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Ken Saro-Wiwa

On 10 November 1995, Nigeria murdered Ken Saro-Wiwa and eight environmental activists. The following are only a handful of the tributes we received, some handwritten, some typewritten, and the rest by e-mail. We hope you will help us to publicise the tyranny of Nigeria's dictators by sending in your comments and Briefings to appear in the March 1996 issue.

Guilty Through and Through: Shell and the Plight of the Ogoni People by Adebayo Olukoshi

So, the military tyrants who have taken Nigeria hostage murdered Ken Saro-Wiwa, ignoring concerted local and international pleas for a re-think on the verdict of the hand-picked kangaroo tribunal which the Abacha junta had set up as part of its goal of 'wasting' the leadership of the Movement for the Survival of the Ogoni People! This mindless act of barbarism by a junta led by one of the most blood-thirsty tyrants in Nigeria's entire history is but one side of the Ogoni tragedy. The other side centres on the activities of Shell, the Anglo-Dutch oil multinational that is an accomplice, through and through, in the murder of Saro-Wiwa and his MOSOP colleagues.

Shell, which monopolised oil mining activities in the richly-endowed Ogoniland, has been exploiting oil in Nigeria without caring one bit about the consequences for the livelihood of the peoples of the oil communities of the environment. Faced with the organisational might of the Ogoni people under the leadership of MOSOP, it made direct appeals to the highest levels of the Babangida and Abacha military dictatorships, urging the protection of its investments, investments which had done so much to devastate the environment of the Ogoni people, destroy their fishing and farming activities, and left them heavily immersed in poverty even as a few oil executives (local and foreign) and their military protectors reaped windfall profits.

Never once was Shell seriously interested in discussing the plight of the Ogonis with their leadership; there could, in the view of this disreputable oil major be no basis for dialogue and consultation with the natives. Instead, it initially denied that its activities had any environmental costs and then proceeded to try to buy off people in the oil communities who were willing to be compromised. But try as it did, Shell was unable to compromise Saro-Wiwa; it was left to the military junta of General Abacha to try to break the will of the Ogoni people first by committing large-scale acts of violence against them and then framing Saro-Wiwa and the MOSOP leadership as part of a wider plot to kill them and their cause. Saro-Wiwa may have been murdered but his fight for justice and a representative government in Nigeria shall live forever.

Embarrassed by the huge international publicity which the plight of the Ogoni people has generated, Shell International took to claiming that its activities were unconnected to those of its subsidiary, Shell Nigeria. This laughable ploy is the first refuge
of discredited multinationals; it cannot wash in any respectable circle of opinion. The truth is that more so in Nigeria than even in the North Sea, Shell as one multinational entity has been waging a very dirty war against the communities and the environment. Today, its logo is heavily stained with the blood of all innocent Ogonis who have died in the campaign of state terror launched by an increasingly fascistic junta. The hand that hanged Saro-Wiwa and his colleagues may be Abacha's; the group for which it was done is Shell. Shell's reward to the junta? Barely six days after the brutal elimination of its most effective Nigerian critic to date, Shell announced its decision to invest some US$4.5 billion in the development of a gas project in the oil delta of Nigeria. This extreme insensitivity is further proof of the symbiotic links between Shell and the Nigerian military dictatorship.

Saro-Wiwa's final statement to the tribunal that sentenced him to death was unequivocal about the complicity of Shell in transforming Ogoniland into hell on earth for its inhabitants. Many will share his prediction that although the company may have 'ducked this particular trial,... its day will surely come ... for the ecological war which the company has waged in the Delta will be called to question sooner than later and the crimes of that war will be duly punished'. We can pay no better tribute to the memory of Saro-Wiwa than to resolve, one and all, to immediately impose our own sanctions against Shell by boycotting all its products and service outlets. Shell is guilty through and through, an accomplice to the murder to Ken Saro-Wiwa.

Adebayo Olukoshi is at the Nordic Africa Institute, Uppsala, Sweden.

A Tribute to Ken Saro-Wiwa by Abdul Raufu Mustapha

I met him at the end of 1993, at a conference at Abuja, convened by the human rights group, Constitutional Rights Project, to examine the options before Nigeria in the light of the Constitutional Conference promised by the Abacha junta. As to be expected, he made a forceful argument for the rights of the Ogoni. What struck me, however, was his sense of humour, even when discussing what most Nigerians have come to accept as the 'agon of Ogoni'. There wasn't the slightest trace of bitterness in a man whose people had gone through a harrowing experience at the hands of Shell and the Nigerian state.

I recall that two major points were raised by some conference participants against the Ogoni position he presented. Why were the Ogoni separating their case from the other minority groups in the Delta? Were they suggesting that their's was a special case? Secondly, it was argued that the main tenets of the Ogoni position were separatist. I later took up these issues with him privately. The Ogoni case is just a test case, he explained. His commitment encompassed all minority groups in Africa. Secondly, the tenets of the Ogoni demands are negotiating positions, open to compromise. The problem, as he saw it, was the refusal of the military junta to enter into negotiations.

It is difficult for me, from my brief experience, to believe that he was capable of the 'crimes' attributed to him by the Abacha junta. A trial before properly constituted courts and following the due process was absolutely essential. The shoddy trial he received did not establish his guilt. If anything, it exposed the inhuman arbitrariness of the Abacha junta to the entire world. It is difficult to suppress the sadness and rage which the judicial murder of Ken Saro-Wiwa and his fellow accused has provoked amongst all decent people. And the Abacha junta deceives itself if it thinks that stage-managed demonstrations in selected Nigerian cities can legitimate its cruel act. While
we mourn the passing of this great Nigerian and his comrades, we owe it to them to concentrate our focus on the issues which their lives - and deaths - have so starkly raised before the world. Do accused persons have a right to a fair and proper trial in Nigeria? Do ethnic minorities like the Ogoni have a right to a say in their economic and political destiny? Is it proper to continue to damage the environment and livelihood of whole communities whilst making no efforts at rehabilitation and compensation? The answers to these questions point to the callous authoritarianism which now has Nigeria in its grip, and the constellation of local, national and international forces which profit from, and seek to maintain, this oppressive and inhuman status-quo. We owe it to Ken Saro-Wiwa and his comrades, indeed to ourselves, to expose and bring to an end, this mindless authoritarianism.

*Raufu Mustapha* is in South Africa.

**Coalition Against Dictatorship (CAD): Nigeria Casefile**

Ken Saro Wiwa was a prominent Nigerian author, television producer, environmental activist and leader of the Movement for the Survival of Ogoni People (MOSOP). The Ogoni are a minority ethnic group of about 500,000 people in Nigeria's oil-rich Southeastern Rivers State. Once an agricultural region with fertile soils, the Ogoni land and water have been devastated by pollution by multi-national oil companies with assistance from Nigeria's military dictatorship. MOSOP was set up to defend the environmental and human rights of the Ogoni community. Because the Nigerian government considers mineral resources within its territory to be automatically federally owned, the idea of special rights and reparations for local communities are alien to it. Oil provides about 80 percent of Nigeria's export revenue. Oil companies with significant presence in Nigeria are the Anglo/Dutch Shell Group, Chevron Corp., Mobil Corp., France's Elf Aquitaine SA and Italy's Agip SpA.

**Some History:** The Ogoni people of Nigeria have their lands in Rivers State, a part of Nigeria near the delta of the river Niger. This has historically been a fertile area, and consequently is highly populated. It is also the first place in Nigeria from where the Anglo/Dutch transnational Shell began extracting oil in 1958. At that time, Nigeria was still a British colony. It is estimated that $30 billion worth of oil has been extracted from Ogoni lands since then. Ogoniland has been important to Nigeria for two reasons: Firstly, it has been termed the 'breadbasket' of Rivers State, a major food producing area, and secondly, since 1958 it has been the source of more than 900 million barrels of crude oil, vital to the Nigerian economy.

**The Issue:** Although international attention is now being focussed on democracy in Nigeria, and pressure is being placed on the Nigerian dictatorship of General Sani Abacha to democratize the country, little is said of the role of the Western transnational corporations which prop up the Abacha's dictatorship.

Shell has been exploiting oil in Nigeria without consulting or compensating the Ogoni people in any way. The Ogoni people are a minority, and thus have little political power, since the Nigerian constitution does not protect minority interests. They have no mineral rights to their land, since all mineral rights are owned by the state. They are expected to be passive victims when oil spills, blowouts, and invasive pipe laying cause environmental damage. Hiding behind the dictatorial military, Shell has always turned a blind eye to the damages caused by its operations. For Shell's operations, says a news report,
the Ogoni people have received virtually nothing except a ravaged environment. Once fertile farmland has been laid waste by constant oil spills and acid rain. Puddles of ooze the size of football fields dot the landscape, and fish and wildlife have vanished.

Shell would be slapped with hefty fines if it were to pollute any European or American country one-tenth as much as it did in Nigeria. The Exxon Oil spill in Alaska in 1989 and the reparations afterward is still fresh in our memory.

In 1990, the Ogoni started to mobilize against the human and environmental injustice perpetrated upon them. They formed MOSOP, the Movement for Survival of Ogoni People, a peaceful resistance movement which attempted to highlight their plight, under the leadership of Ken Saro-Wiwa.

Shell suspended its activities in Ogoniland in 1993, partly as a result of the Ogoni campaign. But it still pumps more than 250,000 barrels of oil a day in Nigeria, nearly 12 percent of Shell's international oil output. The government's response to MOSOP's protests has been brutal. Ogoniland is now sealed off, and under martial law. Ken Saro Wiwa has been executed, along with 8 other Ogoni.

Hundreds of Ogoni have been murdered: Shell's role in this is significant - the most extreme brutalities against the Ogoni happened after Shell expressed concern about perceived local threats to its smooth functioning, to the Nigerian government. A memo signed by Major Okuntimo of the Rivers State Internal Security Task Force, dated May 12th 1994, states:

> Shell operations still impossible unless ruthless military operations are undertaken for smooth economic activities to commence.

The document goes on to recommend the 'wasting' of Ogoni leaders. Ken Saro Wiwa was arrested on May the 22nd, 10 days later.

The blatant disregard for human rights that Shell Nigeria has displayed in its dealings with the Ogoni show it to be two-sided in its international relations. The abuses that it perpetrates in Nigeria (directly in the form of spills and blowouts, and indirectly by the Nigerian government which it leans on to protect its interests) would be unacceptable in the countries where Shell sells most of its oil. Whilst Shell International claims that its actions and those of Shell Nigeria are not linked, this is a transparent ploy to deny culpability.

Shell profits are built upon Ogoni suffering: The Shell which fully supports democracy at 'home' is the same Shell that actively promotes tyranny and barbarism 'abroad'.

Saro Wiwa's Trial And Execution: Ken Saro Wiwa and 15 other Ogonis were arrested in May 1994 after the deaths of four local pro-government Ogoni chiefs during a melee at a political rally. He was held in leg irons, and denied access to his family, doctors and legal counsel for eight months before being charged with murder.

The charge was so baseless and devoid of concrete evidence that Amnesty International declared Saro Wiwa a Prisoner of Conscience. Even the government itself did not trust its own case enough to produce the predetermined result it wants - the elimination of vocal Ogoni leaders like Saro Wiwa - in the normal law courts that it created instead a military-dominated Special Tribunal to hear the case, though this was a civil offense. Such tribunals are answerable ONLY to the military government
A Tribute to Ken Saro-Wiwa

and there is NO right of appeal. It should be noted that the Nigerian military generally considers what goes on in civil courts to be 'too much English' and a 'waste of time.'

The defense team was frustrated at every step of the way by the Special Tribunal. The tribunal rejected defense evidence of the bribing of two key prosecution witnesses testifying against Saro Wiwa. The charade was so obvious that the defense resigned from the proceedings, feeling, as everyone felt, that the tribunal was predetermined to find the defendants guilty.

Saro Wiwa and eight others - Dr. Barinem Kiobel, Saturday Dobee, Paul Levura, Nordu Eawo, Felix Nuate, Daniel Gbokoo, John Kpuinen and Baribor Bera - were found guilty and sentenced to death on October 31, 1995. Despite international appeals for clemency, they were hanged on November 10, 1995. Saro Wiwa won the 1995 Goldman Environmental Prize for Africa, awarded by a San Francisco-based foundation.

Saro-Wiwa's Closing Statement to the Nigerian Military Appointed Special Tribunal, Port Harcourt, Rivers State, Nigeria.

My Lord,

We all stand before history. I am a man of peace, of ideas. Appalled by the denigrating poverty of my people who live on a richly endowed land, distressed by their political marginalization and economic strangulation, angered by the devastation of their land, their ultimate heritage, anxious to preserve their right to life and to a decent living, and determined to usher to this country as a whole a fair and just democratic system which protects everyone and every ethnic group and gives us all a valid claim to human civilization, I have devoted my intellectual and material resources, my very life, to a cause in which I have total belief and from which I cannot be blackmailed or intimidated. I have no doubt at all about the ultimate success of my cause, no matter the trials and tribulations which I and those who believe with me may encounter on our journey. Nor imprisonment nor death can stop our ultimate victory.

I repeat that we all stand before history. I and my colleagues are not the only ones on trial. Shell is here on trial and it is as well that it is represented by counsel said to be holding a watching brief. The Company has, indeed, ducked this particular trial, but its day will surely come and the lessons learnt here may prove useful to it for there is no doubt in my mind that the ecological war that the Company has waged in the Delta will be called to question sooner than later and the crimes of that war be duly punished. The crime of the Company's dirty wars against the Ogoni people will also be punished.

On trial also is the Nigerian nation, its present rulers and those who assist them. Any nation which can do to the weak and disadvantaged what the Nigerian nation has done to the Ogoni, loses a claim to independence and to freedom from outside influence. I am not one of those who shy away from protesting injustice and oppression, arguing that they are expected in a military regime. The military do not act alone. They are supported by a gaggle of politicians, lawyers, judges, academics and businessmen, all of them hiding under the claim that they are only doing their duty, men and women too afraid to wash their pants of urine. We all stand on trial, my lord, for by our actions we have denigrated our Country and jeopardized the future of our children. As we subscribe to the sub-normal and accept double standards, as we lie and cheat openly, as we protect injustice and oppression, we empty our classrooms, denigrate our hospitals, fill our stomachs with hunger and elect to make ourselves the slaves of those who ascribe to higher standards, pursue the truth, and honor
justice, freedom, and hard work. I predict that the scene here will be played and replayed by
generations yet unborn. Some have already cast themselves in the role of villains, some are
tragic victims, some still have a chance to redeem themselves. The choice is for each
individual.

I predict that the denouement of the riddle of the Niger delta will soon come. The agenda is
being set at this trial. Whether the peaceful ways I have favored will prevail depends on
what the oppressor decides, what signals it sends out to the waiting public. In my innocence
of the false charges I face here, in my utter conviction, I call upon the Ogoni people, the
peoples of the Niger delta, and the oppressed ethnic minorities of Nigeria to stand up now
and fight fearlessly and peacefully for their rights. History is on their side. God is on their
side. For the Holy Quran says in Sura 42, verse 41: 'All those that fight when oppressed
incur no guilt, but Allah shall punish the oppressor.' Come the day.

The Difference You Can Make: Shell must know that it can't make profit out of the
blood of the Ken Saro Wiwa and the Ogoni. Abacha must know that tyranny is
universally unacceptable. The only way that this will happen is broad, strong action
by all the people of the world. We call on all people who love freedom and justice to:

• Lobby your leaders to intervene on the behalf of MOSOP and the Nigerian
people. Strong international action is necessary, not just talk. Demand for full
sanctions.

• Demand for a freeze on the personal assets abroad of Nigerian military and
government officials. Here are useful addresses:

President Bill Clinton, The White House, 1600 Pennsylvania Ave., NW, Washington,
DC 20500. Tel: 202-456-1414, Fax: 202-456-2883; E-mail: President@whitehouse.gov;
Vice.President@whitehouse.gov; First.Lady@whitehouse.gov; Your Senators, US
Senate, Washington, DC 20510, USA.

• Boycott all Shell products and inform Shell of your boycott. Remember, the joint
venture operated by Shell in Nigeria is responsible for 70% of the Nigerian
state's revenue - Shell is funding murder in Nigeria. Shell is the Nigerian
military's center of gravity. Call Shell Directly and ask them to scale back
operations in Nigeria; also ask them to explain their decision to continue the $3
billion LNG project.

Don't be deceived by Shell propaganda that sanctions would hurt ordinary Nigerians;
tell Shell you heard that line before during sanctions against South Africa and that
you are no fool. Nigerians say they want sanctions and are ready to bear it until the
dawn of freedom.

Tell Shell to keep its kindness, and ask it since when has it lost any sleep over the
welfare of ordinary Nigerians. Shell recently said in a paid advertisement in British
newspapers (19 November 1995):

'It's easy enough to sit in our comfortable homes in the West, calling for sanctions and
boycotts against a developing country. But you have to be sure that knee-jerk reactions
won't do more harm than good.'

Tell Shell it should be ashamed of itself for this absolute vulgarity and thinly
disguised intimidation; tell Shell you weren't born yesterday to be so cheaply
muscled into the corner of guilt for demanding sanctions. Tell Shell the title of its ad,
'Clear Thinking in Troubled Times' is really 'Clear Thinking to Profit Enormously from Tragic Times'. And finally, tell Shell to answer this question posed by Wole Soyinka, the Nigerian Nobel Laureate: Has the revenue of Nigeria ever reached the people?' Soyinka continues,

_There's no reason why a total, comprehensive trade embargo shouldn't be enforced now. Even (former South African President F.W.) De Klerk says sanctions were the greatest force that brought apartheid down. Here are useful Shell addresses:_

**Shell USA:** 1-800-331-3703. P. J. Carroll, President, Shell Oil Company, Houston, Texas; Fax: (713) 241-5522; Steven Ward, Vice President for Government Relations, Washington, DC, Fax: (202) 466-1498; Christopher Fay, Shell UK Ltd, Shell Mex House, The Strand, London W2CR ODX, UK, Phone: 44-0171-257-3000; Fax: 44-0171-257-3939; C.A.J. Herkstroter, Chairman, Royal Dutch Shell, Carel van Builantlandtlaan 30,2596 HR The Hague, The Netherlands.

**Nigerian Oil and the West: the Moral Challenge**

Nigeria's crude oil is probably the purest in the world. Generally called 'sweet crude' as opposed to 'sour crude' from Saudi Arabia and other regions, Nigeria Light has only 0.2% sulfur. From fractional distillation, you could get about 33% gasoline, 20% kerosene, 16% light gas oil, 30% heavy gas oils, leaving ONLY 1% bitumen residue. Compare these figures with, say, Boscan Venezuelan crude which has 6.4% sulfur, only 3% gasoline, 6% kerosene, 7% light gas oil, 26% heavy gas oils, and a whopping 58% bitumen residue.

This then is why Nigeria's crude is the dream oil of the advanced industrial countries of Europe and America: its lightness makes for cheaper distillation. These countries already have extensive road networks, so they would rather not buy, if they could, crude oil with high bitumen residue. The quickest solution to the Nigerian crises, both the minority rights question and the larger issue of democratization, is an oil embargo. Nelson Mandela himself (an acknowledged moral voice on the continent), formerly lukewarm on the matter of oil sanctions, has finally embraced it as the solution to averting a Rwandan-scale tragedy in Nigeria. Europe and America are the main buyers of Nigeria's oil. Nigeria exports about 1.6 million barrels per day; about 44 percent of it goes to the United States and another five percent to Canada. Europe buys the rest.

**UK Arms Sales to Nigeria**
- 1980-82: £60 million deal to sell tanks and associated military vehicles.
- 1983: £300 million for 18 ground-attack Jaguar fighter aircraft.
- 1984: IMF lends £2.1billion and reschedules debt.
- 1990: 80 Vickers Main Battle Tanks supplied.
- 1992: UK supplies £150 million worth of arms to Nigeria.
- 1993: UK cut military co-operation.
- 1995: UK Government admits that 30 export licenses for 'non-lethal military equipment' had been issued for exports to Nigeria.
Why The General Killed by Wole Soyinka

There is one question only we need to address to ourselves: why the rush to execution? That question holds the key to the darkest moment in the history of our existence in the benighted nation called Nigeria. There are hundreds of convicts on the death row of our prisons, some of them over ten years, maybe twenty, awaiting their date with destiny. Some are violent armed robbers, cold-blooded murderers. Several are functional sadists, mindless butchers who took advantage of religious or ethnic riots to practice their stock-in-trade. Years after they slaughtered their victims and turned the streets, markets and places of worship most especially into slaughter slabs. They were duly sentenced yet they are still kept alive in our prison cells, awaiting rescue by executive clemency.

What then was the overwhelming cause that drove Sani Abacha, who had taken over the functions of criminal justice, set up his own trial court, then presided over the last court of appeal, to rush Ken Saro-Wiwa and his companions to the gallows? Since when has the cause of justice been served by haste, especially selective justice in its irreversible mode?

In seeking to answer to our central question, we would be wise to take our minds back to the internecine strifes, the escalation of mutual destruction that became a puzzling feature of life among the Delta people over the two years of Abacha's seizure of power in Nigeria. We must remind ourselves of the impersonation of the Okrika, the Andoni and the Ogoni by Abacha armed soldiers, the destruction of villages and farmlands, kidnapping and murders timed to appear as consequences of boundary disputes, mostly minor, but now turned into vicious rounds of bloodletting and serial vengeance among traditionally peaceful neighbours.

We must refresh our memories with the detailed reports of commissions of enquiries about this strange and costly eruption of animosity - Professor Claude Ake's meticulous report most especially. We must single out, as a most graphic instance, the 1994 machine-gunning of a boat in mid-stream, in a carefully executed military action that resulted in the deaths of tens of innocent men, women and children, including prominent citizens of Ogoniland. The Okrika were first blamed for this atrocity, but we do recall how the true criminals, the military personnel, were exposed in the end by the few survivors.

The purpose of Abacha's bloody provocation was straightforward: to make it impossible for the victims of oil exploration to present a united front in their demands for reparations for their polluted land, for a fair share in the resources of their land, and a voice in the control of their own development.

The Ogoni were of course at the head of these demands. Still, the Ogoni preserved their united resolve - until lately. The crack in their unity was fermented by the same forces that destroyed the peaceful co-existence of the various communities of the Delta, setting one against the other. The next stage was to set the final seal of doom on the Ogoni, who had had the temerity to spearhead the Delta revolt against the oil companies. Four prominent sons of Ogoni were brutally hacked to death, creating a permanent breach within the Ogoni movement, MOSOP.

Now, there had begun serious moves to heal that breach, with limited but real success. I know this at first hand, because I was contacted by the relations of the murder victims and the peacebrokers. Such a process could only have been initiated as a result of the mounting suspicion that the blood-guilt lay outside the Ogoni community, that,
at the very least, the murder of the four Ogoni leaders had been organised by a common enemy, the permanent 'agent provocateurs' in the pay of the Abacha's regime. There was only one way to thwart the process of healing within MOSOP, and this was to terminate all efforts to root out the real criminals, and widen the blood breach in an irreversible manner.

Ken Saro-Wiwa's fate had long been sealed. The decision to execute him was reached before the special tribunal was ordered to reconvene and pronounce a verdict that had been decided outside the charade of judicial proceeding. The meeting of the Provisional Ruling Council to consider that verdict was a macabre pretence, a prolongation of the cynicism that marked the trial proceedings from the outset.

As the world knows, the executions were to have taken place immediately after the 'ratification' session of the Military Council. Hence the sense of urgency, even panic with which we addressed our task in Auckland from the moment that we learnt that Abacha had summoned his uniformed puppets to perform at his dance of death. A blatant unrepentant defiance of civilised norms, an atavistic psyche is what has characterised this regime from the beginning, so there should have been no cause for surprise.

We have warned, and pleaded. Now we are paying yet another heavy prize for the comatose nature of global conscience. Is that conscience finally nudged awake? Despite the belated flurry of motions, it would appear that the real problem, and the solution are still being dodged.

Why do the Commonwealth Heads of States still proceed to offer Sani Abacha two whole years to 'restore' Nigeria to democracy?

Nigeria has a civilian President-elect, Bashorun M.K.O. Abiola, clamped in gaol by Sani Abacha. We have called for a solution which requires his immediate release in order to head a government of national unity and restore the nation to a democratic path. Every atrocity that has befallen Nigerians, the total collapse of civic society, stem from the pattern of evasion that seeks a path round the immutable reality:

*that Nigerians went to the polls, elected their President, then a military cabal, of which Sani Abacha was Number Two, nullified the process.*

It is time to stop beating about the bush when a path that, as it happens, combines both principle and pragmatism opens up itself unambiguously. Yes, of course, there are thorns along that path, a few boulders here and there, but what is the alternative? Two more years of Abacha? Does any serious thinking individual believe that Nigeria will survive a two-year endorsement of this national haemorrhage? Let the Commonwealth leaders think again, and save the nation from the spiral of murder, torture and leadership dementia that is surely leading to the disintegration of a once proud nation. [Originally published in 'Der Speigel'; other sources of info: Earthlife Africa (Cape Town) Greenpeace International Amnesty International].

'Farewell, Ken Saro-Wiwa!' a poetic memorial by the renowned Malawian poet, Felix Mnthali

Some papers here tell us you and your colleagues went to your death singing! Would that Africa as a whole boasted more men and women with your courage and your vision. But we are all caught up in a web of fear the fear that rules all killers that web of silence which is the bane of all our feelings the fear of our own shadows the fear of lizards lurking behind freedom's rays the fear of being thought weak the fear of parting with loot and plunder the fear of losing those peripheral powers whose only guarantee is the barrel of a gun cynically backed by the greed of those who have more guns! When fifteen years ago I spent a year in your country I saw with my own eyes how the fishes and other forms of life were all slowly dying in the sluggish brownish and filthy liquid that had once been water; black gold it seems demanded its pound of flesh from everything and everyone around it! It has now demanded that you too like the rest of our continent's creme de la creme pay with your life for this gold this madness; that the Ogoni like the rest of us since the days of slavery and brutish colonisation have been paying with our lives for treasures that others consume while our own people go hungry and naked: it was for reminding it of this simple story that the sphinx has devoured you for no sphinx on earth wants its victims told how naked and how foolish it looks! In my own country the sphinx devoured Dick Matenje and Aaron Gadama Twaiibu Sangala and David Chiwanga Attati Mpakati and Mkwapatira Mhango Orton Chirwa and many many others whose bodies were dumped into the waters of the Shire or into the bellies of crocodiles; many fled into exile which also became an area of darkness when the tentacles of the sphinx would know no bounds for the kingdoms of darkness decay and death are all alike: they thrive best in the midst of silence and despair our silence and our despair! If today's death be that of Ken Saro-Wiwa and eight others who have been so brazenly and so blatantly in the classical fashion of Nazism so openly executed can the deaths of Moshood Abiola and General Obasanjo and Ransome Kuti be far off? Silence, why must heinous acts be always followed by a deathly silence oh, OAU, oh, Africa?
Imperialism in the Post-cold War Era

Giles Mohan & A. Zack-Williams

The inaugural editorial of this journal committed its editors to address 'those issues concerned with the actions needed if Africa is to develop its potential'. This engagement demands an analysis of the structural obstacles to autonomous development, and the realisation of Africa's full potential. If there is a common thread linking the various articles in this journal, it is identifying the central role which imperialism continues to play in stultifying African development. In the past we have had cause to remind our readers that the term,'... has certainly not dropped out of popular discussion of the present state of Africa' (ROAPE No. 38) 'even though the topic has virtually disappeared from the pages of marxist journals ...'. In focusing on imperialism in this way, we are not suggesting that imperialism is monolithic in complexion, or that it is always external to Africa. In our first editorial (1974), attention was drawn to the role of domestic class actors in sustaining imperialism; whilst Issue No. 2 (1975) pointed to the role of multinational corporations in reshaping Africa. Imperialism as a representation of the monopoly stage of capitalist development is in a constant state of flux, reflecting the current state of the globalisation of capital.

Despite this need to theorise imperialism in its metamorphic form, 'hardly anybody talks about imperialism any more'. As Panaik observed, 'this deafening silence over imperialism' in marxist discourse is not because the concept has been 'theorised against' after a contested debate; 'nor can it be held that the world has so changed in the last decade and a half that to talk of imperialism has become an obvious anachronism'. Powered by the steam of a 'growing global hegemony of the language of neo-classical economics' (Swatuck, 1995), marxist discourse has now shifted towards globalisation, thus masking growing inequalities in favour of the advanced capitalist countries. It is not enough to describe and analyse how les damnes de la terre are coping with the destructive effects of IMF and World Bank sponsored structural adjustment programmes which established the 1980s as Africa's lost decade, and the 1990s as the decade of Africa's marginalisation. We must also locate and theorise the processes within the context of contemporary imperialism.

Imperialism continues to redefine itself. Modern imperialism has thrown up new contradictions as the political-hegemonic imperialist centre (the United States) continues on its economic decline, whilst maintaining its superiority in military hardware and technology. Within a short period of time there was a shift from a 'unipolar world' (as witnessed by the demise of 'state socialism' in the Soviet Union) to a 'tripolar world' as the decline in US economic power and that of the almighty dollar is increasingly challenged by that of Japan and Germany. This divide between military and economic power has a number of potential dangers for other nations: that of being inadvertently drawn into other people's conflicts. First, as Tom Mayer has argued, the rising powers usually champion laissezfaire and unfettered economic processes, hoping that this will work to their advantage in the international markets. By contrast, the declining powers tend to be more pessimistic about uncontrolled
laissez faire, and are more willing to protect economic interests via political intervention. This is borne out in the recent phoney trade wars between the United States and Japan, as well as the United States and the European Union. Second, this divide could trigger off rapid interventionist response to political upheaval by the military hegemonic power, with the hope that the cost for such adventurous projects will be met by the other imperialist powers.

Today through the debt crisis, capital is drained from the periphery to the centre through 'the international non-oppressive state apparatuses', the IMF and World Bank. Indebtedness continues to foster defacto dependency and poverty by imposing major constraints on development efforts, as precious export earnings are used to finance debt repayment. Capital export continues to be a major feature of imperialism, but whilst a small number of third world countries have benefited from capital export, for the vast majority of third world countries, and African countries in particular, direct foreign investment has declined significantly in relation to accumulation in the advanced capitalist countries. In 1967 the figures for the latter were 69 per cent and this rose to over 80 per cent in 1989; the figures for the third world as a whole were 30 per cent and 19 per cent over the same time period. The crisis of Fordism within the centre has witnessed the triumph of finance capital over productive capital as investment even in the periphery tend to be dominated by money dealing capital in banking, finance and insurance (what Susan Strange has called 'casino capitalism'). Thus modern globalisation is characterised by the internationalisation of finance capital.

This issue of the Review explores these themes in a variety of ways. While consideration of the role of the US is central to this Issue, it is clear that the US has not been alone in reconsidering its 'interests' in Africa. French imperialism, for example, has been particularly active in West Africa where it has contested territories with Nigeria and Libya in Cameroon and Chad respectively. The articles we have brought together first address the questions of whether we have any 'new' forms of imperialism and, if so, in what ways do they differ from previous phases? Second, the articles consider the responses to imperial restructuring in Africa. By examining the possibilities for indigenous regional initiatives in both economic and political matters and debates around 'civil society' and the state.

Old Imperialisms and South African Exceptionalism

The first of the theme concerns the ways in which imperial interests are being reshaped in the post-cold war period. This restructuring is complex and cannot be captured in a single trend. Kevin Watkins' contribution on UK aid shows that this trend is not confined to the US although Peter Lawrence's Briefing suggests that seemingly benevolent aid agencies are filling an imperial vacuum left by national states. Lucy Walker's discussion of the GATT Agreement and the new World Trade Organisation affirms these findings that global economic and political power is still weighted against Africa in spite of the apparent democratising of trade negotiations in favour of developing countries.

As much of Africa moves into the throes of adjustments, it is interesting, though perhaps not surprising, to note the overwhelming emphasis on South Africa. For example, Anthony Lake, US National Security Adviser, berates 'Afro-pessimists' and calls for them to 'come to southern Africa'. His analysis of the problems is instructive since he fails to mention the role of apartheid in creating an economy of 'plate-glass
skyscrapers’ and he makes it clear that economically South Africa is far more important for US investors than the rest of the continent where adjustment has failed to transform these economies. Seddon’s contribution points out that this exceptionalism towards South Africa is not confined to the US, since the European Union is also clamouring to ensure increased investment flow into that country.

The Security Vacuum
While the cold war had a perverse logic of confrontation there is no such single factor operating in conflict situations today. The motive for US intervention in Somalia is not quite clear, though it can be argued from the ‘right’ that it was simply an attempt on the part of the Bush administration to commit the US to the United Nations and the preservation of the international state system. From the ‘left’ the Somali debacle could be seen as an attempt by an unfettered US to bring peace to a region of vital economic and strategic interests, by ensuring the territorial integrity of a disintegrating Somalia. This last point overlaps with the US’ commitment to SAPs which are also premised on a maintenance of the state despite paradoxical efforts to discredit it. However, as Rwanda and Liberia showed, not to mention the deafening silence of most countries on the Nigerian crisis, prior to Ken Saro-Wiwa’s death, the major powers are not interested in intervening in conflicts which lack immediate economic or political gains.

On the reverse side of this coin is the issue of African-centred conflict resolution. Gerry Cleaver and Roy May outline the support that major powers are giving for some form of indigenous conflict resolution and peace-keeping organisation in Africa. Cynically, this support can be viewed as a hypocritical move by the imperial powers who are, as noted above, unwilling to muddy their hands in complex and unprofitable conflict situations yet claim sensitivity for giving back ownership of conflict resolution. Which ever way we view this emphasis on indigenous means of peacekeeping, Cleaver and May demonstrate that neither militarily nor politically is there an imminent likelihood of any organisation emerging to fill the post-cold war security vacuum. This leaves some rather worrying scenarios that sub-imperialisms will emerge or that the major powers will sell or loan their expertise and hardware in a de jure mercenary role.

African Solutions and State Responses
This brings us onto the issue of African responses to this complex imperial terrain. Ray Bush shows how SAPs can reconfigure class relations. The commentary by Nyangabyaki Bazaara who, in responding to Himbara and Sultan’s piece in ROAPE No. 63, calls into question this notion of the bourgeoisie as a necessary condition for development. Bazaara argues against the analysis of the bourgeoisie based upon the English experience. This he argues is not relevant for the Ugandan case where a more complex analysis of the role of the state is required. This is not only important for understanding the immediate post-colonial failure but also the more recent SAP period. Daniel Green’s brief analysis of Ghana raises similar questions in terms of the ways in which the Rawlings’ government reconfigured urban-rural relations and seemingly empowered rural producers involved in the export sector although he concludes that these efforts were largely to secure electoral victory in the early 1990s.

These questions around leadership and the state are eloquently picked up in the interview with Babu. He urges us to look to Eritrea as a country which he hopes will
show the way for all African states. The crucial difference he argues is that the leadership were actively involved in the war of independence rather than winning via proxy imperialist armies. This type of leadership, which emerged from the struggles for national liberation, it can be argued is 'rooted' in the people, thus providing the basis for social transformation. Mark Orkin's article provides a more empirical analysis of how 'civil society' in South Africa might contribute to strengthening and consolidating recently independent polities. He shows that despite recent donor fascination with civil society there have been active political organisations outside the state for many years. He concludes that this legacy may well ensure that the fledgling post-apartheid political system will be more open and capable of achieving genuine participatory development. It is for this reason, rather than that of Anthony Lake, that we should be going to South Africa.

At a supra-national level Asante calls for renewed interest in regional economic blocs which will counter the divisive competitive statism of SAPs and effect a more democratic form of international trade policy than GATT permits. This chimes with the peacekeeping functions which could be formalised alongside these economic arrangements. This collection of articles confirms the original assertion of the changing character of imperialism and the need for continuous analysis of imperialism in order to overcome it.

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Peacekeeping: The African Dimension

Gerry Cleaver & Roy May

Following the end of the cold war there developed a general perception that the United Nations would now be able to adopt a more enhanced role as the world’s peacekeeper and peacemaker, especially if it enjoyed the support of the US. This view appeared to be vindicated following the successful US led UN operation to liberate Kuwait from Saddam Hussein in 1991. However, since then the reluctance of the West to become involved in Africa’s conflicts unless it is for their own ends, points to establishing an African peacekeeping structure. Yet as this article demonstrates, the political and military structures are not yet in place, nor is there any likelihood that there is any organisation to fill the post-cold war security vacuum.

Problems arose for this 'New World Order' when attempts were made to translate this policy for dealing with aggressive tyrants into action for tackling the humanitarian and political crises in Africa. The debacle in Somalia convinced the US that it needed to radically review its commitment to UN peacekeeping operations which led to an effective embargo on the use of US ground troops and severe budgetary cutbacks. The US also used its position of leverage within the UN to impose constraints on future UN operations, for instance in Namibia from April 1989 to March 1990. To receive US backing such operations would, in the future, have to have a fixed duration, be in response to genuine threat to international peace, be properly budgeted for - all of which meant that UN peacekeeping operations were in effect hamstrung. The tragic consequences of this were seen almost immediately in Rwanda.

In the case of Rwanda, the precipitate Belgian withdrawal from UNAMIR, after securing the safety of Westerners, the apparent disinterest of the US, the questionable role of France and the failure of the UN to reinforce an ongoing mission and alter its mandate to enable it to combat genocide, all contributed to a growing belief within Africa that Africa's problems could only be effectively addressed by Africans themselves.

The assumption of responsibility, by Africans, for peacekeeping in Africa, would have the advantage of granting Africans not only ownership of the problems but also of the solutions. The exclusion of outside powers and the 'Africanisation' of peacekeeping forces might help avert future instances where it could be inferred from the actions of peacekeeping forces, that black African lives were of less value than white European ones.

It should also be noted that the impetus behind the arguments for an African peacekeeping structure could be coming as much from an uninterested international community seeking to disengage from a marginalised continent, as from within Africa itself. It is the aim of this article to examine the arguments surrounding an
African peacekeeping structure and to evaluate the experience of African states in peacekeeping operations and their capacity to mount and support such operations.

The Evolution of the Debate on African Peacekeeping
Whilst conducting the research for this section of the article two major themes emerged. First, the general consensus among all the interested parties on the overall desirability of indigenous African peacekeeping structures, and second, that such structures would be fraught with problems, not least those of finance and logistics. All three of the major external state actors involved in Africa - France, the US and Britain - have all in varying degrees expressed support for and commitment to the establishment of peacekeeping institutions and forces on the African continent.

In the case of France, M. Balladur, the then French Prime Minister, whilst on a tour of Africa in July and August 1994 during the period of 'Operation Turquoise' in Rwanda, was quoted in *Le Monde* as wanting to see the creation of a peacekeeping structure 'proprement africaine ... capable d'intervenir rapidemt en Afrique pour des operations de maintenir de la paix sur mandat des Nations Unies'. The following November at the Franco-African summit in Biarritz this subject was again top of the agenda. President Mitterand defended France's intervention in Rwanda but was so ambiguous in his condemnation of the massacres of the Tutsis as to fail to dispel the notion that France had acted out of self interest, trying to bail out disreputable allies, rather than out of any humanitarian motivations. This impression was reinforced by the absence, on spurious linguistic grounds, of an invitation to attend the conference to the RPF government in Rwanda (*ARB*, Nov. 1994). At Biarritz President Mitterand pledged French logistic and training support for the establishment of an African peacekeeping force. He also indicated that he had obtained support for such a force and pledges of assistance from other European and Scandinavian countries (*West Africa*, Nov. 1994). Although Mitterand has subsequently been superseded by Jacques Chirac, it would appear logical, in the light of a history of a certain continuity in French policy toward Africa, to assume that there will be little fundamental change in French policy (*The Independent*, 19 July 1995; see also May & Cleobury).

The British government has traditionally had considerably less interest in or commitment to Africa than the French. However, recently they too have been advocating the cause of regional peacekeeping. In a speech to the South African National Assembly on 20 September 1994, John Major stated

> We have in mind, for example, setting up regional peacekeeping cells. We need more people trained to mediate, more people trained to act as peace brokers.

The following week in an address to the UN in New York, the Foreign Secretary, Douglas Hurd, went into more depth about this idea. Among his proposals were the expansion of African military staff colleges into Peacekeeping Skills Centres for the training of personnel in the disciplines of peacekeeping, mediation and conflict resolution, and the establishment in Africa, of UN logistics centres. Modelled on those used by NATO for reinforcements in Europe, they would store and maintain equipment and provide training. There would be bases for rapid mobile logistics teams provided by UN member states and would also have a headquarters staff to remedy logistics weaknesses and provide advice to troop contributing nations. These proposals follow on from the kind of support provided by the British elements of both UNAMIRII (Rwanda) and UNAVEM III (Angola) for example.
The US government has also expressed support for African efforts to establish peacekeeping structures. On 19 September 1994 the Congress passed the African Conflict Resolution Act. The Act provides for some $25 million of US assistance for the OAU's conflict resolution capability for sub-regional organisations involved in peacekeeping, such as ECOWAS, for the promotion of demobilisation programmes, the training of Africans in conflict resolution and the funding of NGO's involved in mediation in Africa (ARE, Oct. 1994).

In addition, whilst on a visit to Zimbabwe in October 1994, the US Deputy Secretary of State, Strobe Talbot, suggested that the US government was studying the idea of supplying transport planes to a regional organisation of southern African states in order to provide them with the capacity to respond rapidly to any crisis. This policy of supporting regional peacekeeping was reinforced by President Clinton's National Security Advisor, Anthony Lake, on a tour of Africa. In Ethiopia in December 1994, he pledged support for the OAU's conflict resolution programme and offered $1.5 million towards the OAU's Peace Fund. Earlier he had lent his support to the idea of the establishment of a unified operations command at the OAU headquarters in Addis Ababa. These pronouncements fit in well with the new US policy of virtual disengagement from direct involvement in UN peacekeeping as mentioned earlier.

On the continent of Africa itself there has been much talk and very little action about the establishment of peacekeeping structures. The OAU has established a Conflict Resolution Mechanism and a Peace Fund to help finance its work; this is where the major problem currently lies. Few member states have been paying their normal OAU contributions and obtaining money for the new fund has been difficult, notwithstanding contributions like those from the US and the UN Development Programme. This financial handicapping of the OAU peacekeeping effort was commented upon at a conference on the topic held in Cairo in January 1995 (ARB, Jan. 1995) and attended by representatives from both African and Western nations. This was followed by a further conference which began on the 23 January 1995 in Harare. It was co-hosted by Zimbabwe's Defence Minister, Moven Mahachi and the Chief of the Defence Staff in Britain, Sir Peter Inge. The week long conference concluded that a standing OAU force would be impractical due to the state of the organisation's finances. Instead it was proposed that member states would designate units available for peacekeeping duties and the OAU would establish one or more supply bases to meet their logistical requirements (Ibid.). At the same time Egyptian officials intimated that they too would be establishing a conflict management centre in Cairo for the purpose of training both civilian and military personnel in the necessary skills (West Africa, Jan/Feb. 1995). This might cause friction with Ethiopia which has expressed an interest in the leadership of an African peacekeeping force along the lines of the one discussed at the Biarritz summit.

The question of who leads and who follows has dominated discussion over what form any African peacekeeping force should take. At the Franco-African summit in Biarritz some leaders wanted a force composed solely from Francophone African states while others argued that for such a force to be credible, it would have to include such Anglophone countries as Nigeria and Ghana. This is a reflection of the arguments that surrounded the composition of the ECOMOG force in Liberia. The preoccupation by some leaders at Biarritz with the location of any force's headquarters was commented upon by some observers as being motivated by considerations of the potentially lucrative advantages of playing host and also by the disinclination of despotic rulers towards having such a force on their soil.
As we mentioned at the beginning of this section, despite many differences and some misgivings, there does exist a general consensus on the necessity for an African peacekeeping structure with a military element. We will now proceed to examine the capacity within African militaries to create and sustain such a force.

Africa's Armies
In this section we will very briefly examine the military capabilities of Africa's armies, in an attempt to determine the potential within the continent for mounting and sustaining peacekeeping operations. In calculating the size of each individual country's military we have included all the armed forces of that country, as it is realistic to expect that all elements of the military, army, navy, air force and gendarmerie might be called upon to contribute to any given peacekeeping force. For convenience sake, in the remainder of this section the term 'army' can be taken as representing all the military services.

Size
The most important initial point to make is that most sub-Saharan Africa states possess small armies (IISS, 1994). Nineteen countries have armies numbering less than 10,000, a further five have armies between 10,000 and 20,000 in number and a further ten states have armies numbering between 20,000 and 50,000 personnel. Only five sub-Saharan states have armies with a strength in excess of 50,000 and of these, three - Angola, Sudan and Ethiopia - either are, or have recently been, engaged in civil wars.

The total military pool available in sub-Saharan Africa is 1,012,970, excluding Liberia, Somalia and Rwanda. However not all the armies on the continent would be in the position to contribute to a peacekeeping force at the present time. For a variety of political and military reasons, not the least of which are involvement in actual or nascent civil wars, it would be prudent to exclude the armies of Angola, Mozambique, Sierra Leone, Sudan, Burundi and Uganda from the calculation of forces available. In addition, Nigeria with its current internal political turmoil as well as its growing international isolation and present involvement in Liberia and Sierra Leone, would be unlikely to be able to contribute forces to any other peacekeeping operations. Taking all the above into account, the overall manpower pool is reduced to some 630,720.

The efficiency and effectiveness of many of these forces has to be open to question. With the high degree of political involvement that is prevalent in African armies, together with their frequent use as organs of internal security and repression, it is questionable just how many of the available forces would be suitable for peacekeeping deployment.

Logistics and Transport
The most important point of having a peacekeeping force is the ability to place it where it is needed, when it is needed. Consequent to that is the ability to support it once it has been deployed. With Africa's road and rail structure being at best inadequate, the burden falls upon the air and sea transport capabilities of the continent's militaries. There are some 300 transport aircraft available within Africa but less than 40 of these are of the four engine types essential for rapid deployment. In addition there are some 470 transport helicopters of various types but many of these are quite small with a limited carrying capacity. There is a major question mark over
the serviceability of these machines and the availability of trained crews. By comparison Britain has over 90 heavy transport aircraft and some 180 medium lift helicopters. France also has sizeable airlift capacity but all are dwarfed by the US's 800 transport aircraft and nearly 2,000 transport helicopters. Because of the prohibitive cost of buying such equipment, African peacekeeping forces are going to be reliant on external assistance in this area. Both France and the US have indicated a willingness to assist and another option may be to lease or buy from the countries of the former Soviet Union which have vast numbers of these type of aircraft and whose equipment many African armies are familiar.

In the area of shipping, there is no real heavy sealift capacity in any African state's military inventory. This is hardly surprising as the need to possess such a capability has never arisen. Some small landing craft are available but again their serviceability is questionable. Any need for a sizeable sealift would have to met from the commercial sector by leasing vessels (like for example, the policy of STUFT (ships taken up from trade) as used by Britain in both the Falklands and the Gulf wars) or by assistance from outside powers. Again this would most likely be the US which possesses over 350 transport ships.

Some logistical and transport problems could be overcome by prepositioning equipment in strategic locations around the continent but a permanent staff would be required to maintain the equipment and train its users. The questions would also be raised as to who pays for the equipment and to whom it belongs. It is quite possible for some types of equipment to be communally owned through a defence or security organisation, such as NATO (the NATO E-3 Sentry AWACS are operated by multinational crews). But this would need to be decided upon at a political level and presupposes the establishment of such an organisation in Africa.

Finally, with the almost certain centrality of the OAU in any African peacekeeping structure, the involvement of certain North African countries cannot be discounted. Algeria, because of its domestic problems and Libya because of its pariah status can be left out of consideration, but Morocco, Tunisia and Egypt are all potential participants to African peacekeeping operations and have done so in the past. They greatly enhance Africa's military potential, with combined armies of 671,000, some 47 transport planes, 32 of which are four engine types and 172 transport helicopters.

What we hope this brief survey shows is that although, to a certain extent the manpower resources for peacekeeping exist in Africa, the logistical, transport and equipment resources do not. For these an impoverished continent will be reliant on external assistance for the foreseeable future.

In this section we intend, by an examination of the types of operation in which they have been involved, to illustrate the range of experience that African militaries have of peace keeping operations. We will examine their roles in operations undertaken under the auspices of, respectively, the UN, the OAU and ECOWAS. Finally we will look at other types of external military intervention undertaken by African armies and described as 'Armies on Loan' (May & Hughes, 1986). Although not peacekeeping operations in themselves they are perhaps analogous to the more recent style of multinational intervention witnessed in Africa and the former Yugoslavia, referred to as 'peace enforcement' (Clapham, 1995). These operations by definition require a more active military role for the intervention force and thus can more closely resemble actual combat than the more traditional peacekeeping missions.
UN Operations

It should be emphasised at the beginning that African countries have always been major contributors to United Nations peacekeeping operations around the world. As was pointed out in a recent edition of West Africa (December 1994) Africa stood second only to Europe in the number of countries contributing troops to UN peacekeeping operations and African officers were in charge of the UN military components in Angola and Liberia.

There is a wide range of experience among African militaries of the whole spectrum of UN peacekeeping mission types. These mission types run from traditional ceasefire monitoring operations such as those in the Middle East, to ceasefire and disarmament operations leading to elections and governmental transition, such as took place in Namibia, Cambodia and Mozambique and was tried in Angola, to peace enforcement operations such as that in Somalia and finally to full scale war as epitomised by Operation Desert Storm (see Appendix 1).

Prior to 1990, perhaps the most extensive peacekeeping operation undertaken on the African continent was the UN intervention in the Congo (ONUC) between 1960 and 1964. African troops were heavily involved throughout the mission which began as an attempt to restore law and order in the place of Belgian forces that had intervened unilaterally. However ONUC became inexorably involved in the ensuing civil war and was instrumental in suppressing the secessionist movement in Katanga and restoring the territorial integrity of the Congo (Pitta, 1994). In retrospect, the ONUC operation might be described as 'state supportive peace enforcement'. The entire Congo experience has had a very definite impact on other peacekeeping operations, particularly as we will examine later, the OAU intervention in Chad. Despite being recently overshadowed by events in Somalia and Rwanda, this experience remains relevant when consideration is given to mounting similar types of operation.

In both Mozambique and Namibia, African soldiers have been participant witnesses to UN-sponsored transitions from war to peace, whereas in Angola the story has been sadly different and the UN is undertaking its third attempt at assisting both with a ceasefire and election monitoring. As if the Somalia debacle were not enough evidence, African troops involved in UNPROFOR in the former Yugoslavia, could bear eloquent witness to the futility of trying to monitor a peace that doesn't exist or imposing one with inadequate resources, an unclear mandate, divided command structures, insufficient political will and with factions in the conflict who still believe that they can achieve their ends through military means.

The wide variety of the experience of African armies in UN peacekeeping operations should have exposed them to the military and political problems that can bedevil such undertakings. This level of experience ought to mean that African military and political leaders should be conversant with the various factors contributing to the success or failure of any given type of peacekeeping operation.

The OAU Intervention in Chad

The attempt at peacekeeping by the OAU in Chad is illustrative of the many problems surrounding such operations and is of some significance to the contemporary debate over African peacekeeping as most contributors to that debate are agreed on the centrality and importance of the role of the OAU.
Chad had been plagued by ethnic violence and civil war almost since independence in 1960. The anti-government guerrillas had themselves split into numerous factions which added to the considerable chaos and the virtual division of the country in areas controlled by what in effect were warlords. In August 1979, following the second Lagos conference of the various Chadian factions, a government of national transition had been established known as the GUNT (James, 1993). The conference itself had followed from interventions by both France and Nigeria in the civil war. The Nigerians had ostensibly been sent to Chad to establish peace in the capital Ndjamena but had left after a few months at the request of the Chadians.

Both the major faction leaders, Goukhini Waddeye and Hissane Habre held senior positions in the GUNT. Habre enjoyed the support of France and the US while Waddeye was backed by Libya. Shortly after the formation of the GUNT Habre was sacked from the government by Waddeye and this led to a resumption of the civil war (Ibid.). By December 1980, with the backing of Libyan forces, Waddeye found himself in control of Ndjamena and the GUNT with Habre forced to flee and continue the war from bases in Sudan (Ajibewa, 1994).

Waddeye's Libyan support alarmed his neighbours and via the OAU they prevailed upon him to accept a 5,000 strong OAU force to replace the Libyans, who left rather precipitously. Nigeria, Senegal, Zaïre, Benin, Guinea and Togo all pledged troops to this Inter-African Force (IAF). However only the first three countries actually sent troops and the IAF, which arrived in December 1991 (Clapham, 1995), never exceeded a total strength of 3,500 (James, 1990:101). There were major problems of command and control with each contingent working to an individual agenda for their presence in Chad, not necessarily compatible with the supposed role of the IAF. The Zaireans, for example, ignored the instructions of the Nigerian IAF commander. They received logistical support from the US and appeared to act as a US proxy force in support of Habre's faction even after the departure of the rest of the IAF (Kupolati, 1993).

There were also considerable problems surrounding the mandate of the IAF. Goukhini Waddeye understood the role of the IAF as being one of supporting his government against Habre, just as the Libyans, whom the IAF replaced, had been doing (Clapham, 1995). The OAU did not agree with this interpretation of the IAF's function — they were determined that the IAF in Chad was not going to repeat what ONUC had done in the Congo (Ajibewa, 1994). As far as the OAU were concerned, the IAF was a neutral force, there to maintain the peace and supervise the formation of a Chadian National Army from the forces of the various factions (Ibid.). The IAF commander, General Ejiga of Nigeria, believed that it would be going beyond his force's mandate to engage any of the factions in combat.

The uncertainty over the mandate, the inadequate size of the force, the partiality of some of its elements and the rapid departure of the Libyans all combined to undermine Waddeye's position and allow Habre's forces to gain the initiative. They succeeded in taking Ndjamena in June 1982, whereafter Waddeye fled to Libya and the IAF was officially withdrawn. The IAF never succeeded as a peacekeeping force since there was no agreed peace to keep. The force was inadequate in size, insufficiently financed and blighted by confusion over its mandate. The prime motivation behind the IAF appears to have been a desire within the OAU to remove the Libyan influence from Chad.

The main contributing nations each had their own agendas whether acting as proxies for outside powers or in pursuit of their own regional interests. The mission serves as
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a reminder of the very real problems of involvement in long running, deep seated and complex national conflicts.

The ECOMOG Intervention in Liberia

Samuel Doe's military coup in 1980 overthrew the Afro-American elite which had ruled Liberia since 1847. Doe executed many of the leaders of the former regime (Vogt, 1993) and his rule was characterised by brutality and frequent attempts at his overthrow. In December 1989 an invasion was launched from neighbouring Ivory Coast by the National Patriotic Front of Liberia (NPFL) under the leadership of Charles Taylor. As the fighting intensified and atrocities against civilians increased, pressure mounted for external intervention to put an end to the killing. Doe himself was particularly keen on this as his forces were disintegrating in the face of the advance of the NPFL. Needless to say Taylor was opposed to any intervention that might deny him what he considered to be his rightful victory. The emphasis was placed on action by African states because the attention of the wider international community was focused on the growing crisis in the Gulf.

The ECOWAS summit in Banjul in May 1990 adopted a Nigerian proposal to establish a Mediation Committee to deliberate on possible solutions to regional conflicts such as that in Liberia (Vogt, 1993). The Mediation Committee held meetings in July and August of 1990 to which factions from Liberia and representatives of neighbouring states were invited. The NPFL were extremely suspicious of the ECOWAS moves which were led by the Nigerians whom the NPFL regarded as Doe's supporters. Several Francophone countries were also suspicious of what they perceived as a possible attempt at extending the influence of the Anglophone members of ECOWAS. Despite a failure to gain acceptance from all sides, especially the NPFL, the Mediation Committee decided on the deployment of an ECOWAS ceasefire monitoring group (ECOMOG) which entered Monrovia on 24 August 1990.

The force was comprised of troops from Nigeria, Ghana, The Gambia, Sierra Leone, Guinea and Togo, commanded by a Ghanaian and with the bulk of the troops coming from Nigeria. Taylor viewed ECOMOG as a force designed to prop up Doe's regime, promote Nigeria's regional hegemonic interests and deny him his victory. Consequently ECOMOG came under immediate attack from the NPFL. However, Taylor's supposed inevitable victory might have already have been lost to him by the fact that his NPFL had started to split with the defection of 'Prince Johnson' who formed his own group, the Independent Patriotic Front. Nevertheless Taylor continued to enjoy the support of a number of Francophone countries such as Ivory Coast and Burkina Faso.

After the abduction and subsequent murder of Doe by Johnson's forces whilst the former was in the ECOMOG Headquarters, the Ghanaian force commander left and was replaced by a Nigerian officer and Nigerians have held the post ever since. Since 1990 ECOMOG has helped establish, first the Interim Government of National Unity under Amos Sawyer and second in March 1994, the Liberian National Transitional Government. There has been a great deal of fighting with much loss of life and the proliferation of armed factions has made a negotiated peace almost impossible to achieve. Thirteen conferences have been held to try to establish a peace but the process has been marked by a blatant disregard of agreements signed and entered into, especially, but by no means only, by Taylor's NPFL.
ECOMOG has continued to be viewed as a primarily Anglophone force dominated by Nigeria and acting mainly in the latter's interests. The Francophone element of ECOMOG has declined in number and in an attempt to counter the mounting criticism, troops from Uganda and Tanzania have joined ECOMOG, funded by the UN. The paucity of funds involved has led to threats of withdrawal from the Tanzanians and a refusal by Zimbabwe to commit troops. There have been doubts raised in Nigeria over the costs of their involvement in ECOMOG but at present Nigeria's rulers seem unwilling or unable to extricate themselves from Liberia. Frustration with the failure of the Liberian factions to adhere to agreements reached was reflected in a recent Ghanaian threat to withdraw from ECOMOG.

The fighting itself has now spread to Sierra Leone with Taylor providing support for the guerillas of the Revolutionary United Front and Nigeria sending troops to protect ECOMOG lines of supply through Sierra Leone. Certain elements within ECOMOG especially the Nigerians, have been accused of acting as anything but peacekeepers by showing partiality towards certain of the factions and the Nigerians have also been accused of widespread looting. The Liberian problem appears intractable, despite the presence of UN observers and now troops from East Africa, disarming the factions remains a serious problem.

ECOMOG is not regarded as an impartial force and despite its endorsement by the November 1990 ECOWAS Summit, doubts remain concerning its legitimacy (Vogt, 1993). These centre on whether or not the Mediation Committee had the mandate to order its deployment. The intervention has also exposed the lack of a framework for the command and control of such a force within the structure of ECOWAS. This is despite the ratification by ECOWAS members of a 1981 Protocol on Non-Aggression and Mutual Defence, which provided for a Defence Council with earmarked units from member states under a Force Commander reporting to it. This structure has not been activated and this in turn has put severe limitations on the operational capacity of ECOMOG. In addition the ECOMOG intervention has highlighted the antipathies between the Anglophone and Francophone members of ECOWAS which have also been reflected in recent discussions on peacekeeping in Africa.

In deploying to monitor a nonexistent ceasefire, ECOMOG found itself in immediate conflict with Taylor's NPFL. The mistrust thus generated and the perceived partiality of the force have hampered ECOMOG's efforts to bring peace to Liberia.

Non-peacekeeping Military Interventions

In their paper, 'Armies on Loan' May and Hughes (1986:177) highlighted the frequent use by African states of their militaries as instruments of foreign policy. In the period between 1960 and 1985 they identified numerous such instances and characterised them into three types of intervention: regime supportive, regime opposing and state supportive (Ibid:178-180). Regime supportive operations lending assistance to particular governments have been more common than overt military operations to overthrow governments. The best known example of the latter is probably the Tanzanian overthrow of Amin. The paper also points out the very poor countries such as Guinea and Tanzania have been prominent in this field, leading to the conclusion that it is political and technical factors rather than purely financial ones that influence the decision on whether or not to intervene (May & Hughes, 1986:195-196).

In the present context it is as well to remember that in the future African peacekeeping forces may feel the need to call upon the extensive combat experience of the South
African military. Although it may appear that discussion of such operations falls outside the scope of this article (Willett, 1995), it is important to mention them as the lessons learned and the precedents set are relevant to the present debate on African peacekeeping and peace enforcement.

Conclusion
Numerous problems surround peacekeeping operations in Africa especially when such operations are to be mounted by African states themselves. In this final section we will attempt an examination of some of these problems and try to fit them into the context of the current debate about African peacekeeping structures. For convenience sake we will categorise these problems into those of a political and those of a military nature, whilst accepting the inevitable overlap between the two.

Political
Although it might seem obvious, the first essential prerequisite for any peacekeeping operation is the political will to intervene and to carry through any such intervention to a conclusion, preferably with the achievement of the aims that inspired the intervention in the first place. The absence of such political will undermines and devalues any discussion of peacekeeping and intervention. Interventions carried out under these circumstances are inevitably doomed to failure.

On a more operational level there is a demonstrable need for a proper institutional framework for any multinational peacekeeping force whether at a continental level, that is through the OAU, or at the regional level, for example, within ECOWAS. This structure needs to include a proper political chain of command to which the military command would be responsible. It also needs to provide the administrative and financial basis around which a force can be organised and funded.

The decision making forum within this structure needs to be able to decide upon the type of intervention that is appropriate and then obtain the necessary support from the member states of the organisation. In order to do this it will need to decide whether any proposed intervention force is going to involved purely in a traditional style peacekeeping role where the consent of all the combative parties has been obtained or whether a 'wider peacekeeping' operation is required, such as humanitarian intervention, where a more volatile environment may prevail, or whether what is actually needed is 'peace enforcement' where consent from at least some of the belligerent parties is absent. Once the type of intervention has been decided upon, a clear mandate for the intervention force needs to be issued. The necessity for this has been clearly illustrated by the problems of past missions whose mandates have lacked this clarity; the IAF in Chad can serve as an example of this.

Other political problems arise concerning the location of any permanent headquarters of such a peacekeeping organisation, its financing and the composition of the military forces concerned. There is already a debate over where the headquarters of any permanent African peacekeeping force should be based, with some countries seeing lucrative economic advantages in hosting such an organisation. Also the siting of the headquarters might be deemed to confer upon the host country some prerogative of leadership in such a force. Financing peacekeeping operations poses a major problem for such an impoverished continent as Africa. The OAU experiences the greatest difficulty in raising funds, whether the regular contributions of its member states or
donations to its Peace Fund. External assistance from UN agencies can be sporadic and as discovered by ECOMOG often insufficient to cover all the costs of the forces for whom it was intended. Resorting to external assistance may also compromise the impartiality and legitimacy of an intervention force, which may come to be regarded as acting in the interests of the nations that provide its funding. A keen watch also needs to be kept on how monies earmarked for the equipping of a peacekeeping force are spent, to ensure that they are not merely used as an alternative source of finance for the re-equipping of individual states' armies.

The composition of any force is also a politically contentious issue. As mentioned earlier there is already an argument over the roles to be played by Anglophone and Francophone states and this has been intensified by Nigeria's current political troubles. Its human rights record and regional hegemonic ambitions make it less acceptable as a partner in future peacekeeping missions in Africa. There is also the problem of individual contributor countries operating to their own political agendas which may not necessarily be compatible with the mandate of the peacekeeping force. This happened in Chad (Kupolati, 1993) and more recently in Somalia where the Italian unit appeared to have its own mandate unconnected to that of UNOSOM (Clapham, 1995). Finally, the relationship between the intervening force and the various parties to the conflict in which it is becoming involved needs to be clearly defined. This is particularly important where one of the belligerents might perceive the intervening force as being there to thwart its own ambitions. The definition of these relationships is essential in determining the type of intervention undertaken or whether or not any intervention takes place at all.

**Military**

To a very large extent the military problems mirror the political ones. A proper system of command and control needs to be established to prevent the kind of command problems that have, for example occurred in Chad and ECOMOG. The military chain of command needs to have an established relationship with the political structure and for this reason alone a permanent headquarters is essential. Secondment of officers would enable the identity of potential force commanders to be decided upon in advance and hopefully prevent argument over this issue once it has been decided to commit the force to a mission. Experience highlights the need for individual member states of an organisation proposing to mount peacekeeping operations, to earmark, in advance, the military units they would be prepared to make available. This would enable both the political decision makers and the military commanders aware of the limitations on the military resources available to them. This is essential in helping to decide whether or not to intervene or in what manner.

Logistical support remains a problem for African armies and for the foreseeable future they will be reliant upon external assistance. This also holds true for transport, especially at the strategic level. However, recent pronouncements by the Western powers would seem to indicate that these are areas where they would be prepared to become involved (Hurd, 1994). On the positive side, African armies have wide experience of all types of military intervention. For example, 22 African countries have participated in a total of 21 UN peacekeeping operations since 1960. This represents a grand total of 96 individual contributions from African countries to these operations, with five countries, Nigeria, Ghana, Egypt, Tunisia and Senegal having a combined total of 51 contributions to UN operations, some 53% of the total (Appendix 1 lists the actual UN operations in which African countries have been involved).
In addition to this experience with the UN, African states have been involved with peacekeeping operations through the OAU in Chad and ECOMOG in Liberia as well as with the Inter-African Force in Zaire in 1978-1979. As May and Hughes have demonstrated, African states also have extensive experience of other types of transnational military involvement, unconnected with peacekeeping. If this experience could be pooled in a permanent structure, then there is no reason why the mistakes of the past should not be avoided in the future. Moreover the continent does possess a small equipment manufacturing base, mainly in South Africa, producing equipment specifically designed for African conditions and often more appropriate than expensive foreign imports. It could become a valuable source of supply for future African peacekeeping forces.

An African peacekeeping structure is both desirable and necessary if only because of the international marginalisation of Africa and the reluctance of the West to become involved in Africa's conflicts unless it is for their own ends. However for such a structure to be effective, the mistakes of the UN and other regional organisations must be learned from and combined with what African countries have learnt from participating in peacekeeping operations both inside and outside the continent. In addition, Africa is going to have to rapidly develop the type of political and military institutions that have taken decades to evolve elsewhere. This is not impossible, as again Africa can learn from the mistakes of others, but more problematic is the change of attitudes required and the availability of funds. Faced with a tragedy such as Rwanda or with a tyrant such as Idi Amin, what would the African community of nations do? Would they utilise any available multinational force to intervene, with all the implications for internal state sovereignty that attend such interventions? Or would they be prepared to leave any action up to individual countries acting in their own interests and with their own agendas and all that implies? These questions have to be addressed when discussing the future of African peacekeeping and the lessons and mistakes of the past have to be learned from or their reputation is risked. At this stage all this is, of course, purely hypothetical. An African peacekeeping force, supported by a political structure is a nice idea, and at present that is all it is.

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**Appendix 1: African Participation in UN Peacekeeping Forces**

<table>
<thead>
<tr>
<th>UN FORCE</th>
<th>AFRICAN STATES INVOLVED</th>
</tr>
</thead>
<tbody>
<tr>
<td>ONUC (Congo) 1960-64</td>
<td>Ghana, Guinea, Liberia, Mali, Morocco, Nigeria, Sierra Leone, Sudan, Tunisia &amp; Egypt (UAR)</td>
</tr>
<tr>
<td>UNTEA/SF (W. New Guinea) 1962-63</td>
<td>Nigeria, Ghana</td>
</tr>
<tr>
<td>UNYOM (Yemen) 1963-64</td>
<td>Ethiopia, Nigeria</td>
</tr>
<tr>
<td>UNIPOM (India/Pakistan) 1965-66</td>
<td>Ghana, Senegal</td>
</tr>
<tr>
<td>UNEFII (Sinai) 1973-1979</td>
<td>Ghana, Nigeria, Senegal</td>
</tr>
<tr>
<td>UNIFIL (5th Lebanon) 1978-&gt;</td>
<td>Ghana, Tunisia</td>
</tr>
<tr>
<td>UNGOMAP (Afghanistan) 1988-90</td>
<td>Congo, Egypt, Ghana, Kenya, Nigeria, Sudan, Togo, Tunisia</td>
</tr>
<tr>
<td>UNIIMOG (Iran/Iraq) 1988-91</td>
<td>Ghana, Kenya, Nigeria, Senegal, Zambia</td>
</tr>
<tr>
<td>UNTAG (Namibia) 1989-90</td>
<td>Congo, Egypt, Guinea-Bissau, Morocco, Nigeria, Senegal, Zimbabwe</td>
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<tr>
<td>UNIKOM (Iraq/Kuwait) 1991-&gt;</td>
<td>Congo, Egypt, Ghana, Kenya, Nigeria, Sudan, Togo, Tunisia</td>
</tr>
<tr>
<td>UNAVEMI (Angola) 1989-91</td>
<td>Congo, Egypt, Guinea-Bissau, Morocco, Nigeria, Senegal, Zimbabwe</td>
</tr>
<tr>
<td>UNAVEMII (Angola) 1992-94</td>
<td>Zimbabwe</td>
</tr>
<tr>
<td>UNAVEMIII (Angola) 1995-&gt;</td>
<td>Egypt, Ghana, Guinea, Kenya, Nigeria, Tunisia</td>
</tr>
<tr>
<td>MINURSO (W.Sahara) 1964-&gt;</td>
<td>Egypt, Ghana, Kenya, Nigeria, Tunisia</td>
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<td>UNPROFOR (Bosnia) 1992-&gt;</td>
<td>Egypt, Ghana, Kenya, Nigeria, Tunisia</td>
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<tr>
<td>UNDAC &amp; UNAMIC (Cambodia) 1991-93</td>
<td>Cameroon, Egypt, Ghana, Kenya, Morocco, Nigeria, Senegal</td>
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<tr>
<td>ONUMOZ (Mozambique) 1992-?</td>
<td>Botswana, Cape Verde, Egypt, Guinea-Bissau, Zambia</td>
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<tr>
<td>UNOSOMI (Somalia) 1992</td>
<td>Egypt, Morocco, Zimbabwe</td>
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<tr>
<td>UNOSOMII(Somalia) 1992-95</td>
<td>Botswana, Egypt, Somalia, Nigeria, Tunisia, Zimbabwe</td>
</tr>
<tr>
<td>UNAMIRI (Rwanda) 1993-94</td>
<td>Congo, Egypt, Ghana, Malawi, Mali, Zimbabwe</td>
</tr>
<tr>
<td>UNAMIRII (Rwanda) 1994-&gt;</td>
<td>Ethiopia, Ghana, Malawi, Mali, Nigeria, Tunisia, Zambia</td>
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</table>
Coping with Adjustment and Economic Crisis in Egypt's Countryside

Ray Bush

There are two strategic silences in the debates relating to economic liberalisation in Egypt and especially to the current agricultural strategy. These refer to the role of the peasantry or fellahin and to the position of women. Little is being said about the effect of the economic crisis on Egypt's rural producers and the rural households where women are enduring the most harsh consequences of structural adjustment. Despite a Social Fund for Development, intended to soften the blow for the poor resulting from adjustment (and presently approximately a very low SUS600 million - about $US10 for each Egyptian) debates inside Egypt remain largely at the level of the macro-economy and national planning. Concerns of policy makers in the state or international agencies, like the World Bank and USAID (US Agency for International Development), are not focused upon social and economic conditions in the rural areas nor on the possible social consequences of adjustment (World Bank, 1992; USAID, 1992). Policy makers and planners are simply not addressing the stresses and strains that rural households are experiencing during economic crisis and the ways in which the fellahin are promoting strategies to sustain and transform their livelihoods.

This article is a preliminary assessment of how Egypt's current economic crisis is affecting two villages in the contrasting Governorates of Giza and Dakhalia. We also begin an assessment of whether the strategy pursued by the international agencies, and the state, is likely to address the problems expressed by the fellahin and what the consequences of the current strategy may have for rural dwellers. Our argument is that official preoccupation with issues of markets and prices, and the supply of inputs, as a vehicle for economic recovery, neglects the way in which people's relations of production and reproduction are sustained and the uneven level of people's productive capabilities.

Structural Adjustment and the Food Crisis

Egypt imports about half its food needs and is heavily dependent upon the US for wheat and wheat flour. Egypt's food bill according to one estimate in 1992 was about US$10 million a day. This is largely because since 1974 Egypt has become one of the world's top importers of grain (Al-Ahmm, 18-24 June 1992). The agricultural sector by the mid-1980s was running an annual net trade deficit of about US$3 billion (GoE and USAID, 1995:4). A major problem for Egypt was that traditional agricultural exports of cotton did not provide adequate income to pay for the increased cost of imports and
neither did the declining flows of rent from oil, worker remittances and the Suez Canal (World Bank, 1989; Bush, 1994).

Liberalisation of the agricultural sector was initiated as early as 1987 by the Minister for Agriculture, Yussuf Wali. When President Mubarak agreed a structural adjustment programme (SAP) with the international financial institutions (IFIs) in 1991, Wali received confirmation of the support he needed to continue the breakup of state monopoly control over the supply of inputs, marketing and pricing of agricultural commodities. Although the SAP did not explicitly focus upon reforms in agriculture the effects of liberalisation are now being felt in the countryside. The major protagonist for this market oriented strategy is USAID. Operating in Egypt since 1974, USAID has increasingly promoted a reform programme in recent years 'emphasizing structural adjustment and sectoral reform measures that support movement towards a free market economy led by the private sector' (USAID, 1992:ii).

USAIDs attention is directed to what it sees as four constraints: 'inappropriate policies, overlapping institutional and organisational responsibilities, resource limitations (water and non-water) and lack of modern technology' (USAID, 1990:2). Even though agriculture has accounted for approximately only 13 per cent of USAID's total project assistance - $1 billion over 14 years - it has been influential, through its Agricultural Production and Credit Project, in promoting a policy reform dialogue which reduces the role of government and increases the scope of the private sector. USAID is at the forefront of liberalising Egypt's agricultural sector. It promotes a policy of 'getting the prices right', cash crop production and is sympathetic with the Egyptian states' recent policy of reforming land tenure arrangements which reduce the rights of tenants and improve those of landowners. USAID policies neglect the interests of peasants with less than five feddan (1feddan = 0.42 ha = 1.03 acres). USAID is now promoting the development of high value fruit and vegetable crops and the use of green revolution technology. Although it is important for the state to redress injustices which historically have meant huge discrepancies between producer and farm gate price levels, it is nevertheless unclear just what the efficacy will be of USAIDs strategy in letting the 'market rip' and in self consciously bolstering the growth of a kulak class of Egyptian farmers. That is for two important reasons. First it ignores lessons from Egypt's historical experience and second it does not address the problems expressed by rural producers.

Paradoxically, a huge worry for the future of Egyptian agriculture is precisely its past success: the adoption of technical change, irrigation and application of fertilisers which led to impressive growth in the post-World War II period until the early 1970s. It is simply unlikely that current prescriptions for changes in price incentives will be able to sustain rises in productivity over the medium and long term. It is undeniable that the relaxation of state controls on pricing and the growing of strategic crops has increased agricultural production across a range of crops like wheat, barley, broad beans and winter onions. And the Ministry of Agriculture explains recent increases in productivity, yields and technological innovation as a result of economic liberalisation in the countryside (Nasser, 1993:3-10; GoE and USAID, 1995). Yet it is also the case that the desired growth in the agricultural sector has not happened. The World Bank's own figures indicate that the average annual growth rate in agriculture from 1990-92 was 2.4 per cent compared with 2.7 per cent for the period 1980/87. Moreover, while there has been an increase in agricultural exports of some 20 per cent between 1986-1992, there was an increase of agricultural imports in the same period of 110.2 per cent.
Two points need to be made. The first is the inadequacy of the pricing policy which has accompanied adjustment in agriculture. The costs of inputs for production resulting from liberalisation have outweighed payments received by the peasantry for crops produced. And figures for 1994, compared with those for 1993, suggest that price incentives to increase the acreage of major export crops of cotton and vegetables has failed. They fell by 29 per cent and 12 per cent respectively. Second, because of historically high yields, crop production is already near the limits of productivity. It is therefore unlikely that increased levels of production will continue unless there are significant changes in the entire way in which production is organised and especially in the relations of production.

The IFIs are aware of this. They have been successful in encouraging the Egyptian parliament to finally pass legislation which will help facilitate the reorganisation of power in the countryside. This is embodied in the new land tenancy law passed in 1992. Until that law, and since the Nasser land reforms of the 1960s, rents on land were fixed at seven times the land tax and heirs of tenants had automatic inheritance rights. The land tax is on average £E20 per feddan and only revised every ten years. The new law which has a five year transition period until 1997, has increased rents to 22 times the land tax and landlords can now repurchase tenancy agreements. After 1996 there will be a free market in land and owners will legally be able to break previous tenancy agreements (Hinnnesbusch, 1993:20-23).

The consequences of these changes in the land law will be to reverse the gains made over the last thirty-five years by agricultural tenants, landless and small holders (Springborg, 1991). These most vulnerable groups are now threatened by changes to the legal arrangement between landlord and tenants. Objective conditions of tenants may seem to have improved since the 1960s resulting from the disparity between rents, on average £E80 per feddan and market values beginning at £E20,000 per feddan. That disparity angered landlords who wanted dramatic increases in rents. Yet the ability for small holders to generate cash for payment has fallen as general economic conditions have deteriorated. There has also been little redistribution of land. For the rural poor recent state policy pronouncements regarding rent increases and higher charges for agricultural inputs will not ameliorate their particular needs.

Egypt's rural class structure has been remarkably stable and reveals considerable concentration of land holdings: in 1985, 2.1 per cent of land owners owned 29.1 per cent of cultivated area compared with 3.1 per cent which owned 31.2 per cent of cultivated land after the 1961 reform law. In 1985,53.9 per cent of area was owned by 95.5 per cent of the country's land owners with five feddans and less (CAPMAS, 1991:65-66).

The Egyptian state believes that the poor fellahin can absorb rent increases as well as the general price inflation which has accompanied liberalisation. It is also likely that where the Mubarak regime has considered the effect of increasing landlessness, which will accompany the full liberalisation of land rents in 1997, it finds it unimaginable that there would be any rural unrest. The government is confident that decades of de-politicisation confirm that the time is ripe for SAP in the countryside. Mubarak is helped by the fact that the change in the tenant law has brought 'on side' previous opponents to these reforms from among rural elites, technocrats and village headmen. Changing the legal arrangements in the countryside is a prerequisite to the promotion of the market as Egypt's rural salvation.
Survival in the Villages

The assessment of the impact of economic crisis in Egypt's countryside and the appropriateness of state policy for redressing anxieties and difficulties confronting fellahin, inevitably touches the debate about the 'agrarian question': to what extent has there been a polarisation of class forces in the countryside? It is now a familiar discussion that there has been an historical tendency accompanying agricultural growth and technological change, for either a polarisation of rural class forces, and ultimately the disappearance of the peasantry, or the tenacity of the peasantry to continue in one form or another (Lenin, 1964; Kasfir, 1986; Hyden, 1986; Cliffe, 1987). It is also a debate conducted about the character of the agrarian social structure in Egypt and we will refer to it when we try and understand the levels of rural inequality in the case studies below (Glavanis, 1990; Radwan & Lee, 1986; Adams, 1986).

We looked at two villages to assess the impact that the current economic crisis was having on rural Egyptians. It is of course difficult to draw direct links between economic crisis and peoples livelihood responses. Yet it is clear that current strategies of economic liberalisation will undermine the ways in which Egypt's fellahin reproduce their livelihoods. Because our sample of households was limited it is only suggestive of the kind of trends that may be emerging in parts of the Egyptian countryside. Moreover, because the general area of data collection on rural poverty in Egypt is poor, it is difficult to make historical comparisons. Our observations do nevertheless suggest important points of concern. The first is that while the obvious indicators of rural inequality like size and fertility of land holding, and breed, sex and number of livestock is an important base from which to begin an understanding of rural social stratification, it is only just a beginning. Crucial determinants of rural inequality in the two villages studied were access to wage labour and especially labour migration, access to a marketable surplus for sale, and income generation whether from farm or off farm economic activity. Crucially, moreover, these additional dimensions to the way in which rural inequality was shaped also depended upon household size and its age profile, in short, access to productive labour.

We interviewed twenty heads of household in two villages - A and B. In village A we supplemented the responses of informal unstructured questionnaires with an assessment of the budgets with which ten women had to manage their 'households' and what the pattern of their labour time had recently been. We also had a group discussion in village B with the fellahin and interviews with merchants in village A. The villages were chosen to reflect a possible contrast in the way in which the economic crisis had affected their inhabitants.

Adjustment and Welfare

Discussion about the consequences of structural adjustment and economic crisis in the 1980s has been polarised into two perspectives. The first of these argued that the effects of IFI strategy in developing countries has been clearly deleterious for the poor in areas where the state has been rolled back; prices, especially on food have increased (usually following reductions in subsidies), and cuts in social expenditure have worsened already weak education and health services (Cornia et al. 1987; Jolly, 1989).

In contrast, there is the view that neither the empirical nor the theoretical documentation on the effects of economic restructuring proves conclusively that health and nutrition is adversely affected (Behrman, 1989). This latter explanation does not always contest that economic adjustment alters poor peoples' ability to
maintain levels of nutrition following food price increases and declines in standards of service provision. It argues instead, that 'the coping capacities of societies, households and individuals apparently often have been substantial so that the demonstrable impact on health and nutrition has been surprisingly limited' (Ibid. 133). This perspective suggests that there is an 'ameliorated rather than a multiplied impact of recession and adjustment policies on health and nutrition because of substitution possibilities' in the economic system. It is a view which minimises the divisive consequences of economic hardship which can promote exacerbated levels of inequality between social strata, and it seems to also fail to recognise the uneven impact between men and women of recession. Perhaps above all, it is a view which says little about the social processes and levels of hardship experienced by households during the impact of structural adjustment: neo-classical assessments of adjustment focus instead upon the static, before and after, conditions of people in crisis and not the ways in which people cope and experience crisis.

Despite claims to the contrary, it continues to be the case that the IFIs are little concerned with poverty reduction and amelioration resulting from adjustment policies in Egypt. It might be that Washington based statements in the 1990s about the prioritisation of poverty reduction have not filtered down to World Bank and USAID staff in Cairo. That certainly suits Egyptian state restrictions on sensitive research about rural poverty and the continuing mythology that the fellahin will put up with anything.

**Village A**

Village A is located near to Cairo in the Governorate of Giza. It has a local council, agricultural co-operative and a health centre and paved road access to the village. Because of its location, good transport links by bus and rail to Cairo and other urban centres there has historically been the opportunity for daily commuting wage work. Most of the buildings and houses are made of red bricks, have a good clean piped water supply and electricity. The total land area of the village is 1,013 feddan of which about 896 feddan is agricultural land. There were a reported 876 landholders in 1988 with average farm size of about 1 feddan, while the biggest landholder was paid to have 6 feddan, 60 per cent of all landholders had less than 1 feddan.

The village population was close to 18,000 and the average household size 6.4 persons - 5 for non-agricultural households which are the majority which engage in a range of activities within and outside the village. The main crops in winter are: green fodder, (birsim) which covers as much as 70 per cent of the land area, vegetables and wheat. In summer the green fodder darawa is grown and so too are vegetables. These latter have become increasingly popular in recent years because they are profitable and often sold to merchants for sale in nearby Cairo. Yet the cultivation of vegetables is also very costly because it is labour intensive. In the Neli season - which follows summer - a second crop of darawa is grown and the cultivated area is interspersed with palm trees. In addition to their fruit, palm fibres, leaves and palm leaf stalks are used in handicraft, petty commodity production, like rope making and baskets, cages for carrying fruit and vegetables to market and karina used for upholstery.

The village also has five milk collecting points for onward sale to retailers who visit from nearby urban areas. Other workshops include carpentry, blacksmithing and car repairing. Small food and coffee shops have also recently emerged, possibly as a response to the demand from an influx of workers from nearby factories, some of whom live in specially built flats within the village.
Village A is in many regards one of the more affluent villages in Egypt with a higher than average per capita income. The proximity to major local urban centres has tended to reduce the importance, and the need, to migrate for work outside Egypt and standards of education are high compared with the national average. While only seven of the village landholders own a tractor nearly all the farmers gain access through hire or loaning arrangements for ploughing land. Diesel pumps are the norm for irrigation.

The village gives the impression of relative prosperity yet many still use hand pumps and animal traction and complain about the cost of irrigation. There are also many signs that a major source of village prosperity, its proximity to local labour markets and the construction industry, is no longer yielding the previous benefits. There is mounting temporary unemployment in agriculture and construction resulting from both increased population pressure and local building on the limited cultivated area, and the general decline in the construction industry after its boom years of the 1970s and early 1980s.

Our sample of ten households had a total household size of 80 people. Our respondents accounted for 7.95 feddan or 191 qirats (0.042 feddan or 175 square metres) of total cultivated area in the village, giving an average holding of 19.1 qirats. The way in which access had been acquired was divided between 82 qirats (42.9 per cent) inheritance; 93 qirat (48.69 per cent) rented and 16 qirat (8.37 per cent) had been purchased.

None of our respondents was landless although fragmentation of land holdings, through inheritance and absence of alternative land redistribution, had meant that some households were trying to eke out an existence on very small areas. Indeed eight of our sample were near landless peasants with access to less than one feddan. As a result many of these respondents were forced to sustain their social reproduction by diversifying their economic activities away from sole dependence upon farming their own land: they worked for others in the village or elsewhere. This group of near landless, by far the biggest category in the village as a whole, can most accurately be characterised as worker-peasants or a peasantariat.

Land fragmentation and the cost of buying land has meant that young families find it very difficult to get access to a plot large enough to build a house or for agriculture alone to sustain them. A small group of landowners, who do not cultivate and who constitute a group of middle or rich peasants with more than 3 feddan have sold small pieces of land, just 1-2 qirats on which villagers have built houses. A market in land is nevertheless extremely limited.

Most transactions in land take place between relatives and not at the market rate. Moreover, while daughters are eligible to receive land it is more common for them to transfer one or two qirats to a brother who cultivates. Sisters often also withdraw their right to their inheritance to make their brothers holdings more viable, and the male siblings position, often as head of the household, more secure. Of particular importance in these mechanisms of inheritance is the ability of poor households to try and reconsolidate land holdings on the death of fathers. Where that is not successful more fragmentation may occur (Glavanis, 1990:145-147). Mechanisms for increasing a poor households' land base are very limited and with the increase in rents, diminishing. No credit or borrowing facilities exist to help poor households in their aspirations to increase their land holding.
Seven of our respondents were near landless. They had access to 18 qirats and less: four of these households had less than 10 qirats and two 16 and one 18 qirats. Two of these households acquired their land through inheritance while the others either only rented - in one case the respondent had sold his inheritance to raise cash for housebuilding - and in the other, land had been acquired by a combination of renting and inheritance. There were two respondents who had significantly larger holdings of land. One held 34 qirats all as inheritance: he rented a tractor for ploughing, owned his own irrigation pump and had four buffalo. The second large land owner had 82 qirats of which 42 qirats was inherited. The land was partly located in a neighbouring village. This respondent was a rich peasant and he was also the village head - Sheikh Baladi. He enjoyed a much higher standard of living compared with many in the village. He had a larger holding of land than most, but he also had other important indices used in characterising levels of inequality. He had livestock - two buffalo, a cow and sheep, access to farm machinery and remittances: he also hired in labour.

The final respondent had ifeddan rented from an absentee landlord for the legal rent of £E200. He actually only cultivated half of this and sublet two faddan illegally for £E2,000 a year. Two of the sample owned their own tractor, two rented when they had the money to do so. There were 17 buffalo held by respondents and one was shared. One household had no livestock: the respondent was a wage worker in Helwan on a salary of £E300 who had just 5 qirats of land on which he grew darawa as fodder in the summer. There was an obvious correlation between the size of a households landholding and the number of water buffalo that it owned, and in one case shared.

<table>
<thead>
<tr>
<th>Landholding</th>
<th>Buffalo</th>
<th>Hires labour</th>
<th>WageWork</th>
</tr>
</thead>
<tbody>
<tr>
<td>82 qirat</td>
<td>2 + cow</td>
<td>yes</td>
<td>son</td>
</tr>
<tr>
<td>34 qirat</td>
<td>4</td>
<td>no</td>
<td>sons</td>
</tr>
<tr>
<td>18 qirat</td>
<td>2</td>
<td>no</td>
<td>Gulf</td>
</tr>
<tr>
<td>16 qirat</td>
<td>2 + donkey</td>
<td>pays son</td>
<td>no</td>
</tr>
<tr>
<td>16 qirat</td>
<td>shares 1 + cow</td>
<td>no</td>
<td>agric</td>
</tr>
<tr>
<td>6 qirat</td>
<td>1</td>
<td>no</td>
<td>no</td>
</tr>
<tr>
<td>6 qirat</td>
<td>1</td>
<td>no</td>
<td>son.agric</td>
</tr>
<tr>
<td>5 qirat</td>
<td>0</td>
<td>no</td>
<td>factory</td>
</tr>
<tr>
<td>4 qirat</td>
<td>1</td>
<td>no</td>
<td>factory</td>
</tr>
<tr>
<td>4 qirat</td>
<td>5</td>
<td>yes</td>
<td>no</td>
</tr>
</tbody>
</table>

Note: 1 Qirat = 175 sq. metres

The female water buffalo, gamusa, serves at least two crucial functions in the Egyptian countryside. First they are a means of production which provides draught power for the ploughing of the deep furrows commonly made by peasants in the planting of cotton and wheat. Second, the gamusa is a major provider of dairy and related products for household consumption and market sales. For one household in our sample, which had 2 gamusa the sales of milk each week yielded £E80. Ownership or sharing of gamusa provides a real opportunity for households to permanently augment income. Dairy sales provide an opportunity to create a link with the market and monetarist economy. Yet ownership of a gamusa also provides a survival mechanism for the household to abstain from the market and supply its own needs. There is an added advantage if there is the possibility of livestock sales. For one respondent the sale of a young buffalo yielded about £E600 a year. Buffalo also provide an essential protein dietary component to households where meat is important.
The village’s proximity to Cairo provided an important market for milk sales for five of our respondents. Another area of household activity of major importance for raising income was handicraft production. These are usually related to the production of baskets and cages for the carriage of vegetables to market. One household reported that sales from basket-making reached about £E8 per week.

The most important aspect of direct links between households and the market, is that they involved production activities of women. In 7 of the 10 households women had major responsibility for the care of livestock, and the production of dairy produce and its sale in the market. Women were less engaged in agricultural work, except data collection at harvest time, but were centrally involved in organising dairy and cheese production and its sale.

**Village B**

In contrast to village A, our second village is one of a unit of six small villages in Dakahlia Governorate east of the Delta. Its nearest urban centres are Sembellawin and Mansoura about 10 and 20 kilometres away respectively. The village has a primary school, built in the 1920s, an agricultural co-operative and a public telephone. The local council and health centre though, are located in the main village.

The 1986 Census gave a population size of 4,285 with 864 families of average 4.8 people per family living in 900 houses. These latter are predominantly made from a combination of mud and brick. The total cultivated area is 903 feddan 6 qirats. Like all villages more than 12km from Cairo the state has since the late 1950s, and until recent liberalisation, determined the pattern of crop rotation. In winter, wheat, birsim and beans. In summer, cotton, rice and maize. Intensive use of hired and family labour takes place during the period of harvesting and agricultural labour is in high demand. Landholders with access to cash to pay for hired labour draw on a regular seasonal influx of workers from a nearby village for harvesting wheat and rice, when the labour force works two shifts, and in combating cotton pests.

Our sample of 10 households numbered 85 people averaging 8.5 per household - almost twice the average size given in the 1986 census. The sample had access to 798 qirats of land divided between 102 qirat which was rented, 564 qirat inherited and 108 qirat had been purchased. Twenty-four qirat was worked by one respondent as a share cropper. This sample thus had about four times the amount of land as village A. Villages closer to Cairo tend to be more densely populated with a consequent impact on access to land. The distribution of land and livestock was as follows:

<table>
<thead>
<tr>
<th>Landholding</th>
<th>Buffalo</th>
<th>Hires Labour</th>
<th>Wage Work</th>
</tr>
</thead>
<tbody>
<tr>
<td>380 qirat</td>
<td>3+donkey</td>
<td>yes</td>
<td>no</td>
</tr>
<tr>
<td>164 qirat</td>
<td>2+donkey</td>
<td>yes</td>
<td>no</td>
</tr>
<tr>
<td>120 qirat</td>
<td>0</td>
<td>yes</td>
<td>head-teacher</td>
</tr>
<tr>
<td>53 qirat</td>
<td>0</td>
<td>no</td>
<td>sons agriculture &amp; Iraq</td>
</tr>
<tr>
<td>24 qirat</td>
<td>0</td>
<td>no</td>
<td>construction/share cropper</td>
</tr>
<tr>
<td>24 qirat</td>
<td>0</td>
<td>no</td>
<td>Iraq</td>
</tr>
<tr>
<td>21 qirat</td>
<td>1</td>
<td>no</td>
<td>Iraq</td>
</tr>
<tr>
<td>12 qirat</td>
<td>1+donkey</td>
<td>no</td>
<td>Ariculture</td>
</tr>
<tr>
<td>0</td>
<td>0</td>
<td>no</td>
<td>agriculture</td>
</tr>
<tr>
<td>0 (fodder from father)</td>
<td>1</td>
<td>no</td>
<td>agriculture &amp; Jordan</td>
</tr>
</tbody>
</table>
One of our respondents, who was also one of the largest landowners with 15 feddan 20 qirats held both inside and beyond the village, paid a middleman 160 kg of rice and a day labourers wage, to collect labour for him which was by preference female: 'they did the same job as a man and could also carry the harvest on their head'.

The contrast with village A is stark. First there were two landless households in the sample and all the other respondents had more land than those in village A. Moreover, the landless have both been dependent upon wage work in the Gulf, Jordan or Iraq and the dominance of labour migrancy, to wage work either locally in construction or especially outside Egypt to Iraq is much more dominant than in village A. Five of the sample from village B had worked in neighbouring countries: one family had three sons each in a different country: Iraq, Saudi and Jordan. Each respondent, in a household where labour migration was important, noted the lifeline that it had provided. In one case income to buy land for a house and in another it bought gamusa. In another it enabled the building of a house extension in cement. Indeed it was noticeable that the houses in the village that were built with cement had been paid for by migrant remittances. As one respondent noted, reflecting on a time when migration was easy: 'those were the good old days'. In most cases it seems that remittances were used for buying one or two qirats of land to build a house to facilitate marriage rather than to increase the stock of farming equipment. The village had clearly suffered from returned migrants and restrictions on future travel to the Gulf and Iraq. The most immediate impact was that the migrants had lost access to their earnings which have remained frozen inside Iraq. Now back in the village, as one migrant’s father noted, they were a burden on the community because they could not find work.

Another contrast with Village A was the much lower number of buffalo held. The two largest landholders had buffalo and so too did a landless family dependent upon fodder as a gift and who used the milk from the gamusa to make cheese which the wife sold in the souk. Those with two smaller holdings of land also had a buffalo. Lower livestock figures might explain a lack of dairy activity in the village compared with village A. There was also a lower market activity with handicrafts: only six of the respondents had direct involvement with sales of locally-made products or purchases from traders. Respondents in village B noted that costs of irrigation had dramatically increased since 1992. Most irrigation was by diesel pump and the cost of hire had risen from between £E40-50 per feddan in 1991 to £E80 plus £E4 an hour in 1992. A still common way to irrigate was either with a hand pump, Sakya or a large water wheel called a halazoona.

The contrasts between the villages relate to their different geographical location, and the respective proximities to urban centres. Village A respondents could generate cash income from the sale of vegetable produce and other handicraft market activities. Villagers that were able, could also find employment in nearby industrial centres. That was not so evident for village B where there were fewer opportunities for wage work locally and where it seems eligible wage labourers, instead, tended to leave Egypt to work in the Gulf or Iraq. Other areas of contrast, related to relatively greater fragmentation of land holdings in village A and the larger holdings in village B.

It is when we turn to an examination of the main problems expressed by respondents, that similarities are revealed in the ways in which the crisis in the Egyptian countryside affects villages in different locations. Egypt's economic crisis, and current state policy is undermining the ability of rural people throughout the country to cope with economic liberalisation. That is despite the relative advantages that may help
insulate villagers from different locations able to benefit from the character of their respective village: proximity to urban centres in the case of village A and access to self provisioning in village B. Our review of how the villagers in our two samples organise their livelihoods, operate with a particular sexual division of labour and eke out an existence on usually extremely tiny pieces of land, with few livestock, suggests that the kinds of policy promoted by the IFIs will have very little positive impact on the poorest farming families. The agricultural reform strategy in Egypt is set to benefit the fellahin with the larger holdings of land. These landowners are those who are supposed to have already demonstrated their commercial viability and who can now promote a more market oriented agricultural system which excludes the bulk of farmers with one feddan and less.

Reforms which focus upon the need to promote market liberalisation and the removal of subsidies to agricultural inputs neglect the fundamental crises in the character and nature of the productive system which Egyptian farmers are confronting: land fragmentation, cost of inputs and irrigation, relative powerlessness of producers in their dealings with traders and with traders and merchants over farm-gate prices. New state proposals for reform also fail to locate the agricultural crisis as part of a broader social and economic crisis which is currently confronting rural and urban Egyptian’s; that is, a crisis aggravated by the SAP which is removing a range of social security benefits for the poor. We can now turn to look in more detail at the ways in which the fellahin have been coping with economic crisis

Crisis in the Villages

The problems in the two villages fall into four headings: non-farm prices; lack of universal access to credit; increased demand on rural health and social services; and increased demand on women's time. None of these concerns are being addressed by the current SAP and agricultural policy in Egypt.

Of overwhelming importance to our respondents was the increase in prices and the cost of living since 1991. In both villages an increase in the prices of agricultural inputs, particularly seed and fertilisers, was reported to be having a serious impact on the possibilities for completing the agricultural cycle. That was a complaint made by farmers across the whole range of different sizes of land holding. It was a complaint which was levelled at the village agricultural co-operatives which have increased their input prices since 1991. Yet the co-operatives have often retained the custom of the fellahin, despite deregulation and the increased supply of inputs by merchants, because payment could be made in instalments, or at the end of the season - both methods of payment being unacceptable to local merchants. In addition to the problem of higher prices of agricultural inputs there has also been an increase in land prices. That was noted in both villages where land values had increased from around £E25,000 to £E40,000 afeddan in the last two to three years.

The second dimension to the rural crisis was the difficulty several households had in getting credit. Not surprisingly it was the households in both villages with the smallest holdings of land, and those that were landless, which most expressed that complaint. USAID policy is that agricultural credit should be available to the most 'efficient' and accomplished farmers which precludes credit help to landless or near landless with less than one feddan. It has also been the case that tenants who were previously eligible for credit are now denied it: the new landlord-tenant law prevents them from being able to offer their landholding as collateral.
Accompanying these increases in the costs of production, and the uncertainty that this generates, has been the increase in the costs of education and health services. This is our third category of village problems. Both sets of respondents stressed that the quality and accessibility of these services had declined in the last 12 months. Poorer households, those with smaller access to land, had lowered the priority of children’s education, especially that of girls; wealthier families whose members had diplomas or degrees, complained at the continuing difficulties relatives had in finding employment. That was despite a government re-statement that graduate employment was an overriding concern. For families that had managed to preserve an income and which had kept education as a priority, the inadequate and overburdened state education sector was substituted by an increased reliance upon private tuition - at increased cost. That option was only available for households with access to cash and that usually meant households that had remittances from relatives working in urban areas or outside Egypt and those again with larger holdings of land.

Another overwhelming dimension to the current crisis confronting households in the two villages was the decline in access to health care. That was partly the result of its increased cost but also the result of increased pressure on resources following greater demand - not matched by a rise in state funding. USAID has already suggested the need for user charges for public services. Yet the importance of rural health services is crucial to the prevention of infant mortality in Egypt, 50 per cent of which are due to diarrhoea and 25 per cent to tetanus (Casterline et al. 1989:18). The overcrowding and decline in efficiency of rural services was especially noted by all of our separate sample of female respondents: it was clearly both an area of real concern for them but also a consequence of the current crisis which disproportionately affected them more than men.

The increased demand on women’s time is the last major dimension to the crisis in our two villages. Women respondents particularly noted the effect of an increase in the demands on their time in the three areas of collecting water, going to the clinic and the market. This was the direct result of either an increase in family size or, as was more commonly the case, the desire to find cheaper alternatives to the increased cost of items in the souk. It was the woman’s responsibility to cope with the increases in the costs of living by changing purchasing habits in the souk. Two of the women’s only sample in village A were landless and also without access to livestock, and five of them had access to off-farm income. It was a sample which confirmed the responses of other villagers which stressed the increased drain on household resources. That followed an increase in the price of agricultural inputs and growth in the economic power of village merchants, an increase in the price of food following the removal of state subsidies and the increase in the price of cloth.

**Rural Responses to Crisis**

The agrarian question in Egypt has focused like elsewhere, on whether rural inequalities have led to a process of rural class polarisation and what the consequences of agricultural modernisation have been for the character of rural social relationships and the viability of the peasantry. Evidence from our respondents suggest that both a degree of increased social differentiation may be taking place in Egypt's countryside, and that there is also a persistence of rural producers not solely engaged in agricultural work.

The argument about the polarisation and eventual disappearance of the peasantry relates to Lenin's characterisation and understanding of the likely impact that
capitalist penetration would have in the countryside. His view was that rural social structure would take the form of five social classes: landlords, rich, middle and poor peasants and landless workers, and that there was a long run tendency for that class structure to become increasingly polarised into landlords (capitalist farmers) and landless labourers. That analysis is based on a view that pre-capitalist agrarian structures were undifferentiated and that the major criteria of differentiation was land ownership (Richards, 1986; Hopkins, 1988).

Parallels have been drawn between Lenin’s analysis and the historical development of capitalism in Egypt’s countryside. The most renown of these was the work of Abdel-Fadel (1975). He assembled data for the period 1952-70 on the dimensions of rural inequality using the criteria of land holding, access to agricultural machinery and reliance upon the market. Yet in contrast to his position, which suggested that class inequality based upon uneven access was accelerating, despite the land reforms of the Nasser period, a persistent current in the debates about agrarian change in Egypt is the view that the agrarian transition posited by Lenin has been frustrated. In the period since 1952, farms of less than five feddan account for more than half the country’s cultivated area; holdings of less than one feddan increased the most.

While it is not our purpose to account for the persistence of the peasantry in Egypt, our discussion of the survival and coping strategies of rural Egyptian’s during the economic crisis and SAP of the early 1990s does inform that debate. Briefly, the argument about the extent of class polarisation in Egypt’s countryside has suggested that for several reasons the even and universal expansion of capitalist relations has been stalled and frustrated by the persistence of middle ranking rural social classes. One indication of that process has been the ability historically for a rural bourgeoisie to frustrate the transfer of rural surplus to the industrial sector ensuring its continued existence and the preservation of existing rural class structure (Hopkins, 1988:19).

For an explanation of the persistence of peasant forms of production, despite the wider capitalist environment in which the countryside and the region is a part, we have to look at two other major contributions to the debate on agrarian transition in Egypt. The first of these is the most common and rarely well argued, although an exception is the work of Adams (1986). He has argued that agricultural development has been frustrated because of state interference and state demands on rural producers for surplus to be used in industrial centres. It is a view which explains the persistence of uneven rural development and class composition because of the way state policy, cooperatives, pricing policies and requisition strategies, to extract a surplus from rural producers, have blocked class polarisation. Yet it has been the smaller holders of land that have been affected most by these state policies and who have been less able to take advantage of them in areas like access to credit.

Another explanation of the persistence of peasant household production has been what Hopkins has called the 'labour process model' (Hopkins, 1988) Hopkins argues that the sterile debates about the character of the agrarian transition in Egypt have failed to recognise the centrality of the household and the village as productive units. These two social units are central in the organisation of agricultural labour and in understanding their dynamics and how they interact: it is crucial to understand the relations of production, and differential access to means of production.

Hopkins argues that there have been six dimensions to the process of 'de-peasantisation' which have taken place for more than 150 years and which the labour process model can best explain. These are: the emergence of capitalist farmers; the
increasingly common presence of agricultural machinery; large rural population of free wage labour; continued presence of the household as an organiser of labour which is perceived as a 'block' to agrarian transition; the village being 'largely dominated' by outside forces like the state and market but retaining many autonomous social processes; education and migration as ways in which peasants can generate income to extricate themselves from rural poverty (Ibid. 27). Hopkins argues that focusing on the way in which production is organised takes attention away from 'static class analysis'. Yet in the process he reifies the production unit and precludes the impact that both national and international social and economic processes have had on class formation in the Egyptian countryside.

We need to look elsewhere for an analysis of the agrarian question in Egypt which does not preclude these broader processes, and which situates the transition within the context of the character of Egyptian capitalism. In particular, we are concerned not to reduce the way in which Egyptian agriculture is organised to the character of broader capitalist penetration and to see instead how it articulates with rural class forces in their preservation, albeit reconstructed, and their transformation (Glavanis and Glavanis, 1983; Seddon, 1986).

Glavanis and Glavanis argue that the continuing importance of non-capitalist forms of household production, in dairy produce, for example, is not simply a persistent pre-capitalist form but one which is a product of the articulation of household survival strategies and the character of capitalist encroachment. The persistent importance of non-capitalist relations is best summarised in their own words when they argue:

*within the reproduction cycle of the small peasant household in Egypt there has been considerable development and intensification of commodity relations over the last two and a half decades. However, it is likewise evident that non-commodity relations are essential to the reproduction of the peasant household and that some of these relations are not mere remnants of the past but have emerged out of a given conjuncture of new forces, for example, the phenomenon of tabaddul (exchange) (Glavanis and Glavanis, 1983:191).*

Although they note the increased dependence upon the market in gaining access to farm implements, tools, animals and items of personal consumption like foodstuffs and also land, credit and labour, their view is that while the market is influential in providing access to many of these items, it is not always central. In some cases, non-market transactions - payments in kind for services like the provision of farm implements, impregnation of gamusa, sharing of livestock - might co-exist alongside market transactions. Moreover, that coexistence takes place, and helps ensure, the successful reproduction of the household unit which has also developed means of coping with the needs of the cash economy by developing sales of household goods like milk, cheese, baskets.

While the framework used to understand the persistence of non-capitalist forms of production and the conclusions drawn from the work of Glavanis and Glavanis is similar to our own there is an important caveat. Their work examined the character of Egyptian agriculture in the late 1970s and early 1980s. Since that time there seems to have been a greater penetration of the market into the activities of village life. That seems likely to have promoted an erosion of the relative autonomy of non-capitalist household production activities and reflects an increased incursion of the market into the ways in which households are socially reproduced. The particular household activity of dairy production, for example, seems to be much more linked to market
sales than solely domestic consumption and the acquisition of farming implements is now almost entirely mediated by the market as is the increased consumption of purchased foodstuffs.

Coping with Economic Hardship

Villagers in our case studies cope with economic crisis by trying to enhance the ways in which household activities are mediated by the market (Richards, 1986:5). There is a high dependence upon the market for access to a 'commercialisation strategy' to rent in land, crop the land more intensively and in so doing also hire labour. The evidence for this is partial but does, from our respondents, suggest a recent change. That commercialisation strategy, is likely to preclude those households which do not have access to the means of production to pursue such a strategy - the majority of our sample.

There has also in the past been an 'exit strategy' to migrate and earn remittances to cope with the economic limitations of village life. But opportunities for that strategy have been curtailed since 1990 and will continue to be so as restrictions on the Iraqi economy persist, recent Libyan expulsions remain and the more general depression in oil prices keeps demand for Egyptian labour in the Gulf at a minimum. Initially useful, this two-fold classification of coping mechanisms is inadequate to capture the different dimensions of the ways in which households are adapting their livelihoods and promoting survival strategies.

Our following discussion is speculative for two important reasons. The first is the limitation of our restricted sample. The second is the way in which we are trying to apply discussions from the famine literature on survival strategies which have been developed in very different cases and in which Egypt does not immediately seem to fit. Nevertheless, the following findings are instructive of possible trends which may be emerging not only in our two villages but elsewhere too.

There were ten ways in which respondents adapted their livelihoods to worsening economic conditions and promoted strategies for coping with the problems we have examined. We will examine five of these mechanisms in detail.

<table>
<thead>
<tr>
<th>Table 3: Summary of Survival and Livelihood Strategies</th>
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<tr>
<td>Strategies for increasing resources</td>
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<tr>
<td>Intensification of the labour process</td>
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<tr>
<td>Greater participation of women in the labour process</td>
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<td>Increased petty-commodity production</td>
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<td>Migration - local and international Asset sales Theft</td>
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Source: adapted from Cornia in Cornia et al.
Coping with Adjustment and Economic Crisis in Egypt's Countryside

The first of these was to change their dietary habits. It has been much discussed in the literature on rural survival strategies that households may, in the early stages of economic crisis, prioritise the security of assets which guarantee future survival rather than increase current food consumption levels (Corbett, 1988; de Waal, 1990). Wherever possible, rural households make rational decisions about what is likely to best provide for their social reproduction. In our sample there were a number of strategies promoted to cope with worsening rural conditions and which did not directly result in an increase in household food consumption. Nevertheless, richer households seemed not to change their dietary intake whereas poorer respondents did report a change notably a reduction in the consumption of protein, especially meat, poultry and eggs and an increase in household consumption of carbohydrates. Meat tended to be eaten in poorer household once every two weeks rather than twice a week and in four households meat was consumed just once a month. Diets have become heavily dependent upon consumption of bread, cheese and pickles. Even the consumption of macaroni declined for four households in village B as dependence upon rice and bread alone increased. In village A too, of the seven respondents that reported a decline in the consumption of meat, two also noted a total absence of vegetables and fruit from the household diet.

The impact of economic crisis on changes in dietary consumption has been reported before in Egypt and of particular concern has been the purchase, during lean years, of cheaper commodities without regard for nutritive value (Gala and Amina, 1984; Hussein, 1989). While it has also been noted that this switch in diet is the result of a 'deficient knowledge about nutrition' (Hussein, 1989:11), it is also clearly the outcome of family budget constraints and decisions taken notably by women, to cope with economic crisis by shifting household consumption patterns in line with the new economic realities.

The second major way in which households have coped with mounting crisis of access to resources and depletion in the value of the income they earn, has been for those with work in urban areas to intensify the labour process and for those without access to such wage employment to try and migrate - at a time when opportunities for work have fallen. For one respondent in village A, more shifts had been worked in his job in Helwan beginning in early 1992, compared with previous months and for the share-cropper in village B part time day work was sought in the construction industry to supplement agricultural labour.

Women take the Strain

The strategy of working longer hours or finding different work to supplement agricultural labour had a major limitation as a strategy of survival. It was only eligible men who could work in nearby urban centres and that previous outlets for labour migration beyond Egypt's borders, at least to the Gulf, had been cut since August 1991. Fellahin did try and find wage work inside the villages, and women were among that group which sought both agricultural wage labour or an increase in their trading activities. Yet the economic crisis had already seemingly reduced the outlets or employment entitlements. In one case, a porter complained that he had been forced to stop work because local villagers did not have the money to pay for his services. It was the women respondents in both villages that perhaps experienced the greatest intensification of their labour time. We have already noted one dimension of that in the increase in the time spent in the souk finding substitute foodstuffs for the more protein rich meat, chicken and eggs which were increasingly less common in household diets. We have also noted the increased time that women spent in health
centres as that facility was placed under increased pressure of limited funding and increased demand. It was also universally noted by respondents that women were more and more being drawn into longer working days in the fields, weeding and harvesting family and other people's land. There were exceptions to this process. These were the households where the head held a position of authority in the village, was the sheikh or in control of the land register and it was seen as potentially humiliating for the wife to be working or selling wares in the market place. The sale of handicrafts had become, in the last two years, a major source of income for more than 50 per cent of households in both villages. It was the women in the households who both made items like baskets and rope and whose responsibility it was to sell them in the market.

Women stressed the increased pressure on their time: household responsibilities of preparing food and caring for children and the demands on them to also generate an income by either selling handicrafts or their labour time as an agricultural labourer. It was seen by many respondents, in both villages, to be a feature of their current difficulties that women's time was now demanded in both the household and in generating income. Agricultural labour is not new for women in Egyptian villages. What is perhaps new is the centrality of it in providing a necessary element of survival in coping with rural crises and mounting costs of services, especially for their children's health and education. And yet state and IFI proposals for agricultural reforms are blind to the role that women are increasingly playing.

This leads us to comment on the fourth strategy for coping with economic crisis: a decline in villager cultural associations and what seems to be an increase in crime. As hardship in both villages has increased since 1991 following price increases, a decline in services and job opportunities, there seems to have been an increased privatisation of respondents social and cultural activities. It was the women only respondents who noted this the most. Nine of that group remarked that there had been a fall in the number of festive celebrations in village A and half noted that time spent with friends had diminished as they felt more pressure on their time. The one respondent who felt she had not been affected by this possible trend was a widow with access to 46 qirat of land, by far the largest landholding in the sample, and who also had access to a son's factory wage.

It was women who felt the pressure on their time and who as a result expressed a feeling that they were becoming isolated from their neighbours. One respondent noted the increased cost of weddings, and the cost of borrowing from the bank at 15 per cent to cover the cost of his daughter's wedding. Both villages also registered, albeit reluctantly, the increase in local crime especially theft. It was becoming more commonplace for petty household theft and the stealing of farm implements, notably irrigation pumps and crops. Discussion of this sensitive issue was difficult but there was sufficient exchange between villagers to suggest that crime had become a more serious matter since 1991 and one which could be seen as a survival strategy of the most desperate.

The final strategy for survival was the sale of household assets. This too is the strategy of the most desperate, as in the sale of farming implements and of the not so desperate who may have items like jewellery for sale. Selling farm implements, land or as was the case in several of our sample, gamusa, reduces the chances of recovery from crisis or generating income in the future. Sales of assets also increases the likelihood of destitution and the further downward turn of the poverty ratchet which makes the prospect of recovery less likely.
Conclusion

This article has indicated an alarming gap between the agricultural strategy pursued by the state and the interests of poor peasants who are the majority in Egypt's countryside. It is a gap revealed by the conditions of people in the two villages and especially the increasing burden placed upon the lives of women in the ways that they are seeking to cope with declining economic conditions. We have suggested that while the economic crisis may well exacerbate rural social differentiation there has been an increased incorporation of fellahin into the market and into non-agricultural work.

The current strategy pursued by the Egyptian state does not address the specificity of rural Egyptian difficulties to survive under crisis conditions. A major reason for that is the IFI pursuit of a market oriented strategy which will direct the vast bulk of available resources to a kulak class of rural producers. The IFI strategy neglects the character of the relations of production and reproduction, and the nature of the adequacy of the productive system in the countryside. The faith in the market reviving rates of productivity ignore the fact that rates currently in the Egyptian countryside are some of the highest anywhere in the world and that to improve them significantly will require more than changes with farm gate prices and the provision of inputs. It will require a recognition of different productive capabilities - what we have called livelihood and coping strategies - to see where there is common ground between a socially differentiated fellahin and where there are divergencies which undermine rather than provide conditions for improving agricultural productivity.

In short, Egypt's agricultural crisis has for too long been seen to be a technical problem at the level of inputs and prices rather than a social and political problem of conflicting relations of production. Current state and IFI initiatives are likely to drive farmers to invest in cash crop production for export rather than foodstuffs for local consumption. That process will aggravate Egypt's already dramatic dependence upon food imports and it will neglect the interests of those fellahin struggling to either find cash to buy food or produce it themselves during Egypt's period of economic liberalisation.

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Aid Under Threat

Kevin Watkins

Debates over international aid have long been marked by unlikely marriages of convenience. Critics on the right have condemned development assistance as a perversion of market forces, a waste of resources and a source of corruption. Those on the left have broadly shared this view, albeit within a framework which sees aid as one element in a broader neo-colonial project aimed at integrating southern states into a capitalist world economy. In the past, the international consensus in favour of development assistance has survived this critique. But today dissent stands on the verge of becoming orthodoxy. For the first time in a generation, the role of aid as a form of development cooperation is under threat. Unprecedented cuts in development assistance budgets are now in prospect, especially for sub-Saharan Africa. All of which raises the question as to whether the left should sit back and celebrate, or join new alliances to redefine the purpose and practices of aid around an agenda for poverty reduction.

During the 1980s, every budget round in the industrialised countries was accompanied by dire warnings from the development lobbyists, who claimed that aid provisions were under threat. Reality was more prosaic. While some donors – notably the UK – reduced their commitment to development assistance, most did not. Over the period 1981-1991, OECD aid flows expanded by more than 3 per cent a year in real terms, while aid as a percentage of GDP held steady at 0.33 per cent. While the 1981 Cancun summit marked the end of meaningful North-South dialogue over international cooperation, the widely predicted aid apocalypse did not happen.

It is happening now. The triumph of economic ideologies extolling the virtues of the market, the emergence in the US of the New Right with its deeply insular instincts and vehement opposition to all forms of welfare expenditure and budgetary pressures associated with mass unemployment, have gradually eroded the consensus in favour of aid. So, too, have the self-evident failures of development assistance to address the challenge of poverty reduction. Across the industrialised countries aid fatigue is giving way to terminal sleeping sickness, with aid budgets in steep decline. In 1994, aid from the twenty-one member countries of the OECD's Development Assistance Committee (DAC) fell by an unprecedented $5bn in real terms, of almost 6 per cent. Seventeen countries cut their aid budgets, including most of the major donors. Sub-Saharan Africa was particularly hard hit. Official financial flows to the region fell by around 12 per cent in 1994 to just under $20bn, with most of the reduction being attributable to a decline in concessional finance. Further cuts in bilateral and multilateral aid budgets are in the pipeline over the medium-term, prompting a warning from the Chair of the DAC that ‘the entire development assistance project may be in jeopardy’.
Nowhere has the assault on aid been more ruthlessly effective than in the US, where the New Right congressional militias of Newt Gingrich and Jesse Helms have secured legislation which will cut bilateral assistance to sub-Saharan Africa by one-third in 1996. Their impact on US contributions to multilateral agencies has been even more decisive. This year, the Clinton Administration requested $1.3bn for the World Bank’s concessional arm, the International Development Association (IDA). The budget allocation to emerge from Congress will be somewhere between the $575m proposed by the House of Representatives and the $775 advocated by the Senate, or around one-half the Administration’s request. Other donors are likely to follow the US example, since IDA contributions are traditionally based on fixed burden-sharing quotas. The upshot is that IDA flows (which are effectively provided on grant terms) could fall from a projected $6bn to $3bn in 1996. Even more seriously, congressional hostility means that plans for the triennial replenishment of IDA over the next three years might have to be abandoned. This will have potentially severe consequence for the world’s poorest countries. Over 90 per cent of IDA funding goes to countries with a per capita income of less than $600 – and that funding is the main source of concessional development finance for sub-Saharan Africa.

Developments elsewhere have mirrored the US experience. In 1995, the Canadian Government outlined plans for reducing the country’s budget deficit which included a 20 per cent cut in aid. By 1997, the aid budget will be one-third lower than it was in 1991 and at the lowest level as a proportion of GDP since 1985. Bilateral aid programmes for sub-Saharan African countries have already been cut by 17 per cent and Canadian contributions to multilateral agencies are also set to decline.

In Europe, the British Government has continued its long tradition of leading by bad example. In February 1995 the then Foreign Secretary Douglas Hurd told a meeting at the Overseas Development Institute:

> Aid must be an integral part of our foreign policy. The purpose of aid – to promote development – is not in question. Nor is the moral imperative to use some of our wealth to help others. But in the longer-term it is in our own self-interest too.

Spending plans for 1995-1996 subsequently outlined in a Foreign Affairs Select Committee report suggests that while moral imperatives and enlightened self-interest remain paramount in foreign policy rhetoric, they have no place in reality. These spending plans envisage a 5 per cent reduction in bilateral aid to Africa, amounting to around $26m in real terms. At the time of writing (during the public spending round) the UK Treasury was publicly advocating cuts in bilateral aid of 12 per cent. Against this background even a well-trained alchemist like Overseas Development Minister Lynda Chalker, whose brief includes the public relations task of explaining how falling aid budgets are consistent with a commitment to poverty reduction, might find resignation a tempting option.

Other European Union (EU) countries, including Germany and Italy, have also recorded deep cuts in their bilateral aid budgets for Africa, and as the enthusiasm of European governments for aid wanes, the EU’s development cooperation effort is coming under increasing pressure. Negotiations over the Eighth European Development Fund (EDF), which will finance the remaining five years of the Fourth Lome Convention, revealed a deep divergence between the Commission’s assessment of need in the African, Caribbean and Pacific (ACP) states, and the willingness of member-states to provide finance. Requests from the European Commission for and EDF replenishment of $14bn, were sealed down to less than $12bn. Once again, the
UK has led the way by cutting its EDF commitments to 1998 by 5 per cent, with pledges of further reductions thereafter. Germany, which has also reduced its EDF commitments, has threatened cuts in excess of 30 per cent after 1995. After IDA, the EDF is the main source of concessional finance for Africa.

If anything, figures for aid budget allocations understate the scale of the retrenchment now underway for at least three reasons. First, a diminishing cake is being consumed by an increasing number of aid recipients. Since 1992, all five Central Asian republics (Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan) have been eligible for OECD official development assistance, as have the three Caucasian republics (Armenia, Azerbaijan and Georgia). Aid disbursements to Eastern Europe and the former Soviet Union have also increased dramatically. While it is difficult to establish a direct correlation between aid reductions for the South and increases for ‘the East’, it is nevertheless the case that new finance has been found for the latter at a time of severe budgetary constraint.

The second reason that budget figures understate the scale of real aid cuts is that humanitarian emergencies and their consequences are claiming an increasing share of development assistance, reducing the amount available for long-term development. In 1983, less than 3 per cent of bilateral aid was spent on emergencies. Today, it is around 11 per cent. Moreover, several countries have masked the full extent of aid expenditure cuts by including spending on refugees and asylum seekers in their development cooperation budgets. In Canada, for instance, 11 per cent of aid expenditure in 1995 will be accounted for by refugees resettled in Canada – spending which previously came under an entirely different budget head.

The third reason for treating budget figures with caution relates to debt. Currently, the world’s poorest countries are repaying in excess of $3bn annually to multilateral creditors – mainly the IMF and the World Bank – who do not reduce or reschedule their debts (an issue discussed in this edition of ROAPE by Peter Lawrence). Because most of these countries are running significant current account deficits, they are able to maintain repayments only by diverting a substantial – and increasing – amount of donor finance. In the case of Zambia it has been estimated that for every $10 in development assistance which went in to the country between 1990 and 1994, $7 came back out in the form of debt repayments. Meanwhile, repayments on past World Bank debts represented the equivalent of around two-thirds of disbursements made through the IDA (which is financed by aid budgets) in 1993-1994. What this suggests is that an increasing proportion of development assistance is being deflected from financing development into re-financing IMF and World Bank debt.

Part of the success of the anti-aid lobby can be traced to its populist appeal. This is especially true in the US, where the New Right has combined outright deception with an appeal to deep-rooted public concern over the budget deficit, domestic poverty and the failure of the UN system to resolve conflicts to mount a formidable assault against development cooperation. As Jesse Helms put it in a recent rant before the Senate Foreign Relations Committee:

*I do not support foreign aid. Most Americans do not support it ... it is incomprehensible to me how a nation which is $.49 trillion dollars in debt can continue to spend nearly $14bn annually on foreign aid.*

In fact, most Americans do support foreign aid. Recent opinion polls suggests that around three-quarters of the population believe both that the US has a moral obligation to provide aid aimed at reducing poverty and that it should provide at least
as much finance for this purpose as other OECD countries. Currently, the US provides one-third less than the OECD average. Despite this, opinion polls suggest that the New Right have been particularly successful in creating an inflated public perception of aid spending. Over half of Americans believe that aid accounts for more than 7 per cent of federal expenditure - hence their concern over its implications for the budget deficit. In fact it accounts for less than half of 1 per cent. Far from constituting an unaffordable burden, international aid is little more than a budgetary side-show. The two additional B52 bombers provided for in the 1995-1996 defence budget cost the equivalent of three years contributions to IDA.

Populist rhetoric aside, the primary concern of the New Right has not been to address the US budget deficit, but to redefine aid objectives around a strategic priority and allies. Thus the same House of Representatives bill which slashes aid for sub-Saharan African, will leave the $3bn provided for Israel untouched. Next year, every Israeli will receive from the US taxpayer over $170 in economic assistance. For Zambia, one of the world’s poorest countries, the equivalent figure is less than $1. As in the past, support for the illegal occupation of Palestinian land and what passes for a US-sponsored peace process, will take priority over poverty reduction considerations. Aid to Egypt which, combined with Israel, account for well over half of US ‘development assistance’ has also been ring-fenced from budget cutting provisions. Strictures about compliance with human rights, which have been used to justify aid cuts for Africa, do not apply to the ‘holy trinity’ of recipients.

Another argument which has gained support in the US and Europe can be summarised by the common refrain ‘what about our own backyard?’ Stated in a nutshell, this holds that there are insufficient resources for poverty reductions abroad in the face of rising poverty at home. With one-quarter of American children now living below the poverty line, and the population affected by poverty in Europe having risen from 38 million in 1978 to over 50 million today, it is not difficult to appreciate the appeal of an argument which asserts a trade-off between poverty reduction at home and poverty reduction abroad – even if that argument is patently false. In reality, were all foreign aid to be terminated tomorrow, it would enable the industrialised countries to increase their social welfare budgets by around 1 per cent (in the unlikely event that they were to divert aid spending to this purpose). But casting aside financial realities, there is some irony in the US New Right and their European counterparts undermining the case for aid by reference to domestic poverty. After all, Newt Gingrich’s achievements as Speaker in the House of Representatives have included deep cuts in the Aid to Families with Dependent Children (the principle cash benefit to families with children in poverty) and Medicaid.

In reality, of course, the New Right attack on aid is a sub-theme in a wider project aimed, in the words of Newt Gingrich’s ‘Contract with America’, at ‘replacing the welfare state with the opportunity society’. All welfare, so the argument runs, encourages dependence and inefficiency – and all welfare subsidies should be reduced to allow market forces to prevail. Well, almost all subsidies. As the failure of Congress to substantially reduce subsidies to US agriculture has underlined, it is easier to cut assistance to single black mothers in Chicago than to a powerful minority with friends in Congress. And it is easiest of all to cut development assistance to multilateral agencies and bilateral programmes charged with poverty reduction overseas. Nonetheless, just as Newt Gingrich and his colleagues believe that the future of America’s poor should be left to the market with its values of thrift, continence and efficiency, so they believe the future of the world’s poorest people
should be left to their domestic markets and to international markets. One of the many paradoxes of the New Right is its unbridled hostility towards the IMF and the World Bank, whose structural adjustment programmes have done so much to promote the type of deregulated market advocated for the US by Mr Gingrich.

Powerful as the appeal of free market ideologues has become both in North America and Europe, the demise of development assistance has been borne partly of a deeper crisis. For too long, defenders of aid have turned a blind eye to the fact that most development assistance is motivated less by a concern to alleviate poverty in developing countries, than by self-interest. While public support for aid remains strong (witness the response to successive humanitarian crisis), most aid programmes are rightly perceived as being dictated less by altruism or moral principle, than by the pursuit of commercial advantage and narrowly defined strategic objectives.

The facts speak for themselves. As the United Nations Development Programme (UNDP) has pointed out, less than 7 per cent of all aid is directed towards priority areas such as primary health, basic education, water and sanitation, and family planning. Consider the health sector. Here doctors spend less than 1 per cent of their aid budgets on primary level facilities such as rural clinics and mobile inoculation units, preferring to invest in expensive teaching hospitals of primary benefit to the relatively well-off. Such is Japan’s affinity for teaching hospitals that one-third of its health spending overseas is used for investment in this area. While governments in sub-Saharan Africa are rightly criticised for failing to allocate budget resources in a more equitable manner (it is not uncommon for more than one-third of national health budgets to be allocated to one or two teaching hospitals), it seems that donors are only too willing to follow their lead.

It is a similar story in primary education. By 2000, an estimated 59 million African children of primary school age will be denied the opportunity to attend school, with profound implications for the future competitiveness of their country’s economies. Despite this, donors spend the equivalent of less than $1 per capita on primary education, or one-tenth of what they spend on secondary education and one-hundredth of what they invest in each university student.

Where donors have a clearer sense of purpose is in tying aid to the expansion of market opportunities. All of the OECD countries allocated proportion of their aid budgets to the purchase of domestically produced exports. Over two-thirds of the British aid and one half of French aid is used for this purpose, for example. Such practices undermine both the quality and quantity of development assistance. According to the World Bank, over-pricing associated with tied aid costs developing countries around $4bn a year (to put this figure in context, it is more than double the UK’s bilateral aid programme). Tied aid also distorts development priorities, especially where it is used to enhance military exports. Thus the British Government invested some $350m in the technically flawed Pergau Dam, partly to promote the exports of British contractors and partly to secure a $1bn arms export contract. Aid quality suffers also because it is far easier to tie aid to the purchase of capital goods for the construction of dams, highways, power station and teaching hospitals, than to small scale rural projects. Nor is it only inappropriate and over-priced goods which are promoted by tied aid. Every year, donors spend $12bn on ‘technical assistance’ – a euphemism for bank-rolling armies of foreign consultants to provide what is loosely defined as advice and training. Around half of this technical assistance is directed towards Africa, which has probably received more bad advice per head of population than any other developing region.
To return to the question raised earlier, does international aid represent something worth defending in the face of the assault now underway? If the objective is the headless pursuit of a target for increased aid quantity on a more of the same basis, then probably not. Most of what currently passes for aid is not worth defending – and the past efforts of development agencies to defend the indefensible has probably contributed to public scepticism about aid. Platitudes of the type offered by the 1980 Brandt Report, which argued that ‘the overwhelming proportion of aid money is usefully spent on the purposes for which is intended, and aid has already done much to diminish hardships in low-income countries’, are no longer acceptable, if they ever were. Even so, perhaps it is time for the left-leaning elements of the anti-aid lobby to put aside received wisdom and weigh-up the threats and opportunities of the moment.

Among the principle threats facing sub-Saharan Africa is a marked decline in the availability of concessional foreign finance. Given that imports values have stagnated during the 1990s at levels below the 1980 figure in real terms, with a further decline projected for 1996, the implications of this threat should not be under-estimated. Foreign exchange reserves in most countries are negligible (typically averaging less than one months worth of imports) and current account deficits equivalent to between 30 per cent and 70 per cent of GDP the rule rather than the exception. Against this background, a significant decline in aid will inevitably exacerbate shortages of imports, undermining investment and employment in the process. The deep cuts in prospect for IDA, one of the region’s main sources of general balance-of-payments support, is a source of particular concern in this context. Because aid flows play a critical wider role in financing the gap between investment (averaging 17 per cent of GDP) and savings (averaging 10 per cent), any decline in aid flows will inevitably register also in the form of reduced private and public investment, generating acute deflationary pressures.

Of course, the overall affects will vary from country to country, depending on the degree of aid dependence and the level of cuts involved. But dependence upon aid is acute across sub-Saharan Africa, accounting for more that one-quarter of government expenditure in many countries. In Tanzania, external assistance represents the equivalent of one-third GDP and over 80 per cent of domestic investment. In the health sector, external assistance finances around one-fifth of government spending in low-income Africa countries such as Burundi, Chad, Mozambique and Madagascar. In the case of Uganda, external assistance accounts for over 60 per cent of health sector expenditure (and 80 per cent of capital costs), while much of this spending must be allocated on the basis of questionable budget priorities, the consequences for public health of a major retrenchment in spending are potentially terrifying.

Adding to the inevitable fiscal pressures which will accompany reduced aid, will be the demands of external debt repayments. It might be objected that, since African governments will be unable to service increased creditor demands from domestic resources, the implications for the real economy will be marginal. However, this view ignores the fact that Africa’s debt crisis has less to do with immediate debt servicing payments (unsustainable as these are), than with ‘debt overhang’, or the accumulation of a large and unpayable debt stock. The $13bn transferred annually by sub-Saharan African governments to northern creditors represents less that one-half of scheduled payments, so that arrears are building up at a massive rate and contributing to an ever-rising stock of debt (now standing at over $180bn). As the World Bank has repeatedly argued, Africa’s debt profile is not consistent with currency stability or a
sustained recovery in investment (conclusions which, unfortunately, have not led the Bank to initiate measures to reduce the burden of multilateral debt).

Against this background there is a powerful case for academics, non-government organisations and African governments themselves to mount an effective defence of aid. In a region where about 300 million people live in absolute poverty, where per capita incomes have been falling at over 1 per cent a year since 1980, where basic human welfare indicators – ranging from maternal mortality to literacy – are worsening, and where countries such as Ethiopia, Eritrea and Mozambique are embarking on post-war reconstruction, the case for an effective international aid effort is self-evident. Ultimately, however, building the public support needed to defend aid budgets will require a new vision and radical new policies to redefine the purpose of aid. And here there are opportunities and pressure points to be exploited. With regard to donors, the aim should be an increase in aid for specific poverty reduction objectives, including in the provision of primary health, primary education, water and sanitation, and family planning. Increased disbursements in these areas should be linked to commitments from governments to increase their own poverty-focused social sector budget allocations. Broadly, this is what the UNDO has proposed in its 20:20 compact – an arrangement through which donors and recipients would pledge to allocate 20 per cent of their budgets to poverty reduction priorities.

At a time of mounting pressure in the industrialised countries, the moral case for aid needs to be reinforced by an appeal to enlighten self-interest. The rise of the anti-aid lobby has been accompanied by a parallel demise of internationalism, especially in the US. Multilateral agencies have increasingly been dismissed as a costly irrelevance, with the supposed advantages of unilateral policies asserted as an alternative. The fact remains, however, that many of the problems facing northern countries, including conflict, vast flows of refugees, the international narcotics trade, and environmental pollution, will not be resolved through unilateral initiatives – and they are likely to be exacerbated by aid cuts. Failure to avert conflict through timely and well-targeted development assistance and international co-operation provides one example of how short-term budget gains can lead to long-run costs. Fire-fighting humanitarian emergencies is a particularly costly business. For every $1 spent on food aid in Somalia, it cost another ten to finance the military and administrative machine which delivered it.

Finally, there is another consideration to be weighed in responding to the new international aid realities. As we suggest above, the aid cutting instincts of the New Right in the US and their counterparts in the UK and elsewhere are rooted in a wider political project. Fundamentally, that project seeks to challenge the principle of public responsibility for social welfare, and to erode the basic rights of the poor. We all have a responsibility to ensure that the project fails.

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Building Democracy in the New South Africa: Civil Society, Citizenship and Political Ideology

Mark Orkin

This consideration of the task of building a 'non-racial, non-sexist democracy' in South Africa combines historical experience, political theory and survey results to which an organisational participation, democratic commitment, party allegiance and a sense of citizenship exist together in forms able to support a process of democratisation. In consequence, the author suggests that there are serious hazards inherent in either the liberal or Gramscian models of democratic development. On the one hand, Gramsci's idea of a 'regulated society' in which the state progressively recedes in favour of an increasingly complex and articulated civil society makes too little provision for those elements of civil society that remain neutral or even hostile towards the prevailing political order. On the other hand, liberal democracy, in its various forms, is inherently elitist, depoliticised and fundamentally alienated. The survey findings confirm that both these problems are fundamental to South Africa's new political society. As an alternative, the article proposes a strategy drawn from recent work on Latin America - a 'politicised civil society' which will link the concerns of individual citizens more closely to the more formal processes of state and party politics. ROAPE considers this argument to be important beyond South Africa's borders and hopes that this article will initiate a discussion on the problems of extending democracy in Africa far beyond the parliamentary circulation of elites where it is presently confined.

Over the last two decades in South Africa, progressive institutions and movements drawn from civil society - notably youth organisations, trade unions, churches, and civic associations - played an essential role in developing a counter-ideology to apartheid and applying it to popular political mobilisation. These organisations were abetted by the underground structures of the African National Congress (ANC) and by the sanctions campaign from abroad.

With the unbanning of the ANC and other liberation parties in 1990, these elements combined to achieve the installation of a transitional authority and provisions for a first democratic election. The ANC decisively won this election. But its vote was largely limited to the African population. Moreover, during the negotiations it conceded that a government of national unity would preside for the first five years, including Ministers in the Cabinet from parties to the ANC's right.
Constrained in these respects, the ANC now faces the challenges of undoing the inequalities of apartheid, reversing the repressive style of government, and integrating the previously segregated population groupings into a non-racial, non-sexist democracy. The three challenges are linked: as the ANC's programme notes, national development requires the active involvement of the citizenry in transforming the state and civil society (ANC, 1994:5-7).

At centre-stage in South Africa's socio-political future is thus an interplay among four variables: 1) individuals' sense of citizenship, 2) participation in organisations of civil society, 3) commitment to democratic values, and 4) party allegiances. Among these variables, the definition of 'civil society' is often contested (Atkinson, 1992:10-11). The sense used here is based on Gramsci's (1979:189), that is the domain of non-state activities encountered, for example, in schools, unions, churches, women's, youth and cultural groupings or movements, non-governmental organisations, and residents' associations. On this definition, civil society is distinct on the one hand from the state or 'political society', that is the legislative, security and bureaucratic aspects of government as well as the traditional realm of formal political parties (Gramsci, 1971:267); and on the other hand from the intimate society of the family.

This article combines history, survey results and political theory in considering the interplay among the four variables. Initially I recall the contribution of political mobilisation among civil society organisations to achieving social transformation in South Africa during the previous two decades. In the next section I model and interpret some relevant data, drawing on a national all-race survey of South African youth. In the final section I first indicate the connections between Gramsci's persuasive analysis of the struggle for democracy and the empirical material. Then I draw upon the latter in a critique of Gramsci's contradictory proposals regarding the relationship between state and civil society in a democracy - where sometimes he envisages the former subsuming the latter, and sometimes the reverse. The argument finally invokes social movements, as a means both of sustaining the popular involvement which characterises the phase of struggle, and of synthesising the diverse agendas of civil society within democratic national politics.

The overall thrust is that there is no substitute for the continuing mobilisation of progressive political sentiment within the range of activities in civil society, if democratic values are to be successfully engendered and consolidated - especially among those people previously less versed in politics - after the struggle is won.

**Politicised Civil Society in the Struggle to Transition**

In 1960 after the massacre at Sharpeville, the apartheid state crushed the civil rights movement of the ANC and its offshoot, the Pan Africanist Congress (PAC). Ten years later the Black Consciousness Movement (BCM) which provided an ideological antithesis to apartheid doctrine was founded. It spread rapidly in the racially segregated black universities and schools. At the same time, black worker organisation began to revive, in unions of either black-consciousness or marxist orientation.

In mid-1976 the Soweto revolt erupted. Pupils and students in the BCM demanded an end to segregated and inferior education, and also the overthrow of the apartheid system. Hundreds of youngsters were killed by security forces and thousands detained without trial. Others slipped into exile where they revitalised the ANC and its armed wing. Inside the country, the black trade union movement was energised by
militant recruits. Student and worker organisations collaborated in stay-aways. The BCM organisations were banned in October 1977 (Kane-Berman, 1978). But the renascence of progressive black civil society was irreversibly under way.


Equivocal reforms by the government encouraged a plethora of voluntary associations to recruit around popular grievances. Many townships developed a 'civic' (residents' association), perhaps a local COSAS branch, a trade-union chapter, and a youth club. There was a resurgence of attacks by the ANC underground, and anniversaries of ANC occasions were publicly celebrated. Six hundred voluntary organisations formed the non-racial, politically-oriented United Democratic Front (UDF). Its first success was a near-total boycott of the elections for the 'reformed' parliament in 1983.

The UDF in due course allied itself with the Freedom Charter, signalling its affinity with the exiled ANC. It sought alliances across boundaries of class as well as race under the broad goal of a non-racial, united, democratic South Africa. Its leadership was drawn from political organisations, civics, trade unions, and student or youth congresses (Swilling, 1988:90-113).

COSAS-led student protests against poor matriculation results coincided with an economic downturn in 1984. Escalating rent strikes were organised by UDF civics (Seekings, 1993:82-4). The state responded in 1985 with the first of several highly repressive States of Emergency. Nevertheless, media campaigns still strengthened UDF recruitment. By 1985 the UDF and its patron Archbishop Tutu, head of the SA Council of Churches, were as popular as the ANC among black metropolitan respondents (Orkin, 1986:32). School, rent, and consumer boycotts were its chief political weapon, to ensure - as Zwelakhe Sisulu saw it - that 'the masses linked up local issues with the question of political power' (Marx, 1992:165). But widespread harassment of its supporters and leaders and the cutting-off of its foreign funding pushed it into decline. It was effectively banned in 1988, but continued clandestine work in some regions.

Other agencies of civil society continued its project. After winning the Nobel Peace Prize, Archbishop Tutu began calling with increased vehemence for disinvestment and sanctions against apartheid. Having been prominent in the UDF, he was able to function as a spokesperson, but he occasioned controversy among his white congregants when he supported ANC policy, and among his black ones when he differed from it.

Simultaneously, the Congress of Trade Unions, COSATU, increasingly represented the interest of all blacks rather than only workers. Worker-led stay-aways became the main form of popular mobilisation. But aligning its constituent unions with specific political programmes such as the Freedom Charter proved difficult and even divisive (Marx, 1992:215ff). In effect, although the leaderships of both the church and union federations were prepared to assume the mantle of the banned UDF and the underground ANC in publicly representing blacks' national political concerns, they were constrained by the more particularistic bent of the affiliated members.
Meanwhile, the regime was suffering the cost of sustaining repression, coupled with the escalating impact of financial sanctions and the arms embargo. By the end of the decade it had, in economic terms, been brought to its knees (Orkin, 1989), and had to open negotiations.

The unbanning of the liberation movements and the release of their leaders allowed the ANC to assume the role of the dominant progressive political movement. The UDF disbanded, and the civics within it re-grouped. Meanwhile, an alliance was set up between the ANC, COSATU, and the SA Communist Party. COSATU’s Reconstruction and Development Programme (RDP) became the main election platform of the future governing party. In addition, COSATU and the civics participated alongside the ANC, as its counterparts within civil society in a host of negotiating forums with the outgoing regime and organised business. The forums are in sectors like metropolitan government, housing, electrification, etc. They signal a new and relatively structured inter-penetration of state and civil society. We return to this relationship after introducing the survey evidence.

Survey Data: Citizenship and Participation in the Pursuit of Democracy

The survey discussed below was commissioned by the Joint Enrichment Project of the SA Council of Churches and the SA Catholic Bishops Conference (Endnote 1). Having themselves been prominent in the mobilisation of civil society during the preceding decade, they wanted to find out how far and in what ways the youth had been ‘marginalised’ in using educational boycotts as a lever for liberation (Everatt and Orkin, 1993).

There were 2,224 respondents from all four main population groups in a nationwide stratified sample. The face-to-face interviews were conducted in December 1992 and January 1993. An upper age limit of thirty years captured those who as teenagers would have been affected by the 1976 revolt described in the previous section. The lower limit of sixteen meant that younger respondents would have been in their teens during the insurrection of the mid-1980s. Some 10.7 million young people fell into this age range: 77% African, 10% coloured, 2% Indian, and 11% white.

On the basis of the author’s previous research on political alienation among black youth (Orkin, 1992), two-item indices of political efficacy and political engagement had been included. Political efficacy refers to people’s sense that they can understand and have an impact upon political events. Political engagement refers to their readiness to use less or more militant lobbying strategies. The two were strongly associated, and could thus be combined to form a composite index C (Endnote 2). This furnished the first of the four variables, citizenship, labelled C. It indexes the extent to which people expect to express their political being in active participation.

The operationalisation of the second variable, democratic commitment, had to be compiled from items to hand. It is consonant with popular debate at the time. The vision of democracy advanced in the election, not only by the ANC, had three components: non-racialism, non-sexism, and fair governance. Two-item indices covering each of these concepts had been included in the questionnaire. The indices were accordingly in the same fashion as for citizenship, to provide the index of democratic commitment, D. The respondents’ scores on these two indices, citizenship C and democratic commitment D, were then dichotomised, that is, categorised as
either 'low' and 'high'. This rather crude manoeuvre is unavoidable for the manageable interpretation of relationships among several variables.

The third relevant attitudinal variable was political party orientation, labelled P. Africans overwhelmingly supported the ANC (with single-digit scores for the other liberation parties to its left, and the Inkatha Freedom Party to its right). Whites largely divided between the National Party and the white-racist parties on the far right. Indian and coloured youth scorned the far right, but were likelier to support the NP than the ANC. The scores of the other parties were negligible.

The actual percentages - which presaged the subsequent election results - are less relevant here than the pattern. This suggested that respondents' party orientation P could be effectively rendered as a left-right dichotomy: the ANC (plus the much smaller votes for the other liberation parties) versus the parties to their right, notably the former ruling Nationalist Party and Inkatha (plus those answering 'None', who on other indications mainly comprised conservative respondents).

The last of the four variables was organisational involvement, labelled O. Half of respondents reported being a member of at least one civil-society organisation. Three categories that featured large in the historical sketch - political, trade-union and church organisations - were also populated enough to analyse. (Respondents involved in civics were too few to include - members of civics tend to be older householders rather than youth.) In various combinations, these three organisations yielded seven options: e.g., member of a union only, member of a union and a church but not a political party, and so on.

The breakdown of citizenship C and democratic commitment D by this organizational mix is summarised in Figure 1. The lighter columns show the proportions of respondents who were 'high-C', i.e. scored high on the dichotomised index of citizenship C. The surprise is that the high-C proportion among people who participate only in unions was scarcely higher than that among respondents who belonged to no organisations at all. (It will be recalled that most respondents were black, and most black union members are in COSATU.)

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**Figure 1: Organisational Mix**

<table>
<thead>
<tr>
<th>Organisational mix</th>
<th>Citizenship C</th>
<th>Democratic commitment D</th>
</tr>
</thead>
<tbody>
<tr>
<td>No org. (n=114)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Union only (95)</td>
<td>47</td>
<td>45</td>
</tr>
<tr>
<td>Church only (59)</td>
<td>44</td>
<td>50</td>
</tr>
<tr>
<td>Pol. &amp; Church (58)</td>
<td>50</td>
<td>50</td>
</tr>
<tr>
<td>Pol. only (18)</td>
<td>65</td>
<td>65</td>
</tr>
<tr>
<td>Pol. &amp; Church (18)</td>
<td>63</td>
<td>63</td>
</tr>
<tr>
<td>All three (11)</td>
<td>85</td>
<td>85</td>
</tr>
<tr>
<td></td>
<td>71</td>
<td>71</td>
</tr>
</tbody>
</table>
A similar finding occurred among church-only membership (in the sense of some active involvement, e.g. in the choir). These results recall the historical point, that when the leaders of unions and churches contemplated affiliation to the UDF, there were painful divisions among the followers: between those looking to union or church only to represent their interests, and those seeing them as vehicles of political citizenship.

Among people belonging to both union and church the high-C proportion improved somewhat. However, the improvement only became substantial when respondents reported membership of a political organisation, on its own or alongside other memberships. Figure 1 shows that political unionists were slightly higher, and political congregants slightly lower.

From one viewpoint, these findings are almost tautologous: specifically political activity will obviously be better than non-political activity at enhancing political efficacy and engagement – which are the two ingredients of the citizenship index C. But looked at another way, the findings warn us that non-political activity in civil society - such as involvement in church or union activities - will not of itself enhance people’s sense of citizenship.

When one looks also at the darker bars in Figure 1, referring to high democratic commitment D, the pattern is less marked. This makes sense, since the components of this index cover broad social as well as specifically political values. But the basic similarity is there: only when respondents reported a involvement in a political party, either on its own or with other involvements, were high-D proportions of more than sixty per cent encountered.

These prima facie contrasts within both citizenship C and democratic commitment D indicated that the seven options within the variable of organisational involvement O, could be simplified into ‘no organisation’, ‘church/union only’, and ‘political’ (only or with church/union). This was confirmed with the appropriate statistical technique (Kass, 1980).

Thus far, I have displayed the associations between organisational involvement O on the one hand, and citizenship C or democratic commitment D on the other hand.
These associations turn out to be qualified by the remaining variable, party allegiance P. This is not unexpected. One recalls Gramsci on the conservative political influence of the Catholic church, and may then surmise that this influence could be more appreciable among parties of the right than the left. A technique called log-linear analysis is available to guide one through the plethora of possible associations among the four variables (Upton, 1978). On applying it to the observed data, one finds that a simultaneous four-way interaction is at work among the variables. It is denoted OPCD.

The interaction involves a complicated four-variable cross-tabulation. However, this can be represented graphically, as in Figure 2. Concentrate first on the pair of solid lines, which — as a temporary simplification — ignore the effect of political orientation P. They display the proportions of respondents who are high on democratic commitment D (i.e. high-D), corresponding to the three kinds of involvement in civil society, O. The solid line on the left concerns respondents who were low-C, i.e. scored low on the index of citizenship C; the solid line on the right concerns high-C respondents.

Among the low-C group, the proportion of respondents who are high-D, that is, highly committed to democratic values, increases slightly as one moves from considering those who had no organisational involvement (38% are high-D) to those involved in church/union only (47% high-D); and then increases markedly as one moves to those with some political involvement (65% high D). Look now at the solid line on the right, reflecting high-C respondents. In their case, by contrast, organisational involvement did not make much difference: the high-D proportions are roughly constant around the mean value (57%), across membership of no organisation, church/union only, a political organisation.

Put another way: in comparison to no organisational involvement at all, pure church and/or union involvement enhanced democratic commitment mildly among youth who were low-C (had a low sense of citizenship); and mildly depressed democratic commitment among those who were high-C. By contrast, political involvement had little additional effect on democratic commitment among those who were high-C in any case; but political involvement greatly enhanced democratic commitment among those who were low-C.

In practice, then, civil and political society are interwoven in a subtle pattern. This was foreshadowed by our historical evidence, which mentioned the conflict at membership level when church and union leaders sought to carry forward the political ideals of the banned UDF. It poses a challenge to the theory below.

Having previously excluded party-political allegiance P, in order to achieve a simplified initial picture, we now have to reintroduce P to understand the four-variable interaction OPCD specified by the log-linear technique. This brings us to the dashed and dotted lines in Figure 2, representing respondents of liberation and conservative orientation respectively. First notice that the dashed lines are always above the mean profile (the solid lines), i.e. respondents of liberation orientation are more committed than average to democratic values. Conversely, the dotted lines displaying those of conservative orientation are below the mean profile. This is hardly surprising in a context in which right-wing parties resisted the idea of non-racial democracy before 1990.
Concentrating next on church/union-only respondents, one sees that a political orientation to liberation improved the proportion who are highly committed to democratic values among the low-C group (point V on Figure 2); and conversely, that a conservative orientation appreciably depressed democratic commitment among the high-C (point Y).

The former – who turn out to be almost all ANC supporters – are a potential resource for democracy in the new South Africa, if they can be accessed via their church or union connections and educated into the attractions of citizenship. The latter are a threat: politically able, but expressing their non-democratic outlooks in union or church involvements. The data show that they mainly don’t declare their party preference at all. But those who do declare turn out to belong to the IFP, the NP and the right.

Second, on the left-hand side of the diagram - dealing with low-C respondents - one sees shows how actually belonging to a political party magnifies the tendency noted earlier, that commitment to democracy is greater among liberation supporters and lesser among conservatives. Point W on Figure 2 shows (within the low-C group of youth) that party membership among those of liberation orientation greatly boosted commitment to democracy. Conversely, point X shows that how democratic commitment was depressed among the conservatively-inclined.

In other words, among those with low sense of citizenship (on the left-hand side of Figure 2) opposing party orientations result in widely discrepant commitments to democracy. By contrast, it is remarkable that among those with a high sense of citizenship (on the right-hand side of Figure 2) there is convergence in the extent of commitment to democratic values, between the supporters of conservative and liberation tendencies, at point Z. This recalls the negotiated settlement, in which there was a shared acceptance of democratic process among the elites despite their parties’ very different policies. It bodes well for the building of democracy by galvanising sentiments of citizenship.

A final move was to ascertain the bearing of demographic variables. On the author’s previous experience with the index of citizenship C in the South African context, the likely differentia would be population group or ‘race’, class as approximated by respondent’s education, and gender. When these were suitably categorised and included in the log-linear analysis, it transpired that the four-way OPCD interaction was retained, as described above; together with several two-way associations linking O, P, and C to the demographic variables.

For instance, Africans are likelier than the minority groups to belong to a union and/or church as well as to a political party; the less-educated are less likely than the more-educated to belong to a political party; and women are likelier than men to belong to a church, but less likely to belong to a union, and even less likely to belong to a political party (Ramphele and Boonzaaier, 1988:153-66).

Alongside the OPCD relationships, these demographically-based inequities pose additional challenges for the nurturing of democracy in the new South Africa. In the next section I argue the centrality of restoring, from the phase of struggle, the importance of political citizenship in energising and synthesising people’s engagement in civil society.
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Theoretical Conspectus: How Should Civil Society Relate to Political Life?

Both the historical sequence and the statistical interaction bring to mind Gramsci's analysis of social transformation. In his view, state and civil society are intrinsically in tension, if not always evidently so. In well-established liberal-democratic dispensations, the state rarely needs to resort to overt coercion. It secures compliance by the way in which particular ideologies are absorbed by the citizenry as they participate in the institutions of civil society. This is what bourgeois hegemony consists of. The result, as Boggs describes it, is 'a generalised alienation that results in passivity, a sense of powerlessness, subcultural fragmentation, a separation of the personal and political' (Boggs, 1976:123).

However, in less stable societies state and civil society are in disequilibrium. The state has frequent recourse to force, and the internalisation of the dominant ideology is much more uneven. Obviously this was the case in South Africa. Most of the African population never accepted apartheid, even though they initially had no alternative to enduring it, following the forcible suppression of the liberation movements. But some opted for accommodative strategies like Buthelezi's Inkatha movement, which accepted 'homeland' status while resisting aspects of grand apartheid. Such partial strategies resulted in greater political alienation than among those whose Charterist non-racialism sought to transcend and overcome the racist order (Orkin, 1983:69-98). In our sample of young people, points Y and Z in Figure 2 (corresponding to the oppositional versus the accommodative party positions) suggest that, among those who are less high on the index of citizenship, wide differences in commitment to democracy are the result.

In such unstable circumstances, a revolutionary movement can make ready headway in constructing a counter-hegemony. First, it needs to begin with the concrete particulars of people's everyday lives; therefore various non-party groupings will be important to its project. Second, it follows that the movement should be prepared to seek durable alliances that transcend a class base. It may embrace ideological forms like nationalism or religion for whatever counter-hegemonic content they may offer, even if at the expense of its socialist content. However, the impact of the movement can only become decisive when, thirdly, it manages to transform the particular, often economic, demands of interest groups into a universalistic political challenge of the dominant system in terms of 'the public, common and collective' (Boggs, 1976:102).

The education-based revolt of the seventies in South Africa, described in the first section, was heroic but fell short in all three strategic respects: its demands appealed mainly to students; it advanced a racially divisive rather than inclusive ideology; and it was prevented by repression from developing a national infrastructure. By contrast, we noted how all three of Gramsci's requirements were central aims, and appreciable achievements, of UDF strategy. It began with the everyday concerns of the lives of all its affiliates, like rent as well as education; it gathered these under the broad Charterist rubric of non-racial democracy; and its popular campaigns systematically sought to unite participants in the expression of national political demands. Clearly, the several prominent UDF leaders who were graduates of the earlier phase had learned their strategic lessons well.

However, in its declining phase, under massive repression, the UDF did fall short of the Gramscian model in two related respects. Firstly, the primacy of politics for Gramsci is inherently mass politics. In effect he envisages a broad-scale but effectively
articulated social movement. And secondly, he allows that the achievement of counter-hegemonic mobilisation will be ‘organic’, that is gradual; until the moment (abetted by an exogenous, ‘conjunctural’, crisis such as military or economic disaster) when power can be seized (Boggs, 1976:83-125).

By contrast, it has been argued of the UDF that, under the duress of repression, it partly mutated from movement to party. In some regions, elite cabals took ad hoc decisions. And at the grassroots, some impatient Charterist activists were somewhat premature in concluding, because popular revolt had rendered certain townships ‘ungovernable’ by the authorities, that the entire state was on the verge of capitulation (Marx, 1992:171-2). (In fact we have seen that they were only a couple of years early in reading the conjunctural crisis, to which their efforts had made a major contribution.)

A last point to note is that the attractions of activity in civil society – its diversity, immediacy, and affective nature – also pose a danger: precisely because civil society is constituted of interest groups (unions, churches and civics were noteworthy in our context), mobilisation towards democratic transformation may be impeded by divisive interests. As the means of transcending this particularism Gramsci urges two closely related requirements.

First, our diverse commitments within civil society have to be infused with the unifying ideal of political citizenship, that is, of individual self-realisation achieved through active participation in communal political activity. Second, sectional, especially economic, consciousnesses must integrate into an essentially political challenge to the state. The struggle must be both popular and national for democracy to emerge (Boggs, 1976:83).

These two central recommendations coincide with the key aspects of the OPCD interaction uncovered in the data. There too, the importance emerged of people’s sense of citizenship, and of the primacy of the political in the building of democracy. First, we saw that commitments to democracy diverged among supporters of opposing political orientations, when the citizenship index was low; where it was high, they converged. Secondly, the data showed that church and/or union membership only mildly improved democratic commitment, among those low on the citizenship index; among those who were high on the citizenship index, especially conservatives, church/union membership appreciably diminished democratic commitment. The data affirm Gramsci’s expectation that particular or local interests may be counterproductive as bases for democratic mobilisation unless they are melded into comprehensive national aims by left-oriented mobilisation in civil society.

This description of the desirable relationship between our four variables - citizenship, civil society, political ideology and democracy – was formulated, and appears to be corroborated, for the phase of struggle. What lies over the democratic threshold when the unifying social movement becomes the ruling political party, as in South Africa? Gramsci’s least implausible view is still a utopian fancy, a ‘regulated society’ in which the state increasingly recedes in favour of ‘a complex and well-articulated civil society, in which the individual can govern himself ... without his self-government coming into conflict with political society – but rather becoming its normal continuation, its organic complement’ (Gramsci, 1971:263-8).

Gramsci’s critics correctly object that this underestimates the extent of legitimate dissent among the agencies of civil society, or between them and the state: strikes and lockouts, gun lobbies and peace marches, anti- and pro-lifers. This hubbub, they
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contend, can best be accommodated by liberal democracy, with its provisions for
majority rule, electoral competition and civil liberties (Gramsci, 1971:167).

Both the ‘regulated society’ view and its weaknesses have been canvassed in South
Africa. On behalf of the former, activists in civil society argue that the organisations
developed during the struggle, notably those associated with the UDF, were ‘typically
anti-statist, decentralised, community and/or worker controlled, democratic, non-
profit, well-organised, and exceptionally creative’. They now comprise a progressive
alliance that will drive development more effectively and transparently than the new
state or the business sector (Swilling, 1990:151-60).

Against this view, it is contended that in reality these organisations are often
unaccountable or unrepresentative; that the majority of citizens living outside the
metropolitan areas tend not to have access to them anyway; and that there are many
other legitimate elements of civil society that are neutral or even resistant to their
newly hegemonic Charterist ideology. The argument concludes: only a representative
democratic state, ‘in which outcomes are subject to control by elected representatives’
can ‘guarantee the rights and entitlements of all against special interests’ (Friedman,

The civil-society activists reply that representative democracy is, as Boggs warned
early, fundamentally alienated: ‘the elite, particularistic, nonpublic and depoliticised
form of democracy in modern societies’ (Arato and Cohen, 1992:167). But there is
another form of democracy, participative government, in which political citizenship
need not be confined to marking a national ballot every few years. On the one hand
there is local government: ‘building a “voice” at the grassroots level’ (Swilling,
1992:81). On the other hand, there are the exercises of democratic procedure in the
non-political contexts of civil society: the school, the cultural association, and
especially the workplace. ‘Civility’ is what Walzer calls this non-political counterpart
of citizenship (Walzer, 1992).

The problem with the local-government substitute is seen from our South African
evidence: the crucial achievement of the UDF was to move through local grievances
into national political claims. The problem with the non-political substitute is that it
runs counter to the data: the non-political contexts of civil society seem to be where
democracy threatens to wither, not flourish. And both proposals abandon the vigour
of the Gramscian national challenge. Participation in the organisations of civil society
is permitted to be political provided it is not national, or national provided it is not
political.

But between the two extremes, I contend, there is a notion developed in the South
American literature on democratisation, of politicised civil society (Arato and Cohen,
1992) which has much relevance to the South African debate. On the one hand it
conceives political parties in an extended form, functioning not as sporadic electoral
instruments, but as lively ongoing means for gathering and disseminating opinion on
issues of government and development, from bottom to top and back again.

On the other hand politicised civil society includes social movements, more or less
long-lived, issue-driven or sectoral, drawing together various organisational ele-
ments, in which parties may or may not participate from time to time. Movements
might, through organised lobbies or non-governmental organisations, seek politically
to influence governance on issues which formal parties are neglecting or avoiding,
such as the environment, or gay rights. In this way civil society mobilisation can
narrow the gap between the effectively motivated concerns of the individual citizen and the more formal, intermittent political processes of the state and the elite-driven political parties (Geyer, 1993:11-31).

There are exciting contemporary examples in South Africa, building upon the ferment between civil and political society in the last two decades. Social-movement unionism 'engages in alliances in order to establish relationships with political organisations on a systematic basis' (Lambert and Webster, 1988:21). The Women's National Coalition, a cross-party non-racial movement, has lately resolved 'to build organisations, structures and lobbying power to ensure that women's equality becomes a reality', including 'how women are going to be represented in the RDP structures' (The Star, 1994). Indeed, the Reconstruction and Development Programme itself envisages development to be a process of empowerment which gives the poor control over their lives and increases their ability to mobilise sufficient development resources, including from the democratic government where necessary (ANC, 1994:15). The implications are profound. Both the leaders of the social movements and the bureaucrats in the government of national unity may initially be uncomfortable with this unruly relationship between the state and civil society. As Keane insists, 'the development of new democratic mechanisms is likely to increase the frequency of surprises for all groups, movements, parties and governments' (Keane, 1988:15, 26).

But this mediated process is the alternative to the pervasive alienations of representative democracy as summarised above: passivity, powerlessness, and the separation of the personal from the political. Our history of struggle confirms that the alternative is possible. The statistics urge that it remains essential, lest Walzer's mere civility substitute for citizenship, and development thrive at the expense of democracy.

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Endnotes

1. My thanks for extensive financial sponsorship to the Joint Enrichment Project of the SA Council of Churches and the SA Catholic Bishops Conference; and for helpful insights and detailed comments to Dr David Everatt, Deputy Director of CASE (Community Agency for Social Enquiry), who managed this project, and to our collaborator Dr Ros Hirschowitz.

2 The index of citizenship C was constructed from two pairs of items in the questionnaire. On the topic of political efficacy, the pair of items was: 'Politics is too complicated for young people to understand' and 'Young people can't really influence politics'. Regarding political engagement, the pairs of items was: 'Mass action remains necessary to secure a democratic future' and 'Occupying public buildings is justified to help bring an end to apartheid'.

Each of the four items was asked as a five-point scale, running from 'strongly disagree' to 'strongly agree'. The four resulting scores were appropriately assigned and then added by computer. Respondents would achieve the maximum score on the index if they felt strongly that they did understand politics, could have an influence, and were ready both to protest and to engage in civil disobedience.

In the same fashion, three pairs of items regarding democratic values were combined to provide the index of democratic commitment D. On non-racialism: 'There will be
no racial hatred in South Africa’ and ‘Young people of different racial groups will never really trust each other’; on non-sexism: ‘There are too few women in political leadership’ and ‘Women are less capable than men’; on fair governance: ‘The future government will fairly represent the interests of all races’ and ‘Nothing will change except the country’s leaders will be black’.

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The World Bank and 'Adjustment in Africa'

Stefano Ponte

This article continues the debate on the effects of structural adjustment programmes in Africa as portrayed by the World Bank in Adjustment in Africa: Reforms, Results, and the Road Ahead (1994a). The World Bank's claim that 'better policies pay off' is found to be underspecified and misleading. Much of the divergence in growth rates between countries with different records of policy reform implementation results from the World Bank's peculiar classification and from the condition of the various economies prior to reform. It is concluded that the World Bank, rather than demonstrating the need for more adjustment, has revealed its failure to adopt an adequate long-term strategy for Africa.

One valuable and hopeful lesson for Africa is that spectacular increases in growth are indeed possible – if the right policies are in place (World Bank, 1994a:220, emphasis added).

The recommendations attached to structural adjustment programmes ... lack any serious theoretical basis, and should be seen essentially as an improvisation (Mosley, 1994:76).

In the last fifteen years, 'Structural Adjustment' (SA) has been a constant feature in the study of economic and social development in Africa. Since the publication of the 'Berg Report' (World Bank, 1981), the body of literature on theoretical and empirical issues regarding SA in sub-Saharan Africa has grown massively. Presently, various evaluations of the African experience with economic reforms are available. Yet, great discrepancies persist in the interpretation of the economic and social consequences of SA.

Assessing SA is problematic because of the changes which incurred from its inception, its complexity, and the variety of national and subnational experiences which do not easily lend themselves to generalization (Ferreira, 1992; IDS, 1994). Therefore, it is misleading to conceive SA as a generalizable and distinct blueprint. We should not fall into the naive belief that SAPs are implemented in the same fashion and with the same instruments in all countries (c.f. Mosley, 1994 and Mosley and Weeks, 1993). As Toye (1994) confirms, the diversity of experiences under SA results from several factors: (1) some economic distortions were not present in particular countries; (2) typical distortions were not found to the same degree in different countries; and (3) the sequence and the extent of implementation of SA measures varied extensively (Mosley, Harrigan and Toye, 1991; Taylor, 1988). While the methodologies for cross-country evaluation have been refined in the last few years, the literature is far from presenting a consensus on the results of SA.

In most cases the various studies dealing with the issues [of structural adjustment] have come to conclusions that are mutually contradictory. The differences in conclusions arise
not only when different research methodologies are used, but even when the same methodological approach is adopted (Ajayi, 1994:56).

Part of the problem is that, in highly aggregate studies, the way variables are selected, the use of weights, coefficients, and time periods can seriously affect the way results appear (more than SA itself). On these grounds, if we want to carry out an aggregate analysis of SA in Africa, we have to be cautious in making generalizations and strong causal claims (see also Hoogvelt et al. 1992).

An example of recent carelessness in making general claims over SA in Africa is the Bank’s own report *Adjustment in Africa: Reforms, Results and the Road Ahead* (World Bank, 1994a). Even though *Adjustment in Africa* (thereafter *AA*) represents an analytical improvement from the previous Bank reviews, it is a telling instance of the poor quality and the arbitrary use of empirical evidence by the Bank – evidence which should form the basis of the Bank’s policy-making and policy evaluation. If it is welcome that the Bank has published a twin volume on selected case studies (Husain and Faruqee, 1994); less welcome is the authors’ bold conclusion that ‘the seven case studies show that whenever adjustment programmes have been pursued vigorously, results have been clearly positive with respect to both growth and alleviation of poverty’ (Ibid: 10, emphasis added).

This article re-evaluates the Bank’s assessment of the performance of African countries under SA, following for the most part the Bank’s own data and methodology. By using GDP as the main indicator (as the Bank does), I do not imply that SA should be assessed only in terms of growth performance. How much weight other strategic aspects of ‘development’, such as poverty, income distribution, gender-based differential impacts, and environmental degradation should receive in choosing and targeting instruments of SA – and how to measure the impact of SA in these realms – is the object of a heated debate involving ideological cleavages and complex theoretical issues. While *AA* formally includes a section on poverty and the environment, its effort to gauge SA in terms of these two dimensions is minimal and unsatisfactory. The Bank’s argument on poverty (replicating the position taken in World Bank and UNDP, 1989) runs as follows:

*Adjustment has contributed to faster GDP per capita growth in half the countries examined in this report, and there is every reason to think that it helped the poor, based on the strong linkage between growth and poverty reduction elsewhere in the world* (World Bank, 1994a:163, emphasis added).

In terms of environmental issues, the Bank has not moved from the position adopted in the *World Development Report 1992* (World Bank, 1992b). The impact of SA on the environment is defended on the basis of the poverty argument:

*Equitable economic growth, coupled with basic education and health services, can raise the incomes of the poor, hasten the transition to lower fertility rates, and enable the poor to make investments in protecting the environment that are in their long-term interest* (World Bank, 1994a:162).

No systematic attempt is made in *AA* to assess these arguments. Although I do not accept this logic, I will not dispute it here. However, in the rest of the article, I will show how the argument ‘better policies = higher growth’ is grossly unspecified. As a consequence, the argument that links higher rates of growth with positive effects on poverty and the environment falls as well.
The notion that recovery in GDP growth is the essential (but not sufficient) outcome that should emerge from SA is shared both by the Bank and by its critics, particularly if we refer to the entire spectrum of SA measures, and not only to short term stabilization measures. The argument pursued here is that even before examining other indicators of human welfare, it is possible to determine that, something is not working properly in African countries under SA.

‘Adjustment in Africa’: The Evidence of the World Bank

The argument made by the Bank in AA to demonstrate the apparent success of SA in boosting growth has two parts. The first part claims that, in the short and medium term, countries which are improving their policies are experiencing higher growth rates than countries where policies are deteriorating (World Bank, 1994a:139). The second part argues that, notwithstanding the improvements or deteriorations, better policy quality itself favours higher rates growth (Ibid: 142). The implication of the whole argument is: despite all its problems and drawbacks, SA is paying off in the countries which are reforming substantially, and not just cosmetically, so that African countries need more adjustment, not less (The World Bank, 1994a:14).

The fact that in AA the Bank compares the various countries under SA by measuring what they have actually implemented is a major step forward from its previous reviews. In the past, the Bank used to compare ‘strong adjusters’ with ‘weak adjusters’ and ‘non-adjusters’ (World Bank and UNDP, 1989), or ‘early intensive adjustment lending’ countries versus ‘other adjustment lending’ countries and ‘non-adjustment lending’ countries (World Bank, 1990a). This typology lacked clear criteria, and was based on the time period when the various countries initiated their SAPs, rather than on what was accomplished. Therefore, it did not take into consideration differences among individual SAPs and differences in the extent of the measures actually implemented.

In AA, the analysis of policy change (thereafter policy improvement analysis) is carried out only for macroeconomic policy, while the analysis of policy quality (thereafter policy tance analysis) refers to macroeconomic policy and market liberalization. Public sector reforms (the third area of inquiry of the report) are reviewed, but they are not directly related to growth performance because of the insignificant reduction in the number of public enterprises in African countries under SA. Generally speaking, the Bank finds that the area of policy with the most successful improvements in Africa is macroeconomic policy, although even macroeconomic policy remains unsatisfactory for Bank standards (Ibid: 8). Liberalization of markets proceeds still more slowly and with greater difficulty, while very little has happened with regard to the reform of the public sector (World Bank, 1990a:60-61, 101).

In order to assess the improvements in growth performance, the Bank analyses a group of 29 sub-Saharan African countries on the basis of scores assessing the improvements in macroeconomic policy between 1981-86 and 1987-91. These countries are divided up in three groups: large improvers in macroeconomic policy (‘L’ group), small improvers (‘S’ group), countries with deteriorating macroeconomic policy (‘D’ group), and unclassified countries (‘U’ group). From the differences between the two periods in the rates of growth of GDP per capita, the Bank concludes that countries which substantially improved their macroeconomic policies are rewarded by higher growth rates than those which implemented smaller improvements, while countries with deteriorating macroeconomic policy environments lag well behind (Table 1; Table 5.1, p. 138).
In terms of policy stance, the Bank claims that 'over the medium to long term, the policy stance is more important than the change in policies in explaining the rate of growth' (Ibid: 142). In this case, the Bank ranks the various countries in relation to their policy situation in 1990-91 and groups them in countries with adequate, fair, poor and very poor policy stances. The Bank claims that the first two groups outperformed the second two (World Bank, 1990a: Table A.17, p. 243).

If at first glance the evidence supporting the Bank's two-pronged argument seems reasonable, a closer investigation shows that the solidity of its foundation is weak. In the next sections, I will evaluate the Bank's improvement analysis, introduce a tentative analysis of the time-dynamics of real GDP in countries under SAPs, and assess the Bank's stance analysis. In the last section, I will summarize the findings and draw some conclusions.

The Policy Improvement Analysis

Beneath the surface, the evidence presented by the Bank on the supposed relation between improving policies and increasing rates of growth is shaky. Mosley and Weeks have pointed out that the correlation between policy improvement and higher rates of growth as presented by the Bank in AA is statistically insignificant (Mosley and Weeks, 1994:321-322). Other interesting observations can be made about the criteria used by the Bank in classifying the various countries. For example, we find among the L countries Burkina Faso and Zimbabwe, which launched their structural adjustment programmes (SAPs) with the IFIs only in late 1991. The same is true, among the D countries, for Rwanda and Sierra Leone. As the control period runs from 1987 to 1991, it would have been more appropriate to consider these countries as non-adjusters for comparative purposes. On the other hand, Lesotho, which has been under structural adjustment lending with the IMF since 1988, does not appear in the Bank's study. Remarkable also is the absence in the study of countries which have been adjusting without the IFIs adjustment support (Mauritius after 1983, Botswana, Swaziland, and Namibia).

The Bank's claim that improving policies boost higher growth relies on the data reproduced in Table 1 (first three columns). The Bank finds an average increase of 2% in the average rate of growth of GDP per capita between 1981-86 and 1987-91 in L countries, against a 1% increase in S countries, and a -1.6% decline in D countries. A closer look at the data reveals that the variance around the mean is notably higher in the L and D groups than in the S group. Also, among the individual performances within the three groups, the positive result achieved by L countries relies heavily on the performance of Nigeria, which has a 7% difference between the two periods.

To construct a more meaningful comparison two simple approaches are possible. The first is to compare the medians, which show a much smaller difference between L countries and S countries (1.8% versus 1.5%), while D countries perform substantially worse (-2.6%). The second is to take Nigeria out of the L group. There are at least three reasons for doing this. The first is statistical: the standard deviations of the L and S groups become more similar when Nigeria is taken out (2.3 down from 3.2 for the L group, versus 1.9 for the S group). While this by itself is not sufficient, it shows that the two groups are more correctly comparable if other criteria permit us to justify the exclusion of Nigeria. The second rationale lies in Nigeria's peculiar structure of production: in 1980-88 Nigeria exported an average of 60,760 metric tons of petroleum (see World Bank and UNDP, 1992: Table 5-19), almost ten times more than the second petroleum exporter among the countries considered in AA (Gabon). It is important to
Table 1: Analysis of GDP per Capita: Macroeconomic Policy Improvement (time periods: 1981-86, 1987-91)*

<table>
<thead>
<tr>
<th>Countries with large improvement in macroeconomic policy (6)</th>
<th>Average Rate of Growth (GDP per capita)</th>
<th>Difference between the two periods (% points)</th>
<th>Effect of external factors (% points)</th>
<th>Net effect of changes in macro-policy (% points)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Median</td>
<td>-0.7</td>
<td>1.1</td>
<td>-0.3</td>
<td>2.3</td>
</tr>
<tr>
<td>Mean</td>
<td>-0.8 (2.5)</td>
<td>1.1 (0.8)</td>
<td>-0.3 (2.0)</td>
<td>2.3 (4.1)</td>
</tr>
<tr>
<td>Mean without Nigeria</td>
<td>-0.1 (1.9)</td>
<td>0.9 (0.5)</td>
<td>0.2 (1.7)</td>
<td>0.7 (1.7)</td>
</tr>
<tr>
<td>Countries with small improvement in macroeconomic policy (9)</td>
<td>Median</td>
<td>-0.9</td>
<td>0.1</td>
<td>1.3</td>
</tr>
<tr>
<td>Mean</td>
<td>-1.1 (2.1)</td>
<td>0.2 (1.7)</td>
<td>1.0 (1.8)</td>
<td>0.4 (1.1)</td>
</tr>
<tr>
<td>Mean without Nigeria</td>
<td>-1.0 (3.3)</td>
<td>-2.6 (3.0)</td>
<td>-1.6 (5.2)</td>
<td>-0.1 (2.9)</td>
</tr>
<tr>
<td>Mean with deterioration in macroeconomic policy (11)</td>
<td>-2.1</td>
<td>-2.0</td>
<td>0.0</td>
<td>0.7</td>
</tr>
<tr>
<td>Mean with deterioration in macroeconomic policy (11)</td>
<td>-1.0 (3.3)</td>
<td>-2.6 (3.0)</td>
<td>-1.6 (5.2)</td>
<td>-0.1 (2.9)</td>
</tr>
<tr>
<td>Unclassified countries (3)</td>
<td>Mean</td>
<td>3.7 (1.1)</td>
<td>2.1 (0.8)</td>
<td>-1.6 (0.4)</td>
</tr>
</tbody>
</table>


notice what happened to the value of petroleum exports in the two periods picked by the Bank for the comparison of growth rates. In 1981, Nigeria earned $17.2 billion in petroleum exports. In the following five years it experienced a constant slide until it sank to $6.4 billion worth in petroleum exports in 1986. At the same time, in 1981-86 Nigeria saw its GDP per capita falling by an average of -4.6% per year. On the other hand, Nigeria’s petroleum exports increased to $13.5 billion in 1990 and $11.7 billion in 1991 (Faruqee, 1994:270), with a parallel growth of GDP per capita of 2.4% per year in 1987-91. This is not to say that the increased petroleum receipts were the only cause of growth in GDP per capita between the two periods, because agricultural exports and food production increased as well. But what the figures above do indicate is that GDP growth in Nigeria cannot be linked to SA without considering revenues from petroleum exports. On these grounds, the comparability of Nigeria’s economic performance with the experience of other countries is questionable.

The third rationale for excluding Nigeria from the L group is taxonomic. The Nigerian 1986 SAP was not formally implemented under the IFIs structural adjustment lending. Because of nationalist forces, the government enacted a programme ‘made in Nigeria by Nigerians’, refusing to accept the IMF loan (Faruqee, 1994). It is true that the pressure of the IFIs and other creditors played a central role in the choice of instruments to be included in the SAP, especially the exchange rate devaluation. Also, in response to the Nigerian SAP, the Bank in 1986 agreed to a $452 million loan under the title ‘Trade Policy and Export Development Loan’; the IMF conceded a Stand-By Agreement for SDR 650 million; and the Paris and London Clubs agreed to new loans and rescheduled old debt. However, since the Bank does not state what it means by ‘adjusting country’, we do not know what it seeks to evaluate in AA. Is it structural adjustment lending, stabilization financing, or sectoral adjustment? If the Bank is...
evaluating SA lending under the IFIs, Nigeria does not fall into it. If it is evaluating adjustment in general, then the group of 'other' countries excluded from the study should have been included. Moreover, even if we accept Nigeria as a country under SA with the IFIs, it is certainly not a good example on which to base the argument that large improvements in macroeconomic policy boost higher growth. In Nigeria, '[a]lthough implementation started well, it soon slackened, and even regressed' (Faruqee, 1994:245). Relying on Nigeria to justify 'more adjustment than less' for African countries is paradoxical and inappropriate.

In conclusion, it is more logical to compare the mean of L countries without Nigeria with the mean of S countries. In this scenario, we observe the same figure for L and S countries (1% improvement between the two periods), suggesting that extended or limited improvements in macroeconomic policy bring no difference in terms of their results.

Another way of looking at the Bank's statistics is to compare the proportion of countries in which difference in GDP per capita between the two periods denotes a measure of relative 'success'. If we set the 'success' threshold at 1%, we find that 50% of the L countries were 'successful', versus 56% of the S group, and 27% of the D group. Again, while D countries perform worse, there is no substantial difference between the L and S groups.

Additional interesting aspects emerge if we adjust the figures in Table 1 for the effects of external factors. In its report, the Bank dismisses the effects of external factors by arguing that they do not fully explain the changes in growth performance. The Bank calculates the expected rate of growth due to changes in net transfers and the change due to the shifts in terms of trade (see Ibid: Table A.15, p. 241). The two external factors are first compared separately, and then computed together against the actual changes in GDP per capita average rates of growth. The Bank's interpretation is that '[e]ven when the two sources of external income are added together, these external factors still explain only part of the increase in growth' (Faruqee, 1994:137). An alternative hypothesis is that external factors do not explain all the variation because the marginal effect is due to SA itself (other factors being equal). If this is the case, and we calculate the difference between the expected values of growth due to external effects and the actual values, we can have a proxy for the net effect of adjustment (see Table 1, last two columns). This computation shows that L countries are still the best performers, with a 2.3% difference between the two periods, but if we exclude Nigeria, we find that S countries outperform L ones (1.4% versus 0.7%), while D countries show an average of -1.5%. Schatz also noted that

[If the eight countries with annualized changes in external income ... of 0.5% per cent or more between 1981-6 and 1987-91, seven experienced growth acceleration and only one encountered a decline ... (T)he important point here is not that these changes in external income accounted for only part of the differences in economic performance. It is that they did account for the part that was evidently significant (Schatz, 1994:687).]

If we look at the proportion of countries which passed the 'success' threshold (1% increase in GDP per capita between the two periods), the adjusted figures for L and S groups remain virtually the same (50% and 56%), but for D countries it increases from 27% to 36%.

Another way of verifying the robustness of the Bank's argument is to use different time periods and a different GDP indicator. The report claims 'robust outcomes' (Ibid:
Table 2: Analysis of Real GDP: Macroeconomic Policy Improvement
(time periods: 1980-85, 1986-91)

<table>
<thead>
<tr>
<th>Countries with large improvement in macroeconomic policy (6)</th>
<th>Average Rate of Growth</th>
<th>Difference between the two periods (% points)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1980-85</td>
<td>1986-91</td>
</tr>
<tr>
<td>Median</td>
<td>1.9</td>
<td>3.9</td>
</tr>
<tr>
<td>Mean</td>
<td>2.0 (2.5)</td>
<td>4.1 (0.6)</td>
</tr>
<tr>
<td>Mean without Nigeria</td>
<td>2.7 (2.1)</td>
<td>4.0 (0.6)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Countries with small improvement in macroeconomic policy (9)</th>
<th>Average Rate of Growth</th>
<th>Difference between the two periods (% points)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1980-85</td>
<td>1986-91</td>
</tr>
<tr>
<td>Median</td>
<td>1.7</td>
<td>3.4</td>
</tr>
<tr>
<td>Mean</td>
<td>1.3 (2.0)</td>
<td>3.2 (1.3)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Countries with deteriorating macroeconomic policy (11)</th>
<th>Average Rate of Growth</th>
<th>Difference between the two periods (% points)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1980-85</td>
<td>1986-91</td>
</tr>
<tr>
<td>Median</td>
<td>2.0</td>
<td>0.9</td>
</tr>
<tr>
<td>Mean</td>
<td>2.9 (4.5)</td>
<td>0.6 (2.0)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Unclassified countries (3)</th>
<th>Average Rate of Growth</th>
<th>Difference between the two periods (% points)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mean</td>
<td>4.3 (3.5)</td>
<td>3.3 (0.5)</td>
</tr>
</tbody>
</table>

Note: Country classification: see Table 1; Source for Real GDP per capita: abstracted from World Bank (1993).

(264) because choosing different policy indicators or time periods did not alter the correlation between policy reform and growth (Ibid: 264-266). I find it unusual that the Bank deals with three combinations of time periods in which the first period always ends with 1986 (1981-86 to 1987-91, 1981-86 to 1990-91, and 1985-86 to 1990-91). Also, the Bank uses GDP per capita, which is a stricter indicator than real GDP because of the generally high rates of population growth in African countries. Showing improvements in GDP per capita under these conditions is harder than in terms of GDP. However, GDP is a more appropriate indicator in comparisons between time periods, because it follows the performance of the economy independently from the changes in population growth. I have therefore used real GDP growth instead of GDP per capita, and 1980-85 to 1986-91 comparison instead of 1981-86 to 1987-91. Table 2 shows the results of this comparison.

We can see that L countries improved by an average 2.0% (median 1.8%) between the two periods, S countries by 1.9% (median 1.8%), and D countries deteriorated by -2.3% (median -1.1%). We still have a substantially worse performance in D countries, but not a great difference between large and small adjusters. If we take out Nigeria, the picture becomes even more troublesome for the Bank, because L countries on average improved less than S countries (1.2% versus 1.9%).

Finally, we can analyze the effects of improving macroeconomic policies on growth in relation to the condition of the various countries in 1981-86 (see Table 3). I grouped together all the countries which had a negative average rate of growth in 1981-86. Looking at the difference between 1981-86 and 1986-91, we can see that 13 out of 16 countries experienced an improvement, regardless of their Bank classification status. Among these, L countries improved more than S countries, and S countries more than D countries. In the group of countries with a positive average GDP rate of growth 1981-86, 11 out of 12 deteriorated in the following period, regardless of their Bank scores. Again, among positive starters, L countries deteriorated less than S countries, and S countries less than D countries. The point is that S and D countries among the negative starters improved more than L positive starters. This means that the correlation between the level of GDP per capita of the various countries in 1981-86
and their increase in growth performance between the two periods is more solid than the correlation between policy improvement and growth. The latter correlation is relevant only when the first condition (economic performance in 1981-86) is satisfied.

These results do not undermine the argument that improving countries perform better than deteriorating countries in the same initial situation. Rather, they question how much the difference in performance between the two periods is due to macroeconomic policies and how much is due to being in a recession or expansion period. Economies in a bad conjunctural or cyclical situation are indeed more prone to show improvements in growth than economies in a favourable situation.

The second implication of this analysis concerns the argument made by the defenders of the IFIs stating that ‘simple before and after comparisons do not take into account the adverse selection represented in the sample of the countries turning to the Fund or the Bank: their economic plight is far worse than most developing countries’ (Kahler, 1992:99). As far as Africa is concerned, we have seen that being in an adverse situation actually results in higher growth in the following period. Therefore; the bias is favouring the apparent effects of SA in those countries.

The simple analyses provided in this section have shown that the claim made by the Bank that improving macroeconomic policies yields higher growth rates – therefore
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more adjustment is needed in Africa – is grossly unspecified and relies on weak evidence. The farthest the argument can justifiably be pushed is that some policy improvement is essential, but it is not clear at all if large improvements bring better results than small improvements. The Bank's argument holds up for the most part on the basis of the particular performance of Nigeria, and the peculiar choice of time periods and GDP indicator. It is also not clear how much of the improvement in economic performance is due to SA and how much it is linked to the situation of the various countries in 1981-86. The last point is pursued further in the next section.

The Temporal Dynamics of Structural Adjustment

One of the claims often made by the Bank is that if African countries had not become involved in SAPs in the 1980s, the economic situation of Africa would be worse than it actually is – the so-called counterfactual argument. While a decline in growth would have been reasonably expected without some reforms (as the performance of the D countries suggests), in the last section we have seen that the extent of recovery due to SA itself is not clear enough.

An alternative way of looking at the impact of SA is to construct a time-analysis of the dynamics of GDP performance. One of the possible methods is to set all the countries back to the time when they signed their first SAP, thus placing all of them on the same starting line. In standard before-after analyses, given the particular contingencies of the economic conditions in any year, the comparison of GDP performance of various countries in fixed time periods might be biased by external effects such as the conditions of the international economy, trade and prices, and the vagaries of the weather, so that we are not sure about the net effect of SA on GDP growth. Also, as the various countries are at different stages of their adjustment programmes in any given year, it is difficult to gauge the temporal dynamics of SA in general. We can solve the time bias only partially, because many countries signed their first agreement in 1985-87; therefore, some level of distortion is still present. However, by setting all the countries back at the same point of departure, we can give an approximate idea of their economic performance before and after they agreed to their first SAP, and the effects of their successive reiterations.

By choosing to use the reiteration of programmes as a proxy for adjustment, I am aware that reiteration does not tell us if and how structural adjustment measures were effectively and substantially implemented. Some improvements might be expected, but in many cases progress is not continuous and linear. Because the policy improvement analysis in AA refers to changes based on five-six year time periods, it cannot be used in a year by year analysis. Also, the time-analysis carried out here is highly aggregate, and I do not claim any sort of robustness in the results. The standard deviation of the average of real GDP in any year is particularly high, denoting wide variations in singular experiences. Further disaggregation to year-by-year changes and to individual country experiences provides, however, a direction for future research.

In order to construct the time analysis, I gathered all the SAPs signed by African countries since 1980 either with the Bank or the IMF (Table A1, in Appendix). Then, I set the period of formal engagement. A country is considered under SA from the time when it signs the first SAP (entry year) and as long as it reiterates it. In Table A2 (in Appendix) I distributed the rates of growth of real GDP according to each country's entry year and as long as they are involved in SA with the IFIs. If a country dropped
off, the last year considered is the year when the last SAP was due to expire. If a country has dropped off, and then re-engaged after a time-lag, only the second period is considered. Figure 1 (which is derived from these data) gives an idea of the dynamics of real GDP before and after the entry year, following the annual mean and median rates of growth.

If we consider pre-adjustment as the period up to the entry-year excluded, and we average the annual medians of the rate of growth between year -10 and the entry year, we find a figure of 2.8%, versus a 3.1% figure during SA. This fact by itself would suggest that SA brought an increase of only 0.3%. However, if we consider the trend, the rates of growth of real GDP drop at the end of the pre-adjustment period and increase during SA. If Nigeria is excluded from the calculation, the aggregate time-path changes only slightly. Thus, SA would seem at first sight to have saved Africa from a complete economic collapse, but this interpretation is misleading.

In many cases, adjusting countries have implemented few of the recommended measures and with substantial delays (Mosley, Harrigan and Toye, 1991; Mosley, 1992). Some of the policy reforms implemented in the first years of SA are stabilization measures, which are normally regarded as growth constraining. It is also true that some adjusting countries are required to implement some reforms before signing the SAP with the IFIs, or have already implemented certain reforms by themselves. However, as Gulhati (1990) has pointed out, the impact of structural adjustment in terms of supply response is likely to be felt mostly in the long term. GDP figures do not react immediately to economic reforms because of the rigidities of the economy in African countries (Killick, 1995), and indeed the Bank itself has always cautioned against short term expectations.

The question of timing is particularly important here. If we look at what happens during the entry year, we observe that the countries have already recovered from the low record of year -2. The upward trend continues in year one and year two. The interpretation of this trend is important in relation to the solidity of the counterfactual argument. The usual way the Bank rebukes criticism of SA is by claiming that adjusting countries would have been in a worse situation if they did not implement their reforms. By looking at what happened during the few years right before the (supposed) implementation of SA measures, we can see that the countries which signed their SAPs were already recovering by themselves. The fact that some reforms
are not carried out at all, or only with substantial delays, further strengthens the point that the recovery registered in the first one-two years of SA is hardly attributable to policy change. (Further research is needed on this point to determine the exact timing of different types of reforms on a country by country basis).

In the previous section, we have already seen that the economic situation of the various countries in 1981-86 mattered more than improvement in policies in terms of their performance in 1987-91. In this section recovery in economic performance seems to have begun before SAPs deployed their ‘weapons’. The question is then, how much is due to SA, how much is ‘luck’, and how much is due to other determinants?

The Policy Stance Analysis

The second part of the Bank argument links better economic policy with higher GDP performance. As the Bank rightly points out, macroeconomic discipline is not only a question of change, but also of how far the countries have progressed towards sound policy stances (World Bank, 1994a:142-143). Some countries are dramatically improving their macroeconomic policy, but are still far away from what the Bank considers to be an ‘adequate’ stance (Tanzania is the archetypal example).

In order to evaluate policy stance it is more appropriate to compare the rates of growth in different countries during a particular time period, rather than the differences between time periods as in the improvement analysis. In Table 4, I compare the countries that in 1990-91 were considered by the Bank at adequate (A) and fair (F) levels of macroeconomic policy stance with those which had a poor (P) or very poor (VP) levels (for the criteria used by the Bank, see Ibid: Table B.5, pp. 268-269). The first group has an average rate of growth in 1987-91 of 0.2% (0.1% without Nigeria), while the second group shows an average of -2.1%. Further disaggregation of data in groups of countries with adequate (A), fair (F), poor (P) and very poor (VP)

### Table 4: Analysis of GDP per Capita: Macroeconomic Policy Stance*

<table>
<thead>
<tr>
<th>Macroeconomic Policy Stance</th>
<th>Average Rate of Growth (Real GDP) 1980-85</th>
<th>1986-91</th>
<th>Difference between two periods (% points)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adequate or Fair Macroeconomic Policy Stance (14)</td>
<td>Median</td>
<td>-1.2</td>
<td>0.4</td>
</tr>
<tr>
<td></td>
<td>Mean</td>
<td>-1.0 (2.1)</td>
<td>0.2 (1.5)</td>
</tr>
<tr>
<td></td>
<td>Mean without Nigeria</td>
<td>-0.7 (1.9)</td>
<td>0.1 (1.4)</td>
</tr>
<tr>
<td></td>
<td>Median F countries</td>
<td>-0.9</td>
<td>0.3</td>
</tr>
<tr>
<td></td>
<td>Mean F countries</td>
<td>-0.9 (2.2)</td>
<td>0.1 (1.6)</td>
</tr>
<tr>
<td></td>
<td>Mean F countries without Nigeria</td>
<td>-0.6 (1.9)</td>
<td>-0.1 (1.4)</td>
</tr>
<tr>
<td>Poor or Very Poor Macroeconomic Policy Stance (12)</td>
<td>Median</td>
<td>-0.9</td>
<td>-2.2</td>
</tr>
<tr>
<td></td>
<td>Mean</td>
<td>-1.0 (3.3)</td>
<td>-2.1 (3.2)</td>
</tr>
<tr>
<td></td>
<td>Median P countries</td>
<td>0.1</td>
<td>-2.2</td>
</tr>
<tr>
<td></td>
<td>Mean P countries</td>
<td>-0.8 (2.2)</td>
<td>-1.7 (2.4)</td>
</tr>
<tr>
<td></td>
<td>Median VP countries</td>
<td>-2.7</td>
<td>-1.5</td>
</tr>
<tr>
<td></td>
<td>Mean VP countries</td>
<td>-1.1 (4.4)</td>
<td>-2.5 (4.0)</td>
</tr>
</tbody>
</table>

Notes: * World Bank classification (1994a, Table B.5, p. 268). A = Adequate (Ghana); F = Fair (Burkina Faso, Burundi, Gabon, The Gambia, Kenya, Madagascar, Malawi, Mali, Mauritania, Nigeria, Senegal, Togo and Uganda); P = Poor (Benin, Central African Republic, Niger, Rwanda, Tanzania and Zimbabwe); VP = Very Poor (Cameroon, Congo, Cote d'Ivoire, Mozambique, Sierra Leone and Zambia). Chad, Guinea, and Guinea-Bissau are not included for lack of macroeconomic policy stance score.
Table 5: Analysis of GDP per Capita: Market Quality Stance*

<table>
<thead>
<tr>
<th></th>
<th>Average Rate of Growth</th>
<th>Difference between the two periods</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(Real GDP)</td>
<td>(% points)</td>
</tr>
<tr>
<td></td>
<td>1980-85</td>
<td>1986-91</td>
</tr>
<tr>
<td><strong>Countries with limited market intervention (7)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Median</td>
<td>-0.2</td>
<td>2.0</td>
</tr>
<tr>
<td>Mean</td>
<td>0.1 (3.4)</td>
<td>1.7 (1.0)</td>
</tr>
<tr>
<td>Mean without Nigeria</td>
<td>1.0 (2.8)</td>
<td>1.6 (1.1)</td>
</tr>
<tr>
<td><strong>Countries with medium market intervention (18)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Median</td>
<td>-1.2</td>
<td>-1.1</td>
</tr>
<tr>
<td>Mean</td>
<td>-1.2 (2.6)</td>
<td>-1.3 (2.8)</td>
</tr>
<tr>
<td><strong>Countries with high market intervention (4)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Median</td>
<td>1.1</td>
<td>-1.4</td>
</tr>
<tr>
<td>Mean</td>
<td>0.6 (3.4)</td>
<td>-1.3 (1.4)</td>
</tr>
</tbody>
</table>


policies, confirms the tendency for countries with 'better' levels of macroeconomic policy to have higher average growth rates than countries with 'worse' levels.

A first observation has to be made about the classification: the Bank classifies a country in the F group if it has a score between 1.4 and 2.3 and in the P group if it has a score between 2.4 to 3.0. This classification is completely arbitrary, as acknowledged by the Bank (Ibid: 267). There are several countries with a score of 2.2, two countries with a score of 2.3 (Uganda and Mali), one country with 2.4 (Central African Republic), and other countries with 2.6 (Niger) or more. Since there is a gap between the scores of the Central African Republic and Niger, it would have been more appropriate to classify the former in the F group, unless the Bank has other (unrevealed) motives not to do so. If the Central African Republic is put into the F countries, A and F countries have an average rate of growth in 1987-91 of 0% (-0.2% without Nigeria); F countries alone of -0.1% (-0.3% without Nigeria); and P countries of -2.0%. The difference in the results of the two alternative classifications is minimal, but in the second the average rate of growth per capita of F countries becomes negative. This fact has its symbolic connotation, especially if we recall the Bank's claim that 'it is the rate of growth itself that ultimately matters' (Ibid: 142; original emphasis).

The next step is to analyze the relation between market quality stance and growth rates (Table 5). The countries are divided in three groups, based on the Bank scores on governmental intervention in markets in late 1992 (see Ibid: Table A.13, p. 239). Countries with limited market intervention have an average rate of growth in 1987-91 of 1.7% (1.6% without Nigeria). Countries with medium market intervention have an average of -1.3%, the same figure shown by countries with high market intervention. Table 6 combines macroeconomic and market quality stances. We can see that countries with higher quality macroeconomic policies and markets fare better than those with lower quality -0.3% (0.1% without Nigeria) versus -1.9%. My arrangement of the data differs from the one made by the Bank, but the results are similar. No attempt is made in AA to compare differences in public sector reforms, because there have been few changes so far in African countries.
At first sight, the stance analysis seems to suggest that better policy quality invariably boosts higher growth rates. The Bank argues that in evaluating SA in Africa it is the rate of growth itself that matters in the long term. If we take this statement literally, and look at the countries which show the best combination of macroeconomic and market scores, we find an average rate of growth of GDP per capita of 0.3% 1987-91 (0.1% without Nigeria). Such a level of growth is ludicrous if used as the base for arguing for ‘success’ of SA in Africa, especially if we consider the very low levels of GDP per capita from which African countries depart. For the sake of comparison, in low- and middle-income countries in South Asia, GDP per capita grew with an average of 3% per year in 1980-92, and in East Asia of 6% per year. In the same period, the ‘other’ African countries not included in the Bank study (Botswana, Lesotho, Mauritius, and Swaziland) grew with an average of 3.2% (see World Bank, 1994b; data on Namibia not available).

The Bank justifies the low levels of growth in African countries by arguing that policy levels are not adequate yet, implying that if they were adequate, growth rates would be higher. Thus, the Bank calls for further movement towards improved policies. The indirect claim is that the countries which show adequate or fair macroeconomic policy stances in 1990-91 will grow even more if they further improve their policies. The following example will show that this is more an article of faith than an empirically tested argument.

In AA, the Bank correlates improvements in macroeconomic policy with the changes in the rates of growth per capita between two periods, and links the policy stance of the various countries in 1990-91 with their rate of growth in 1986-91. The Bank does not provide, among other things, an evaluation of the policy stance for 1981-86. Instead of scoring the situation of the various countries in 1981-86 and compare the two scores, it scored the differences in individual indicators. In this way, it is not clear what is the level of macroeconomic policy stance from which the improvement analysis departs.

### Table 6: Analysis of GDP per Capita: Combined Macroeconomic and Market Quality Stance*

<table>
<thead>
<tr>
<th>Group A (countries with ‘best’ combined macroeconomic and market quality stance) (12)</th>
<th>Difference between the two periods (% points)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1980-85 (Real GDP)</td>
<td>1986-91</td>
</tr>
<tr>
<td>Median</td>
<td>-1.2</td>
</tr>
<tr>
<td>Mean</td>
<td>-1.1 (1.9)</td>
</tr>
<tr>
<td>Mean without Nigeria</td>
<td>-0.7 (1.6)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Group B (countries with ‘worst’ combined macroeconomic and market policy stance) (14)</th>
<th>Difference between the two periods (% points)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1980-85 (Real GDP)</td>
<td>1986-91</td>
</tr>
<tr>
<td>Median</td>
<td>-0.9</td>
</tr>
<tr>
<td>Mean</td>
<td>-0.9 (3.3)</td>
</tr>
</tbody>
</table>


Scores based on the following matrix shown right (Limited/Medium/Heavy indicates market stance (1992); Good/Adequate/Poor/Very Poor is macroeconomic policy stance (1990-91). Sources for GDP per capita: see Table 1. Sources for macroeconomic policy stance: see Table 4. Scores for market quality stance: see Table 5.
In order to provide a stance evaluation of macroeconomic policy for 1981-86, I used the data that the Bank employs as a base reference to calculate the differences between the two periods in its improvement analysis. I constructed a stance index of macroeconomic policy by scoring the various indicators with the same criteria used by the Bank in formulating the stance analysis in 1990-91.3 The results are shown in Table 7 (second and third columns). I found that, in 1981-86, eight countries had a fair macroeconomic stance,4 with an average rate of growth of 0.1%; eleven countries had

### Table 7: Analysis of GDP per Capita: Macroeconomic Policy Stance in 1981-86

<table>
<thead>
<tr>
<th>Countries with fair macroeconomic policy stance in 1981-86</th>
<th>Average Rate of Growth (GDP per Capita) in 1981-86</th>
<th>Macro Policy Stance Score (in 1981-86)</th>
<th>Macro Policy Grade</th>
<th>Median Score Grade in 1990-91</th>
<th>Difference (%) between 1981-86 and 1987-91 GDP per capita</th>
</tr>
</thead>
<tbody>
<tr>
<td>Burkina Faso</td>
<td>2.2</td>
<td>2.4</td>
<td>L</td>
<td>2.0(F)</td>
<td>-1.8</td>
</tr>
<tr>
<td>Burundi</td>
<td>2.1</td>
<td>2.4</td>
<td>S</td>
<td>1.7(F)</td>
<td>-0.9</td>
</tr>
<tr>
<td>Cameroon</td>
<td>4.6</td>
<td>2.1</td>
<td>D</td>
<td>3.2(VP)</td>
<td>-12.5</td>
</tr>
<tr>
<td>Cote d'Ivoire</td>
<td>-4.2</td>
<td>2.3</td>
<td>D</td>
<td>3.1(VP)</td>
<td>-2.6</td>
</tr>
<tr>
<td>Gabon</td>
<td>-2.7</td>
<td>1.7</td>
<td>D</td>
<td>2.1(F)</td>
<td>0.8</td>
</tr>
<tr>
<td>Gambia, The</td>
<td>1.2</td>
<td>2.4</td>
<td>L</td>
<td>1.7(F)</td>
<td>-0.9</td>
</tr>
<tr>
<td>Rwanda</td>
<td>0.4</td>
<td>2.0</td>
<td>D</td>
<td>2.7(P)</td>
<td>-5.4</td>
</tr>
<tr>
<td>Togo</td>
<td>-2.8</td>
<td>2.3</td>
<td>D(=)*</td>
<td>2.2(F)</td>
<td>1.4</td>
</tr>
<tr>
<td>Mean</td>
<td>0.8</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mean</td>
<td>0.1</td>
<td></td>
<td></td>
<td>(3.0)</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Countries with poor macroeconomic policy stance in 1981-86</th>
<th>Average Rate of Growth (GDP per Capita) in 1981-86</th>
<th>Macro Policy Stance Score (in 1981-86)</th>
<th>Macro Policy Grade</th>
<th>Median Score Grade in 1990-91</th>
<th>Difference (%) between 1981-86 and 1987-91 GDP per capita</th>
</tr>
</thead>
<tbody>
<tr>
<td>CAR</td>
<td>-0.1</td>
<td>2.8</td>
<td>D(L)**</td>
<td>2.4(F)</td>
<td>-2.7</td>
</tr>
<tr>
<td>Congo</td>
<td>4.1</td>
<td>3.0</td>
<td>D</td>
<td>3.3(VP)</td>
<td>-4.8</td>
</tr>
<tr>
<td>Ghana</td>
<td>-2.4</td>
<td>2.9</td>
<td>L</td>
<td>1.2(A)</td>
<td>3.7</td>
</tr>
<tr>
<td>Kenya</td>
<td>-0.5</td>
<td>2.6</td>
<td>S</td>
<td>2.0(F)</td>
<td>1.4</td>
</tr>
<tr>
<td>Madagascar</td>
<td>-3.7</td>
<td>2.7</td>
<td>S</td>
<td>1.8(F)</td>
<td>1.6</td>
</tr>
<tr>
<td>Malawi</td>
<td>-1.4</td>
<td>3.0</td>
<td>S</td>
<td>1.9(F)</td>
<td>2.1</td>
</tr>
<tr>
<td>Mali</td>
<td>0.4</td>
<td>2.9</td>
<td>S</td>
<td>2.3(F)</td>
<td>-1.6</td>
</tr>
<tr>
<td>Mauritania</td>
<td>-0.9</td>
<td>3.0</td>
<td>S</td>
<td>2.2(F)</td>
<td>-0.1</td>
</tr>
<tr>
<td>Niger</td>
<td>-4.9</td>
<td>2.5</td>
<td>S(=)*</td>
<td>2.6(P)</td>
<td>2.5</td>
</tr>
<tr>
<td>Nigeria</td>
<td>-4.6</td>
<td>3.0</td>
<td>L</td>
<td>2.2(F)</td>
<td>7.0</td>
</tr>
<tr>
<td>Senegal</td>
<td>0.4</td>
<td>2.9</td>
<td>S</td>
<td>2.2(F)</td>
<td>-0.6</td>
</tr>
<tr>
<td>Mean</td>
<td>-0.9</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mean without Nigeria</td>
<td>-1.2 (2.6)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Countries with very poor macroeconomic stance in 1981-86</th>
<th>Average Rate of Growth (GDP per Capita) in 1981-86</th>
<th>Macro Policy Stance Score (in 1981-86)</th>
<th>Macro Policy Grade</th>
<th>Median Score Grade in 1990-91</th>
<th>Difference (%) between 1981-86 and 1987-91 GDP per capita</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mozambique</td>
<td>-5.9</td>
<td>3.3</td>
<td>D</td>
<td>3.7(VP)</td>
<td>7.6</td>
</tr>
<tr>
<td>Sierra Leone</td>
<td>-2.1</td>
<td>3.3</td>
<td>D</td>
<td>3.9(VP)</td>
<td>2.9</td>
</tr>
<tr>
<td>Tanzania</td>
<td>-1.7</td>
<td>3.7</td>
<td>L</td>
<td>2.7 (P)</td>
<td>3.0</td>
</tr>
<tr>
<td>Uganda</td>
<td>-1.5</td>
<td>3.5</td>
<td>L</td>
<td>2.3 (F)</td>
<td>4.3</td>
</tr>
<tr>
<td>Zambia</td>
<td>-3.2</td>
<td>3.3</td>
<td>D</td>
<td>4.0 (VP)</td>
<td>0.9</td>
</tr>
<tr>
<td>Zimbabwe</td>
<td>0.3</td>
<td>3.3</td>
<td>L</td>
<td>2.6 (P)</td>
<td>0.7</td>
</tr>
<tr>
<td>Mean</td>
<td>-1.9</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mean</td>
<td>-2.4 (2.1)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Notes: * See endnote 5; A score of 2.4 is considered fair here. Benin, Chad, Guinea and Guinea-Bissau not included for lack of data on at least one of the three main indicators of macroeconomic policy stance in 1981-86.

Sources: Scores for 1990-91: World Bank (1994a: Table B.5, pp. 268-269). The overall score comes from the average of the scores on fiscal policy, monetary policy, and exchange rate policy. Scores for 1981-86 based on the same system used by the World Bank for 1990-91. Data on individual indicators for the period 1981-86: overall fiscal balance including grants (Ibid.: Table A.2, pp. 224-5); seignorage and inflation (Ibid.: Table A.3, p. 226); real interest rate (Ibid.: Table A.4, p. 227); parallel market exchange rate premium (Ibid.: Table A.5, p. 228). The change in the real effective exchange rate is calculated from UNDP and World Bank (1992).
a poor stance with a rate of growth of -1.2% (-0.9% without Nigeria); and five countries had a very poor stance, with a rate of growth of -2.4%. Again, the stance analysis in itself shows that better macroeconomic policies were linked with higher growth rates in 1981-86.

Two comments have to be made here. First, only one of the F countries in 1981-86 had been engaged in a SAP before 1986 (Togo). This means that SA lending had hardly anything to do with the differences in performance at that time. Second, between the two periods, SAPs brought one country to the A level (Ghana), and the number of countries with F levels from 9 to 15. The level of growth for the A group (1.3%) relies only on one country, thus cannot be generalized. On the other hand, the average rate of growth of the F group increased only from 0.2% in 1981-86 to 0.4% (0.2% without Nigeria) in 1987-91. This means that the overall situation in Africa is better in the second period because more countries now have fair levels of macroeconomic policy, but it also means that fair levels can guarantee only that particular level of growth, and not more.

In order to understand the links between the movement from one category to another and the responses in economic performance, it is necessary to integrate the stance analysis in 1981-86 with the improvement analysis. The last three columns in Table 7 summarise the results. If we focus on the countries which experience deterioration or no change in macroeconomic policy stance between the two periods, we can see that if they moved from a 'higher' category to a 'lower' category they suffered a decline in economic performance (Benin, Cameroon, Congo, Cote d'Ivoire and Rwanda). If they remained within the F group, they experienced a positive increase in their rate of growth, indicating that deterioration within an acceptable range, or stasis at the F level does not necessarily hurt (Gabon and Togo). If they deteriorated or stayed unchanged, but remained within the P or VP groups, they also increased their economic performance (Niger, Mozambique, Sierra Leone, and Zambia). In the case of the VP countries, the point is that if macroeconomic policy is very poor to begin with, policy-making deterioration is randomly related to growth performance. In sum, except in extreme cases, macroeconomic policy deterioration does not foster growth.

Small and large improvements of macroeconomic policy with a P stance in 1981-86 and movement up to F levels brought higher growth rates in 5 out of 9 cases (Ghana, Kenya, Madagascar, Malawi, and Nigeria). In the four cases where this did not happen (Central African Republic, Mali, Mauritania, and Senegal), it was when P countries reached the lowest levels of the F range. This suggests that only when an improvement is coupled with reaching a certain threshold within the F range of macroeconomic policy quality, economic performance enhanced – Nigeria being an exception once again. Economic performance is also enhanced when countries pass from VP to P levels (Tanzania and Zimbabwe), and even more so when a country jumps from the VP to the F level (Uganda).

Finally, all the countries which were already at F levels and had small or large improvements in macroeconomic policy show a deterioration in GDP performance between the two periods (Burkina Faso, Burundi, and The Gambia). The obvious implication is that once a country reaches a fair level of macroeconomic policy, further improvement does not further enhance its economic performance. The fact that Ghana reached the A level and has a higher performance than F countries in 1986-91 might be due to the fact that it had the most impressive movement up the scale in macroeconomic policy, and not because of the reached level of quality itself. This evidence shows that future improvements from fair levels of macroeconomic policy
do not guarantee higher growth rates. Paradoxically, it might be that lack of change or a slight deterioration within the F range brings higher growth rates (as in Togo and Gabon).

In conclusion, better levels of macroeconomic policy entail higher rates of growth, but only when the movement is made from the lowest levels of policy quality, that is to say, only when gross imperfections are removed. When a country reaches a fair level of macroeconomic policy, further improvements, thus higher stance levels, *per se* do not boost higher growth rates.

**Conclusion**

Is the ‘success’ of SA in Africa as claimed by the Bank compatible with the findings presented in this article? In a re-evaluation of the improvement argument, we have seen that if *some* adjustment favours higher rates of growth than *none*, large improvements in macroeconomic policy do not evidently yield higher benefits than small improvements. Much of the divergent performances of large improvers and small improvers cannot be attributed to SA itself but rather to the particular type of classification used by the Bank – in particular, the inclusion of Nigeria in the group of large improvers, and the particular choice of GDP indicator and time periods.

Moreover, SA is not the only factor to shape the changes in economic performance. We have seen that macroeconomic policy changes are relevant for growth only in subordination to the initial condition of the various economies. Finally, if we consider the time dynamics of growth before and during SAPs, we find that some of the recovery that the Bank attributes to SA had already taken place before SAPs could affect economic performance.

The second part of the Bank’s argument (better policies pay off) stands up to scrutiny only if we ‘freeze’ the situation, without looking at relative movements from different levels of policy quality. The fact that countries with the best levels of macroeconomic policy and market quality achieve very low levels of growth is a failure by itself. Moreover, the Bank’s declaration that higher rates of growth can be achieved by an undifferentiated improvement towards better economic policy making (in Bank’s standards, obviously) is no more than an assertion. The point emerging from my revision of the Bank’s stance analysis is that beyond the correction of gross distortions in economic policy, African countries need *something else* to achieve higher rates of growth.

The fact that African countries need debt relief and investment in human capital, infrastructure, and institution building is not a new point in the literature on SA in Africa. This is not the place to repeat at length all the different nuances of the alternative development strategies for Africa. The nature of the interventions for a long-term development perspective for Africa have been put forward in a number of publications, and have been acknowledged by the Bank, at least at the rhetorical level (for example, the 1994 *World Development Report* on infrastructure for development). Yet, *AA* dedicates one page only to the need for debt reduction, and one page only to human and institutional capacity building, good governance, and appropriate infrastructure altogether (World Bank, 1994a:214, and Box 1.4: p. 37).

By generally calling for ‘more adjustment, and not less’, the Bank is on the wrong track. In some situations, where economic policy is grossly distorted, certain types of adjustments are needed, but in other cases, growth cannot be resumed at decent levels
if country-specific long term interventions are not taken. If SA in Africa was necessary, it was not sufficient, and the low rates of growth of the countries with the best levels of macroeconomic and marketing policy are there to testify to this. If Adjustment in Africa suggests something about SA, it is less the need for more adjustment, and more the Bank's failure to adopt an adequate long-term strategy for Africa.

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Endnotes


3. I scored the macroeconomic policy stance in 1981-86 using the same scoring methods the Bank applies to evaluate the stance in 1990-91. Since the Bank does not explicitly set the boundaries in scoring the individual indicators (fiscal balance, seignorage, inflation, real interest rate, parallel market exchange premium, and change in the real effective exchange rate), I had to set some of the scores in 1981-86 arbitrarily. For example, the Bank says that an extremely high exchange rate premium is equivalent to a score of 4, while a high premium gets a score of 3. In 1990-91, the lowest level we find in the first group is 62.6% (Mozambique), while only Rwanda is in the second group, with a figure of 47.5%. Since the Bank does not specify the borderline between the two groups, and the values in 1981-86 are not scored, I decided to set the borderline half way between the extreme values of the two groups in 1987-91 (in this case 55%).

4. I set the lowest score for the F group at 2.4, as in my revision of the 1990-91 stance analysis. This change allows to construct a more meaningful comparison between F countries in 1981-86 and F countries in 1987-91. Four countries have a score of 2.4 in 1981-86. If we consider this score at the F level, only five countries are within the F level of macroeconomic policy stance in 1981-86. If we consider it as a F level score (on the grounds explained above), we have nine countries in 1981-86, versus 14 countries in 1987-91.

5. The A group is the highest, the VP group the lowest. Note, however, that higher scores denote 'worse' policies. The fact that the Bank scores the differences between the two periods, instead of scoring the two stances separately, gives rise to some inconsistencies. For example, the Bank states that the Central African Republic and Togo deteriorated their macroeconomic policy between the two periods, but my analysis shows that their stance in 1990-91 is better than in 1981-86. The opposite is true for Niger, which shows a worse stance score in 1990-91, but is considered a small improver by the Bank. Since Togo and Niger's stances changed only slightly, they will be considered 'unchanged' here. The Central African Republic will be treated as large improver between the two periods.

### Appendix Table A1: IMF and World Bank Structural Adjustment Lending in Selected SSA Countries

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<tr>
<td>Benin</td>
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<td>1993</td>
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<td>Cameroon</td>
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<td>CAR</td>
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<td>SAP I 1987, SAP II 1988, SAP III 1990</td>
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<td>Chad</td>
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<td>Congo</td>
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<td>Cote d’Ivoire</td>
<td>1981-88</td>
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<td>Gabon</td>
<td>1988-</td>
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<td>Madagascar</td>
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<td>Nigeria</td>
<td>1986-</td>
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<td>Rwanda</td>
<td>1991-</td>
<td>SAP I 1991</td>
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<td>Sierra Leone</td>
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<td>Tanzania</td>
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**Notes**  
SAF = Structural Adjustment Facility; ESAF = Enhanced Structural Adjustment Facility; ERP = Economic Recovery Program; SAP = Structural Adjustment Program; SAL = Structural Adjustment Lending; SPA = Special Programme of Assistance; SFSSA = Special Facility for Sub-Saharan Africa; * Period of formal engagement: a country is considered under structural adjustment from the time when it signs the first of the above agreements with the IMF or the World Bank, and as long as it reiterates them (last observation 1993). Sectoral loans, standby agreements, and loans under the Extended Financial Facility are not considered here; ** The Nigeria case is particular. Nigeria did not formally receive loans from the IFIs under the structural adjustment facilities. The SAP launched in 1986 was accompanied by a $425 million loan by the Bank named 'Trade Policy and Export Development Loan', an IMF Stand-By Agreement for SDR 650 million. However, Nigeria is considered 'adjusting' in the time-analysis of SA. Source for IMF lending: abstracted from International Monetary Fund Annual Report (IMF, various issues). Updated to Dec. 1993 from International Financial Statistics (IMF, Jan. 1994). Source for World Bank lending: abstracted from The World Bank Annual Report (World Bank: issues from 1979 to 1994).
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Making Sense of the Character of Change in Ugandan Society

Nyangabyaki Bazaara

In the Review of African Political Economy No. 63, 1995 ('Reconstructing the Ugandan State and Economy: The Challenge of an International Bantustan'), David Himbara and Dawood Sultan argue that despite the achievements of the NRM government in the field of law and order, 'the revival of a functioning state apparatus in Uganda and a viable economy remains largely illusory'.

This is because the policy making and implementation process within the Ugandan state has been taken over by donors and also that the recurrent and development budget is financed through foreign aid. According to Himbara and Sultan, the Ugandan state and society can be likened to an international bantustan because just like South African bantustans were dependent on the South African state for funds, Uganda is dependent on foreign funds and the role of its state has been reduced to mere enforcement of law and order.

Himbara and Sultan have raised a very important subject to which many Ugandans are focusing their attention as they search for possible alternatives to the current IMF/WB-sponsored policies. Because of its importance, there is need for theoretical clarity, hence this response.

The Indian Entrepreneur and the Theory of the National Bourgeoisie

The starting point of Himbara and Sultan's analysis is a Ugandan economy which is described as having been promising at the time of independence. This promise is supposed to have been based on favourable climatic factors, a dynamic agricultural sector, state-sponsored capitalism and good infrastructure. However, the two authors argue, the economy was riddled with contradictions. 'The principal segment of Uganda's domestic capitalist class was largely Ugandan Indians' who were viewed as an alien group. This conflict culminated in the brutal expulsion of the Indians in 1972. According to Himbara and Sultan, this robbed the Ugandan society of its productive element of the Ugandan bourgeoisie and by implication their return will once again propel Ugandan society forward.

This analysis raises some theoretical questions regarding the theory of a bourgeoisie and their supposed role. It has been fashionable to argue that development in Africa has been hampered because of the absence of a strong entrepreneurial class. The assumptions behind this are usually derived from the English experience of capitalist development and which is in most cases paraded as the model path through which all the remaining pre-capitalist societies will pass to capitalism. This kind of argument is erroneous for two reasons.

First, the development of capitalism in England did not wait for the capitalist class or bourgeoisie to mature and then initiate capitalist development. Rather, its development was a product of the
contradictions within English society, particularly the struggle between the landlords and tenants over the control of surplus. This struggle propelled forward commodity production and eventually the rise and consolidation of the bourgeoisie.

Second, since the English experience of capitalist development no other experiences of capitalist development resembles the previous ones. This is because the previous experiences of capitalist development have had an impact on the socio-economic and political conditions of the pre-capitalist societies and, therefore, providing different contexts within which the new capitalist development will take place.

Coming back to the role of Indians in the Ugandan economy, this group is presented as if they are endowed with 'instinct' for commerce and, therefore, no matter the political and economic conditions they will succeed as entrepreneurs. Yet any one familiar with Uganda's history will not fail to note that the success of a group they term Indians as entrepreneurs was a product of the legal and institutional manipulation by the colonial state. This means that whether the return of Indians will be accompanied by success or not will depend on the institutional context within which they are operating.

Himbara and Sultan present the Indians as the only group of the Ugandan bourgeoisie that is capable of productive activity. The rest, what he terms Mafuta Mingi, are presented as unproductive. There is a problem here of assuming, a priori, that African bourgeoisie are not productive. From the available data, it is clear that there is a group of capitalists whose accumulation is traceable to the Amin regime who have invested in productive ventures. The real question for us is what has been the politics of accumulation and how is that politics resolved and in whose interest? It is in understanding the process of accumulation that we can get insights into the nature of change in the donor-supported and 'driven' economy of Uganda. Otherwise posing questions of whether there can be revival or not or reconstruction or not is misleading. There will always be some form of reconstruction. But in which direction? This leads me to a discussion of the role of the state in processes of accumulation.

Understanding the Ugandan State

According to Himbara and Sultan, the issue is not whose interests the Ugandan state serves (understood in the narrow sense of domestic versus foreign forces) but rather whether the state is 'normal' or 'abnormal' or whether it exists in a 'viable' form or not.

Some years ago there was a discussion about the character of the state in Africa. To some people, it was overdeveloped because it was supposed to be a bourgeois state hanging above pre-capitalist societies. Critics were quick to point out that the issue was not whether it was developed or not but rather what that state was capable of doing or not and why.

Then there were those who argued that the African state was a compradorial state, an instrument of financial capital. But the instrumental view of the state failed to grasp the idea that states are in themselves products of historical processes and that why they can and can not do is also dependent on the political forces at work. Generally, the state in trying to handle contradictions in society will lead to capitalist development but the extent that can happen is dependent on the nature and extent of organisation of the political forces in the wider context.

It would appear that Himbara and Sultan paint a picture of a Ugandan state as an instrument of donors (foreign capital). This is, however, a one-sided analysis which ignores socio-economic differen-
tiation that has been taking place in Uganda and how the resulting forces affect the instrumentality of the state in the interest of the finance capital.

Because of the above weakness in empirical and theoretical terms, the analogy that the Ugandan state is like a Bantustan arm of the South African state is misplaced. And the fact that they argue that there are other countries like Uganda, in other words other Bantustans, the analogy loses force because these countries face specific situations that give each state a different character. Besides there is no unified state in the international arena of which the international Bantustan (read Ugandan) state is an extension. We have to rethink the whole question of the state in the context of a situation where a country’s budget is driven by aid.

Aid and Poverty

It has always been argued that aid brings dependence, it kills national creativity. Much as this is important, it is hardly the issue that is important for the discussion at hand. That Uganda is a dependent economy is very clear from the description. The real issue is in what direction is this dependency taking us? This means that we need to know who is benefiting and who is losing from the aid business. Is the aid spent on acquiring the luxurious pajeros and nissan pathfinders or is it spent in importing hoes? In other words, is the aid money ending up in the hands of the parasitic class or the productive ones? And if the aid is ending up in the hands of productive classes, are these beneficiaries national or non-national? Is the aid helping the poor of Uganda to increase their productive powers or is it leading to their further immiseration?

SAPs and Africa’s Development

The current debate on the crisis of African economies is dominated by the neo-classical school of thought. The blame has been put on the meddling of the state in the economy and that the solution is rolling back the state for the prices to get ‘right’. So far Uganda has been singled out as the model of IMF/WB-sponsored structural adjustment. It is surprising that the analysis does not mention the role of IMF/WB SAPs and the neo-classical theoretical basis. In my opinion any analysis of the crisis or changes in Ugandan society has of necessity to begin with the analysis of the role and impact of IMF/WB-sponsored SAPS on the Uganda society and economy.

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A Counter-trend

Mahmood Mamdani

The following comment is from the inaugural issue of the CBR [Centre for Basic Research] Bulletin (September 1995), Box 9863, Kampala, Uganda. CBR@Mukla.gn.apc.org.

In the days when we were moving from Group for the Study of Labour to Centre for Basic Research, there was a time for discussion and debate. Books and articles that could contribute to a theoretical debate used to be devoured. Then came structural adjustment programmes (SAP). CBR was gradually catapulted into the world of market-responsive production. We began doing research at the sight of a stipend, and attend conferences at the drop of a ticket. Debate and discussion declined, and more or less came to a halt. Everything became stipend-governed. The only seminars held at CBR were seminars to discuss proposals so that one could begin to receive a stipend, or seminars to discuss finished papers so one could get on to a new stipend.

Market-responsive, we began to put out a stream of working papers. Our output was indeed impressive, at least quantitatively. Donors responded with more money, and we with more working papers. Instead of one, people began to get onto two research projects at a time, for it now took two stipends to make ends meet in the new and fast world of SAP.

But we paid a price along the way. Quantity was no guarantee of quality. We began to turn into performing monkeys who could do almost every research trick — on any subject — for the sake of a stipend. Donors liked that, because it suited their changing tastes: the flavour of the year could change from gender, to environment, to governance, and so on. Many of us became ‘specialists’ in several fields: we had a growing reach but little depth. Along the way we forgot that scholarship requires reflection. It cannot be measured in just quantitative output. But who had the time to think these thoughts? Who was going to hold a mirror to others?

When those who had gone outside for post-graduate work returned, they were shocked to see what was beginning to happen to those who had stayed behind, and how rapidly. It is the returnees who first raised a complaint: why is there no discussion? No debate? What happened to the lofty objectives that inspired the setting up of CBR? These ripples of doubt set in motion what I hope will turn into a counter-trend. We began with non-stipend seminars and discussions, and now we have a new initiative: a newsletter, through which we can both convey and share information, and have an organised local debate on issues of interest to us. I wish all of us a bountiful feast. Let ripples grow into waves.

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The Uruguay Round: In Whose Interests?
Lucy Walker

The Briefing reviews the implications of the new World Trade Organisation (WTO), which replaces GATT (General Agreement on Tariffs and Trade), for Africa’s place in international trade. In particular, it is suggested that the WTO, and the new disputes procedure, are unlikely to improve Africa’s relative position in the world capitalist system and may, in some important respects, even undermine it.

The original text of the GATT was not strong on the detail of how procedures for decision making, for enforcing the implementation of decisions, for amending the agreement, and for resolving disputes, should be implemented. As a result, many of these procedures were developed through a process of custom and practice, or trial and error. The problem with such a process is that, inevitably, the most powerful countries are able to dominate its development, and thus the resulting procedures are biased in their favour.

The World Trade Organisation (WTO) set up as a result of the Uruguay Round negotiations is intended to change all this. Developing countries were exhorted to become involved in the negotiations because it is in their interests to achieve a rule-based system which is clear, simplified, and which will ensure an enforceable dispute resolution procedure — exactly the type of system which the WTO will administer and oversee. Or this is how it is reported. The reality is somewhat different: an examination of the detail of the WTO agreement, and the Understanding on Rules and Procedures Governing the Settlement of Disputes, reveals that little of a substantive nature has changed, and that the domination of GATT by the large industrialised countries, and the US in particular, has been increased, rather than the reverse.

The World Trade Organisation

In the text of the old GATT, decisions were to be taken by majority vote. This meant, however, that the industrialised countries, and particularly the United States, theoretically could be outvoted by the developing countries. The practice developed, therefore, of making decisions by consensus to ensure that the economic muscle of the strongest countries prevailed. But the use of consensus also has its problems: use of the veto can, and did, block decision-making, leading to gridlock. Despite assertions that the Uruguay Round negotiations would change all this, consensus remains at the heart of the WTO. The role of developing countries in the development of consensus, however, has been made much more difficult. Previously, the process of achieving consensus included canvassing the opinions of countries that could not be present at a meeting by phone or fax. Under the WTO, consensus is defined as the absence of formal objection by any Member present at the meeting (GATT, 1994:13, fn1). This provision will act to exclude from the decision-making process the many developing countries that do not have the resources to have permanent representation in Geneva, and which cannot afford to send delegates to all the meetings (and there will be many more meetings under the WTO). It will bias the operations of the WTO toward the needs of the most powerful Members.

This bias is increased by the new legal status of the WTO which requires that Members amend their domestic laws, regulations, and administrative procedures to ensure that they conform with their obligations under the Uruguay Round agreements (GATT, 1994:18). This provision has been advertised as being in the interests of developing countries because that interest lies in a world trading
system which is both open to their products, and regulated to ensure adherence to the system. It means that they will have legal recourse when the economically most powerful Members flout GATT rules, as has been so common in the past. However, this argument assumes that the economic power of the industrialised Members will be cancelled out by the legal leverage available to developing countries supplied by the WTO. The reality is that the WTO provides a setting in which decision-making, which determines how the WTO is run, still relies upon consensus, and consensus demonstrably favours the economically most powerful. A system which is so biased in their favour means that regulation holds little threat for the powerful.

The United States certainly does not perceive much of a threat from the WTO. The US Trade Representative (USTR) is confident that 'the United States would be able, as in the past, to pursue its interests by building consensus in support of US positions' not least because 'other WTO members would be very reluctant to alienate the United States from the organisation.' (USGAO, 1994:38, 39). Indeed, the USTR anticipates that given the 'fluid nature of WTO deliberations, the United States could generate enough support to block adoption of any proposed interpretation that it opposed' (USGAO, 1994: 39).

For developing countries, however, the prospect is very different, with huge implications for their sovereignty. First, much of the Uruguay Round agreements is concerned with gaining access to their markets, and enforcing changes in their domestic practices, so as to facilitate the domination of transnational companies (TNCs). The WTO provides legal force for such strategies. Second, many developing countries continue to be hampered by narrow and distorted production structures which impede diversification and appropriate development policies, but, conversely, also require the freedom of action to tailor development policies specific to the needs of the individual country. Under the WTO, the amendment of domestic legislation to conform with GATT obligations, where such obligations have been developed with the needs of the industrialised countries specifically in mind, will take priority over legislation designed with a specific development strategy in mind but which conflicts with the requirements of the Uruguay Round agreements.

The Understanding on Rules and Procedures Governing the Settlement of Disputes

Under the WTO, the disputes procedure has been tightened up by introducing a detailed timetable which provides for the procedure to move from stage to stage largely automatically. In addition, it apparently deals with one of the main problems under the GATT: the absence of legal force for enforcement of dispute outcomes meant that the 'guilty' party could, and frequently did, refuse to implement the recommendations. This meant that the most powerful countries were able to ignore the findings of disputes panels where it suited them – something that developing countries were unable to get away with.

The disputes procedure is reported to solve this problem because panel reports will be adopted automatically after 60 days. This conclusion should be treated with caution: the provision is qualified in two ways. First, the parties to the dispute can appeal against the findings of the report, on a point of law. Second, and more importantly, the Disputes Settlement Body (DSB) can decide by consensus not to adopt the report. As with decision-making under the WTO, consensus relates only to those present at the meeting. This raises the prospect of the most powerful developed countries establishing a consensus – through a combination of their economic weight, and the inability of enough developing coun-
tries to attend—to prevent adoption of the reports most important to their interests.

A further problem for developing countries is the introduction of the concept of cross-retaliation. Under the old GATT, where a contracting party was authorised to suspend concessions made to the offending party, this would only apply to the sector under which the violation took place. The new procedure allows suspension to be applied under any of the Uruguay Round agreements. The fear amongst developing countries is that this provision will enable the industrialised countries to penalise them in the areas that are most important to developing countries—such as their traditional exports—as punishment for any recalcitrance in their implementation of the agreements in new areas, such as intellectual property rights, or trade-related investment measures.

The new disputes procedure includes special provisions for developing, and least-developed countries, which are similar to the type of provision made under the old GATT. They establish longer consultation periods, ensure that there is a developing country member on any panel where a developing country is involved in a dispute, provide extra time for preparing and presenting a developing country case, provide additional legal advice and assistance, and give the DSB flexibility to consider further appropriate action during the implementation of panel findings where it has found for a developing country. In addition, where a panel has found against a least-developed country, the complaining member is required to exercise 'due restraint' in asking for compensation or authorisation to suspend concessions.

Such special provisions do little to redress the historical imbalance in trade relations which has biased the GATT toward the industrialised countries. They are designed chiefly to give the appearance of a dispute between equal parties in the sense of administrative resources and abilities. And, as in the case of the provision for least-developed countries, they are only as strong as the intentions of the strongest members.

These intentions, unsurprisingly, are not altruistic. The United States, which has made heavy use of the disputes procedure in the past, has explicitly stated that its provisions will not prevent the US from using its own trade laws, including Section 301, to take unilateral action outside the WTO. The US argues, first, that the articles governing disputes under the old GATT, which are still included in the new procedure, did not prevent it taking unilateral action. And, second, the Uruguay Round agreements do not cover all aspects of the trade to which each agreement refers and that, therefore, the US can take unilateral action where the agreements do not apply. USTR officials have stated that:

\[the\ US\ government\ intends\ to\ proceed\ in\ accordance\ with\ the\ U.S.\ interpretation\ of\ the\ Uruguay\ Round\ agreement\ and,\ where\ appropriate,\ use\ Section\ 301\ to\ take\ unilateral\ measures.\ In\ the\ event\ that\ other\ countries\ are\ able\ to\ use\ WTO\ dispute\ settlement\ procedures\ to\ frustrate\ US\ government\ efforts\ to\ address\ nonviolation\ trade\ issues,\ the\ United\ States,\ as\ a\ sovereign\ nation,\ would\ reserve\ the\ right\ to\ take\ action\ inconsistent\ with\ US\ obligations\ under\ WTO\ whenever\ such\ action\ is\ deemed\ to\ be\ in\ the\ national\ interest\ (USGAO, 1994:45).\]

The USTR concedes other members may use the disputes procedure to attempt to prevent such unilateral action. However, it also asserts that:

\[the\ United\ States\ would\ be\ able\ to\ impose\ trade\ sanctions\ for\ the\ duration\ of\ the\ dispute\ settlement\ proceedings,\ or\ longer\ if\ the\ Dispute\ Settlement\ Body\ gives\ the\ United\ States\ some\ time\ to\ remove\ them.\ In\ addition,\ the\ United\ States\ may\ be\ able\ to\ pursue\ its\ objec-\]
tives if the other country is unwilling to jeopardize its overall relations with the United States by retaliating against U.S. sanctions or is so small that its retaliation measures do not significantly harm U.S. interests (Ibid, my emphasis)

In this case, the US would be able to ‘continue the practice that gave rise to the complaint.’ (Ibid:48). This gives the clearest indication possible that the new disputes procedure will fail to increase the ability of small developing countries to bring the industrialised countries to book.

So, in return for becoming involved in GATT negotiations to an unprecedented extent, what has been achieved to the benefit of developing countries? Decision-making continues to be by consensus – consensus based on physical representation, and in any case dominated by the strongest members. Members must amend their domestic laws, regulations, and administrative procedures to ensure that they conform with their obligations under the Uruguay Round agreements. Arguably this increases the influence of the dominant members: to the extent that the US view has prevailed within the individual Uruguay Round agreements – and to the extent to which it continues to prevail in future negotiations – then this view will be translated into the domestic legislation, etc. of developing countries.

Under the disputes procedure, panel reports will be adopted automatically only if a negative consensus is not established by opponents to the report. And the US has made it clear that, if the complaining member is sufficiently small, or open to bullying, the US will not implement reports even in the absence of a negative consensus. Finally, cross-retaliation means that developing countries can be penalised in areas completely separate from that in which the ‘misdemeanour’ occurred.

What room for manoeuvre does the new system leave for developing countries? The most obvious conclusion to be drawn from the rules under the new WTO is that developing country members must be prepared to combine, in the largest coalitions possible, to use the provisions of the WTO against the industrialised countries: for example, to ensure that the domestic laws and regulations of these countries, in particular those of the US, conform with their Uruguay Round obligations. Developing countries must also start to use the disputes procedure against the developed countries to the fullest extent possible. This includes the presence of a sufficiently large coalition of developing countries at meetings called to adopt panel reports that have found against individual developed countries to ensure that a negative consensus of industrialised countries does not prevail. It is only by creating a consensus that opposes the dominant developed countries that developing countries will be able to mitigate some of the negative elements of the Uruguay Round.

Clearly, this will not be easy. Substantial resources will be needed to ensure that developing countries develop the expertise needed to ensure that they are not out-maneuvered by the dominant members. In particular, the requirement for physical presence to register an opinion means that resources will be needed to enable developing countries to attend all meetings. The WTO must be required to live up to its statement that:

there is need for positive efforts designed to ensure that developing countries, and especially the least developing among them, secure a share in the growth in international trade commensurate with the needs of their economic development by providing such resources (GATT, 1994:9).

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Passing the Buck

Peter Lawrence

On 29 September 1995 Oxfam UK organised a seminar in London entitled ‘Multilateral Debt in the Poorest Countries: Which Way Forward?’

‘Multilateral debt owed to international financial institutions is now widely recognised as an obstacle to economic recovery and poverty reduction in many of the world’s poorest countries. Against this background, the Group of Seven industrialised countries have acknowledged at the Toronto Summit the urgent need for an agreement on multilateral debt relief, setting the scene for an important debate on the subject at the annual IMF-World Bank meeting in October.’

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Speakers included: Masood Ahmed (Director of the International Economics Department, the World Bank) Mark Allen (Deputy Director of the Policy Development and Review Department, the International Monetary Fund), Dag Ehrenpreis (Head of Economists Group, Swedish International Development Agency), Rumman Faruqi (Director of the Economic Affairs Division, Commonwealth Secretariat), Daniel Figueroa (Vice-President, Central Bank of Honduras), Eva Jespersen (Senior Economist, UNICEF), Opa Kapijumanga (African Network on Debt and Development), Damoni Kitabire (Commissioner for Macro-Policy Department, Ministry of Finance, Government of Uganda), Angela Knight MP (Economics Secretary to the Treasury), Percy Mistry (Chairman, Oxford International Group, formerly Senior Financial Adviser, World Bank) and Shriti Vadeera (Divisional Director, Warburgs Bank).

An Oxfam position paper, ‘Multilateral Debt: an End to the Crisis?’, set the scene. The central problem to be addressed was the increasing debt burden of the 32 SILICs (the ‘severely indebted low income countries’), of which 25 are in sub-Saharan Africa. As the Oxfam paper noted, every dollar reduction in SILIC debt since 1989, has been matched by a $3 increase in debt stock. Debt service runs at around 20% of SILICs’ export revenue, although scheduled payments, if they were made, would bring this proportion up to 40%.

All SILIC countries bar one have a net present value debt-to-exports ratio of over 200%, the level considered by the World Bank as unsustainable. The nature of these countries’ debt problem lies in the fact that debt to the IMF and World Bank charged at commercial interest rates must be repaid and on time. Debt service to these institutions is therefore disproportionately high, since much of the rest of the debt stock derives from concessional lending at much lower than commercial interest rates. Because the World Bank and the IMF have to be paid first, the SILICs have been delaying repayment of other debt, which means an accumulation of servicing payments and therefore further debt. Indeed, these countries are now in the habit of using bilateral lending to repay the IMF and
Passing the Buck

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World Bank on time. Even inside the World Bank, repayments to IDA, the soft loan arm of the Bank, have been used to fund interest payments on outstanding Bank loans. The result is that two-thirds of IDA disbursements in 1994 was effectively repaid to the Bank as debt service. Some countries have failed to do even this and have effectively been cut off by the IMF and World Bank, and therefore blocked from receiving further private or public credit. Clearly there is a strong case for substantial multilateral debt relief to end this absurd recycling of dollars around the aid agencies which itself must cost a significant part of their aid budgets. Another reason for reducing debt stock is the elimination of ‘debt overhang’ — debt levels which are unsustainable with the result that investors are deterred from engaging in development projects because of potential economic instability and higher costs of credit imposed on highly indebted economies. There was some debate at the seminar about the importance of debt overhang, but clearly the international financial institutions (IFIs) think it is important, which in turn puts the pressure on them to find ways of reducing debt stock.

It was the UK Treasury Minister, Angela Knight MP, who made a strong case for such debt relief for the poor countries. She argued that the debt burden had a psychological effect: if there was no end in sight, why make the sacrifices associated with structural adjustment? As she noted, the UK government has supported more favourable debt relief schemes and also the selling of IMF gold to set up a debt relief fund. Of course such relief had to be accompanied by ‘sound economic policies’ but such policies could not be sustained without such relief.

The British minister, as did other speakers, focused attention on Uganda, an acclaimed success story as a result of following all the ‘right’ IMF and World Bank economic policies. But the ‘Naples terms’ which allowed for a 67% reduction in debt stock, as long as that stock was old, not previously rescheduled, and medium or long-term, effectively excluded much of Uganda’s debt. This was not much of a reward for a country which had satisfied the other condition for debt-stock reduction, namely that countries should have complied with IMF agreements over the previous three years. The Minister seemed genuinely distressed that so little was being done to help such a well-behaved case. It was difficult to believe that the Minister represented an increasingly right-wing Conservative government which, as Kevin Watkins points out in this issue, plans to cut its aid budget to sub-Saharan Africa by at least 5% over the next three years.

Another reason for focusing on Uganda was that, like many other SILIC countries, she has been postponing paying off debt where possible, recycling aid to make repayments, and being given more aid to accumulate more debt which then has to be rescheduled in the future. Uganda’s macroeconomic policies have been so successful at generating the reward of more aid that part of its very tight government budget has to be used to buy dollars in order to depress the value of the shilling and so restrain imports and encourage exports. Successfully passing the bucks in this way is some sort of success story but it is a crazy way to manage an economy. Clearly aid that goes back to repay debt and government revenues that are used to shore up the value of the dollar against domestic currency have an opportunity cost in health, education and other development programmes. The seminar was given many examples of this: in Tanzania debt service is eight times current expenditure on water and sanitation provision; Uganda spends 12 times as much on debt repayments than it does on health.

Much of the discussion was therefore centred on the need to reduce the multilateral debt stock, in other words, to make the ‘Naples’ terms more generous.
to the SILICs. The recent ‘leak’ of an internal World Bank document proposing a Multilateral Debt Facility which would cover debt service obligations of eligible debtors over the next 15 years, provided the basis for a discussion as to its usefulness and the willingness of the international organisations to engage in substantial multilateral debt reduction. The representatives of the IMF and the World Bank acknowledged the nature of the problems but argued that the institutions could not engage in debt write-off and that it was up to member governments to change the rules. Percy Mistry, a former Bank senior economist turned arch-critic, showed that this simply was not true and that rescheduling, refinancing, payment in local currencies, were all allowed under the rules. The idea that institution managers were simply the servants of the governors, went against the experience of what is now well known in institutional economics, that is that managers can get many things past their shareholders if they want to.

So this piece of buck passing convinced few. What was even less convincing was the ‘no free lunch’ economics which sought to show that any money the IFIs used for debt relief would have to be deducted from the aid budgets and that any debt write-off or serious postponement would dilute the IFIs’ ‘preferred creditor’ status and therefore increase their borrowing costs as their creditors would mark down their credit status. Wherever resources for debt relief could be found, there would be a parallel reduction in resources for further aid. But Mistry pointed out that if the World Bank was concerned about losing its preferred creditor status, it could use its reserves to pay off SILICs’ debt stock and recoup the interest income lost by making cuts in its own recurrent budget. Matthew Martin, of the External Finance for Africa Project, closing the conference, suggested that the trade-off between debt relief and development was much over-emphasised given the poor performance of many aid projects. Markets regard institutions which write off potential bad debts as being very sensible and strengthening their financial base. Indeed, as the Oxfam paper pointed out, this is why financial institutions make provisions against bad debt.

What became clear as the seminar progressed was that debt is not an economic problem. There are clear technical fixes which can be employed to reduce the debt stock. The question was really a political one: is it in the interests of the rich member states of the IFIs to allow debt stock reduction and with that lose their leverage over SILICs’ economic policies? And what about the ‘moral hazard’ problem. If big debtors know that they will be bailed out, why should they ever try to become good repayers?

The IFI’s only present point of leverage to ensure good behaviour in the future is their status as major creditors. But even the fear of loss of leverage can be countered. Many SILICs are in the position of having an underlying trade deficit and will continue to require balance of payments support unless they abandon import liberalisation and free foreign exchange markets. Neither of these responses is politically feasible, not necessarily economically desirable, which means that these countries will still require aid and will not get it unless they pursue the ‘right’ policies.

So writing-off debt is a way of starting with a clean slate, but with new rules of the game. However, this raises the question of the quality and direction of aid. Here the economics is simple: aid will result in the accumulation of debt unless that aid helps the economy to generate (or save) hard currency, not necessarily immediately but certainly before that aid has to be repaid. Unless aid for health and education is integrated with production for export or for import substitution, then the recipient economies are not generating the means to repay it. Uganda is a
good case in point, with high growth rates, but with imports running at three times the value of exports, economically unsustainable with substantial inward financial flows, and that largely means aid. Once again therefore, debts will accumulate and debtors will be at the mercy of creditors. But non-performing aid was not on the agenda at this meeting.

Also firmly off the agenda was corruption. One contributor from the floor representing a corruption monitoring agency was simply told this was not what participants were there to discuss. Yet the corruption of governments, the corruption of tied aid practices, the corruption embedded in the choice of projects themselves are all intricately related to the sustainability of economies once their debt burdens are lifted. What is the point after all of engaging in debt relief if the same old story is replayed over the next 20 years? Opponents of aid have latched on to corruption and economic mismanagement as arguments for conditionality and for reducing the size of aid budgets. As Kevin Watkins points out in this issue, there is great pressure on these budgets, especially from right-wing governments, and also pressure to reduce commitments to multilateral agencies and especially their soft loan arms.

As regards conditionality, this often works to produce the very effects it is intended to avoid. The low salaries of high level civil servants take second and third jobs in the private sector thus lending themselves liable to suspicions that they use their public sector positions to gain contracts on aid projects for their private sector interests. Aid projects pay better salaries to local personnel and local consultants. The best contractor may not then be chosen. The public sector continues to be served by badly-paid government servants with conflicts of interest who cannot devote themselves wholly to the most efficient management of their budgets – not quite the good governance which conditionality is supposed to promote. The seminar was held to try to influence discussion at the annual IMF-World Bank autumn meeting. While it was clear there were moves in the Bank to ease the situation for many SILICs, neither Fund nor Bank representatives appeared keen on the more radical, but apparently feasible, alternatives to the IFIs' cautious approach. They found plenty of reasons to oppose such moves, and their views were sharply at variance with those of the UK government representative. All of which appeared to suggest that the problem may lie with governments' having to convince IFI senior managers that more radical solutions should be adopted, rather than the other way round.

Peter Lawrence is in the Department of Economics, Keele University, UK.

How To Take Away The World Bank's Money

Kevin Danaher

The World Bank raises most of its capital in the international bond market. For the divestment strategy outlined below to be really effective, it will require mass mobilisation in all the G-7 countries to pressure large institutional investors not to buy or sell World Bank bonds.

Those of us who know the World Bank well and have seen its negative effects in many countries want to find ways to make the Bank accountable. One sure way to influence the Bank is by aiming at its heart: money.

The World Bank gets money from its member governments. Yet it raises a far larger amount by selling bonds to wealthy
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The World Bank gets money from its member governments. Yet it raises a far larger amount by selling bonds to wealthy
investors. If we could pressure large institutional funds (e.g. university endowments and state worker pension funds) to stop buying World Bank bonds as a way to protest against the Bank's destructive policies, we could exert serious pressure on the executive officers of the Bank.

Just think about the huge impact the divestment campaign had on South Africa's white minority rulers during the closing days of apartheid. By forcing US investors to give up profiting from apartheid, the divestment campaign drove a wedge between South Africa's rulers and their wealthy backers in northern industrial countries. Opponents of divestment always claimed it would have no effect on apartheid. Yet if that were so, why did South Africa's white rulers struggle so strenuously against divestment?

The divestment struggle also raised a revolutionary question: who controls how capital is invested and why isn't it a more democratic process? After all, there is nothing in the US Constitution that requires investment decision making to be monopolised by a small, wealthy minority. Given our democratic traditions, we can go to the public with a simple demand that public monies should be handled in a transparent manner that ensures public accountability by the money managers.

Many institutions such as universities and retirement funds purchase bonds issued by the World Bank. The name appearing on the bonds will be the World Bank's formal name: International Bank for Reconstruction and Development. These are fixed rate securities which are sold by underwriters such as Goldman Sachs, Fidelity, First Boston, Credit Suisse and many Japanese banks. They pay a good rate of return and are considered safe investments because they usually carry a triple-A rating. They are not officially insured by the US government but as one bond trader told us, the US government would not stand by and let the World Bank default on its bonds. In other words, the US taxpayer is the ultimate insurer of these bonds – just as we were forced to bail out the Wall Street speculators and Mexican financiers during Mexico's crash in early 1995.

How to Proceed
The first thing to do is figure out which pool of public money you are going to target first. If your college is private, you may find it easier to investigate city or state government funds. Most colleges produce an annual Treasurer's report that should be in your school library. If it's not in the library, find the office that produces it and call for a copy. For retirement funds of state and city workers, call the relevant office and ask for the most recent year's Annual Investment Report. This gives a run-down of where the money is invested and – if you're lucky – it will list the various stock and bonds owned by the fund. For example, on pages 30 and 31 of the 1993 Annual Investment Report of the California Public Employee's Retirement System you will see entries that list five purchases of IBRD bonds, their interest rates, maturity dates, market values and yields. The five purchases had a 1993 market value of more than $130 million. These IBRD bonds were returning a yield of about 7.3 per cent: not a bad return but not exceptionally good either.

We can make an argument that institutions investing public funds do not really need to own World Bank bonds: there are many other investments yielding better returns without so much negative impact around the world.

Once you have picked a target institution and collected some information about their holdings, you can approach them quietly with your critique of why the institution should divest themselves of the IBRD bonds. If they blow you off – which is likely – then you can escalate to a
more public campaign. You may even run into a stone wall in just trying to get the initial information. But be persistent. Get a friendly investor or institution to ask for the information. Don't take no for an answer. If they refuse, that alone would make them look bad in a public education campaign; after all, what do they have to hide?

Most people do not understand that they have a right to influence the way public money is invested. It is our job to affirm that right and encourage people to demand accountability in economic matters. At a time when there is a global jobs crisis, one of the most penetrating questions we can raise is why decisions about how capital gets invested should be undemocratic.

We have amoral authority here and we should use it. During the anti-apartheid divestment struggle, defenders of the system would actually say, 'leave morality out of it' which raises the obvious question: what does it say about your economic system that it can't stand a simple test of human morality?

An effective theme when educating the public on this issue is that this is your money and it is being invested in ways that you should not approve of. This is where all the good material we have criticizing the World Bank will come in handy.

Be clear in your own mind about the two different levels this campaign can operate on. At the tactical level, we are appealing to broad sectors of the public with all the 'dirt' we have on the Bank and its negative effects. Nobody with a heart will support the imposition of austerity policies in poor countries just so wealthy bankers can receive their debt service payments. At the strategic level, we are targeting for public debate the very core of what makes our economic system undemocratic: the fact that a small, secretive minority makes most of the decisions on how capital will be invested and the related issues of who will get jobs and who won't, which communities will stagnate, whether the environment will be destroyed etc.

Another way to pressure investors into shunning World Bank bonds is to contact the investment firms that sell World Bank bonds, such as Merrill Lynch, Goldman Sachs, Kidder Peabody, First Boston, Fidelity and others, and ask them to screen out World Bank bonds in the recommendations to investors. If these firms get enough pressure from around the country, they may decide to stop marketing World Bank bonds. Think it's impossible? Look at what happened with the South Africa divestment struggle: the 'hassle factor' grew so large, companies making 2% of their total profits from apartheid were getting 90% of their public complaints over it; they decided to pull out of South Africa.

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The Need for Regional Integration: A Challenge for Africa

S. K. B. Asante

The University of Ghana has decided to establish an African Centre for Regional Integration. The Centre will help to provide a new direction to the current integration process in Africa and respond effectively to perceived interlocking challenges that are
clogging the wheels of the process of regionalism on the continent. This Briefing highlights the striking contradiction between general emphasis on the need for economic integration in Africa and the scanty evidence of practical success.

The major challenge facing Africa in this last decade of the twentieth century is to reverse the trend of economic decline which has afflicted the region since the 1970s and strengthen the capacity of the economies for participation as important and effective partners in the global economy in the next century. One key element in the response to this challenge is the promotion of regional economic integration, which has for long constituted a significant aspect of African development strategy.

Given the political balkanisation of the continent into arbitrary nation-states with sparse population, small internal markets, limited infrastructure, new and fragile borders, and economies vulnerable to fluctuating world prices, it is not surprising that economic integration has been seen as a means of helping to overcome the disadvantages of small size, low per capita incomes, small populations, and narrow resources bases, and of making possible a higher rate of economic growth and development. It has also been seen as a means of consolidating the political independence of African countries and thereby strengthening their overall position vis-à-vis that of the developed countries, especially the former metropolitan powers. In brief, therefore, economic integration in general is not only desirable, it is necessary if Africa is to industrialise, develop intra-African trade, develop the capacity to participate effectively in the evolving global linkages and interdependence, reduce her vulnerability to fluctuating overseas markets, mobilise and maximise scarce resources of capital and skills, and finally forge the way to effective African unity, both political and economic.

It is no wonder that African countries fully accept that they cannot make real progress with economic development without close coordination and harmonisation of their sectoral plans and national development policies, and they continue to adopt resolutions and declarations to that effect, as reflected not only in the Lagos Plan of Action and the Final Act of Lagos, but also in Africa's Declaration of Economic Cooperation and Development (1973) through Africa's Priority Programme for Economic Recovery (1985), Africa's Submission to the Special Session of the UN General Assembly on Africa's Economic and Social Crisis (1986) and to the UN New Agenda for the Development of Africa in the 1990s (1991). These studies and declarations assign a major development role to regional economic cooperation and integration. They also contain fresh proposals and undertakings about more effective approaches to the goals of economic integration. It is towards this end that since independence African countries have attempted various schemes of collective self-reliance through sub-regional and regional economic cooperation as a means of accelerating their socio-economic development.

No Evidence of Integration

Although the economic communities which have been established are expected to play a vital role in the socioeconomic transformation of the African economies and help alleviate poverty through sustained recovery and growth, there is the striking contradiction between general emphasis on the need for economic integration in Africa and the scanty evidence of practical success. Indeed, evidence tends to suggest that to date none of the economic groupings has made any appreciable progress towards the all-engaging objective of creating a sub-regional economic market, let alone an economic community, despite the human and financial resources deployed. For example, no significant progress has as yet been made on industrial and fiscal harmonisa-
tion, which is an important objective of the treaties establishing the communities. The main objectives set out in the Final Act of Lagos in 1980 in the field of promotion of cooperation at the sectoral level are yet to be achieved. There is generally a lack of harmonisation of sectoral policies in agriculture, industry, transport, energy etc., and more basic studies for the formulation of such policies are urgently required.

Besides, much more still needs to be done in designing and elaborating agricultural and industrial programming policies in many of the African integration groupings. Common rules governing foreign direct investment such as those concerning investment incentives are matters still under discussion. In effect, the necessary policy guidelines and programmes for sub-regional industrial development have not been put in place. As a result, most integration groupings in Africa have not been able to promote successfully the establishment of major multinational industrial projects, for example.

Thus despite great expectations, the existing economic integration schemes have still not been able to make positive steps towards achieving their pre-established goals.

On the other hand, effective implementation of the key provisions of the treaties establishing the sub-regional economic communities has become particularly important and, indeed opportune, when viewed against the background of the dramatic and profound changes taking place in many regions of the world and the formidable challenges they pose to the process of African economic cooperation and integration. First, the emergence of trading blocs, in particular ‘Fortress Europe’, which threaten to marginalise Africa, adds considerable force to the economic arguments in favour of regional solidarity. Second, the rapid changes in technology have brought about profound changes in the organisation of world production and significantly altered the environment for competition. The attainment of a high level of productivity now requires, even more than before, the organisation of production across national borders. In short, the internationalisation of production has become an indispensable basis for maintaining competitiveness in international markets. Third, the challenge of Eastern Europe, where the rebirth of democracy has captured the imagination and compassion of the governments and peoples of the Western world, has led to an increasing evidence of indifference, or withdrawal, if not abandonment on the part of the industrialised countries towards Africa. The changing international relations have given added relevance to the efforts of African countries to maximise their collective efforts through economic cooperation and integration.

**Neglected Areas of Regional Integration**

Despite the high hopes placed in economic cooperation and integration not much attention has been paid to the management of African regionalism. So far the existing integration-oriented institutions are not technically equipped to effectively meet the challenges of African regionalism. No systematic research has so far been made into the role which the service and enterprise sectors (private and public) should play in the integration process in Africa. Similarly, far less attention has been paid, for example, to the democratic imperatives and popular participation in economic integration and development, as reflected in the ‘African Charter for Popular Participation in Development’ adopted in 1990, as well as the current UNDP’s ‘Human Development Report’ series, which has given full reign to the imperative of the human factor and democracy in development. Furthermore, no critical assessment has been made on the appropriateness or otherwise of the African approach to regionalism. And although the institu-
tional deficiencies at both the community and national levels to manage economic integration processes have long been recognised as a critical factor, not much attention has been devoted to this aspect of regionalism in Africa.

While SAPs and economic integration have the common goal of promoting economic growth and development, both involving actions on the same macroeconomic and sectoral variables, there has been no systematic and sustained research to complement and widen the scope of the recent work of the African Development Bank (ADB) on this uniquely topical subject, and to examine critically the inter-relations between structural adjustment and economic integration to ensure that SAP policies and integration objectives are mutually reinforcing rather than conflicting. Neither has any serious thought been given to the concept of Regional Structural Adjustment Programmes or, simply put, regional dimensions of SAP. No scholarly investigation has been made into the role of integration organs in the implementation of SAPs. And to date, the sub-regional economic communities in Africa have not to any significant extent been involved in these areas.

Furthermore, while in the final analysis, the success of the integration effort would depend on how closely the national plans for sectoral development (in agriculture, industry, infrastructure, energy, environment, etc.) can be coordinated, little has so far been achieved. Therefore there is the need for a programme in this area to build on recent work on the subject, such as the multisectoral projects of the UN Economic Commission for Africa (UNECA).

Then, too, with the ratification of the Abuja Treaty establishing the African Economic Community, much research would be required on such important issues as a) the possible impact of the Community on the African integration process; and b) the approach to adopt to implement the Treaty's provision on strengthening the sub-regional economic communities, particularly in the context of the protocol on Relations between the Community and the Regional Economic Communities provided for in Article 95 of the Treaty.

Above all, a great deal of work is required on the critical examination of (a) the possible effects of the just concluded Uruguay Round on African integration efforts; (b) the effects of the emerging trade blocs on African trade, the implications of particular trading blocs for African countries and what measures African integration organs need to take in response to such implications; (c) the effect of the Lomé Convention on African economic integration; (d) using integration to improve the competitiveness of African industries or, specifically, the impact of integration in improving the productivity of African industries, in particular, by promoting trade in raw materials and intermediate products among African countries, and how such trade can promote inter-linkages among African industries as a basis for improved productivity; (e) the financing of African integration organs to enable them to rely less on external resources for funding activities that are essential for their operations; and finally (f) how to effectively mobilise international support for African integration, which has been accepted by most of the international institutions as fundamentally important for African development.

At present, apart from sporadic or occasional efforts by academic and research institutions like NISER (Ibadan), ISSER (Legon), CODESRIA (Dakar) and SAPES Trust (Harare), research by African scholars and analysis on important policy and technical/economic aspects of economic integration is negligible, with the result that there has been little policy or action-oriented research to underpin the efforts of the various regional economic commu-
nities, or to challenge the latest intellec-
tual onslaught on regional integration
schemes in sub-Saharan Africa.

It is against this background that the
University of Ghana, Legon, has, with the
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Ghana’s ‘Adjusted’
Democracy

Daniel Green

After 11 years of populist, military rule
under Flt. Lt. Jerry Rawlings and his
Provisional National Defence Council
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Briefing: Ghana’s ‘Adjusted’ Democracy

It is against this background that the University of Ghana, Legon, has, with the assistance of the UNECA Multidisciplinary Regional Advisory Group (UNECA-MRAG), prepared a proposal to establish at Legon, an African Centre for Regional Integration to meet these challenges, offer the much-needed leadership at all levels in this key aspect of African development, provide a link between research, policy, and the design and sequencing of regional integration schemes, serve as a basis for an in-depth study of a long-term programme for research, training and consultancy on African economic integration and endeavour to respond to perceived problems that are clogging the wheels of economic integration in Africa.

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Ghana’s ‘Adjusted’ Democracy

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After 11 years of populist, military rule under Flt. Lt. Jerry Rawlings and his Provisional National Defence Council (PNDC), Ghana held elections for a transition to democracy in late 1992, and inaugurated its Fourth Republic on 7 January 1993. Ghana and Rawlings’ PNDC regime are perhaps most famous today for the extended, comprehensive structural adjustment economic reform program that the country launched in 1983, generally lauded as adjustment’s and the World Bank’s premier ‘success story’. Authoritarianism allowed the PNDC a relatively free reign in its management of politics and economics, but today the adjustment program continues under different, democratic circumstances. How has the need to press ahead with adjustment affected democratic politics in Ghana? How has democracy affected the adjustment program? As the new Republic nears its fourth year, these are appropriate questions.

In broader context Ghana, like dozens of countries around the world, is today faced with the dual challenge of continuing and consolidating liberal economic reforms, while seeking simultaneously to consolidate a fledgling democracy. The great fear of many proponents of neo-liberalism is that in this situation democracy will ‘spoil’ reform programmes, as governments give in to popular demands for government spending, new protections, and new rents. This line of argument that views neo-liberalism as sacrosanct and democracy as an obstacle has been justly criticised as fundamentally undemocratic (Bresser Pereira et al. 1993; O’Donnell, 1995). Nominally democratic governments that maximise government power over reforms have been described unflatteringly as ‘neo-authoritarian electoral regimes’, or ‘delegative democracies’ (O’Donnell, 1994; Petras and Vieux, 1994).

The third way, between profligate economic populism and unswerving neo-authoritarian adjustment, has also received attention (Bresser Pereira et al. 1993; Nelson, 1994). This perspective accepts that some kind of adjustment reform programme will be a part of the future of many developing countries for years to come, if for no other reason than persisting external constraints (donor pressures, debt servicing problems and
There is evidence of a rural bias in development policy and political strategies going back to the late 1980s. By 1987-88, the government had established the redistributive pattern of raising rural incomes with ever-higher cocoa producer prices, while increasing its own revenue via increased petrol prices paid by largely urban consumers (World Bank, 1991). Rural farmers benefited consistently from rising cocoa and food prices. In 1988, reform to local government saw the introduction of a new District Assembly decentralisation programme, which set up elected local councils in the country’s 110 administrative districts and decentralized some ministerial departments to the district level. Constrained by adjustment’s budget strictures, the PNDC gave the Assemblies development responsibilities but little in the way of funding. Nonetheless, the PNDC had turned its political attention to the rural areas.

As the PNDC grew to accept the decline of its autonomy by 1991 and began to play competitive politics more openly, the rural-based strategy solidified. The importance of the Assemblies as an institution became ever clearer. The government allocated Assembly members 117 seats in the 260-seat Consultative Assembly which drew up the Fourth Republic’s constitution. Though Assembly members proved less than fully agreeable to PNDC plans for the constitution (Africa Confidential, 7 February 1992), their participation enabled them to secure important features beneficial to the rural areas. Most prominent of these was the creation of a District Assembly Common Fund, a constitutional provision automatically allocating ‘not less than five per cent of the total revenue of Ghana to the District Assemblies for development’ (Article 252). In 1994, this amounted to 34 billion cedis, easily dwarfing the estimated 9.4 billion cedis the Assemblies themselves raised in that year. In January 1995 the exchange rate was approximately 1,000 cedis to $1 (Ministry of Local Government, Information Digest, No. 1, 1995).
Rawlings and his National Democratic Congress party (NDC) were able to win the November 1992 presidential elections for a variety of reasons (Gyimah-Boadi, 1994; Haynes, 1993; Jeffries & Thomas, 1993). First, though the PNDC had numerous marks against it, Jerry Rawlings remained personally popular with many Ghanaians. Second, there was a nascent, multi-faceted Rawlings/NDC machine throughout the country. Depending upon individual loyalties, this machine could call on district-level officials, District Assembly members, local revolutionary organs such as the Committees for the Defence of the Revolution, and other groups. While weaker than it should have been given the government's resource advantages and freedom to operate before the lifting of the ban on political parties on 18 May 1992, this machine was stronger than the other parties in many places. This enabled the NDC to get out the vote for their candidate and also facilitated the electoral corruption and ballot rigging that took place, an important though not decisive factor in some areas, according to international observers. Finally, the NDC 'bought' the election through a variety of spending measures, including the flow of resources to the rural areas, but aided by the granting of 70-80% salary increases for many workers in 1992.

Finance Minister Kwesi Botchwey has said that the salary increases were to restore peace before the elections, not buy votes, since the urban workers who benefited 'are not typical NDC supporters' (Botchwey, 1995). As for the December parliamentary elections, the main opposition parties boycotted these in protest over alleged corruption in the presidential balloting. The NDC thus won 189 of the 200 seats, though voter turnout was a very low 29%.

In the face of conflicting evidence about electoral corruption (Jeffries & Thomas 1993; Oquaye, 1995), many have concluded that in combination with Rawlings' popularity in the rural areas, government spending to buy the elections was a key factor. Indeed, leading figures such as Finance Minister Botchwey and presidential adviser P. V. Obeng have largely admitted this, while denying that they would use inflationary spending again in 1996.

Spending in the rural areas was certainly important in helping the government win in 1992. As Rawlings and other PNDC figures toured the country campaigning, they could point out new projects (mainly infrastructural) in almost every district. A National Electrification Scheme to extend electricity to the countryside was begun in 1989, but only took off in 1992. In that year 100 towns and villages were added to the national grid, as were roughly 20 district capitals. Spending on rural feeder roads grew, aided by a National Feeder Roads project signed with the World Bank. Rural areas which previously had one or no secondary schools suddenly had three or four, thanks to government funding and matching grants supporting local efforts. Even the industrialisation policy favoured decentralisation of industry into small and medium-sized towns (Parfitt, 1995). For the District Assemblies, the central government's ceded revenue disbursements ballooned from 300 million cedis in 1991, to 2.1 billion in 1992. In addition, one month before the elections the Ministry of Local Government announced that the Cocoa Marketing Board (Cocobod), with real estate assets throughout the country, would finally be paying its property taxes and arrears to the Assemblies – a windfall of additional millions of cedis. Finally, the government could also point to the massive largesse to come in the shape of the District Assembly Common Fund.

After its electoral victory the new NDC government, in classic 'stop-and-go' reform fashion, clamped down again on spending and inflation. Gasoline prices were raised substantially to effectively
wipe out the pre-election salary increases. The electrification programme slowed down, as negotiations for new financing were concluded (Republic of Ghana, 1994). The shaping of development expenditure and adjustment to political needs continued, however, with an obvious pattern of using donor programmes to finance or co-finance development projects throughout the rural areas. Of the ten agreements signed with the World Bank since 1993, for example, many have been directly or indirectly usable for rural development purposes: National Livestock Services, National Electrification, Primary School Development, Agriculture Sector Investment, Local Government Management, Community Water and Sanitation (Rural Water Works). Even the IDA's Tertiary Education Project, while providing assistance to the universities near Accra and Kumasi, is also helping to decentralize higher education through the building of polytechnic centres in Upper East, Upper West, Eastern and Brong-Ahafo regions (Republic of Ghana, 1995). A number of donor projects amount to slush funds to co-finance community-initiated projects in a variety of sectors. This is in keeping with the PNDC's long-standing emphasis on local self-reliance, but also provides funding for numerous small projects throughout the country, spreading and localising the impact of development expenditure.

Rural electrification, funded by the Ghana government, a large World Bank project agreed in October 1992, and a number of other donors, includes a Self-Help Electrification Project (SHEP) component, which provides funds to assist community-initiated electrification. Phase Two of SHEP is to begin in 1995 (just in time for the 1996 elections), and will reach an estimated 1,000 towns and villages. The innovative Agricultural Sector Investment Project (AgSIP), another slush fund of sorts, was agreed with the World Bank in 1994 and is funded at $21.5 million. It is designed to co-finance community-initiated projects costing less than US$150,000, in the areas of irrigation, market construction and rehabilitation, market feeder roads, and village food storage and food processing. Primary education projects funded by the World Bank and USAID are building and improving schools throughout the country. The growing emphasis on the rural areas does not mean that adjustment has otherwise ground to a halt. Liberalising economic reforms continue to take place, but generally with an important underlying political rationale. Not surprisingly, the government continues to reform and liberalise agriculture. In the cocoa sector, 10,400 Cocobod employees were let go in mid-1993 (this had been planned for October 1992, but that date was too close to the 1992 elections). The government doubled the nominal price for cocoa in mid-1994, from 308,000 to 700,000 cedis per ton. Further improvements in Cocobod performance should allow farmer's to receive up to 60% of the world market price, from the present 50% (World Bank, 1995b).

Liberalisation of cocoa marketing now allows private traders to compete with Cocobod in evacuation of the crop, though the government maintains control over the producer price, a tool it will likely be unwilling to give up. In many cases there is movement in areas in which the government had been unenthusiastic before. Privatisation of Ghana's numerous state-owned enterprises has been on the reform agenda since the early 1980s, but the PNDC, reluctant to sell off national assets to foreign buyers, has always been hesitant to move forward. However, since 1993 it has pushed ahead much more earnestly. Its newfound enthusiasm seems to be due to the revenue potential of asset sales, which help finance the national budget. An accelerated divestiture programme was announced in the 1994 annual budget statement, and Ghana turned to merchant banks and capital markets in Ghana and London to liquidate holdings. In February 1994 it sold shares in seven companies. In April, the
government sold the bulk of its 25% holdings in the Ashanti Goldfields Corporation for approximately $320 million. These sales allowed the government to meet many of its fiscal targets in 1994, and finally recover from the 1992 spending boom. More sales are planned for 1995. The government has also gotten more serious about attracting foreign investment, in many ways the missing ingredient to its adjustment success by the early 1990s. A new, more liberal investment code was adopted in 1994, streamlining the investment process greatly and providing new tax holidays and other incentives.

The Rawlings government is now much more serious about attracting investment than before; in interviews, donors in Accra argued that there had been a fundamental change since 1994. Rawlings and other government officials make frequent trips abroad to woo investors, and any successes are well-publicized in the state-run media. Unlike the populist economic nationalism Rawlings preferred before democracy, attracting foreign investment is now perceived as politically beneficial. Recent legislation establishing a free trade zone should also help attract investors.

The economic results of Ghana’s lengthy adjustment programme are unfortunately ambiguous. Though the country has returned to steady positive GDP growth since the mid-1980s, this has been largely the result of expansion of gold, timber and cocoa exports – a typical, extractive neo-colonial pattern (Adams, 1995; Parfitt, 1995). In some ways, the government’s hands are tied by their relationship with donors and their adherence to adjustment liberalism. The main opposition parties accept adjustment reforms broadly as well, basically arguing for doing a better job at adjustment, with some changes. But this generality conceals some significant and growing differences. There were strong objections from the New Patriotic Party (NPP), one of the main opposition parties, and other parties, to the sale of the Ashanti Goldfields stock, on economic nationalist grounds. Many in the opposition suggest using industrial policy and industrial targeting, and argue the need for partnership between government and business. (The response of one donor official to the idea of industrial policy and government re-intervention was that this was inappropriate: Ghana had not yet even succeeded at stabilisation, given the record of inflation in recent years.) As the East Asian model is increasingly held up in example, Ghanaians are asking why Ghana can’t copy East Asia, with a strong state role in leading industrialisation. One frequently hears the criticism that trade openness and a liberalised foreign exchange market have made Ghana a country of importers and traders, who produce nothing.

Perhaps more specifically, does building schools, bridges and better roads constitute real development for the rural areas? Again, this is the kind of infrastructure-led development Ghana’s adjustment programme allows. Recent statistics do give hope that some progress is being made in rural areas, however. Survey results (World Bank, 1995a) indicate that rural poverty has declined substantially, from 41.9% of the rural population in 1987-88, to 33.9% in 1991-92. A much smaller decline in urban poverty in the same period (from 27.4% to 26.5%) has closed the urban-rural gap considerably, to 7.4 percentage points. This suggests that the government may be able to continue to capitalise on support from the rural areas.

**Political Performance**

The government maintains a moderately good record on the maintenance of democracy, and the process of consolidating democracy seems to be heading in the right direction. There has been an explosion of private publishing, and press freedom is generally maintained, though...
the government has not hesitated to prosecute journalists it feels are libellous and slanderous. After long delay, the NDC is now opening up radio broadcasting to non-government stations.

Efforts are being made to make sure the 1996 elections are truly free and fair and the government has announced that foreign observers will again be invited to monitor them. Thus, the Rawlings/NDC government have avoided the anti-democratic excesses of contemporary Kenya under Moi, for example. That said, there continues to be a disturbing, dark side to the NDC government. It definitely displays tendencies toward the democratic 'neo-authoritarianism', in which nominally democratic governments employ a variety of means to ride roughshod over society and complaints about neo-liberalism's rigours. This is the form of government we should expect to appear in a country in Ghana's situation and which has some of the classic features of such governments, with a strong executive and a relatively weak, subservient parliament (though this will change with the 1996 elections and the entry of more opposition members into parliament). Furthermore, President Rawlings' own positions and rhetoric reveal characteristics typical of an adjustment-influenced, neo-authoritarian style. His sessional address at the opening of parliament in 1993, for example, is remarkably brazen:

I have said many a time that the issue of the economy must be insulated from partisan considerations. We must not imagine that multi-party or Parliamentary democracy requires opposing views on the economy just for the sake of debate nor must we forget the danger to the very sovereignty of our nation if we do not keep our economic programme on course.

Beyond economic policy, Rawlings also frequently complains about the constraints of constitutional rule. Among other things, this forces him to respect the right of habeas corpus (Gyimah-Boadi, 1994), and to tolerate the opposition's 'disloyalty to the national integrity' (New African, September, 1995). While the government has seemingly acknowledged separation of powers in accepting a number of decisions against it from the Supreme Court (Gyimah-Boadi, 1994), Rawlings has also threatened that same body. The NDC government, or elements of it, are also quite willing to engage in political 'dirty tricks'. Most recently it has been harassing a leader of the opposition's new Alliance for Change, Nana Akuffo-Addo, with a trumped-up murder charge. The recent debacle around the issue of the government's new Value Added Tax (VAT) is, paradoxically, illustrative of both tendencies toward neo-authoritarianism and accountability. The government has been talking about bringing in the VAT to broaden its revenue base and simplify and replace the range of sales taxes now in place, since 1993.

On 1 March 1995, the VAT was finally introduced at a rate of 17.5% and caused severe inflation, as it was misapplied throughout the country (twelve-month inflation was 49.9% for April 1995, up from 20.9% in June 1994). The inflation and price-gouging by merchants and traders galvanised the country in opposition to the tax, and large demonstrations were held against it in all major cities. At the first of these demonstrations, in Accra on 11 May, thuggish government 'supporters' attacked demonstrators and fired into the crowd, killing five and wounding 25.

The NDC government has rejected calls for an investigation into the affair, but has also responded to some popular demands on the issue; the VAT was cancelled in mid-June and Rawlings and other important figures have taken pains to distance themselves from it. The subsequent, and very momentous, resignation of Finance Minister Kweisi Botchwey in July may be a sign that the government line on adjustment is softening still fur-
ther. Several different accounts of the reasons for the resignation were circulating in Ghana at the time, but certainly relations between Botchwey and his President had deteriorated. Botchwey was publicly angry about a financial hemorrhage at the Ghana National Petroleum Corporation, headed by Rawlings confidant Tsatsu Tsikata, and Rawlings in turn could pin much of the blame for the VAT fiasco on Botchwey, who was rumoured to have set the high 17.5% tax rate to hit IMF revenue targets. One plausible account argued that Botchwey's departure was no longer worrisome to Rawlings because Botchwey was seen as too tough and politically insensitive; intent on the financial bottom line, he was inattentive to the political repercussions of scrupulous adjustment.

The donor community is varingly worried by the politicisation of adjustment under democracy. They have given the government a hard time, suspending disbursements for several months in 1993 and 1994 over missed financial targets (Botchwey, 1994), but they also continue to support the government’s programme. At the June 1995 Consultative Group Meeting, Ghana's funding requests for the year were met, to the tune of $1.6 billion.

Countdown to the 1996 Elections

As the November 1996 elections approach, electioneering has already begun. What will the NDC do in 1996? Some options appear to be foreclosed. First, donors are certainly on the watch for a replay of 1992s fiscal laxity, and the NDC has already come out publicly to pledge that it will not repeat itself. Its Policy Framework Paper for the June 1995 Consultative Group Meetings pledged amazingly contractionary goals, with a target of a 1.5% budget surplus (up from the existing deficit) and only 5% inflation for 1997. An ambitious target, since inflation was running at around 50% in June-July 1995, and has almost never dropped below 10% since adjustment began in 1983. Growth in money supply will also be reduced.

A logical alternative strategy would be to use political machine tactics to rig the elections and achieve victory illegally. However, a number of new safeguards will make this less possible in 1996. The national electoral registers are going to be fully updated and revised, and free copies will be given to all political parties. Donors will be providing transparent ballot boxes for voting, and voter registration cards with picture IDs will be issued.

We can certainly expect to see the rural-based, distributive strategy fuelled up again in the election year. The government has not lost its enthusiasm for this ploy. Indeed, it appears to enjoy being tough with (urban) public sector wage demands, for example, publicly arguing before rural audiences that government monies are better spent in the rural areas (Africa Confidential, 28 April 1995). (This is said to be a factor influencing the hard line on salary increases taken with university lecturers, on strike since April 1995.)

A number of infrastructure projects will likely be either inaugurated or completed in 1996. Electricity will be turned on, school buildings finished or refurbished, boreholes for drinking water drilled. Agriculture will receive further attention, cocoa producer prices will increase, and it is quite likely that the government will re-introduce some kind of subsidy programme for agricultural inputs, perhaps for fertiliser. Injecting resources in the rural areas will be facilitated by the fact that many of the recent donor project loans are largely undisbursed. As of 28 February 1995, several of the rural-focused World Bank projects listed above were 80-90% undisbursed (World Bank mimeo). This leaves a sizeable pool of money for potential use in 1996. A great
deal will also depend on the level of organisation and unity of the opposition.

A centre-right Danquah-Busia tradition (which includes the NPP) and a centre-left Nkrumahist tradition are in turn subdivided into factions and parties, often based around leading political personalities with presidential ambitions. The opposition's task is further complicated by the fact that Rawlings in some ways claims the ground of both sides. The adjustment programme and a liberal economy are the traditional platform of the right, while Rawlings' public reverence for Nkrumah and the fact that important members of his inner circle are members of Nkrumahist parties confuses that side of the political spectrum as well. The VAT mess has brought a measure of opposition unity and the creation of a broad-based Alliance for Change movement that tries to rise above party differences. But if the opposition fails to unite around a common presidential candidate (a distinct possibility), Rawlings could easily be re-elected in 1996.

Ghana's polity and economy stand poised in 'precarious balance', as the favourite saying these days goes, between neo-authoritarianism and working democracy, between strict adjustment and neopatrimonial economic decline. The current path, with decent progress on democratisation and slow, continued economic reform, looks good when compared to many African countries. Ghana has fallen into a distinct pattern of political business cycles and stop-and-go reforms. This is precisely the pattern that is so distressing to proponents of unswerving neo-liberalism but, I would argue, is in fact a positive outcome. Compromise between political and economic imperatives is the norm in the rest of the world (certainly in the US and Europe) and one shouldn't expect anything more from impoverished African democracies. But the glass is also half empty. While the government respects democratic rights much of the time, there is no reason for political dirty tricks of any kind, and indeed the NDC would seemingly benefit politically from 'taking the high road' on such matters. On the economic front, it is disturbing that, after 12 years of adjustment, Ghana is still an exporter of primary commodities whose success can largely be attributed to the discovery of huge gold deposits and a steady inflow of development assistance. This is a challenge for the NDC government, but especially for donors, who have been able to carry out their reform experiments in Ghana, relatively undisturbed: the test results are in.

The refocusing of the state on rural interests is a significant development, and a positive one. A rural bias to development policy in Ghana is preferable to urban bias, since the rural sector is by far the larger and historically most neglected. The government has built a support base in the rural sector and goes out to win those votes, largely by legitimate means. The rural sector has in turn benefited from that attention. It will be interesting to see if the rural strategy works in 1996. The coming elections will, in so many ways, be a crucial test for the Ghanaian government and the opposition.

Daniel Green is at the University of Delaware.

Bibliography


European Aid or Trade for South African Development?

David Seddon

As far as aiding South African development is concerned, the European Union seems to be in some confusion as to whether South Africa is to be regarded as a 'developing country' requiring preferential treatment and special assistance or as an industrialised country which must be subject to the rules of the GATT and 'open for business'.

In March this year, the European Parliament sent back to the budgets committee a report on a proposed 2-year Ecu 300 million European Investment Bank loan to South Africa because of a difference with the Commission over the legal position. Parliament wished to bring the proposal under EU development policy, but the Commission was unwilling to accept this; the consequence was that the Parliament was obliged to treat the proposal as one concerning an industrialised country.

In June, the Council agreed a negotiating mandate on trade and cooperation between the EU and South Africa which would involve a twin-track approach: a trading and bilateral cooperation agreement, leading to a free trade area, and participation of South Africa in parts of the Lomé Convention. While the Commission is interested in a free-trade agreement, the South African government would like to benefit from trade arrangements under Lomé. In accordance with GATT rules, the proposed free trade agreement would cover substantially all trade matters and thus had to be separate from Lomé.

Many members of the European Parliament were concerned about the implications of the proposed agreement leading to a free trade area and were angry that Parliament had not been involved in the development of these proposals and would apparently not be involved in negotiations. After a debate on 13 June, MEPs adopted a joint resolution regretting Parliament's exclusion from the negotiations and reminding the Commission that any future trade and cooperation agreement must be ratified by Parliament. Many (like Glenys Kinnock) were concerned that the negotiating directive agreed by Council could have potentially negative consequences and suggested that until final agreement South Africa should enjoy the benefits of Lomé trade provisions on a non-reciprocal basis; others (like Magda Aelvoet) was insistent that South Africa be granted a long transitional period in moving to a free trade agreement. Commissioner Joao de
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Deus Pinheiro informed Parliament that there would be a timetable to allow South Africa to adapt.

Although some 77 per cent of South Africa’s exports enter the EU market duty free, this mainly applies to commodities including gold and diamonds. Exports of agricultural products currently face a tariff of 18 per cent. The Commission is now proposing an extension of the benefits of the GSP trading preference system to South Africa, including agriculture. Specifically, it is proposed that preferential market access be allowed for about two thirds of South Africa’s agricultural exports. Some in the European Parliament, however, have argued (for instance, Alex Smith – from the South of Scotland and a member of the Party of European Socialists) that recent studies by the Institute of Development Studies at Sussex suggest that the impact of tariff-free agricultural exports from South Africa on EU producers would not be as great as originally feared. They would like to see all agricultural exports benefitting from preferential access, on the basis that agriculture and textiles constitute key sectors for the creation of new jobs in South Africa.

Removing tariffs is thus seen by some in Europe as a relatively painless form of development assistance to the new South Africa. Another way, it is suggested, that the EU could help would be to allow South African companies to tender for European Development Fund contracts. As far as development assistance generally is concerned, the EU has financed over 700 projects in South Africa since 1986, spending some Ecu 450 million. The aim now is to turn this aid programme, originally designed on Parliament’s initiative, to assist the victims of apartheid, into a new form of development cooperation, to be known as the European Programme for Reconstruction and Development in South Africa. The budget this year for this programme would be Ecu 125 million, but plans are also being developed for a global budget of around Ecu 500 million for the period 1996-1999.

After a major debate in the European Parliament in early October on EU relations with South Africa – when two reports on strengthening EU-South African relations were formally introduced for their first reading – the Commission’s proposal to establish a legal basis for the planned EU expenditure of Ecu 125 million a year towards reconstruction and development was approved. Parliament wanted greater emphasis on projects involving community-based organisations and those relating to the environment. It also decided that the Commission delegate in South Africa should be given the power to authorise expenditure on projects up to Ecu 500,000. Parliament proposed a substantial improvement in South African access to the EU market, including the granting of preferential access to all agricultural exports.

Several MEPs (Glenys Kinnock, Niall Andrews) argued that ‘there were two countries in reality in South Africa’ and that the living conditions of 85 per cent of the people were characteristic of a developing country. Alex Smith (who introduced one of the reports) argued that, while making the economy more efficient and competitive was a prerequisite for growth, in the medium term the country required support for the process of restructuring and ‘a breathing space’ for its manufacturing sector to become more competitive. He, like many others, feared that too rapid a move towards a free trade agreement with the EU could lead to the end of the South African Customs Union, plant closures and the loss of jobs, accentuating an already very high unemployment rate.

Responding to the debate for the European Commission, Mr Papoutsis acknowledged the long term intention to negotiate a free trade agreement, but stated attention would focus on arrangements over the next 10-15 year period. Two rounds of
talks had already taken place and one problem to be faced was reconciling any new agreement with GATT/WTO rules. On Lomé, South Africa had accepted the idea of partial membership. While welcoming the start of negotiations on a long-term agreement between South Africa and the EU, Parliament called on the Commission to undertake a detailed study of the impact of a free trade deal on South Africa's industry and on the customs union between South Africa and its neighbours.

References

Eritrea: Starting from Scratch

Dan Connell

Asmara, Eritrea – shortly after Eritrea's war for independence ended, men in many villages and towns began to form secret committees to block women from peacetime distributions of land. 'The men were rushing to divide the good land for housing and for agriculture before we established our rights', says Askalu Menkarios, who heads the 200,000-member National Union of Eritrean Women.

The backlash against women, who played a prominent role in the liberation struggle, did not come as a complete surprise, though the extent of the clandestine men's mobilisation caught women off-guard. When the plot was discovered, however, protesting women marched on the president's office to demand action.

One result was the imprisonment of some of the ringleaders. Another was the acceleration of reforms that make all land the property of the state and allocate user-rights to all Eritreans, women and men alike. Previously, land was held by communities and rotated among male members. Single, divorced or widowed women, lacking access to land in this overwhelmingly agrarian society, were forced to live with their parents or migrate to the cities, where many turned to prostitution to survive.

If the danger of slippage on women's and other social issues puts intense pressure on the Eritrean revolutionaries to protect the gains made during the liberation struggle, however, the need to produce economic results for a population that has endured privations and sacrifices for over a quarter century is immense. What they are finding is that running a country is far more difficult – and more complex – than winning a war, even one that put them up against successive US and Soviet-backed armies. It's not like the liberation war, where you have one major obstacle and other problems are simply secondary, says Eritrea's new president, Issaias Afwerki. Now it's completely different. You have to face challenges in all directions and their magnitude is tremendous in terms of the frustrating effect on what you want to do and what you can do.

In a sense the Eritreans have the advantage of starting with nothing – no capital to speak of, but no crime or corruption either, and no debts, economic or political. They also carry very little ideological baggage, having shed their early marxist dogma in the 1980s while battling a Soviet-backed Ethiopian junta. Today, they are hammering out their own development model, mixing core commit-
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ments to nationalism and social justice with a heavy dose of pragmatism. And they are doing it much as they won their independence – by dint of their own efforts and on their own terms.

A six-week visit, my 20th in nearly as many years, found the society solidly unified behind the liberation movement, though there is some grumbling among urban-dwellers and exiles over the slow pace of economic and political liberalisation. But virtually everyone in the country seems engaged in the nation-building project, and it is safe to say that leaders of the victorious Eritrean People's Liberation Front – now transformed into the People's Front for Democracy and Justice – have a grace period of at least three or four more years to implement their vision of Eritrean society before they face any serious, indigenous opposition.

The central political challenge is to create a viable, secular, democratic government in a region rent by intensifying religious and ethnic conflict and in a culture with no tradition of independent civil society. Success will depend heavily on the ability to reconstruct the battered economy, giving people a tangible stake in the new state at a time when development aid for Africa is slimmer than ever before, though Eritrea is getting bits and pieces from surprising quarters. But the longer-term challenge will be to pull this off without abandoning the egalitarian values that drove the revolution in the first place. The key to success here is recapturing the dynamic links with the base of the society built during the liberation struggle but substantially weakened over the past three years, under the demanding new pressures of governance and the sheer magnitude of postwar reconstruction needs.

Eritrea gained its independence from Ethiopia in May 1993, two years after the fighting stopped, in a UN-monitored referendum where 99.8% of the voters opted for sovereignty. The former Italian colony had been linked to Ethiopia in an abortive, UN-sponsored federation, abrogated in 1962 when the landlocked empire swallowed Eritrea in order to gain control over its coveted coastline.

Throughout the protracted conflict, the strategic Red Sea territory, often dubbed the Middle East's southern flank, served as a cold war battlefield of dizzying political turnabouts. From the outset, the US and Israel actively supported the Ethiopians. Washington provided Addis Ababa over half its total aid to Africa from 1952 to 1976, including the first supersonic jet fighters on the continent and Special Forces units to train the Ethiopians in counterinsurgency techniques. Israel also sent military advisors and arms, starting in the 1950s. Then in late 1974, a military junta known as the Derg overthrew the 82-year old emperor Haile Selassie and two years later realigned Ethiopia with the Soviet Union. Moscow, which had earlier expressed sympathy for the Eritreans without sending direct aid, promptly escalated the conflict by pumping in over $11bn in new arms. This massive arsenal was accompanied by high level military advisors, some of whom came directly from neighbouring Somalia, also at odds with Ethiopia but until then the Soviet Union's chief client in the region. The upshot was a Somali realignment with the US.

However, the consequences for the Eritreans – on the verge of winning the independence war against a crumbling, western-backed army – were more complicated. The US, distrusting the guerrillas leftist orientation, took a hands-off attitude, betting on a return to favour in Ethiopia once the insurgency was contained. China, which along with Cuba, had trained Eritrean guerrillas in the 1960s, now offered aid to the Eritreans if they would place themselves in the Beijing camp by denouncing the Gang of Four and characterising the Soviet Union as social-imperialist – conditions the Eritreans spurned. The Israelis, fearing
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The rise of a pro-Arab regime along the 600-mile southern coast of the Red Sea, quietly continued to back the new Ethiopian junta, led by Lt.Col. Mengistu Haile Mariam, which raised a new army of over 350,000 men. Even Saudi Arabia undercut the Eritreans by funding an Islamic splinter group opposed to the secularism of the EPLF.

Lacking any consistent outside support and fighting mainly with captured weapons, the Eritreans were forced in 1978 to withdraw from large areas of previously-seized territory to wage a mix of conventional trench-warfare around their mountain redoubt and partisan raids behind government lines. This went on for 13 more years before they secured a hard-won military victory in Eritrea and helped allied guerrilla forces in Ethiopia bring down the Mengistu regime.

The war left Eritrea in ruins. Water and sewage systems in the towns barely functioned; the few asphalt roads had been torn up by heavy military vehicles; port facilities in Massawa, the country's main outlet to the sea, were badly damaged by heavy bombing; and the rail system was entirely dismantled, its iron rails used to make bunkers. What remained of the country's light industry had not been maintained or modernised in a quarter century, and urban unemployment exceeded 30% of the economically-active population. Meanwhile, persistent drought through the 1980s, aided by the deforestation wrought by the war, kept the rural population on the brink of famine. At the end of the fighting, fully 85% of Eritrea's 2.8 million people were dependent on donated food aid, while a million more languished in exile abroad, over half in squalid refugee camps in neighbouring Sudan. In 1993, the World Bank estimated the country's per capita income at only $70-150, compared to $330 for the rest of sub-Saharan Africa, marking it as one of the world's poorest states.

The Eritreans now have to design everything from passports, driver's licenses and postage stamps to telecommunication systems, school curricula, road and rail networks, and tax policies, while attempting to deal with a ravaged economy that was skewed against most of the rural population in the first place. In effect, they are creating a country from scratch. They conserve meagre resources and to avoid sinking deep into debt at the outset, the former guerrillas serving in the government still collect only a basic living allowance instead of salaries.

Coupled with the land reform, the most important new Eritrean economic initiative is a national service campaign that requires everyone over 18, as well as men, to undergo six months of military training before spending a year working on reconstruction projects aimed at helping achieve self-sufficiency within a decade. This is intended to compensate for Eritrea's lack of capital, while welding together the diverse society, made up of nine distinct ethnic groups and roughly divided among Muslims and Christians, but it will also have a profound effect on the status of women, traditionally married at puberty in arrangements negotiated at birth and then often secluded from mixed society for most of the rest of their lives.

Ten thousand young people will soon join brigades of the former liberation army and thousands of civilians on food-for-work projects building new infrastructure. In the past year, work teams have built 11 micro-dams, terraced hundreds of miles of badly eroded hillsides and planted over 20 million tree seedlings. The goal next year is to triple dam construction in an attempt to shift the precarious peasant agriculture from one based on rainfall to small-scale irrigation. The danger of famine in Eritrea is very minimal now, says Dr Nerayo Teklemichael, the director of the parastatal agency that oversees the distribution of all donated food, who worries more now...
about dependence than about hunger. We are nearing a very crucial point in our history, when we will say: thank you very much, we are on our own.

Apart from food aid, the Eritreans are finding development capital hard to come by, though every power that ever intervened in Eritrea, with the exception of Turkey, now gives some help. Italy has the largest overall aid package, with the US appearing to run second, due mainly to the large input of emergency food. British and Saudi delegations were in Asmara during July 1995 looking at investment prospects, the Israelis are providing agricultural training, the Russians are planning to build a new hospital, and the Chinese are helping expand the radio and television broadcasting capacity. Private aid agencies like the Boston-based Grassroots International and Oxfam America also give some assistance, but one of the largest source of support remains now, as in wartime, the Eritrean exile community. Though diversifying aid sources to this extent minimizes the impact of any one donor, the Eritreans look forward to a point where they won't need to depend on it. "The time when everyone in this country will feel relieved will be when we are not asking anyone to give us help", says Issaias.

On the political front, the main immediate objectives are to come up with laws regulating an independent press and rival political parties and to adopt a constitution. A 50-person commission is slated to produce a draft constitution for ratification in two years through an extensive process of consultation and debate within the country and among exiles and refugees living abroad. After this, the transitional government promises multiparty, national elections and a transfer to civilian rule, though parties based on ethnicity or religion will be banned.

We have a tragic history, says Meheret Iyob, a prominent woman on the commission, referring to past confessional strife in Eritrea. We want to have complete freedom of conscience, freedom of religion, but it is very obvious that we have to make this a secular state, otherwise there will just be destruction.

One question mark is how open the press will be. Regulatory legislation has been drafted but postponed to late November 1995 by the National Assembly, made up of the PFDJ central committee, plus independents elected at the provincial level, for what officials term technical reasons.

Sources familiar with the draft law, say the focus is on restricting foreign funding, while explicitly prohibiting pre-publication censorship. Meanwhile, the only media outside a handful of private newsletters and magazines are the state-run radio, TV and newspapers. One indication of how unconstrained the press is came recently when the widely-read Tigrinya-language paper, Hadass Eritrea [Eritrea Today] ran a series charging gross mismanagement on the state-owned Elabared agricultural plantation, one of the largest in the country. While the response of government officials was decidedly mixed - the Asmara governor and former army chief-of-staff Sebhat Ephrem termed the reporting nonsense - there was no move to suppress publication or influence coverage, and the series continues.

On the other hand, a recent incident in which three people were killed in a mutiny by disabled ex-fighters was not covered until the president answered questions at a press conference over three weeks later. Self-censorship is our only problem, says Abinet Issayas, editor of the English-language Eritrea Profile. No one tells us to say this or that, but we are all ex-fighters, and we do not have the habit of critical reporting. It will be much easier when the press law comes out.

New non-governmental organisations (NGOs), which can push issues at a
grassroots level, are slowly beginning to appear, principally out of civilian support organisations set up by the liberation front during the war. The largest of these are the National Union of Eritrean Women, which spun off from the EPLF in 1992, and the National Confederation of Eritrean Workers, launched in September by five industry-based union federations, after the parent group disengaged from the liberation front. There is also a National Union of Eritrean Youth.

The women's union is focused mainly on education and training among poor rural and urban women, who make up the bulk of the organisation's members and among whom land ownership has long been the central issue. During a series of recent workshops convened throughout the country, however, professional women and ex-women guerilla fighters expressed a growing impatience over the lack of a forum to press their grievances at a time when many men, including former liberation fighters, are beginning to reassert traditional, male prerogatives. The most urgent situation is that faced by demobilised women guerilla fighters, who at one time made up one-third of the 95,000 person liberation army. Now they are finding it difficult to return to home villages where they are considered unmarrigeable due to their self-assertiveness.

Women's concerns are so diverse that we need a wide variety or organisational forms - issue-oriented organisations, perhaps affiliated to the national union but autonomous, says one long-time women's rights activist, critical of what she sees as too much centralism in the women's union. We need to have lots of democracy, she adds.

Though the country's leaders say they support independent social, cultural and political organising, Eritrea has no tradition of pluralism in civil society. Many people, long-acustomed to strict controls over all forms of public assembly under Ethiopian occupation or to the highly-centralised, war-time structures of the EPLF, now appear hesitant to start new organisations outside the sphere of the former liberation movement.

At the end of the war, practically the only NGOs were the Red Cross and the churches and mosques. A highly successful recent attempt by women fighters to organise a fund-raiser to underwrite a day care facility was widely covered by the Eritrean media and is much touted by officials, who cite this as a model to be emulated, but there are yet no examples of advocacy groups or interest-based organisations apart from the former EPLF unions.

The new PFDJ, which is the country's pre-eminent political organisation in the lead-up to the legalisation of rival parties in 1997, has made the initiation of community activism its top priority, according to Yemane Gebreab, who resigned his post as Deputy Foreign Minister to work full-time for the movement. Up to 90% of the adults in Serai province have already signed up, according to the regional secretary in Mendefera, who says this is typical of what is happening throughout the country.

'We want to make sure that the vast majority of the population has an input, that their voices are heard' says Yemane, who argues that multiparty elections by themselves will not give the largely non-literate peasantry - especially women - more than a superficial engagement in the political process if they are not schooled first in how to make use of it and if alternative avenues of expression are not opened to them.

Perhaps the most notable instance of independent organising now underway is the NCEW. With only 20,000 members, the new trade union confederation is already going head-to-head with the government, still the country's largest employer, over bread-and-butter issues such
as the length of paid maternity leave, vacation and other benefits. Within a month of launching, NCEW leaders also initiated contacts with South Africa's Congress of South African Trade Unions (COSATU) to share perspectives on the independent role of workers in a state controlled by a former national liberation movement.

However, the fledging organisation has first to overcome habits of passivity bred into the workers by Soviet-style unions set up under Ethiopian rule in which leaders and meeting agendas were selected by the occupation forces and open debate was discouraged, if not severely punished, according to NCEW vice general secretary Tsegai Mogos:

Our main objective now is simply to develop trust and build dignity among our members.

Dan Connell works for Grassroots International. This Briefing is taken from the Eritrean Studies Association Newsletter. For membership details write to Tseggai Issac, Secretary (ESA), Department of Political Science, Humanities and Social Science, University of Missouri, Rolla, Missouri 65401, US.

Editor's Note: In the next issue (March 1996), we will be publishing a full report on the constitutional processes currently taking place both inside and outside Eritrea. We would also like to invite contributions to an issue on 'The Horn' to be published in late 1996 or early 1997.

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Egypt's New Draconian Press Law: A Tale of Two Sons

Hasan Ragab

The recently announced press laws, unsurpassed in Egyptian history, were completely unexpected, severe and amount to a confiscation of press freedom. But the gag that was intended to silence all critics has turned out to be a political disaster. For a regime not renowned for political savvy they have provoked unprecedented violent criticism, even from the generally docile government-owned press.

The united press front has threatened to become the spearhead of a national movement that unites opposition parties. It has taken two major events to defuse the crisis: the first was a conciliatory move by the government, that promised not to implement the new laws until a replacement law was worked out, within three months, in consultation with journalists.

The second event was the failed assassination attempt on the life of president Mubarak in Ethiopia on 2 of July 1995 which miraculously salvaged the president's popularity from total ruin. A catastrophe has been prevented in terms of what seemed to many like an exact replay of the events that led to the assassination of President Sadat in September 1981. However, the status quo was by no means restored: problems still persist which have been contained but not solved. Yet, as interesting and important the actual events have been, it is important to investigate the pertinent elements and circumstances that led to the crisis in Egypt – a country of pivotal importance in the Middle East and Africa.

A Summer Night's Nightmare

We will first establish the bare facts and then work backwards to explain and