money was unpaid again because of computer problems at the Johannesburg Magistrates' Court. It was only after this protest that the Chief Magistrate took action to help these women. Events like these highlight the need for a holistic approach to address the deficiencies in the maintenance system.

Statutory amendments can only be successful if dealt with within the broader framework of improving operational problems, such as outdated technology and personnel problems. This will take more than just a wave of the legislative wand. Throughout its Issue Paper the Law Commission comments on the Department of Justice's lack of resources. However, this should not be used as an excuse for denying justice to those who need it most.

Many of the problems experienced within the maintenance system relate, directly or indirectly, to personnel. Staff shortages, demotivated staff, inefficient staff, gender insensitive staff are all part and parcel of the inadequate maintenance system we have at present. Yet these people have unfettered discretion to make decisions which affect the lives of thousands of children

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across the country. There is much substance in the Law Commission's recommendation of recruiting "career-oriented" maintenance officers.

Administrative systems have had only limited success in other countries. Making use of the offices of the Revenue Service or the Department of Internal Affairs to administer the system may be useful if general formulae are used, but the reality is that formulae presuppose certain conditions and may not adequately address the realities of South Africa.

Although the Law Commission has looked at ways of improving present enforcement procedures, they focus on whether criminal or civil sanctions should be imposed on defaulters. But there are other ways of ensuring that maintenance is paid, particularly in cases where the respondent is employed. In California, there is the mechanism of "health insurance coverage assignment," which is a court order requiring the non-custodial parent to enrol the children in his or her medical aid

plan. Other methods include deducting maintenance from income tax refunds, unemployment insurance, worker's compensation and disability benefits.

#### THE ROLE OF THE STATE

The government's inability to successfully deal with poverty has increased the burden of non-governmental organisations' work towards improving the lives of the majority of the people with limited resources. With funding now increasingly being diverted to the state, survival has become an uphill battle for many of these organisations.

In Johannesburg, a number of organisations, in association with the Department of Justice, have formed the Maintenance Forum, which ensures that the limited resources (financial and human) available at the maintenance court are applied in an effective and sensitive manner. A partnership between government and civil society is always welcomed because it allows for sharing of resources and expertise. However, the achievement of sustainable human development is dependant on the state's ability to empower its people to make a difference for themselves. I

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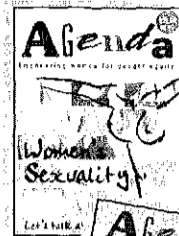
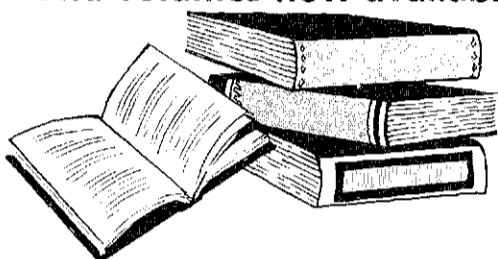
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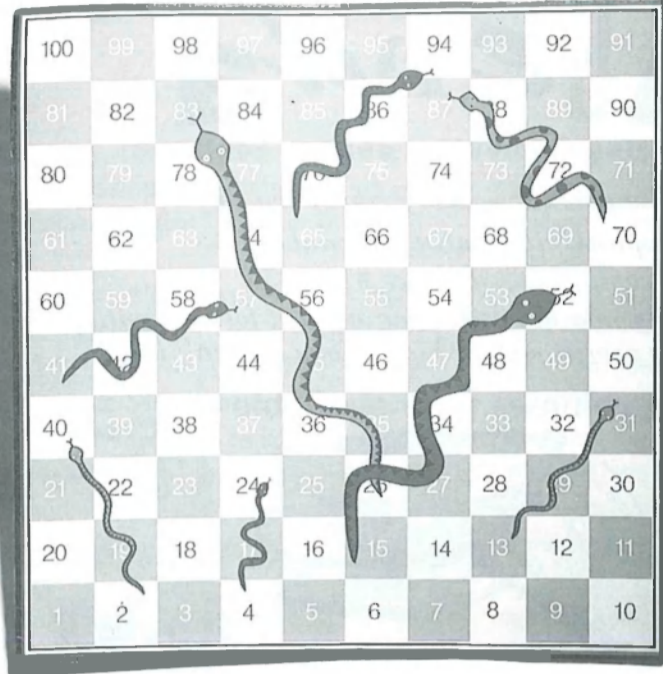
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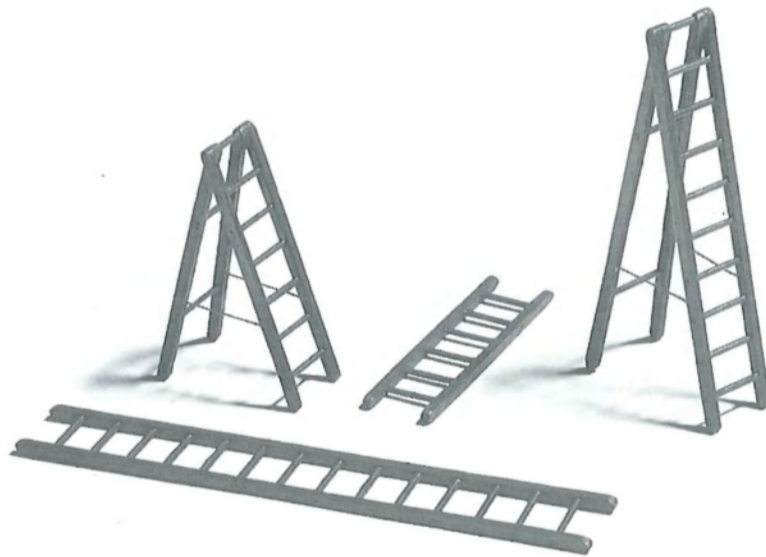
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