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Editorial: North Africa in Africa

Ray Bush & David Seddon

North Africa is often seen and treated by commentators and analysts as different and separate from sub-Saharan Africa. ‘Arab Africa’, as it is sometimes referred to, has historically been seen as important geo-strategically for imperial interests and as providing a bridge or a link to countries in sub-Saharan Africa or in the near and Middle East. This view of north Africa’s difference has served to try and separate it from sub-Saharan Africa and to undermine projects of pan-Africanism. Europe and the US have been keen to attract north Africa to the special table of aid and trade through projects of the Euro-Med and initiatives of security in the Mediterranean and the Middle East. These latter have most recently been illustrated by the biennial war games played out in Egypt’s Western Desert in October and November 1999 named ‘Bright Star’. These military games were initiated in 1981 and in 1999 involved 11 countries. It was the biggest coalition gathering since the 1991 Gulf War and was centred around the role of the US aircraft carrier John F Kennedy. Visiting Cairo for the military manoeuvres, US defence Secretary William Cohen took the opportunity to sabre rattle noting: ‘We’re building a long term partnership that will provide the security that our people want and the stability they deserve’ (Al-Ahram Weekly, 28-3 November 1999).

The ‘difference’ of north Africa has also served to exclude Libya, a ‘rogue’ state on its way to rehabilitation, and to forget Mauritania seen as part of sub-Saharan Africa and treated accordingly under arrangements for Lome. But Mauritania has been excluded in other ways too. There remains a lack of critical analysis in English and the book by Ould Mey, reviewed in this issue, provides an invaluable analysis of the country’s political economy and the processes of structural adjustment in recent decades.

Commentators have also failed to discuss the war in Western Sahara in their analysis of ‘development in north Africa’. Yet here there are parallels with Iraq’s invasion of Kuwait and also with Israel’s invasion of Jordanian and Egyptian territories now under occupation and gradually experiencing, after years of attrition and the smothering of Palestinian ambition and possibilities for sustained development, a limited autonomy under Israeli domination: is this the future scenario for Western Sahara?

While western leaders separate the region from the rest of Africa, north Africa’s leaders have tried at various time to remind sub-Saharan Africa of its significance and historic links. These were famously promoted by Egypt’s president Nasser with the drive for pan-Africanism and non-alignment. Egypt’s current president Mubarak has also chaired the OAU and Libya’s Qaddafi, now on the way to being admitted to respectability in the eyes of the west, has recently put African unity back on the geo-political agenda. And Egypt’s dependence upon the river Nile for its lifeblood has meant that it is particularly concerned with maintaining important relations with countries in the greater Horn. These are witnessed most clearly with its involvement in promoting a peace settlement in Sudan but also with development initiatives in
Ethiopia that might reduce the flow of Nile water to Egypt. This becomes particularly important with Egypt’s massive irrigation projects under construction using Nile water in the western desert at Toshka and with the El Salam Canal East Delta Newlands and North Sinai developments.

Perhaps the biggest similarities however between the north of Africa and elsewhere on the continent is with issues of economic and political reform, structural adjustment and globalisation. Pfeifer in this issue makes interesting comparisons between the three ‘favoured’ north African economies, Morocco, Tunisia and Egypt and while Mitchell focuses on the specifics of Egypt he draws attention, as does Pfeifer, to patterns which have also been experienced in sub-Saharan Africa: the IMF and World Bank say things are going fine and so too do the speculators and ‘casino’ capitalists but there is a singular absence of a foundation being laid for sustainable development and a failure to address the intensification of economic inequality.

Algeria, that has also suffered in the aftermath of structural adjustment and liberalisation, like most sub-Saharan states, and from widespread civil violence and the collapse of normal state control, is treated as a special case by Hassan, who develops a critique (which partly echoes, but is also different from that of Pfeifer) of the previous strategy for national development. The economistic approach of Hassan is complemented by Lloyd’s paper on women and forms of mobilisation in contemporary Algeria. This essay identifies both the constraints and potential for the mobilisation of civil society in times of civil strife. It is an optimistic analysis and one which might inspire similar investigation of civil society mobilisation in sub-Saharan Africa and elsewhere in north Africa. The western models of democracy and good governance continue to fail to appreciate the realities of ‘actually existing civil society’ in both the Middle East and Africa and that the struggle against authoritarianism may take many very different forms but the space for those struggles is often also very small. As Islamist threats to political stability have largely subsided regimes have spoken rhetorically about political liberalisation yet failed to reverse decades of populism and corporatism where signs of independent working class or farmer organisation has been ruthlessly quashed, human rights routinely abused and elementary rights of citizenship and the rule of law denied. In Egypt in the last two years there have been in excess of 400 deaths relating to changes in the land tenure law as tenanted farmers have resisted dispossession and the forces of law and disorder and have allied with landlords to suppress farmer opposition to the rule of law.

Egypt is a case where the richness, vibrancy and optimism of people’s will has repeatedly been undermined by a regimes cynicism. Misplaced optimism during the buildup to the referendum that confirmed Hosni Mubarak as Egypt’s president for an unprecedented fourth term on 26 September 1999 was short-lived. The optimism lay in Mubarak’s comments during the referendum ‘campaign’ where he was the only candidate. In fact Mubarak has never had an electoral opponent since he came to power after Sadat’s assassination in 1981 and a sense of the way in which the state media machine went into overdrive for the referendum was captured by one banner that read ‘God gave three gifts to Egypt: the pyramids, the Nile and Mubarak’. The president noted in September that Egypt was on the eve of a new dawn and he pursued this theme in his first parliamentary address after his ‘landslide’ victory gaining a declared 93.79 per cent of the vote.

The president called for more political participation to accompany greater economic liberalisation. Pessimism soon returned however after he named the ageing technocrat Atif Ebeid as the new prime minister and the cabinet reshuffle kept 19 of
the old guard firmly entrenched, including all the main ministerial portfolios. The 13 new appointments have been met with considerable disappointment by commentators who have lamented another opportunity for meaningful reform. Ebeid, like El-Ganzouri before him, is reported by government press and some international agency commentators as the man to lead Egypt into the next millennium because he is well known by the IMF - but it has also been noted that this was the view expressed when El-Ganzouri came to power in 1997. Like El-Ganzouri, Ebeid is confronted by economic reforms that have not delivered, even by their own measure, and unprecedented levels of unemployment and poverty. And like El-Ganzouri, there is no government strategy that will promote economic growth, create jobs and reduce poverty apart from faith that an unregulated market will deliver prosperity. But even this is misleading. As Mitchell demonstrates, Egypt's relationship with neo-liberalism is likened to the success of the political imagination, as well as the plunder of public resources by undisciplined capitalists.

There continues to be a mismatch between the declared intentions of a political leadership that occasionally taunts Egyptian's with unfulfilled promises and the reality that the Egyptian regime has become more authoritarian rather than less in recent years; that there is in fact little hope in the foreseeable future of political reform, greater representation, less corruption and the promotion of citizenship and human rights.

The Egyptian regime has spoken in recent months of the need for greater transparency in its financial dealings yet this has accompanied the agreement by the country's parliament to place all responsibility for financial matters in the hands of the presidency. There are no financial estimates to be debated, no access to information regarding the allocation of the country's resources to the military and arms purchases. And while there was mention of the need for NGOs to play a greater role in society without becoming the 'tools of foreign forces', the regime is progressing legislation that restricts NGO activity and which somewhat mirrors the government control of the professional syndicates and trade unions. A recent press law also restricts criticism of parliamentarians and public figures which jeopardises the popular view that at least Egypt is a democracy of newspapers - there can be political debate among a myriad selection of daily and weeklies but even this is now squeezed. Journalists have recently been imprisoned and others lost their jobs for criticising government policy or reporting the criticism of others. Egypt is not unique in the region for the restrictions placed on debate but it has been seen as the most liberal. The Vice President of Tunisia's League for Human Rights was freed on 22 September after serving more than 22 months of a three year prison sentence for 'spreading false news threatening public order' and inciting citizens to contravene the law' (Middle East Times, 30 September-6 October 1999).

Intensified political control by the Egyptian regime is at odds with the unprecedented recent agreement between Egypt's opposition including the four main political parties, the leftist Tagammu, the Waft, the Islamist Labour Party and Nasserists which together with almost 200 prominent political figures initiated in September 1999 a petition to the Government of Egypt. This petition calls for the lifting of emergency legislation, release of political prisoners, guaranteed free and fair elections and full freedom to the formation of political parties and independence of trade unions and professional syndicates. Taken together, this petition seeks the introduction of a parliamentary republic. This is clearly not on the regimes agenda: the government is unwilling to put itself out of office and deny itself and the ruling National Democratic Party access to the spoils of office. Despite the petition representing an historic
agreement between opposition parties there is an absence of any social movement capable of mobilising a reform or the removal of the authoritarian regime. The Government of Egypt benefits greatly from the absence of a united front for democracy and human rights as local NGOs fight among themselves over whether to register with the governments' new NGO law, how to access donor funds and what the appropriate strategy should be to promote even a limited political liberalisation.

The absence of social and political forces intent on promoting democratisation stretches beyond internal political groups to the aid and donor community. While USAID trumpeted its Egyptian governance programme in the early 90s, it quickly became clear that an agenda of training parliamentarians in the ways of US Congress, developing expertise in managing staff, using xerox machines and filing memoranda was of little value for empowering social classes to independently organise and establish their own political agendas – rather than assimilate those of the US or the Egyptian political elite. The US, too, learnt quickly from the debacle in the former Soviet Union that it was foolhardy to rush ahead simultaneously with economic and political reform: it was simply too destabilising and a strong robust and authoritarian Egypt was a better bet to counter possible Islamic insurgency or fear of non-compliance in US mid-east strategy.

US assistance to Egypt is now on a sliding scale over the next ten years from approximately $800m to $400m and inflated Egyptian government GDP figures may well ensure that other donors like the Dutch will assist other countries than those that are self-styled and inappropriately tagged 'middle income'. The contemporary political debate in Egypt is that the benefits of globalisation need to be seized although there is little substance to what these benefits are. And there is real concern in Egypt, and in the rest of north Africa, that the next round of the World Trade Organisation (WTO) ministerial talks held in Seattle at the end of November 1999 will seek more aggressive internal reforms than simply the tinkering with tariffs and border controls. There have been recent talks of trying to revive a regional Arab Maghreb Union (AMU). The AMU includes Algerian, Libya, Mauritania, Morocco and Tunisia and has not operated since its inception in 1989. One of the reasons for this is the continued occupation of Western Sahara following its annexation by Morocco in 1975: Algeria's support for Polisario has led to tension between Algiers and Rabat. While Morocco continues to temporise on its annexation, bilateral talks have taken place between Morocco and Tunisia on issues of trade, investment, fishing and tourism.

While the AMU is discussed in the Maghreb as a possible complement to Euro-Med trade discussions, its policy makers are driven to confront what is seen more and more as the only game in town: compliance with World Trade Organisations agenda of globalisation although Egypt recently joined COMESA, the Common Market of East and South Africa that comprises at least 400 million people. It is nevertheless unlikely that country's in north or sub-Saharan Africa will be able to hide behind the recent UNDP Human Development Report's view of the need for 'globalisation with a human face'. Egypt's foreign minister, Amr Moussa recently noted that 'One of our greatest challenges is to achieve equitable and environmentally sound development'. He continued:

> our responsibility lies in defining a more human vision of global development built on the crucial principle of 'balance' – equilibrium between the primacy of market forces ... and the primacy of social development' (Al-Ahram, 4-10 November 1999).
On the one hand, countries in the region seek to access global markets and they want to do so by retaining control over trade unions, labour and work practices, human rights and the myriad of so called 'sovereignty issues'. On the other hand, the benefits of globalisation are left undemonstrated: the regions exports are lamentable, the productive base in crisis, levels of labour productivity poor, unemployment enormous and there is absence of a private sector able and willing to intervene where many of the regions states have previously, albeit inefficiently, been active. Economic liberalisation has simply not created or provided for the 'ambitious and solid private sector' that Moussa also spoke about. His 'rising and vibrant entrepreneurial class' is not evident. Instead what exists across the region is a class attached either directly or indirectly to the state benefiting from continued state intervention during economic liberalisation. Here structural adjustment legitimises previous rent seeking because it is conducted through the mirage of the market.

The threat of globalisation for the region is that is will become, as it has elsewhere, a vehicle for imperial control of resources, further liberalisation of markets for plunder by foreign investors and extension of tycoon capitalism from selected wealthy families who have used economic reform to asset-strip the public sector and extend the cronyism of the state. The reality of this economic outcome resulting from economic liberalisation in the region is set against the fantasy of World Bank promises that real development will only come from a 'multilateral liberalisation of trade and the speedy opening up of economies to foreign investment'. This latter is the view expressed recently by Shahid Yusuf, World Bank senior economist launching the World Development Report 1999/2000 in Cairo (Al-Ahram Weekly, 4-10 November 1999). He failed to mention that the flip side of his agenda for the liberalisation of world trade leaves untouched the protected economies of Europe and the US and the untrammelled defence of the US patent protection system will increase the royalty payments to the North's transnational companies and deny the world's poorest countries access to modern technology that might make worthwhile inclusion in an equitable world economy.

References
The argument relating to Egypt is developed further in Ray Bush (1999), Economic Crisis and the Politics of Reform in Egypt, Boulder: Westview Press; Land Centre (1999), 'Review of Violence in Egypt's Countryside 1997-1999', Cairo: mimeo; Al Ahram Weekly and Middle East Times (various issues).
Parameters of Economic Reform in North Africa

Karen Pfeifer

The debates over the successes and limitations of structural adjustment in North Africa swirl around how to understand the institutional framework supporting economic activity in the non-western world. To what extent are the investment roles for state leadership and for private enterprise, especially for export, a substitute for or complementary in the contemporary development process? How far should privatisation go? For example, should natural monopolies like telecommunications or strategic sectors like phosphate and oil production be sold off?

The North African economies' relationship to the international capitalist system is also up for debate. First, what role are these economies playing in the contemporary international division of labour? Are they vulnerable to global competition from other LDCs simultaneously expanding exports of products like textiles and electronics? Second, how successfully have they managed to diversify activities away from dependence on a single product or a few commodities for export? And third, how dependent are they on external finance of both the concessional and commercial forms? The hard reality is that these economies are in competition with other newly-industrialising countries to continuously attract foreign direct and portfolio investment.

Other questions concern domestic equity issues in relation to structural adjustment. Is there necessarily a trade-off of equity for efficiency as an economy liberalises and privatises, or does that depend on the political and social institutions operating in the society? Is it possible to effectively provide social services and human development without prejudicing existing or emerging incentives to save, invest and produce? Is it possible to reduce unemployment and poverty in the context of structural adjustment and if so is this outcome due to deliberate public policy choices or to the SAP itself?

It is an undeniable reality that the old social contracts broke down with the economic crises of the 1980s and new contracts were not put in place by structural adjustment programmes. The overarching challenge in the late 1990s is to move beyond the limitations of SAPs and to reconstruct social contracts that incorporate all segments of society and restore economic growth with equity. These questions were taken up in this journal, numbers 47 and 60. The aim here is to build on that debate by examining how successfully Egypt, Morocco and Tunisia performed under structural adjustment and how they illustrate the process of institutional rebuilding.
Egypt

Egypt provides a clear and early example of the state-led development model. In the 1960s, it pursued import-substitution industrialisation that included basic industries like iron and steel as well as consumer goods like processed foods, textiles and automobile assembly. Far from making the Egyptian economy autonomous from the outside world, however, these industries required imported capital, technology and other inputs in order to function. In the early years, these imports were paid for mainly by the export of cotton and some other agricultural products and by Suez Canal dues (the Canal was closed from 1967-1979 in the aftermath of the October War). In an attempt to ensure production levels for export commodities like cotton and that there was sufficient wheat to feed the population, the government required that the bulk of these kinds of products be turned over to a public agency at prices much below the world market. Central planning became very complex as the quantities and prices of most inputs and outputs were set by decree. This led in turn to the development of subsidies for many consumer goods in order to keep their prices low, and a set of subsidies for industrial firms, to compensate them when their revenues did not cover their costs.

This system had its virtues. There was increased access by ordinary people to education, health care and other social services, as well as in increased equality due to land reform in the countryside and the growth of industrial jobs in the cities. Over time, however, structural problems emerged. Imports were consistently greater than exports and this led to dependence on aid from international allies (first the USSR, then the USA) and to mounting indebtedness to international commercial lenders. Second, farmers gradually shifted their production away from regulated crops to lucrative non-regulated crops like animal fodder, fruits and vegetables. And third, subsidies to industries turned out to be (literally) counter-productive – they rewarded inefficient managers for failing to adapt production to changing circumstances.

Just as Egypt had been a pioneer in state-led development in the 1950s and 1960s, so did the announcement of the new Egyptian open door economic policy (infitati) in 1974 mark the symbolic end of that era in the Middle East. Ironically, however, there was little structural change in the Egyptian economy in the 1970s and early 1980s. Investment exceeded savings by a large margin every year from 1969 to 1989, just as imports exceeded exports (World Tables, 1991:229). Yet this ‘resource gap’ was closed and the economy boomed due to inflows of hard currency from several sources: US aid linked to the peace with Israel, a moderate level of export of newly discovered oil, tolls from the reopened Suez Canal, renewed international tourism, and remittances from migrant workers, as well as the build-up of debt to foreign lenders. With the infusion of these resources, Egypt experienced its most rapid macroeconomic growth ever, 8.4 per cent per year, from 1974-75 to 1984-85, as well as its highest total factor productivity growth, 5 per cent per year, during the 1970/71-1985/86 period (Handy, 1998:5-8). Furthermore, Egypt fared comparatively well in attracting foreign direct investment, ranking fourth among developing countries (ahead of Turkey, Indonesia, the Philippines and South Korea) in total amount received during the 1981-1990 period (World Tables, 1991-92). The inflow of external funds enabled the Egyptian government to postpone hard policy choices that would sooner or later unmask the limitations of state-led development and import-substitution industrialisation. When the boom ended, it led for example, to a declining standard of living, as seen in the fall of per capita income from $US760 in 1988 to $US660 in 1990-1992 (World Tables, 1995). Furthermore, the
end of the oil boom in 1985-86 led to shortages of foreign currency to finance imports of industrial and other inputs, fuelling a debt crisis that struck Egypt as elsewhere in the Third World. This made the Egyptian state more vulnerable to pressure from the importers and financiers who had flourished under the *infitah* since 1974 and also more susceptible to pressure for neo-liberal reform from the IMF and the World Bank. These pressures contributed to more intense social conflict than Egypt had known heretofore. The crisis of state-led growth simultaneously undermined political support from those beneficiaries of state-led development employed in public enterprises and the state apparatus.

An IMF analysis of Egypt's growth record shows investment to have been at an historic high of 25 per cent of GDP from 1974-75 to 1981-82, falling to 18 per cent of GDP from 1982-83 to 1992-93. Public investment had led until 1982, but was gradually overtaken by private investment. The latter accounted for 12 per cent of GDP in 1996-97, but remained low in comparison to an average of 24 per cent in Asia (Handy, 1998:6-7). Real per capita income was about the same in 1995 as in 1985, the IMF analysis suggests that adequate creation of jobs and an improvement in living standards in the next century would require a growth rate of 7 per cent per year, based on an additional 6-8 per centage points of more efficiently used investment each year. The required tandem rise in the savings rate implies a need for additional foreign savings in the form of foreign direct investment and yet more liberalisation to stimulate private investment (Handy, 1998:5, 8-10).

In the eyes of the IMF Egypt has made significant strides in the realm of structural reform. These include a reduction in the rate of inflation and management of the currency to keep the Egyptian pound pegged to within 3 per cent of the US dollar. The privatisation of more than one third of the public sector portfolio since 1996 "... will help raise productivity growth and domestic savings". There has also been a reduction in public expenditures and in the central government deficit. Indeed, Egypt's central government expenditure is lower than the regional average, as are its payments of wages and salaries to central government employees and its transfers and subsidies (Handy, 1998:3, 4, 19, 34). However, Egypt's tariffs are considered too high, and its share of world exports and imports actually decreased in the 1985-96 decade (its share of the European Union market fell from 1 per cent to 0.5 per cent). Egypt may rectify this with an association agreement with the European Union similar to those signed by Jordan, Morocco, Tunisia and Israel. The IMF suggest that due to its relatively low wages, Egypt would be 'a natural assembler of consumer goods for the EU' (Handy, 1998:69), providing jobs in these industries.

The IMF study credits structural adjustment for the surge of capital inflows into Egypt from 1991 to 1994, including the remittances and then savings of workers returning after the Gulf crisis. This surge pushed both the current account and the capital account to peak surplus levels. These flows subsequently fell back to pre-Gulf-War levels, while foreign direct investment peaked at $US1.3 billion in 1993/94 and then ebbed to US$0.6 or US$0.7 billion per annum. The IMF study takes solace from the increase in portfolio investment from a long-term constant of zero through 1994/95 to $US 0.3 billion in 1995/96 and a projected $US 1.5 billion in 1996/97. In addition, capital markets had a burst of activity from 1994 to 1997. This was reflected by a 43-fold rise in trading value, growth of market capitalisation from 8 per cent of GDP in 1993/94 to 24 per cent in 1996/97, a near doubling of transactions and more than an eight-fold rise in new equity issues (Handy, 1998:27-30).
In contrast to these bright successes in privatisation and capital markets, Egypt remains a low-income country with significant poverty years after the economic reform began. While less than 8 per cent of the population are abjectly poor (living on less than $1 per day on the purchasing power parity formula), consumption surveys in the early to mid-1990s showed the overall poverty rate to have risen, with 44 per cent of the population unable to spend enough to have a minimally adequate diet (Handy, 1998:42) (Endnote 1). Falling average incomes have resulted in falling household expenditures on food (Fergany, 1988:4).

Egypt's social safety net, the Social Fund for Development, was created largely under the auspices of the World Bank. It involves the targeting of consumer subsidies (that is, paring down the universal subsidies from an earlier era to now serve only the needy), social insurance, cash transfers and income supplements for that part of the population hit hardest during structural adjustment. In addition, there are economic development programmes such as micro-credit schemes and encouragement of small enterprise (20-25,000 firms per year), expansion of community services and cottage industries, and retraining of redundant public sector workers, all of which are expected by the World Bank and IMF to increase employment (no figures are given).

However, unemployment, running at about 20 per cent in 1995, remains a serious problem. The job-creating public works projects undertaken in the early part of structural adjustment were reduced by about half, in favour of locally-run community development programmes assisted by voluntary private organisations. Privatisation seems to compound the problem. For one thing, compensation to the laid-off workers (about one-third of the total in public-sector enterprises are said to be redundant) will be very expensive ($US1.7 billion). On the other hand, while privatisation is expected to continue, other methods of restructuring public sector enterprises are also underway, including public enterprise internal reform (Law 203 of 1991) and sales of firms to their employees. In the latter case, workers have formed Employee Shareholder Association-Held Companies (ESAs) with a fair degree of success (Handy, 1998:42-55). The implications of these alternative methods may be positive for employment in the long run, as well as preserving jobs in the immediate future.

Morocco
The Moroccan economy tends to ride a steeply graded roller coaster, with its dips and peaks strongly influenced by its agricultural production, determined in turn by unpredictable rainfall. Diversifying the economy, both domestically and in production for export, is thus a central developmental necessity. A second roller-coaster factor is that Morocco has experienced periods of economic growth alternating with periods of painful austerity and recession. The last four were IMF imposed and were followed by SAPs.

Morocco has subscribed to two models of economic development, qualified state-led development and qualified economic liberalism. Between independence in 1956 and its first formal structural adjustment programme in 1983, Morocco's economic policy entailed public investment in large-scale enterprises, alongside an array of investment incentives to domestic private capital to engage in import substitution industrialisation. Accordingly, by the early 1960s, public investment had come to account for about two-thirds of total investment, even as increasingly generous terms (such as profit repatriation) came to be offered to foreign private capital too. Real GDP grew at the rate of 6.5 per cent per year from 1956 to the mid-1970s and real per capita income grew at the rate of 2 per cent per year.
Despite this success, problems soon appeared. First, the capital-intensive nature of state-led investment generated fewer manufacturing jobs than expected. Second, imports rose apace with GDP, while exports (as a share of GDP) failed to increase, despite rapid expansion of the phosphates export industry. Foreign exchange shortages began to occur. In response, Morocco imposed its first austerity programme in 1964, raising taxes, reducing government spending, and cutting imports. The costs were borne disproportionately by the poor whose share of total consumption fell from 3.3 per cent in 1960 to 1.2 per cent in 1971, while the unemployment rate rose to 35 per cent (Bourguignon and Morrison, 1989:168).

Relief came fortuitously from the sharp rise in the demand for and prices of phosphate-based fertilisers on the world market in the early 1970s. The consequent infusion of foreign exchange stimulated another round of government-led investment, raising gross fixed capital formation from 14 per cent of GDP in 1973 to 33 per cent in 1977. Faster economic growth ensued but, again, so did rising import bills, growing fiscal and trade deficits, and a widening gap between savings and investment. Morocco, like so many other developing countries, turned to borrowing on the international markets to cover these gaps. Debt increased by a factor of 10 between 1970 and 1982, while debt service rose from 11 per cent of goods and services exports in 1970 to 49 per cent in 1982 (Bourguignon and Morrison, 1989:157). By now, the boom-and-bust cycle was well-established.

The Moroccan government entered into an unofficial agreement with the IMF in 1980 and negotiated its first official stabilisation contract in 1981. Under intense pressure from international creditors, it then imposed an even more stringent budget for the 1981-85 development plan. The price of further debt relief was an IMF-administered structural adjustment programme beginning in 1983. That required further public budget cuts for both social and investment spending, changes in the credit, tax, and regulatory systems, as well as in social programmes and state economic enterprise management placing top priority on debt servicing (Hamdouch, 1987:161, 164-165).

The consequent recession entailed negative growth in 1983 and 1984 and investment fell from a peak of 25 per cent of GDP in 1985 to 20 per cent in 1988 (World Tables, 1993:469). This shock was imposed on an economy that had known real growth in per capita income of 2 per cent per year on average since 1960, but where per capita income in 1983 was still only $US750 (Bourguignon and Morrison, 1989:156). When deregulation of food prices and partial removal of food subsidies led to sharp price increases in January 1984, widespread riots broke out (Payne, 1993).

In the late 1980s, the decline of oil prices pulled Morocco's economy back up the roller coaster. Real GDP grew 4 per cent in 1985 and almost 6 per cent in 1986. Lower import bills, and higher exports, remittances and tourist revenues reduced the current account deficit. However, following the pattern set in previous booms, debt climbed to 71 per cent of GDP in 1986, and debt service, even after rescheduling remained over
30 per cent of goods and services exports. (Hamdouch, 1987:175). Despite the economic boom, Morocco's 1986-88 development plan embodied yet another IMF-sponsored structural adjustment programme, and after a tiff about a default, yet more stringent criteria for restoration of debt relief. Following the inevitable budget cuts, especially in the area of public capital spending, economic growth slid to just 1 per cent in 1987, while unemployment rose and consumption shrank. Per capita income fell from $US631 in 1985 to $US515 in 1988, as unemployment rose, and Morocco was demoted by the World Bank from the ranks of the lower-middle-income countries to those of the lower-income countries (Payne, 1993:154; Seddon, 1989:255).

Morocco subsequently went through two more rounds of IMF-imposed stabilisation, and continued to modify its economic policy through structural adjustment programmes supervised by the International Monetary Fund and World Bank. Finally after about twelve years, Morocco and Tunisia are 'recognised today as good pupils of the IMF and the World Bank' (Gouzi, 1994:31). Essential to the success of this strategy has been Morocco's steady access to regular infusions of international capital on concessional terms. Morocco was one of the countries singled out for special debt relief under the Brady Plan and had seven multilateral debt relief agreements between January 1980 and September 1991 (World Debt Tables, 1991-92:vol. 1, 74; also see 78 and 82). The frequency and high concessional element of these loans enabled Morocco to survive this long period of repeated austerity and structural adjustment with less pain and more growth than other severely indebted countries. However it did not reduce its stock of outstanding debt significantly (United Nations, World Economic Survey, 1991:161-164) and it did not eliminate the contradiction between growth and structural adjustment.

Morocco’s 1988-1992 national plan pursued the liberalisation trend under the IMF's continuous supervision. Reversing the historic proportions between public and private shares, it called upon the private sector to compose 60 per cent of total industrial investment (Hamdouch, 1990:265-267). Further, a programme of trade liberalisation and privatisation of state economic enterprises was finally adopted by the Moroccan government. In 1991, the Moroccan government announced its intention to privatise all sectors except electricity, water, telecommunications, railroads, mining, and the national airline (Grissa, 1991:123). In 1994, even these ‘strategic assets’, along with phosphates, were no longer off limits and the privatisation programme was to be accelerated (EIU, no. 3, 1994:13-17).

Moroccan economists pointed out that more reliable economic growth required shifting the economy away from its close dependence on favourable weather to ensure good harvests, away from phosphate exports as the main source of foreign exchange and, accordingly, away from subjection to the widely fluctuating prices for raw materials and agricultural products on world markets (Sadik, 1987:194). While manufactured goods went from just 10 per cent of exports in 1961-62 to 40 per cent in 1983-84, the greatest part of these ‘manufactured goods’ remained phosphate derivatives in the late 1980s, and the fluctuating prices for these still adversely affect the Moroccan economy (Bourguignon and Morrison, 1989:160). A telling critique of Morocco's development policy since 1985 singles out the dearth of investment that has been forthcoming from the private sector, based on the proposition that public and private investment are complements not substitutes. A World Bank study on poor investment levels after the SAP noted the need for a healthier climate for foreign private investment and for relieving 'bottlenecks in infrastructure investment by governments' (World Bank, 1992:3), in other words, complementary doses of public and private investment.
While public economic enterprises may well be accused of low efficiency, the other functions of public investment - in physical and social infrastructure, in proper regulation of private markets - clearly need to be met even under a privatisation campaign. Production for export may well be correlated with greater efficiency, as indicated by value-added per worker, more employment, and higher profits. However, studies of Moroccan industries have also found that public share in ownership comes in second as a corollary factor, and that foreign share in ownership comes in third (Haddad, 1993:17-18). These findings imply that, while it is not a mistake to promote exports and allow foreign capital participation in ownership, it may be a mistake to privatise all public companies.

Similarly, another study of Moroccan industry demonstrates that export industries do not necessarily contribute to increased equity, as the World Bank and IMF often argue (Bourguignon and Morrison, 1989:180-181). For example, the textile industry and the Moroccan citrus and vegetable sectors create new jobs in export production but provide poor wages and benefits. Greater equity can be found in those export industries that employ a labour-intensive technology without fierce competition on the supply side of the labour market, or that have widespread ownership of productive inputs (such as land), a meaningful minimum wage, or some public mechanism that distributes the benefits widely through public goods, as do the public phosphate processors, would also provide greater equity (Bourguignon and Morrison, 1989:189, 302).

One of the problems of adjustment programmes is that they have both a high economic as well as social cost. This is because of their de-developing impact, with those on lower incomes suffering the most with long time lags before the average standard of living can be expected to rise (Fergany, 1998). Morocco’s aggregate real GDP growth averaged less than one per cent per year from 1990 to 1995, while its GDP per capita shrank by one per cent per year (see Table 2 over). GNP per capita (a better measure of the standard of living) rose by 1.7 per cent per year, a far cry from the 11.2 per cent per year in the 1985-1990 period, before full implementation of structural adjustment. Unemployment was 23 per cent of the labour force in 1995 (Table 1). One commentator has pointed out that the World Bank claims that the poverty rate in Morocco fell from 30 per cent in 1985 to 15 per cent in 1991. He doubts though that the latter figure could have held for the 1990s because several social indicators that

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should have continued to improve (like female primary education) deteriorated in these years (Fergany, 1998:6). Table 1 shows Morocco’s adult literacy rate and infant mortality rate, which are higher and lower, respectively, than the regional averages.

The severity of these contradictions and the social cost they entail were made manifest in the December 1990 riots in Fez, in which up to 100 people died. The New York Times reported that with more than 100 fatalities this was the worst violence in Morocco since 1983 when there was the first IMF stabilisation. The causes were essentially due to falling real wages, rising unemployment and ‘unfulfilled government pledges’, and the main targets were ‘symbols of wealth – banks, jewellers, boutiques, private limousines and luxury tourist hotels’ (New York Times, 17 December 1990).

Opposition to the effect of adjustment was made again in October 1998, when hundreds of unemployed students staged demonstrations in Rabat demanding jobs. Thousands of others were kept away by riot squads, while the police used clubs to bring the demonstrators (and a female BBC reporter) to heel. The group that organised the demonstration, the ‘Graduates’ Jobless Union’, claims to represent 300,000 university graduates and school-leavers without jobs (Rawhi Abeidoh, Reuters, 26 October 1998, Internet).

**Tunisia**

Since the early 1990s Tunisia has received praise for its liberal economic policies, growth of exports and aggregate growth. This praise has come from both official documents (for example, World Bank, 1993:487-489) and the general press (for example, Gouzi, 1994; McDonald and Kaslow, 1993). While the accomplishments have been impressive it is important to examine whether the bases for them are sustainable in the long run.

Like other Middle Eastern and North African countries, Tunisia underwent state-led development in the 1960s. Tunisian social scientists argue that while not all of the ambitious objectives of the three central plans of the 1960s were met, there were significant accomplishments in terms of physical infrastructure development, social infrastructure and legislation, and in the promotion of oil production, manufacturing, tourism and expansion of agricultural lands. Although the debt burden increased by a factor of 4 from 1960 to 1972, investment rose from 10 per cent to 23 per cent of GDP. Per capita income increased by an average of 2.3 per cent per year in real terms and the level of poverty decreased by one-third (Grissa, 1991:109-111; Zouari, 1993:6-9).

Centralised economic management constrained the private sector, an issue addressed by the *infitah* (economic opening) of the 1970s. However, the state remained an important actor in many productive sectors of the economy. The number of public enterprises rose from 25 in the 1960s to 400 by 1989 and government spending claimed 41 per cent of GNP in 1984 (Grissa, 1991:110-113). On the other hand, in response to various incentives such as tax benefits and profit-repatriation allowances, private investment, which had been 38 per cent of total investment in the 1960s, rose to 48 per cent in the 1970s. Foreign capital had added to the number of jobs in manufacturing, which rose from 117,000 in 1966 to 231,000 in 1976 (Hopkins, 1982:387).

The economy as a whole grew at a rapid pace, fuelled by the increase in oil revenues and by the growth of other exports such as phosphates, phosphate products, food products and manufactured goods, which increased from 10 per cent of merchandise exports in 1960 to 38 per cent in 1979 (Nellis, 1983:370-381). External debt fell to 38 per
cent of GDP in 1981 and debt service, at 17 per cent of goods and services, was considered under control. GNP per capita grew 5 per cent a year from 1960 to 1979.

Yet, despite this rosy picture, Tunisia was about to go into a crisis similar to that of its neighbours. The cause of Tunisia's crisis came from the coincidence of two problematic processes, one of these was internal and the other external.

Under the leadership of Habib Bourguiba, post-independence Tunisia constructed a social contract that is widely admired. As in other strong patron states in the Middle East and North Africa, the central government appropriated power and resources to itself and then redistributed them to the various social forces that made up the parties to the 'contract'. For the better off, there were incentives to investment and economic opportunities complementary to the state sector (textile factories purchasing yarn from state spinners, for example, and selling uniforms to the armed forces) in which profits could be made. To organised labour, concentrated in the public sector, there were regular improvements in the standard of living. For the middle class, there was public education and opportunities for work as professionals in the public and private sectors after university. For the poor, there was also public education, but more immediately cheap (that is, subsidised) bread, oil, sugar and other necessities. And, as elsewhere, in exchange for the distribution of these benefits, the patron-state extracted fealty and political quiescence. What distinguished Tunisia was its more consistent commitment to providing high quality social services, such as appropriate education and health care, and to reducing poverty significantly, even when undergoing an economic recession (Hopkins, 1982:390-391).

Problems arose as the inefficiency of public enterprises became apparent and slowed economic growth. Real wages increased faster than productivity in the public sector firms, while the reverse was true in the private sector. The public sector also made significant losses. That was because it was assigned objectives other than profit-maximisation such as producing import substitutes and were not free to fire workers or raise prices. Public enterprises made significant losses, amounting to 20 per cent of government outlays from 1977 to 1981, and fell behind in their payments of taxes and social security (Grissa, 1991:113-120).

The external factor of a deep recession in the West, plus historically high interest rates, reduced demand for Tunisia's exports and made borrowing more costly. In 1984-85,

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Tunisia experienced a severe foreign exchange crisis due to falling oil revenues and remittances, among other sources. Faced with a heavy debt-service burden and import bill, Tunisia turned to the IMF for a stand-by agreement and then to the IMF and World Bank for a structural adjustment programme in exchange for debt relief. This led to three important changes in the Tunisian economy: the unequal distribution of costs and benefits of the market-oriented reform process, the restoration of Tunisia's access to external finance, and the increased integration of the Tunisian economy with the international system of trade in goods and services.

It is clear that wage earners and the poor will suffer, at least in the short run, from the rise in prices of basic consumer goods (food, fuel) induced by the contraction of government subsidies and by the fall in wages induced by higher unemployment and reductions in public sector investment and output. An IMF-sponsored SAP exacerbates the social tensions that arise from undoing the old social contract without providing a new one. One survey found that the poorest 20 per cent of households accounted for 5.6 per cent of consumption in 1986, while the richest 20 per cent of households accounted for half of total consumption. This level of inequality suggests that removal by the state of real income supports will have severe consequences for those at the bottom. For example, the purchasing power of the income of employed workers fell by 15 per cent in 1983, and 21 per cent of rural migrants to Tunis were found to be living in shantytowns (Zouari, 1993:10).

Opposition to these austerity policies was expressed in riots in 1983 and 1984 and in strike activity led by the UGTT; these protests were often dealt with by outright repression and by curbing the autonomy of trade unions (Payne, 1993:140). The deepest problem underlying the unequal impact of the reforms is structural unemployment. The rate of unemployment was estimated at 15 per cent in 1990, the same as in 1995 (see Table 1). Given 70,000 new labour force entrants per year, the rate of unemployment would be much higher were it not for emigration and the growth of the informal sector. The latter absorbed an estimated 40,000 people per year from 1975 to 1990, and employed about 38 per cent of the non-agricultural labour force (Ferchiou, 1991:104-106).

Estimates of the annual real GDP growth rate needed to absorb the domestic labour force growth each year fall in the range of 6 to 7 per cent but fewer jobs than expected were created in the export industries, tourism, construction and public works in the 1990s. In the meantime, other aspects of the economic reform programme contributed to job loss, from the anticipated bankruptcy of between 15 and 20 per cent of Tunisian industry due to competition from imports and from the earnest pursuit of privatisation. Furthermore, employees in the newly privatised firms have found that they have neither the funds, the managerial experience or support from the government to take up the offer of discounted share purchases in the new enterprises (Zouari, 1993:2-3, 22-38; Grissa, 1991:122-125).

Economic growth was restored in Tunisia in the 1990s, at rates higher than in 1985-1990 but much lower than for the period 1970 to 1985. Real aggregate GDP growth averaged 3.9 per cent per year in the 1990s, while GDP per capita growth has been 1.9 per cent per year, and GNP per capita growth 4.9 per cent per year. This was made possible by the restoration of public investment to 23 per cent of GDP in 1991, which was in turn made possible by debt rescheduling and access to external finance (Payne, 1993, 146, 148).
Liberal reforms continued in the 1990s, with removal of controls on both producer and retail prices, reductions in import restrictions, and reduction of controls in banking and the setting of interest rates. Tunisian economists seem to agree that the state is appropriately revising its economic role to become more of a regulator and supervisor as it withdraws from direct production, and to concentrate on providing social infrastructure such as education and training (Zouari, 1993:28-29). It seems to have found the right balance between public and market economic forces.

A National Pact was legislated in 1988, which promised a 'new social contract' embodying growth with equity (Vandewalle, 1992:105-106). Indeed, Tunisia's government is given high marks for promoting social welfare over the long run. Poverty appears to have declined in the late 1980s, due to maintenance of social expenditures for education, healthcare and welfare targeted to the poor. The Tunisian national statistical office claims that the poverty rate was just 7 per cent in 1990, while the International Labour Office estimates 20 per cent (Fergany, 1998:5). Having spent 7.5 per cent of GDP on education from 1975 to 1985 and over 6 per cent since 1988 (see Table 1), Tunisia can boast 100 per cent of school age children in primary school and a literacy rate of 67 per cent. Health indicators such as the infant mortality rate have steadily improved as well, as Tunisia spends a relatively high percentage of its budget on health care. In addition, the country has the lowest rate of population growth in the Arab World, under 2 per cent in 1997, due to a long-running and highly successful family planning programme.

As a small export-oriented economy, Tunisia is vulnerable to several threats. It remains beholden to the Western agencies and banks to provide aid for programmes and funding to cover current account deficits. Debt is substantial at 53 per cent of GDP, while debt service still claims 14 per cent of goods and services exports in 1997 (World Bank, 1998). One way out of the debt trap is to switch emphasis from debt to foreign direct or portfolio investment. Tunisia has had more success attracting foreign capital than other Arab countries, however the flow varies substantially from year to year.

Increased integration with the international trade system also contains risks, but the need to service debt and to pay for imports requires increases in exports and other sources of foreign exchange. The rate of growth of exports has increased, to 5.3 per cent per year during the 1987-97 period and to 10.3 per cent in 1997 (World Bank, 1998). Exports have been diversified, with manufactured products accounting for more than 70 per cent in 1997 (World Bank, 1998) and the bulk of products shipped to Europe. Tunisia's growth is now directly dependent on growth in the EU, so that when there is a recession or any interruption of demand for political reasons, Tunisia's rate of growth falters; while the rate of growth was high from 1987 to 1990 due to high EU demand, it was barely above the rate of population growth in 1991 (due to the Gulf war) and 1993 (due to recession in Europe). Tunisia now needs to diversify away from Europe.

The industrialisation that is taking place is mainly for assembly of imported parts, in products like textiles, autos and electronics. The low value-added (that is, the difference between the value of the imported parts and the value of the exported finished product) means that Tunisia's imports tend to grow in tandem with exports. The same agreements that reduce obstacles to Tunisian exports to Europe will reduce obstacles to European exports of finished products to Tunisia. This too will cause imports to rise in tandem with exports, so that the trade balance and the current account balance are consistently negative.
To fit into the global division of labour, many countries in the developing world have gone through structural adjustment programmes and are devaluing their currency, promoting tourism, promoting diversification into manufactured exports, and trying to attract foreign direct investment. They have comparative advantages similar to Tunisia’s, cheap labour with a fair level of skill acquisition, and they are all in competition with each other. This presents two matters for consideration. Reducing wages in order to meet the competition will exert downward pressure on the standard of living, that same standard of living which has risen since independence and which is cited as one of Tunisia’s great accomplishments as a developing country. Second, this path is sustainable only if the world economy as a whole is growing rapidly. While the world economy has been stimulated by the United States boom in the 1990s, a US-led recession would have wide-ranging effects, likely curbing export markets for the North African economies and perhaps throwing them into recession as well.

Conclusion

An examination of these three North African cases has shown how important it is for an institutional structure to frame economic activity. It also shows that structural adjustment programmes rarely provide benefits and do not succeed even in their own terms.

A pivotal supporting institution for an economy is a policy that reaches a healthy balance between the complementary forms of public and private investment. In the cases of Egypt and Morocco, policy went first too far in the direction of public determination of investment and, now, in the late 1990s, they are in danger of going too far in the direction of private investment, even though private investment relies on public for critical functions. Tunisia appears to have come closer to a healthy balance, reaching its policy position on its own, without following IMF dicta.

Despite, or perhaps because of, SAPs, all three countries remain dependent on external finance, whether it be debt, foreign direct or portfolio investment, or foreign aid and stand-by arrangements. All three have diversified their exports, and are competing with other LDCs to attract funding or to sell products. They are now more subject to global market institutions than ever before and more vulnerable to global recession or financial crises.

While Egypt and Morocco both experienced rising inequality during their SAPs, Tunisia shows that there does not necessarily have to be a trade-off of equity for efficiency. Poverty is a logical outcome of an SAP only if a government does not have a policy to counteract it, and the case of the Moroccan phosphate industry shows that even a government without a conscious policy can promote efficiency with equity. Support for education and healthcare, along with targeted income programmes, can by itself reduce poverty by increasing human resource development.

All three cases show that the crises of the 1980s had a strong endogenous component residing in the emerging internal contradictions of state-led development. They also show how external factors in the world economy precipitated those crises. As demonstrated by Morocco’s endless rounds of structural adjustment, SAPs help to deconstruct earlier institutional frameworks and, if left unchecked, exacerbate social conflicts. Tunisia’s social welfare programmes were mostly its own, antedating the crisis and IMF intervention, and they helped to weather that crisis despite the dictates of the SAP. What these countries need now is more of this type of new social contract, one promoting growth with equity and including all parts of society.
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Endnote

1. This finding, quoted without comment by the author of the chapter on poverty and human development, was unearthed by USAID researcher Patrick Cardiff, and stirred some controversy within both the IMF and the World Bank when it was circulated in draft form. The bibliographic citation is inaccurate: while the sponsoring organisation is the Middle East Economic Association, the publisher is JAI Press Inc, Stamford CT, and the year 1997.

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No Factories, No Problems: The Logic of Neo-Liberalism in Egypt

Timothy Mitchell

Neo-liberalism is a success of the political imagination. Its achievement is a double one. It makes the window of political debate uncommonly narrow and at the same time promises from this window a prospect without limits. On the one hand it frames public discussion within the elliptic language of neo-classical economics. The condition of the nation and its collective well being are pictured only in terms of how it is adjusted in gross to the discipline of monetary and fiscal balance sheets. On the other, neglecting the actual concerns of any concrete local or collective community, it encourages the most exuberant dreams of private accumulation – and a chaotic reallocation of collective resources.

In Egypt, these ways of thinking defined the 1990s as a decade of remarkable success and a vindication of the principles of neoliberalism. Fiscal and monetary discipline brought the inflation rate below 5 per cent and reduced the government budget deficit from 15 per cent of the country’s gross domestic product (GDP) to less than 3 per cent and for some years less than 1 per cent, among the lowest levels in the world. The economy was said to be growing at over 5 per cent a year and a revitalised private capitalism now accounted for two-thirds of domestic investment. The value of the Egyptian pound was pegged to the US dollar, supported by hard currency reserves that reached US$20 billion. These half a dozen financial figures, endlessly repeated in government newspapers and publications of the International Monetary Fund, constituted the picture of the ‘remarkable turnaround in Egypt’s macroeconomic fortunes’ over the final decade of the last century (IMF 1997).

But accompanying this picture of monetary control and fiscal discipline was a contrasting image of uncontrolled expansion and limitless dreams. The most dramatic example was the country’s rapidly expanding capital city. While government budgets were contracting, Cairo was exploding. ‘Dreamland’, the TV commercials for the most ambitious of the new developments promised, ‘is the world’s first electronic city’. Buyers were invited to sign up now for luxury fiberoptic-wired villas, as the shopping malls and theme park, golf course and polo grounds, rose out of the desert west of the Giza pyramids – but only minutes from central Cairo on the newly built bridges and ring roads. Or one could take the ring road the other way, east of the Muqattam Hills, to the desert of ‘New Cairo’, where speculators were marketing apartment blocks to expatriate workers saving for the future in the Gulf. ‘Sign now for a future value beyond any dreams’, prospective buyers were told, ‘... Before it is too late’. They could start payments immediately (no deposit was required) at agencies in Jeddah and Dubai. ‘No factories, no pollution, no problems’ was the advertisement’s promise, underlined with the developer’s logo, ‘The Egypt of My Desires’ (Al-Ahram, 1 January 1999:40).
The development tracts stretched out across the fields and deserts around Greater Cairo represented the most phenomenal real estate explosion Egypt had ever seen. Within the second half of the 1990s the area of its capital city may have doubled - but a symptom of the way it happened was that there were no maps available that might confirm this.

The exuberance of these private developers was matched by the state. While speculative builders were doubling the size of Cairo, the government was proposing to duplicate the Nile Valley. In October 1996, President Mubarak announced the revival of plans from the 1950s to construct a parallel valley, by pumping water from Lake Nasser in the south into a giant canal running northwards that would eventually irrigate two million acres of the Western Desert (Al-Wafd, 12 January 1999:1, 3).

Unable to persuade the World Bank or commercial investors that the Toshka scheme, as it was known, was feasible, the government still proceeded with building the pumping stations and an initial 70km of the canal (Endnote 1). It granted the first 100,000 acres of future farmland to the world’s second-richest person, the Saudi financier Prince Al-Waleed bin Talal, whose Kingdom Agricultural Development Company (Kadco) appointed a California agribusiness corporation, Sun World, to develop what would become the world’s single largest farm, consuming by itself one per cent of the waters of the Nile (Endnote 2). Sun World was to invest no money of its own to build the farm, but its global patents on more than 50 commercial varieties of fruit cultivar would guarantee it a future payment on every grape, peach, plum and nectarine that Egyptian farmers might one day grow there (Endnote 3). The Egyptian government put up 20 per cent of the farm’s capital and granted the project a twenty-year tax holiday, but was still looking for private-sector investors willing to take advantage of its subsidies (Endnote 4).

Urban Property Development

In the meantime the state was subsidising the urban property developers as well, selling public land cheaply and putting up the required expressways and Nile bridges in rapid time. The state was also involved again as the major developer, for the largest single builder of Cairo’s new neighbourhoods, even bigger than the builders of Dreamland, was the Egyptian army. Military contractors were throwing up thousands of acres of apartments on the city’s eastern perimeter to create new suburban enclaves for the officer elite.

If one’s first reaction was amazement at the scale and speed of these developments, one soon began to wonder about the contradictions. The IMF and Ministry of the Economy spoke calmly of financial discipline and sustainable economic growth, but made no mention of the frenzied explosion of the capital city or the vast reclamation schemes in the desert. And the role of the state in subsidising this speculative investment went unexamined. A bigger problem was that structural adjustment was intended to generate an export boom, not a building boom. Egypt was to prosper by selling fruits and vegetables to Europe and the Gulf, not paving over its fields to build ring roads. But real estate had now replaced agriculture as the country’s third-largest non-oil investment sector, after manufacturing and tourism (EIU, 1998:6). Indeed it may have become the largest non-oil sector, since most tourism investment went into building tourist villages and vacation homes, another form of real estate.
Neo-liberalism was supposed to open Egypt to trade with the global market. In fact it did the opposite. The country’s openness index, which measures the value of exports and imports of goods and non-factor services as a proportion of GDP, collapsed from 88 per cent in 1985 to 47 per cent in 1996/97. In the same period, its share of world exports also dropped by more than half (IMF, 1997:59). The value of non-oil exports actually shrank in 1995/96, then shrank again in 1996/97, leaving the country dependent on petroleum products for 52 per cent of export income. By the end of 1998 the situation was still worse, as the collapse of world petroleum prices forced Egypt briefly to halt its oil exports (EIU, 1998:54). In 1998-99 the US government quietly set about rebuilding the OPEC oil cartel, holding secret negotiations with Iran, Saudi Arabia, and Venezuela in which it traded political concessions for promises to cut production. The negotiations were a success, doubling the price of oil again within six months (Odell, 1999 in Financial Times, 9 September 1999:12). But this unpublicised state management of world trade was too slow to solve Egypt’s new balance of payments crisis and repeated shortages of foreign currency.

It is worth adding that the most visible element in Egypt’s picture of success – the stabilisation of the value of its money – came about because the government was now better able to insulate the local currency against the speculative flow of international finance. The result was not the removal of protections, in this case, but a higher degree of national protection against international markets, in this instance the global foreign exchange market. The protectionist policy relied upon the often-announced US$18 billion or more of foreign reserves, a statistic that came to symbolise the entire strength of the economy. This symbolism was so great that the government became increasingly unwilling to actually spend its reserves to defend the currency. As a result, as the trade balance worsened in 1998-99, the government was forced to resort to a series of ingenious alternative measures to impede the flow of imports and thus the exodus of hard currency, insulating the country further against the global market (Endnote 5).

‘Prudent’ Fiscal Policies

How does one account for developments so at odds with official representations? The conventional story is that by 1990 the Egyptian economy was in crisis, no longer able to support loss-making public industries, an overvalued currency, ‘profligate’ government spending, an inflationary printing of money to cover the budget gap, and astronomical levels of foreign debt. After fifteen years of foot dragging and partial reforms, in 1990-91 the government was forced to adopt an IMF stabilisation plan that allowed the currency to collapse against the dollar, slashed the government budget, tightened the supply of money, and cut back subsidies to public sector enterprises, which the government reorganised into holding companies that were to sell them off or shut them down. These ‘prudent’ fiscal policies were implemented more drastically than even the IMF had demanded, achieving a drop in the government deficit that the IMF called ‘virtually unparalleled in recent years’ (IMF, 1997:4).

Some accounts are willing to admit that the story is more complex than this simple tale of a prodigal state starting a new life of prudence. They may add, for example, that among the most profligate of the government’s expenses was its level of arms purchases, willingly supplied and subsidised by the United States – as part of its own system of state subsidies. An impending default on these military loans, causing an automatic suspension of US aid, helped trigger the collapse in 1990 (Egypt had begun to default as early as the mid-1980s, but for several years the US government illegally
diverted its own funds to pay off Egypt’s military loans, until Congress caught up with what was happening (Mitchell, 1997). They may also acknowledge that the crisis was brought on not just by a spendthrift state but by the slump after 1985 in the price of oil – the largest source of government revenue – and by the lost remittances and other income caused by the 1990-91 Gulf conflict. The Iraq crisis persuaded the US and other creditors in Europe and the Gulf to write off almost half Egypt’s external debt, cutting it from US$53 billion in 1988 to $28 billion. The savings on interest payments – $15.5 billion by 1996/97 – accounted for all of the increase in currency reserves (IMF, 1997:47). So the largest single contribution to Egypt’s fiscal turnaround resulted from a political decision of the US and its allies. It had nothing to do with neo-liberalism.

Furthermore, an important part of government revenue in Egypt comes not from taxing productive activities but from the rent derived from public resources. About one-third comes from just two sources, the state-owned Egyptian General Petroleum Corporation and Suez Canal Authority. These revenues are paid in hard currency, so the one-third devaluation of the Egyptian pound produced an instant 50 per cent increase in their value. This increase contributed the bulk of the growth in government revenues in the stabilisation period. Again, the fiscal magic had rather less to do with free-market principles. In this case it owed more to the extensive ownership of resources by the state.

Behind all this there is another, still more complex story, one that official accounts tend to bury in their footnotes. The crisis of 1990-91 was not just a problem of public enterprises losing money or a profligate government overspending. It was also a problem of the private sector and the chaos brought on by deregulated international flows of speculative finance. And the financial reforms that followed were not so much an elimination of state support, as the neo-liberal version of events tells things, but more a change in who received it. The so-called free market reforms in Egypt represented a multi-layered political readjustment of rents, subsidies, and resources.

First, it is not in fact the case that public-sector enterprises were losing money. In 1989/90, on the eve of the reforms, 260 out of 314 non-financial state-owned enterprises were profitable and only 54 were making losses. While the latter lost LE300 million ($110 million), the profitable companies made after-tax profits of LE1.5 billion (about $550 million) (LE=Egyptian pounds) (Endnote 6).

At the centre of events in 1990-91 was a crisis not of state-owned industry but of the financial sector, which brought the country’s banking system close to collapse. Since 1974 the number of banks had increased from seven to 98, as commercial banks sprang up to finance the investments and consumer imports of the oil-boom years. The four large state-owned banks made loans mostly to public sector enterprises. It is estimated that at least 30 per cent of these loans were non-performing (Mohieldin 1995:20). But the state banks were also part-owners of the private-sector banks, enabling them to channel public funds toward a small group of wealthy and well-connected entrepreneurs (Springborg, 1989). These large private-sector borrowers were also in trouble.

By 1989, 26 per cent of private and investment loans were in default, more than half of which belonged to just 3 per cent of defaulters. Many of the big defaulters were able to delay legal action and others fled the country to avoid the courts (Mohieldin, 1995:20-21). The largest default came in July 1991, when the Bank of Credit and Commerce International collapsed. Depositors in BCCI’s Egyptian subsidiary were protected by an informal insurance scheme among Egyptian banks, which had to contribute 0.5 per
cent of their deposits and share the cost of a LE1 billion interest-free loan to make up the missing funds (Mohieldin, 1995:17).

These difficulties reflect the problems of a state increasingly beholden to the interests of a narrow class of financiers and entrepreneurs whose actions it was unable to discipline (Endnote 7). As with the 1997-99 global financial crisis, however, the problems of undisciplined capitalism (a better term than ‘crony’ capitalism, which came into vogue with the IMF during the latter crisis, for it points to the pervasive struggle to subject capitalists, within and outside the state, to law and regulation) cannot be separated from the problems caused by speculative global finance, especially currency trading. Following the abandoning of international currency controls in 1980, pioneered by the US and Canada, daily global foreign exchange turnover increased from $82.5 billion (1980) to $270 billion in 1986 and $590 billion in 1989 (by 1995 it was to reach $1.230 trillion) (Felix, 1998:172). This chaotic explosion of speculation overwhelmed the attempts of governments to manage national currencies according to the local needs of industry and exports.

In Egypt, global deregulation coincided with a surge in private foreign currency transfers as expatriate workers sent home earnings from the Gulf. More than 100 unregulated money management firms were formed to transfer and invest such funds, five or six of them growing very large (Sadowski, 1991). These Islamic investment companies (so-called because they appealed to depositors by describing the dividend they paid as a profit share rather than an interest payment) invested successfully in global currency speculation, later diversifying into local tourism, real estate, manufacturing, and commodity dealing, and paid returns that kept ahead of inflation. The public- and private-sector commercial banks, subject to high reserve requirements and low official interest rates (essential to the government financing of industry), could not compete and were increasingly starved of hard currency. The system was in crisis.

In 1988-89 the bankers finally persuaded the government to eliminate the investment companies. It passed a law that suspended their operations for up to a year, then closed down those it found insolvent (or in many cases made insolvent) and forced the remainder to reorganize as joint-stock companies and deposit their liquid assets in the banks. The measure protected the banks and their well-connected clients, but provoked a general financial depression from which neither the banks nor the national currency could recover. As a UN report on the 1998-99 global financial crisis confirmed, the best predictor of economic crises in countries of the South is not state-led development but the deregulation of finances (UNCTD, 1999).

In response to the financial crisis, the centerpiece of the 1990-91 reforms was a gigantic effort to bail out of the country’s banks. After allowing the currency to collapse and cutting public investment projects, the government transferred to the banks funds worth 5.5 per cent of GDP, in the form of treasury bills (IMF, 1997:31). To give an idea of the scale of this subsidy, in the United States during the same period the government bailed out the savings and loans industry, transferring a sum that amounted to about 3 per cent of GDP over ten years. The Egyptian bailout was almost twice as large, relative to GDP, and occurred in a single year. Moreover, the government declared the banks’ income from these funds to be tax free, a fiscal subsidy amounting to a further 10 per cent of GDP by 1996/97. In 1998 the government attempted to end the subsidy by reintroducing the taxing of bank profits, but the banks thwarted the implementation of the law (Endnote 8). The banks became highly profitable, enjoying rates of return on equity of 20 per cent or more. All of these
profits were accounted for by the income from the government bailout (Handy, 1998:62; IMF, 1997:34).

A further support to the banking sector was provided when the government tightened credit to raise interest rates, pushing them initially as high as 14 per cent above international market levels. Non-market interest rates brought in a flood of speculative capital from abroad. This was quickly taken to indicate the success of neo-liberal discipline and market orthodoxy. It was nothing of the sort. The money consisted of highly volatile investment funds chasing interest income whose attractiveness was due not to ‘market fundamentals’ but state intervention. After two years interest rates were brought down and the mini-boom passed.

In 1996 the government engineered another mini-boom, by announcing an aggressive programme of privatisation. It began to sell shares in state-owned enterprises on the Cairo stock market, which it had reorganised to exclude small brokers and eliminate taxes on profits (Handy, 1998:59). By June 1997 the government’s income from the privatisation sales amounted to LE5.2 billion ($1.5 billion). It used forty per cent of this income to provide further support to the banking sector, by paying off bad debts. In May 1998 the IMF praised Egypt’s ‘remarkable’ privatisation programme, ranking it fourth in the world (after Hungary, Malaysia, and the Czech Republic) in terms of privatisation income as a share of GDP (Handy, 1998:52).

The sell-off fattened the banks and the government budget and fueled a short-lived stock-market boom. But its outcome was not a switch from state-run enterprise to a reborn private sector. It was a complicated adjustment of existing relations between public-sector business barons and their partners in the private sector. By 30 June 1999, the government had sold shares in 124 of its 314 non-financial public enterprises, but fully divested only a handful. It liquidated 27 companies and remained the largest shareholder in many of the others (Endnote 9). The press was full of stories of phony privatisations, such as the December 1997 sale of Al-Nasr Casting, which in fact had been sold to the public sector banks (Middle East Times, 9 August 1998). A year later, state officials forced the chairman of the stock exchange to resign after he tried to improve its surveillance of company finances and share trading (Financial Times, 15 January 1999).

The stock market boom lasted less than 18 months, with the EFG index of large capitalisation companies reaching a high in September 1997 then losing one-third of its value over the following twelve months (Endnote 10). As the stock market slid the government halted the sell-offs, suspending most privatisations after the summer of 1998 and stalling on an IMF demand to begin privatising the financial sector. Instead, to stem the collapse of the market, the government used its financial institutions to invest public funds. Between December 1997 and October 1998, the large state-owned banks, pension funds, and insurance companies pumped at least LE2 billion ($600 million) into the market, suffering large losses (Middle East Times, 25 October 1998). In the process, the state reacquired shares in most of the companies it had recently claimed to be privatising. The market recovered briefly in the winter of 1998-99 when the financial crises in East Asia, Brazil, and Russia made Egypt, with its state-supported banking system, seem one of the few safe havens for international speculative funds, but after February 1999 the decline resumed. By the following summer the market was so flat that a single stock, the country’s privatised mobile phone monopoly, MobiNil, was regularly accounting for over fifty per cent of daily trading, and often up to seventy per cent (Endnote 11).
Most of the remaining stock market activity, and privatisation progress, was confined to the construction sector – cement making, steel reinforcing bars, and contracting companies – as the Toshka irrigation scheme and other giant undertakings by the state, together with the real estate boom and tourism development, provided the only significant source of economic growth. Toshka and other schemes increased the demand for cement so rapidly that the world’s three largest cement makers, Holderbank of Switzerland, the French-based Lafarge group, and Cemex of Mexico, scrambled to buy up Egypt’s government-owned cement plants (Endnote 12). The scramble also reflected a global reorganisation of the cement industry. A decade earlier there had been no global cement makers. But declining growth in their home markets led these three companies to expand around the world, following the path of financial crises (and hence cheap acquisitions) first into Latin America, then East Asia, and by the late 1990s the Middle East and Africa, regions where expanding populations (cement production is driven by demographics) promised long-term growth.

Egypt’s construction boom had turned the country into an importer of cement, so these foreign investments should perhaps be classified as a return to the now unfashionable 1960s policies of import-substitution industrialisation. One other major industrialisation project of the 1990s, billed as a leading example of the new private-sector funded, export-oriented investment (and the first large Egyptian-Israeli industrial venture), turned out to be a largely state-funded venture oriented, once again, to the domestic market. The Middle East Oil Refinery (Midor), a project to build a $1.5 billion oil refinery announced in 1996 by the Swiss-based Masaka company, owned by an Egyptian financier Hussein Salem, and the Israeli Merhav Group, owned by Yosef Maiman, failed to attract private investment. So the Egyptian government increased its funding to sixty per cent, the two private financiers reduced their shares to twenty per cent each, and the Egyptian partner passed on all except two per cent out of this share to other, mostly state-owned Egyptian finance houses. And it was announced that instead of refining petroleum products for export, most of the production would be for the domestic market (Endnote 13).

Real estate booms and stock market swings failed to address the problem of the country’s low levels of domestic investment. Gross domestic investment dropped from 28 per cent of GDP in 1980 to 19 per cent in 1998, compared to an average of lower and middle income countries of 25 per cent (World Bank, 1999:254-255). Between 1990 and 1997, investment grew at only 2.7 per cent per year, compared to 7.2 per cent for all middle income countries and 12.7 per cent for those in East Asia (World Bank, 1998:210-211). In addition, by June 1996 the number of loss-making public enterprises had almost doubled since the start of the reforms, from 54 to 100, and accumulated losses had risen from LE2 billion to LE12 billion ($3.5 billion) (Handy, 1998:50). The government had redefined its finances to exclude public-sector companies from the fiscal accounts, however, so this worsening situation was hidden from view (IMF, 1997:12). Neo-liberalism could continue to claim that it was replacing government deficits with a balanced budget.

Financiers vs. Factories

The neo-liberal programme did not remove the state from the market or eliminate ‘profligate’ public subsidies. These achievements belonged to the imagination. Its major impact was to concentrate public funds into different hands, and many fewer. The state turned resources away from agriculture and industry and the underlying
problems of training and employment. It now subsidised financiers instead of factories, cement kilns instead of bakeries, speculators instead of schools. Although the IMF showed no interest in examining the question, it was not hard to figure out who was benefiting from the new financial subsidies. The revitalised public-private commercial banks focused their tax-free lending on big loans to large operators. The minimum loan size was typically over £E1 million and required large collateral and good connections (Cairo Times, 10 December 1998:12). So the subsidised funds were channeled into the hands of a relatively small number of ever more powerful and prosperous financiers and entrepreneurs.

At the top were about two dozen conglomerates, such as the Osman, Bahgat, Seoudi, Mohamed Mahmoud, and Orascom groups. These family-owned businesses typically began as construction companies or import/export agents, but most had moved subsequently into tourism, real estate, food and beverages, and computer and internet services, and in some cases the manufacturing of construction materials or, where tariff-protection made it profitable, the local assembling of consumer goods such as electronics or cars. They enjoyed powerful monopolies or oligopolies, in particular as exclusive agents for the goods and services of western-based transnational companies.

The Seoudi Group, for example, had its origins in a local trading company set up in 1958 by Abdul Moniem Seoudi after the post-Suez War exodus of the European commercial class. In the 1970s, with the opening of the consumer economy following the years of import restrictions, the company began to import foodstuffs, general merchandise, and Suzuki commercial vehicles, and used the new tax-free zones to manufacture and export acrylic yarns. The family was also involved in establishing two of the new private-sector banks, Al-Mohandes and Watany. In the 1980s they expanded into agribusiness, producing factory chickens and eggs with US-subsidised feed grains and importing pesticides, feed additives, and agricultural equipment. They also established their own construction company to build facilities for their expanding enterprises. By the 1990s they were assembling Suzuki vehicles, were making car seats and radiators, were the sole importers of Nissan vehicles, and had become the exclusive importers of NCR computers (see http://www.seoudi.com).

The Mohamed Mahmoud Sons group dates back to 1895, when Mohamed Mahmoud inherited his father’s shoe making workshop, becoming a shoe retailer in the 1920s and by the 1950s the largest shoe manufacturer and exporter in the Middle East. Over the following two decades the family diversified into the wholesale import and distribution of consumer goods, and became the country’s largest manufacturer of corrugated cardboard boxes. In the 1980s they set up their own engineering and construction arm, and imported and later began to assemble aluminum windows and doors, household and office furniture, and Ukranian-made tractors and irrigation pipes. By the 1990s the group’s thirteen companies included the MM chain of luxury fashion stores, carrying lines such as Yves Saint Laurent, Church’s, and Fratelli Rossetti; financial interests in the Egyptian Gulf Bank and the Pharaonic Insurance Company; the Datum internet service provider; the sole Egyptian agency for Jaguar Cars; and showrooms selling fine motor cars from Rolls Royce and Ferrari (see http://www.mmsons.com).

The Bahgat group, the biggest producer of televisions in the Middle East with a dominant position in the Egyptian market, graduated in the 1990s from assembling Korean sets to making Grundig and own-name brands. The group’s other major interests included wholesale and retail marketing, hotels, and computer software and
internet service. They were the builders of the internet-wired Dreamland. Dr. Ahmed Bahgat, the family head, was reputed to be a front-man for members of the presidential family, which may explain why the express roads out to Dreamland were built in such rapid time. Orascom, a holding company wholly owned by the Sawiris family, controlled eleven subsidiaries that included Egypt's largest private construction, cement making, and natural gas supply companies, the country's largest tourism developments (funded in part by the World Bank), an arms import business with offices close to the Pentagon outside Washington DC, and exclusive local rights in mobile phones, Microsoft, McDonald's, and much more.

By the 1990s these conglomerates were increasingly concentrating on producing goods and services affordable mostly to only a small fraction of the population. A meal at McDonald's cost more than the day's pay of most workers. A family outing to Dreampark, the entertainment complex at Dreamland, would consume a month's average wages. A pair of children's shoes at MM's fashion stores might exceed the monthly pay of a school teacher. The Ahram Beverages Company, which makes soft drinks, bottled water, and beer, calculated its potential market (including expatriates and tourists) at just 5 to 6 million, in a country of 62 million (Business Today: Egypt, November, 1998:19). This narrow market was the same part of the population that could afford, or even imagine affording, the country's 1.3 million private cars -- which is why local manufacturers concentrated on assembling Mercedes, BMWs, Range Rovers, Jeep Cherokees and other luxury cars. Beyond the small group of state-subsidised super-rich, modest affluence probably extended to no more than five or ten percent of the population (Osman, 1998:7-8).

But what of the other 90 or 95 per cent? Real wages in the public industrial sector dropped by 8 per cent from 1990/91 to 1995/96. Other public sector wages remained steady, but could be held up only because the salaries remain below a living wage (IMF, 1997:50). A school teacher or other educated public-sector employee took home less than US$2 a day. One small sign of the times was the reappearance of soup kitchens in Cairo, offering free food to the poor. A more telling sign was that an article in the national press interpreted their appearance not as a mark of how harsh conditions had become but as a welcome return to the kind of private benevolence among the wealthy not seen since the days of the monarchy (Al Ahram, 1 January 1999, Supplement, 3).

Household expenditure surveys showed a sharp decline in real per capita consumption between 1990/91 and 1995/96. The proportion of people below the poverty line increased in this period from about 40 per cent (urban and rural) to 45 per cent in urban areas and over 50 per cent in rural. There is no reliable guide to the changing share of consumption by the very wealthy, for the surveys failed to record most of their spending. If household expenditure surveys for 1991/92 are extrapolated to the national level, the figures show the population as a whole spent LE51 billion. Yet national accounts give the total expenditure as LE100 billion. In other words, about half the country's consumer spending is missing from the surveys -- although this did not deter the World Bank and other agencies from publishing such figures as reasonable indicators of income distribution. For a variety of reasons it is plausible that the bulk of this missing expenditure belongs to the wealthiest households. Categorised as those spending over LE14,000 (about $4,000) per year, these households represent 1.6 million people or 3 per cent of the population. One estimate suggests that this 3 per cent may account for half of all consumer spending (Endnote 14).
The inequalities were greatest in the countryside, where neo-liberal reforms began earlier, in 1986. They were also targeted more directly at those with few resources, for example by overturning two of the corner stones of Egypt’s post-independence social reforms, the control of agricultural rents and the security of tenant farmers against eviction. Reviewing the first decade of agrarian neo-liberalism, the reformers acknowledged that its consequences included ‘growing unemployment, falling real wages, higher prices for basic goods and services, and widespread loss of economic security’ (Fletcher, 1996:4). They might have added to this list: stagnant agricultural growth (real output in 1992 was lower than 1986), repeated crises of under- and overproduction, the growth of monopolies and price-fixing, a shift away from export crops such as cotton, and a decision by most small farmers to move away from market crops and grow more food for their own consumption (Mitchell, 1998). The latter was a sensible decision, but it reminds us again how much the achievements of neo-liberalism remain successes of the imagination.

A final aspect of the neo-liberal imagination is the political alternatives that have disappeared from view. Two absences are especially important in Egypt: the political claims of the rural population and the political rights and freedoms of the population as a whole.

For the first two-thirds of the twentieth century, the right of the country’s rural population to remain on the land was continually reasserted, and gradually set a limit to the new and violent principle of private land ownership invented in the late nineteenth-century (Mitchell, forthcoming). In 1913 the British colonial administration was forced to pass the Five Feddan Law, modeled on a similar measure in the Punjab, which prevented creditors from dispossessing small farmers of their last five feddans (acres), their house, their last two draft animals, and their essential farm implements. Further protections were introduced in the late 1930s and 1940s, and the first act of the new military regime after the 1952 coup was a modest land reform intended to head off more radical proposals already put before parliament. It was these limited achievements of the 1950s, already weakened since the 1970s, that the neo-liberal reforms of the 1990s sought to erase.

The US government, the World Bank, and other international agencies argued that the limited rights enjoyed by small farmers were ‘creating disincentives to more efficient use of the land’, although they had no evidence or logic to support them (Endnote 15). Among US academic specialists on Egypt, it would be difficult to find much criticism of this new orthodoxy (Endnote 16). Yet, leaving aside the appeal one might make to questions of economic equity or social justice, there is strong evidence to support the opposite view, that the security of tenant farmers improves the sustainable use of resources (Endnote 17). In fact a convincing case could be made today for moving in the other direction, towards a far more extensive land reform, on the model of earlier programmes in East Asia and elsewhere. Halting the further acquisition of land by those already owning more than five acres, and gradually reducing all holdings to this or a lower limit, would raise living conditions immediately, as well as agricultural output (Endnote 18). East Asia also provides an earlier model for financing such a redistribution. In the Taiwanese land reform of 1953, the government compensated large owners through a concurrent privatisation programme, giving them shares in the Taiwan Cement Corporation and other state-owned industries inherited from the Japanese occupation (Wu, 1994). By the end of the 1990s the Egyptian government still owned several billion dollars worth of assets it planned to privatise, including not just the cement companies whose sale was in progress but the
highly valuable urban property on which privatised factories, hotels, and other enterprises were located, which had typically been retained by the state when the enterprise itself was privatised. The government could have opted to distribute small shares in this property in exchange for the land it was redistributing in the countryside.

The redistribution of agricultural land would reverse the growing landlordism and merchant monopolies that were returning the countryside to the conditions of the first half of the twentieth century. It would also provide a powerful stimulus to local investment and wealth creation. At present, with consumption of commodities other than food so heavily concentrated among the affluent and super-rich, much of the country’s demand for goods could be satisfied only by luxuries imported from abroad. The new wealth of ordinary households would create a strong demand for local services and local manufactures. Given the relative importance of workers’ remittances from the Gulf (in 1996/97 they amounted to $3.26 billion, more than double the amount of Western portfolio investment and almost five times the paltry level of direct investment by transnational corporations), it was at this level that radical initiatives were needed and could make a difference (Endnote 19).

The other silence concerns the question of civic and political rights. Neo-liberalism in Egypt was facilitated by a harsh restriction of political freedoms. Its character included a parliament more than one hundred of whose members the courts declared fraudulently elected, but that announced itself to be above the law in such matters; and in which the handful of opposition deputies were increasingly deprived of opportunities to question the government (Endnote 20). It included a regime that allowed no right to organise political opposition or hold political meetings, and allowed the few legal opposition parties no right to public activities. It included a steady remilitarisation of power, especially as control shifted away from ministries, many of which were now run by technocrats, to provincial governors, most of whom were still appointed from the high ranks of the military. And it included the repeated intimidation of human rights workers and opposition journalists by closures, court cases, and imprisonment. In 1999 the regime consolidated these new restrictions, by passing an NGO law that dissolved all the country’s licensed non-governmental organisations and required them to apply for permission to re-form under new and more restrictive regulations, including a ban on any activity that the state considered political. Meanwhile, the United States refused every appeal to speak out in public on these issues, quietly dropping the ‘Democracy Initiative’ it had introduced in the early 1990s when political transformations in Eastern Europe seemed to threaten its autocratic allies in the Middle East, and declaring no serious concerns in Egypt beyond the endurance of the regime and its neo-liberal reforms (Endnote 21).

Conclusion
I want to conclude by relating these political developments to the larger question of the logic of capitalist globalisation and the market. It is not uncommon now, even among the proponents of these ideas, to admit that so-called free-market reforms and globalisation may be accompanied by political repression. However, the tendency is to see one as the consequence of the other. Depending on one’s perspective, the repression is either an unforeseen, unfortunate, and probably temporary side effect of the expansion of the global market, or the predictable, necessary, and probably long-term consequence of the logic of capitalist development. I would argue against seeing one as the simple consequence of the other. By homogenising contemporary politics
into ineluctable and universal logics of capitalist globalisation, we attribute to the market, to capital, or to globalisation a coherence, energy, and rationality that it could never otherwise claim for itself. To counteract this tendency, we need to put together accounts of contemporary politics, as I have tried to do here, that bring to light the incoherences, reversals, and contradictions that accompany the apparent logics of globalisation. The intense political struggles under way in places such as Egypt are not the consequences of a more global logic, but an active historical process whose significance is repeatedly marginalised and overlooked in reproducing the simple narratives of globalisation.

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Endnotes

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1. The Toshka scheme, named after the depression through which the Nile waters would be pumped, was later given the more formal title of Southern Valley Development Project.

2. Prince Al-Waleed bin Talal bin Abdul-Aziz Al-Saud was ranked by Fortune Magazine as the second richest person in the world after William Gates. His assets, mostly in listed US shares, included ownership of 5 per cent or more of Citigroup, Saks Fifth Avenue, TWA, Apple Computer, The News Corporation, and Daewoo, among others.


4. The Egyptian state funds were promised by the National Bank of Egypt. Prince Al-Waleed was expected to keep a twenty percent share, but shortly after the deal with Sun World was announced he appeared to be facing financial difficulties following the failure of other major investments. Economist Intelligence Unit (EIU), Country Report: Egypt, 3rd quarter 1999, p.25; ‘Prince Alwaleed: Still Stellar?’ The Economist, 2 October 1999, p. 74.


9. Of the 97 other companies in which the government sold shares, it retained a majority of the shares in eighteen, remained the largest single shareholder in a further twenty-five, retained significant share holdings in another twelve, and transferred twenty-eight more to 'employee shareholder associations', which in practice allowed continued control by the same managers. Fourteen companies were said to have been sold directly to large 'anchor investors'. EIU, Country Report: Egypt, 3rd quarter 1998, p.19; EIU, Country Report: Egypt, 3rd quarter 1999, p. 20.


11. The popularity of MobiNil stock reflected the unexpectedly high demand for mobile phones among Egypt's 300,000 subscribers. They used their phones four times as often as the worldwide average for monthly minutes of use per subscriber. Following the privatisation of MobiNil (sold to the Orascom Group (on which, see below), in consortium with leading US and French telecom operators), the government licensed a second mobile phone operator, Click GSM, to placate the powerful Alkan group, which had lost out in the bidding for MobiNil. See EIU, Egypt: Country report, 3rd Quarter 1999, pp. 29-30.

12. In 1997, Holderbank, the world's largest cement maker with operations in sixty countries, including subsidiaries in Morocco and Lebanon, purchased twenty-five per cent of the Egyptian Cement Company, and began to build three new kilns near Suez. In July 1999, Lafarge S.A., the world's largest building products group and second largest cement maker, also operating in 60 countries, purchased 76 per cent of Beni Suef Cement, and was set to increase its share to 95 per cent. It arranged to sell on half its holding to the Greek cement company Titan, which already owned two cement importing facilities in Egypt jointly with the local 4M Group, Egypt's largest importer of construction materials. In late 1999, the government was negotiating the sale of Assiut Cement to Cemex of Mexico, the largest cement producer in the Americas with operations in North and South America, Europe, and East Asia, and the sale of Alexandria Portland Cement to Blue Circle Industries, the largest British cement producer with operations in Europe, Africa, and elsewhere. See EIU, Egypt: Country Report, 3rd Quarter 1999, pp. 20-21; http://www.holderbank.com; http://www.lafarge.fr; http://www.cemex.com; http://www.titan.gr/en/news; http://www.4mgroup.com.eg.

13. Masaka transferred sixteen per cent out of its twenty per cent holding to NBE Finance of the Cayman Islands, presumably an off-shore subsidiary of the National Bank of Egypt. Another two per cent went to the local joint-sector Suez Canal Bank. EIU, Egypt: Country Report, 3rd Quarter 1999, p. 27.
14. The estimate is based on the assumption that all the missing expenditure belongs to this group. The plausibility of the assumption rests on factors such as the character of the missing expenditures and the relative proportion of incomes that different groups spend on food. Ulrich Bartsch, 'Interpreting Household Budget Surveys: Estimates for Poverty and Income Distribution in Egypt', Working Papers of the Economic Research Forum for the Arab Countries, Iran and Turkey, no. 9714. Cairo, 1997, pp. 17-19.


19. EIU, Country Profile, table 28, p. 54. The World Bank and USAID have set up programs to provide loans to the small businesses and micro-enterprises denied access to the formal financial sector. But these programs ignore the question of redistributing wealth to create the demand for such enterprise.

20. Gamal Essam El-Din, 'MPs rage over erosion of parliamentary power', Al-Ahram Weekly, 7-13 January 1999:3.

The Maghreb Experience: A Challenge to the Rational Myths of Economics

Hassan Zaoual

Colonial domination gave way to ‘development through regulation’ which received support from the Third World elites. Historically, the elites of the South have usually imported everything, including the explanation for the problems of their own societies: ‘from the discourse (keys in head), to the factory (keys in hand)’. In economic development circles, the Third World elites play the role of sterile classes without the capacity to create ‘development’. On the world economic scene, the development industry has concentrated conceptual ability and innovatory capacity in the countries transmitting development, while the sterile classes head what are essentially rentier economies (Philippe Hugon, 1994). Development, despite its impressive array of macro models, all too often turns out to be merely a source of profit for the closed club of the great economic powers of the world. But this relationship cannot be maintained without flourishing markets for primary commodities (for example, oil), external assistance, geopolitical rents, demographic pressures that can be kept within the redistribution capacity of rents, industrial sub-contracting by transnationals (when this is feasible), and so on. If one or more of these conditions change, inevitably there is instability, if not explosions of all kinds. In fact, the results have been disastrous everywhere, except for the Asian development experiences whose successes have however been vitiated by the recent stock exchange crashes. This has challenged both the usual theory and practice of thinking and acting as far as North/South relationships are concerned – as evinced by recent international events.

The changes that are taking place, however, cannot be understood with the conceptual paradigms of yesterday. This ‘interpretation powerlessness’ can today be seen in the various geographical regions of the world. Examples are the Arab world, that ‘decadent old merchant’, and sub-Saharan Africa, which is being massacred by ‘ethnic’ conflicts and endless external interventions. For these areas, it is all too clear that development is above all a source of profit for the capitalist economies of the North.

Imposed Development: The Case of Algeria

Statistical surveys of the Arab world and sub-Saharan Africa provide fairly conclusive evidence as to the ‘rentier’ character of most official economies in these regions. Their external trade continues to be based predominantly on the export of primary commodities, often of only one or two products. As a result they are very
vulnerable to world variations in the world economy (Serge Calabre, 1995, 1997); and it is quite apparent that development programmes have supported, even reinforced the international specialisation inherited from colonialism in these regions.

Even Algeria, which set up one of the largest industrialisation programmes, lasting well over two decades (1962-1989), still depends over 90 per cent on exports of its hydro-carbons. This policy has increased its dependency on food from outside and traumatised its people. The systematic application of the 'model of industrialising industries' (G Destanne de Bernis, 1968) has uprooted the Algerian society from its traditions and its agriculture without, however, guaranteeing access to a real industrial development that is diversified and innovatory. The oil crisis, combined with demographic pressures, has clearly showed the limits of 'transposed development'. With the drying up of oil income, the Emperor has no clothes! Algeria's hasty modernisation has created a social vacuum, throwing people into a state of total anomie. This is the direct result of rapid industrialisation which has not been properly thought through and it was characteristic of the Algerian bureaucracy: technocracy without technology.

In other words, as this country's experience shows, large-scale industrial investment is no guarantee of a country's development. This raises fundamental questions about the economic and 'industrial' concept of development and hence all the economic development categories, which are usually reduced to outward manifestations such as industry, equipment, machines, technology, capital, etc. By thus restricting their models, development economists and technocrats overlook the 'invisible springs' of economic evolution, such as the large industrial countries have experienced it. They totally neglect the special characteristics of each society, in terms of its history, culture, institutions and beliefs. An excessive recourse to the laws of the market will not resolve the paradoxes of economic development because their tendency to produce development depends on the particular circumstances in which they operate. The 'economic rhythms' of any given society are in fact 'social constructions'. Economic development, by claiming to be 'scientific' and by using models that are disembodied, ends up by destroying the symbolic and socio-economic structures of the societies that it purports to be developing. And that is what happened to Algeria and several other countries that believed that development is a 'commodity' that they could buy. How wrong they were!

Development activities have upset and rent the social tissue and regenerative capacities of local societies. This symbolic and 'economic' disorder cannot be halted when the revenue from natural resources that are being exploited with imported equipment (external intelligence) plummets on the world markets and there is no 'informal urban regulation'. In the case of Algeria, a blind return to lost traditions, a sort of imitation of the past, ends up with the society being compressed between the devastating effects of the model and the illusions that oil income had enabled it to cherish. The Islamic Salvation Front has not descended from the sky: it is not the Holy Spirit! It is a result of this fake industrialisation and the lost illusions of an Algeria that looked upon itself as being the 'Prussia of the Maghreb' in the sixties and seventies.

The present situation in Algeria cannot be understood properly without going back into history. During the 19th century and the first half of the 20th century it was a colony for French settlers, which was not the case for Morocco (or – to a lesser extent – for Tunisia). The reason lies in their different histories. In contrast with Morocco, Algeria had never had a strong central power when the Arab-Muslim civilisation was at its height, from the 9th to the 14th century. The Algerian territory evolved
according to the expansion and decline of the great Islamized Berber dynasties of Morocco, such as the Almoravides and the Almohades, whose influence stretched from Tunisia to Andalusia in the south of Spain. This imperial history is a major reason why Morocco did not become a colony but a protectorate. Colonialism came up against a well-established state tradition, the maghzen (central power) in this region of the Greater Maghreb, which corresponds to present-day Morocco. This is why Marshal Lyautey, who led the colonisation of Morocco, had to make compromises with the local endogenous institutions (the monarchy, the urban elites, the zaouia (a religious group led by a marabout or holyman), the religious brotherhoods, the tribes and their confederations, especially the Berbers).

Unfortunately for Algeria, its experience was quite different. It had no great urban tradition, except for the old, Andalusian medina (the old Arabo-Muslim town) like Oran and Tlemcen. And its ruling class had come straight out of the maquis, with little experience of civil government or capacity to make objective judgements, which explains the military nature of its governmental elite. This tendency was reinforced by the orientation of Third World thinking of the sixties, influenced as it was by the Soviet model. Thus the door was wide open to the setting up of a one-party state and a military dictatorship. And Algerian nationalism, fuelled by its fabulous oil income, fell victim to an expensive economic model which seemed to promise complete economic independence. This was the model of industrialising industries which, in all the countries that claimed to be progressive and/or non-aligned (India, Malaysia, China, etc.), had inspired their development policies at that time.

Algeria maintained the model in its entirety until the middle of the 1980s. Imbued with the spirit of Stalin, it had originally been proclaimed by Feldman, a Soviet economist, and then taken up by the Indian economist Mahalanobis. The model was also the subject of great debate between French economists like Perroux, de Bernis and others. Its main principles were based on the belief that only countries producing durable goods could help the countries of the South to free themselves from the domination of the former colonial metropolitan powers. Tourism, agriculture and even processing industries were considered as neo-colonial economic options insofar as capital investment goods, particularly machinery, continued to be imported. The macro-economic approach that promoted industrial production would, it was maintained, help to reduce the gap between the Centre (the capitalist countries) and the Periphery (the ex-colonial countries). According to this view of the industrialising industries, which was encouraged by the demonstration effects of Soviet power at that time, only heavy industry (steel, metallurgy, basic chemical products, hydrocarbons in the case of Algeria, but also the production of electrical goods, transport goods, machine tools) could create a dynamic, independent development. The production techniques had to be the most efficient ones as in the developed countries. This strategy was thought to provide a radical solution to the problem of ‘under development’; any other options, including those that were already concerned about the environment, were treated as ‘reactionary’, in the language of those times.

We should not forget that Marx was a great admirer of the industrial and technological progress of capitalism, as was Schumpeter. Algerian voluntarism, under the Soviet influence, also had its share of responsibility for the adoption of the industrialising industries model. As Hayek said, constructivism is a logical consequence, the belief that everything can be mastered. This whole way of thinking led to the importing of turnkey factories as fast as possible for what the industrial ideology considered to be the leading sectors. With the help of oil revenues, the trend increased to the point where Algeria became an Eldorado for firms and engineering
companies who rushed to sell their technologies and everything else to accompany them: machines, tools of all kinds, semi-finished products, as well as primary commodities. The inter-relationships between these different levels were such that the notion of 'technological packages' was an appropriate description of the projects undertaken by the huge national enterprises, those mammoths of Algerian bureaucratic capitalism.

When the introduction of these large projects was being negotiated, the local elites played an essentially administrative role which, at the same time, enabled them to take their cut and practise corruption. This prevented the accumulation of expertise in the industrial field: the westerners did everything, from the designing of projects for the great industrial complexes to their execution. It was very much to their advantage, as it enabled them to accumulate expertise and experience in handling unexpected situations. Conversely, Algeria lost the opportunity of training its human resources. Its design and production engineers were often given administrative or even political duties, which were much more attractive in terms of social status, power and money. Thus Algeria became the spectator of its own economic development. Human capital needs to be nurtured and given the opportunity to apply knowledge. But no amount of contracts, with keys in hand, or even products and markets thrown in, can substitute for action in which people participate and take over their destiny.

All in all, the Algerian experience is an exemplary model of how development in the countries of the South functioned as a market for the suppliers of development projects. It was a 'virtual' development, lacking any organic relationship with the surrounding reality and it gave rise to surrealistic situations in the economy. The more that Algeria invested in its development – at times it was some 50 per cent of its GNP – the more the country became 'under-developed'! All the categories of economic science seemed reversed: Keynes' principle of the multiplier effect had its head upside down on the ground while the 'footwork' (spill-over effect on the rest of the economy) was up in the air and moving in empty space.

As soon as these factories were established, they became decoded locally (apart from the hydro-carbon industries financing the whole economic circuit), which did not make for profitability, or any synergy among them. Added to the problems created by mental attitudes, there were difficulties in the organisation of work, unfair promotion, embezzlement, inflexibility: all in all, the imported techniques could not be assimilated locally. As a direct consequence of this, there were enormous deficits in most of the large production units, which often functioned at less than 50 per cent of their capacity. These deficits were made up for by the revenues of the hydro-carbon sector, whose profitability was not created by people's work but by the rapid exploitation of the oilfields, using foreign know-how, which the flourishing world oil market at that time made possible. Everything was paid for by oil: salaries, the fictitious increases in production capacity, the great national projects of all kinds, food imports, etc. – in sum, the entire financing of the Algerian economy. As the model was progressively applied, society and the local forms of economy activity in the different Algerian regions were broken up. They came to be concentrated in the urban and industrial areas haphazardly, because of the lack of investment in infrastructure, housing, etc. This whole process was responsible for the over-population of these areas and the present explosive residential situation. In Algeria, it is now common for members of a family to sleep in turns because of lack of space in their homes. The housing and unemployment problems are primarily responsible for the small number of marriages.
Rather than overcoming the dualism inherited from colonialism, the economic model adopted has aggravated the anomalies in the Algerian economy. The bureaucrats have wrought more damage than colonialism as they have destroyed the trade in agricultural produce (which was tailored to the needs of the towns), as well as the food crops and all the small-scale artisanal activities which had been carried on at the local level. The agrarian revolution, which was based on the bureaucratic model of socialist villages, did not last long and it even worsened the problems of land ownership, weakening the motivation of the Algerian peasants. This destruction by the great industrial enterprises, which were parachuted from above, challenged the pre-eminence of agriculture but did not induce a development capable of reproducing itself locally.

In its desire to combat economic dependency, the model actually contributed to this process of extroversion, which has made Algeria today totally reliant on external sources for its food as well as, with the collapse of oil prices, for its industrial and financial technology. For a long time oil income camouflaged the symbolic and economic chaos which the model of pseudo-industrialising industries had introduced and which had penetrated into the very tissues of society. Hence, today's crisis is both cultural and economic. There is a total lack of meaning throughout the society as a whole, which creates a confusion unprecedented in the country's history. Fundamentalism and fanaticism have sprung up in this vacuum.

Any changes in a society and its economic organisation must bear in mind its specific characteristics and collective beliefs if inputs from outside are to take root. There is no 'sound' economics without taking into account the concepts and organisation of local practice and the meaning that the local people attribute to their world. If any policy is to be effective it must be in harmony with the identity and ethics of the population. If no attention is paid to the principles constituting a society, it loses its justification for being and chaos ensues. People become concerned only with their own affairs and in the anarchy that follows even personal security becomes a rare collective asset. When a society falls into anomie through its loss of meaning and identity, everything becomes possible, as can be seen by the genocides that are being perpetuated in many places in our contemporary world.

Composite Development: The Case of Morocco

Morocco (and Tunisia), unlike Algeria, still have some margin of manoeuvre, although they may not completely escape the destructive theory of imitation development, as described above. Their formal economic structures are relatively more diversified than the Algerian economy, which was over-concentrated on oil and gas. The fact that Morocco and Tunisia lack oil may well be a blessing! It is true that Morocco was heavily dependent on external revenue from its phosphates and their derivatives in the mid-seventies, but – fortunately – this period was short-lived. The uncertainties of this kind of income have made possible a whole range of other activities: tourism and industrial sub-contracting, as well as activities that are declining in Europe, such as textiles, the production of citrus fruit, fisheries and the canning of sea products. In addition there is the production of vegetables, remittances and Morocco’s ambitious programme of dam construction. Artisanal activities flourish and are updated, while informal productive micro-activities are also important.

This diversification has mitigated the damaging effects of these development projects that have been parachuted from outside. Furthermore, Morocco has, despite its great
potential, undergone a very slow modernisation. Its tendency to 'homeopathic doses' of change is the reason why Morocco is not experiencing the Algerian phenomenon, at least to the same extent. This is not necessarily a conscious choice; Moroccans are not more intelligent than Algerians – but they did not adopt a ready-made Soviet model. The surpluses produced during the 1960s and 1970s were not invested in large-scale industrialisation programmes as they were in Algeria. According to the Moroccan left, who are wedded to the Algerian model, their 'comprador bourgeoisie' wasted the surpluses rather than investing them in industrialisation all over the country. These 'irrational' and 'anti-progressive' attitudes, according to the Third World credos of that time, enabled Morocco, today, to count on various reserves to which to weather the disorders created by a poorly absorbed industrialisation. In certain aspects rural Morocco has remained itself, in its symbolic, social and economic sites. Whole areas still have their subsistence economies which are enshrined in their many local traditions. This has helped attenuate the rural exodus and safeguard traditional agricultural know-how.

However, hereto the room for manoeuvre is also being eroded, linked as it is to the general evolution of the country which has enormous problems to contend with: an education system that does not create real professionals, mounting urbanisation, demographic changes which still have to produce their full effects, a closing-off of the migratory flows to Europe, a corrupt bureaucracy which clings to its privileges (in spite of recent governmental directives), the alienating socio-cultural impact of the new communication technology, urban graduates who are demanding more and more, etc.

The rate of economic growth of Morocco has varied over the years. If we are to believe the official statistics accepted by the international organisations, the growth rate of Morocco's (formal) economy was 10 per cent in 1996, 2 per cent in 1997 and, according to the estimates, it will be around 10 per cent for 1998. In fact, the growth of Morocco's formal economy has always been a kind of zig-zag, due basically to various national and international factors and also to climatic conditions; irregular rainfall has not yet been offset by the large dam-building schemes. The cities have suffered from a continual fluctuation in the general level of food prices, as well as from rural/urban migrations and the hazardous nature of the general economy. Morocco is indeed an amazing mixture of uncertainties and stability. At any time the situation can become explosive without, however, descending into total disorder.

Nevertheless, changes are taking place in people's mentalities and practices, especially in the urban areas. A major problem is the lack of jobs in the towns. Permanent unemployment is now the lot of over 16 per cent of the active population, many of them city youths whose dream is to emigrate to Europe. The memories of the 'thirty glorious years' still linger, in spite of the economic, social and moral crises of Europe. But with the miracle of the West, reflected as it is by the satellite dishes, no 'rational' argument can be sustained. Unemployed urban youth tend to refuse the low-paid jobs offered by the local market and continue, rightly or wrongly, to envy their emigre cousins in Belgium, Netherlands, Italy and France. The straits of Gibraltar witness constant and unequal battles between the Spanish guardia civil and the navy, equipped with motor launches, helicopters and radar on the one side, and the small, makeshift boats with their clandestine passengers trying to reach the nearest Spanish shore on the other. In short, all the destabilising forces in the urban areas militate against the stabilising diversity of the overall Moroccan situation. Thus there is a race against time to avoid the contagion of anomie, the 'Algerian disease'. 
That seems to be the sense of the institutional reforms (democracy and decentralisation) that are currently being carried out in the country.

For the foreign observers, like the economists and the representatives of international institutions like the IMF and the World Bank, the economic reform of 'modern' Morocco is on the right lines, as its macro-economic indicators correspond with their own criteria: a budgetary deficit forecast for 1997/98 that is not to exceed 2.8 per cent of the GNP, with an inflation rate of around 5 per cent. But the downside of these measures is that the brutal cuts in the civil service have seriously affected young people, with or without degrees, in the large towns and their numbers continue to increase. Neither the Moroccan private sector nor foreign capital seems able to staunch the successive waves of those seeking well-paid jobs. Hence the risk of an Algerian type of destabilisation if concrete measures are not taken on the employment front. In certain conditions, similar causes bring about similar effects: delinquency, frustration, violence and religious extremism (caused by lack of understanding of religious traditions and local culture in general). It is a moot point whether Morocco will evolve – more slowly – like Algeria, towards a vacuum?

As for the democratic reforms, they can have no lasting effects unless they are fully supported by those concerned and this is not necessarily the case. Many political leaders, both left and right, as well as heads of clans see these reforms as the opening of a new market for their personal, family or tribal ambitions. After the 'development market' there is now the 'democracy market'! This shows, once again, that any change in institutions, if they are to carry out development, should be a careful mixture, according to each case, of external support and the cognitive content of traditions and local ways of organisation. It is this mix that lies at the heart of the informal processes which are often overlooked but which could serve as laboratories for alternatives in general. All modernity without tradition remains virtual. This has been demonstrated by a most meticulous survey of informal processes in Senegal and documented by Edmanuel Ndione (1992).

Indigenous Development: the Case of the Soussis

The hinterland of Morocco is the most 'Berber' of all the lands of the Great Maghreb (Morocco, Mauritania, Algeria, Tunisia and Libya), also because it is the most western of this Arabo-Muslim world. The influence of the latter has coexisted and mixed with the older cultures inherited from the pre-Islamic period. These endogenous cultures remain vigorous under the surface for those who have eyes to see and who are sensitive to Moroccan diversity. With, in addition, its francophone heritage, Morocco has a composite personality: it is a crossroads. This, potentially, has advantages. And, in the same way that its national patrimony is various, so also its Berber element is multifarious, with numerous Berber ethnic groups, themselves composed of confederations of tribes whose influence fluctuates according to the geographical terrain and local history.

Those who have attracted our attention among this great human diversity are the Soussi, who originate from southern Morocco, of which the provincial capital is Agadir. This region, which has a semi-desert climate, is to be found between the desert and the rich plains of north-west Morocco, where the climate is more clement. Resources and demography have always played hide and seek in the Souss and the solution has been a secular regulation through migration to the north of Morocco. The Soussi are very much given to trade. The roots of this 'economic psychology' go back
to ancient times and seem to be enhanced by the austere ethics inherited from their ancestors and the eco-system of the original geographical area. Most of the present distribution channels reflect their de facto monopoly, the most classic example being the grocery. The word 'agadir' in the Berber language of southern Morocco does in fact mean 'shop' (or 'store'), a place where reserves are kept in case of climatic vagaries.

At the present time, the Soussi, with their grocery 'neo-tribal enterprise culture' are very successful in various sectors of the urban economy (transport, hotels, restaurants, flour milling, housing, building materials, etc.). What is interesting about this ethnic-economic experience is that these people have succeeded where the city graduates of commercial colleges have very often failed; the economy functions as a network and it is not a victim of 'imitation development packages'. Group solidarity is strong and the expansion of commercial sites is self-financing. In addition, Soussi commercial networks in urban areas do not destroy the links with their origins as business is operated by members of the tribal fraternity. The goings and comings between those who have been 'grafted' into the towns and those in the villages are regulated, according to the seasons. This attachment to the 'native sites' is an integral part of the way the overall network operates and guarantees the symbolic motors of economic success. The 'native site' is thus an almost sacred place in the imagination of the Soussi. To be argase means, in Berber, to be 'a responsible man who knows what he is doing: an upright man'.

Thus the system is helped by being anchored in the values and traditions of the tribes to which the participants belong. They usually have little or no formal education. The young people are first thoroughly immersed in the atmosphere of the original symbolic sites (tribal norms and cohesion, attendance at the koranic school in the village, learning the important verses of the Muslim religion, initiation to simple arithmetic). As candidates for migration, they are trained to have 'a feeling for commerce' by their elders who hold up the ideals of success: the ethics of effort and a critical distance towards the 'urban values' which are felt to be decadent. The 'average Soussi' is thus 'programmed' by his site to succeed in business or else be banished by the community, which acts like a 'tribal motor.'

Thus the value system and community norms strongly motivate a Soussi individual and make commercial failure less likely. The site induces individual and collective behaviour that conforms with its own world vision. The Soussi site is like a kind of 'self-realising prophecy' group. The money that circulates in the network is 'hot money' (Michel Lelart, 1990), which bears the mark of the collectivity that emanates from the symbolic site. It is money that has a 'smell', which is that of the site, and the effort and ethics of the group make it fructify. The Soussis are socialised in this atmosphere from an early age. The site of beliefs is constantly reinterpreted as the needs of the urban spaces evolve, as well as those of the native sites and these changes help to safeguard the tribal ethics and the collective memory. This is how the modernisation of the organisations belonging to the network occurs, selectively choosing what managers today call 'human resources'. The supermarkets or the large shops with electronic goods which are run by Soussis do not impinge on the way in which they reinterpret their own value system and modes of organisation and management. The site changes in its outward manifestation without being severed from its historical roots. This ensures the stability of the collective signposts while change is taking place in the Soussi economy.

A constant factor in these economic organisations that blend tradition and modernity (or change) is the collective belief in the benefits of all attitudes that conform to the
ethics of the ‘right path’: *agharras agharras*, in Berber language. It is this ‘right path’ on which the growth of the group’s economic potential depends, that maintains the transparency of transactions, trust and coherence of the group and a good public image. The spirit of the *site* watches over the activities of everyone. This ‘ethical monitor’ is so strong that the first concern of every Soussi is to put into practice the moral imperatives for fame as defined by the ‘common humanity’ of the Soussi *site*, which restricts opportunistic practices in the organisation. This can be seen not only in the Soussi experience, but in the African *tontines* (Endnote 1) and, in a more general way, in organisations that mainstream economists describes as ‘informal’, which shows a contempt that inhibits understanding.

In other words, the *site*, through its beliefs and code of conduct, discourages what the institutional economists (Oliver Williamson, 1994) call the ‘clandestine passenger’ who tries to profit from the advantages of an organisation while avoiding its constraints and the group effort ethic. Hence the *site* plays the role of ‘collective expert’ in the self-management processes which control the risks through recourse to the *site* values. It is a way of reducing the ‘management costs’ of Soussi organisation in a world that is alien and therefore hazardous.

**Conclusion**

As can be seen from the cases of the South, the uncertainties of the dominating market economy can be reduced, thanks to the non-economic factors which are held to be essentially traditional. *Sites* play a role in reducing what economists call ‘the assymmetry of information’. In fact, in this ‘trust economy’, tradition is not antagonistic to innovations (or ‘modernity’ in general) which are all too readily ascribed as being contrary to the values of the *sites*.

In fact, in third world countries all successful activities outside the development institutions are guided by the principle of a ‘reasonable and harmonious mixture’, as can be seen in the commercial practices of the Soussis. Elsewhere I have analysed in more detail the economic dynamism of certain groups in Moroccan society, such as the Soussis (Zaoual, 1990) and the ways that institutions, like the Hisba and the fraternity networks operate in the Maghreb (Zaoual, 1992). One can only conclude, once again, that economic success or the ways that human groups function cannot depend on the wholesale application of imported models. Beliefs, standards and traditions must be fully taken into account if changes are to be introduced into society. This is why the *site* is based on an ensemble of principles that respect the actors’ beliefs, their conception of the world. Understanding this is the only way to interpret their practices, how they adopt changes. There is thus an infinite variety of ways in which human organisations open or close themselves to the outside world (local, regional, national and global, all of them being inter-related). One might think that this complexity would call for some ‘scientific modesty’.

The *site* functions as a social organism that provides people with a meaning to their lives. And it is this which makes continual sense of the actions of individuals belonging to the *site* and their relationships, as well as of the physical world and everything within it. It is not easily understood because the sense of a *site* is evasive and can only be perceived, moment by moment, through movements that focus on the *site* and its dynamic. This makes inter-cultural communication difficult and highlights the snares of social theory, especially of political economy which, when it is faced with complexity, gives up and sees all situations as being similar.
In the field, the ‘developer’, like Robinson Crusoe and his relationship with Man Friday, sees the Other only as a *tabula rasa*, an emptiness that should be filled.

However, as suggested by the principle of tolerance on which indigenous *sites* are based, acknowledgement must precede knowledge. This ethical sequence cannot be avoided in any human science. Traditionally, in all Western human sciences which have been imposed on the rest of the world, the Other does not escape the binary principle of the scales: either he/she has a very favourable image (the exoticism of the noble savage) or an extremely negative one (the ‘under-developed’). This whole approach has to be challenged if a real dialogue of civilisations is to get under way. The present crisis of progress reveals this very clearly.

In sum, the *site* is above all a non-material entity which permeates the doings and sayings of the ‘tenants’ of the *site*. This concept, which is dynamic and transversal, poses a fundamental challenge to economic science, which is based on reductionism and the autonomy of its field of investigation. If ‘dissident economics’ adopts such a framework, it could destabilise the dominant paradigm on its own ground and come up some alternative concepts and practices to deal with the crises that are convulsing our world.


Endnote

1. Tontine – an informal savings and credit system found in many African countries. It provides financial aid to members of the local community and is, of course, based on close social contacts and trust among its members. The tontines play an important role for people who are excluded from the formal banking system. See Lelart in the bibliography below.

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Organising Across Borders: Algerian Women’s Associations in a Period of Conflict

Catherine Lloyd

In Muslim contexts of modernity, women’s corporal visibility and citizenship rights constitute the political stakes around which the public sphere is defined. Women’s visibility, women’s mobility and women’s voices are central in shaping the boundaries of the public sphere (Gole, 1997:61).

This article examines the consequences for political organisation of Algeria’s sustained and bloody conflict. Women’s right to public action has been fundamentally challenged in this virtual civil war, and they have been at the forefront of resistance to violence, in different forms of political action and at different levels of society. Religious fundamentalism raises important questions about the nature of the political and how it occupies public space, and behaviour in the household (particularly that of women) has become a matter of public struggle. Resistance to or organising against fundamentalism and violence in turn enters a debate about political rights. For these reasons, Algerian women’s organisations probably present the most diverse aspects of Algerian associational life. Their experience has wide relevance because it is shared by women in other situations where religious fundamentalism combines with a patriarchal system to oppress them (Helie-Lucas, 1993).

What do Algerian women’s movements contribute to our understanding of current debates about a global civil society? I briefly examine relevant problems associated with the concept of civil society before moving to consider other conceptions of associational life. Rather than abandon the idea of ‘civil society’, I suggest that we
take up the challenge for a more appropriate or precise formulation. The article also explores the international dimensions and implications of this form of organising for theories of global civil society. I argue that the idea of *transversal politics* merits further attention in terms of the networking of different associations (Cockburn, 1998; Foucault, 1977; Yuval-Davis, 1997). I look at ways to use this concept to analyse how solidarity actions are negotiated between exiles, migrants and their partners in Algeria in their actions to defend women's status and their responses to the impact of the present violence on people's daily lives (Lloyd, 1998). I discuss their links with Algerian migrant/exile associations in terms of the transversal organisation of the *mouvement associatif*. For many years Algeria was associated with resistance to colonialism and leadership of the non-aligned movement. This international reputation combined with the exiled and migrant Algerian population in Europe and beyond has given this conflict an international focus, in its political, literary and artistic production.

**Theories of Civil Society**

The appropriateness of the widespread use of the concept 'civil society' has been questioned in recent debates (Allen, 1997; Stewart, 1997). Civil society is an 'essentially contested concept' (Gallie, 1962; Seidman, 1998), defined in many different ways which can be reduced to ideological positions or to the 'uses to which the concept is put' (Fine, 1997), or to an 'all-purpose catch-word ... embracing a wide range of emancipatory aspirations' (Meiksins Wood, 1990).

The idea of civil society, which developed in the specific conditions of seventeenth and eighteenth century Europe, was of a sphere mid-way between the state and domestic life, related to the concept of the 'social contract'. Within this sphere the individual property owner operated as an autonomous actor. This status was incompatible with servile or dependent status and therefore excluded the majority of women and men. Civil society was a terrain of human association with moral claims which made it independent of any other higher authority, such as the state or the church. However, theorists of the seventeenth and eighteenth centuries were only too well aware (from their personal experience) of the potential conflicts within civil society arising from economic inequalities, personal antipathies or rivalries. They looked to the state to resolve these conflicts through the determination of the general will or the national interest (Fine, 1997; Rousseau, 1973).

In post-soviet Europe theorists of democratisation took up this approach. Ernest Gellner returns to early definitions of civil society as bearing moral and economic benefits arising from an expanded division of labour and exchange of commodities, but he ignores questions of conflict (Fine, 1997; Gellner, 1991). Neo-conservative formulations of civil society associated with structural adjustment and the liberalisation of civil society have tended similarly to ignore the democratic goals of equality and liberty, focusing rather on the more formalistic aspects of electoral politics. More complex and differentiated concepts of equality and liberty are required to take human diversity into account (Keane, 1988:12). Such formulations tend to present a rather disaggregated, fragmentary structure which obscure the effects of overarching power structures such as those of global capitalism (Meiksins Wood, 1990) or of patriarchy.

For the idea of civil society as a sphere of conflict, with a more complex relationship with state structures, we must return to marxist formulations. In *Critique of Political Economy*, Karl Marx argued for the importance of human agency and particularly the
centrality of social relations arising from the relations of production. He argued that the political forms of modern society are the 'subjective' expression of the social relations of production while their objective expression lies in economic relations (Fine, 1997; Marx, 1971). Antonio Gramsci took this idea further with the notion of civil society as a central terrain, a broad arena of potential free activity, outside the state, of voluntary associations whose action was guaranteed by formal 'bourgeois' democracy. Intellectuals are important actors within this terrain forming 'a complex network of social practices and social relations ... the sphere of all the popular-democratic struggles' (Simon, 1983:69). Civil society embraces all organisations outside production and the state, including the family, in social relations characterised by power and conflict.

In this article I have used Gramsci's characterisation of civil society to focus on movements which describe themselves as striving to create a space for democratic political life in Algeria. These groups have developed in a context where religious organisations have sought to occupy and invest the civic sphere especially at local level, filling the vacuum left by a failing state 'socialism':

Islam, the most socially conscious of world religions, can partly overcome the transition to democracy dilemma by concentrating the considerable sum of its energies on the nooks and crannies of civil society. There, in areas of life underneath and outside of the state, it can empower its followers by stimulating their awareness that large-scale organizations, such as transnational firms and state bureaucracies, even violent ones, ultimately rest upon the molecular networks of power of civil society - and that the strengthening and transformation of these micro-power relations necessarily affect the operations of these large-scale organizations (Keane, 1996:104).

In the following section I identify forms of mobilisation in order to illustrate the conflictual element involved in democratic debate and more conventional forms of pressure. Secondly, I discuss less structured solidarity action suggesting how activities arising from women's networks and their caring role are being internationalised within the Algerian context.

Forms of Mobilisation in Algeria

In the 1950s, Algerian women played an important role in the struggle for independence as moudjahidates, but after the war they were expected to return to their domestic roles (Balia and Rulleau, 1978; Amrane, 1991). During the period of struggle for independence, there had been little support for the prioritisation of women's rights as such, it was rather thought that women would be emancipated as an indirect consequence of the struggle for national liberation (Bouatta, 1997). The Union Nationale des Femmes Algériennes (UNFA) established in 1963 was the official body which addressed women's concerns. Its objectives were the emancipation of women, to oversee their participation in the political reconstruction of the country and to ensure the social protection of the mother, children and the disabled (Bouatta, 1997). It tended to be seen as a transmission belt by which women were informed of the views and decisions of the male leadership of the FLN (M'Rabet, 1966) while channelling women's political activities away from the main power-structures which remained male-dominated (Saadi, 1991).

Mobilisation around women's legal status has been a constant theme involving defensive action, involving different interpretations and attitudes towards the government. The Family Code is the principal legal instrument, enacted in June 1984
after a long struggle full of polemic and unsuccessful plans. From the beginning of independence, the Algerian authorities' attitude to women was marked by traditional patriarchal views. For instance, in 1963 a Commission of ulémas (religious leaders) proposed formally to extend polygamy on the pretext that following the war, there were too many widows (M'Rabet, 1966). The FLN's Tripoli Programme argued for the emancipation of women and criticised the 'retrograde mentality about women's role' and Algeria's first Constitution of 1963 affirmed the equality of the sexes in Art. 12: 'All citizens of both sexes have the same rights and duties'. However this view was not held in common throughout society and as early as January 1964 the Islamic organisation, Al Qiyam called for a 'proper Islamic status for women', which they saw as including the banning of their participation in sport (Saadi 1991:45).

Throughout the 1960s and '70s there were periodic attempts to draft a Family Code, which gave rise to women's demonstrations and mobilisations. An important strand of conservative Islamic public opinion was constantly pressing for the application of the Shari'a throughout Algerian life. This struggle intensified after the Family Code was presented as draft legislation in September 1981. A women's group in Oran organised seminars on the women and formed a structure named Isis. Various street demonstrations were organised by women giving a new visibility to women in political life, led by moujahidates and comprising women trade unionists, teachers and students. Women's associations insisted that their voices should be heard and occupied the entry to the National Assembly in protest. The Family Code was finally enacted in July 1984. It established man's dominance over woman, legalised polygamy, men's right to repudiate their wives, institutionalising sexual inequality in inheritance, matrimonial guardianship and other fundamental discriminations.

This code has become the most contested legal text in Algerian society, underpinning repressive traditional practices. Many women's associations and political parties have been at the forefront of work for its abolition or fundamental reform. These mobilisations have enabled disparate groups to come together with a common agenda. In May 1985 the Association pour l'égalité devant la loi entre les hommes et les femmes (Egalité) brought together some 30 women's organisations. United in a national co-ordination since December 1989, they have sought the abolition of all forms of discrimination. At the same time they have called for the ratification and application of conventions guaranteeing rights of women and children, the defence of the right to work for all women and security of their employment, and the end to sexual discrimination in education (Egalité, 1991; Saadi, 1991:48-9). Human rights lawyers active in Algerian politics point to the contradiction between Algerian laws which stipulate non-discrimination, its international commitments and the Family Code.

The riots and demonstrations of October 1988 prefigured the transformation of the political scene in Algeria, and in an attempt to restore its authority, the government liberalised the laws on political association in the new constitution of 1989 (Tahi, 1992:399). As the one-party system ended it became possible to set up political parties and associations. Some twenty women's associations which focused on the abolition of the code were established in the years which followed these changes, mainly in the north and centre of the country and concentrated in the larger towns (Brac de la Perriere, 1993). Their existence has been as precarious and unsettled as the interrupted process of the establishment of a pluralist democracy in Algeria.

These associations represent many different points of view. Some call for the amendment of the Family code so that it could be more humane in its operation. This
approach attracted many women who had been involved in the UNFA but who were critical of its bureaucratic operation. Their approach was essentially reformist, and they referred to a progressive reading of Islam to justify their demands. Linked to these associations are others mainly engaged in social activities, operating creches, cooperatives and workshops such as the Association pour la Défense et la promotion des droits de la femme (Algiers) and Association pour la promotion de la femme (in Mostaganem and Annaba). A second tendency focuses on the transformation of attitudes which underpin women’s oppression through cultural activities such as exhibitions, cinema, festivals (Association pour l’Émancipation de la femme (Alger), Sakhret en nissa (Staouéli) and Israr (Constantine)). A third strand campaigns unequivocally for the abolition of the code and all laws, which discriminate against women. Instead they demand a civil code which guarantees sexual equality, bans polygamy, divorce, paternal guardianship, the equal rights in law of both parents and establishes the unconditional right of women to employment. Organisations such as Égalité (in Alger, Oran, Annaba), Voix des Femmes (Boumerdès) and Tighri net mettout (Tizi Ouzou) are involved in information campaigns, organising debates and supports political parties, which have similar positions (Bouatta, 1997:8). The fourth and most radical strand is represented by Triomphe (L’Association indépendante pour le triomphe des droits de la femme) formed from a split in the Association pour l’égalité devant la loi, and argues that women’s position transcends all other concerns and eschews involvement with male structures of power except on their own terms (Bouatta, 1997:11).

Mobilisation against the Family Code has taken conventional political forms such as lobbying, petitions and demonstrations. The National Womens Coordination established a national forum for women’s associations to establish a minimum platform in 1989 (Saadi, 1991). They agreed to prioritise the political demand for opposition to the family code as an unconstitutional law. At the same time they insisted on raising broader issues: that women had an unconditional right to work; that women should be able to exercise their right to vote in an effective manner and not have their votes cast by male guardians and that women should have access to a modern, scientific education.

Divisions between organisations focus on a range of issues along a continuum between radical or reformist positions. While the chief division concerns the reform or abolition of the family code, there are further dilemmas around how broadly women should mobilise and what political compromises might be necessary in order to achieve their aims. Others ‘are beginning to wonder whether they have been trapped by the abolition versus amendment argument at the expense of broader women’s interests’ (Bouatta, 1997:14). A related set of issues focus on the relations of women’s associations with political parties, given concerns that women were being used by different bodies to legitimise their actions. The decision by the government to suspend the electoral process in early 1992 rather than risk a Front Islamique du Salut (FIS) victory gave rise to further controversy. Although women’s rights were being progressively curtailed in FIS-controlled local authorities some women’s groups wanted a direct confrontation with the Islamists, and many demurred over the suspension of elections.

The moudjahidates have played a respected role in all these tendencies, helping to legitimate the demands of women’s groups in a situation where nationalism is a dominant value and appealing to the values of a free and independent Algeria. Many of the moudjahidates studied after independence in a French medium, before the arabisation of the education system. Their political and ideological milieu was the
same as that of the men in governing positions. They were vulnerable to accusations of representing French interests. Nevertheless their support for the women's movement has helped to discredit the fundamentalist attempts to besmirch them as being manipulated by western imperialism. However, this problem of legitimacy is a difficult one for women who 'have been caught between two sets of legitimacy: they cannot serve their cause as women and at the same time belong to the nation for whose very existence they have suffered' (Helie-Lucas, 1993:211). In these conditions women are caught between the frontal attacks on their right to be present in a public space at all and their concern to maintain a unity of struggle against the FIS. Women who adopt a feminist perspective risk isolation from the masses, and any movement is forced to adopt some kind of nationalist perspective. Many associations have accepted this controlled modernity as offering a civic option for women who are defined as guardians of tradition rather than citizens.

Although the Family Code was at the centre of women's organising, associations have not simply been defensive. The extreme situation of violence, particularly focused on women, has called forth very different sets of issues and responses. Political action is very difficult in a situation where even signing a petition can lead to personal danger. Women have been forced into the forefront of fighting terrorism because many of them have been victims, either specific targets or as a result of the killing of members of their family.

Such organisations require subtle networking with scarce resources such as the telephone and fax, and the need to organise meetings on an impromptu basis to take advantage of the presence of visitors. Some women are active without the knowledge of members of their families, which clearly poses problems. At the height of the violence, hospitality was extended to help people avoid curfews and organise their lives to beat death threats. Organisation in such a situation of crisis is incompatible with the compartmentalisation of political life into strictly demarcated public and private spheres. Resistance is implicit in the maintenance of everyday life. Even help for the traumatised and support for children's education contains broader ramifications

Associations such as L'association de solidarité et de soutien aux familles des victimes du terrorisme, called courageous demonstrations against acts of violence (Fates, 1994:62). Although working women make up less than nine per cent of the economically active population, they have been special targets of terror, as are women living alone or independently (Fates, 1994:60). In the face of terrifying carnage, which often leaves the survivors isolated, traumatised and destitute, associations have been formed to support victims who go to the scene of atrocities and identify people's needs. Similarly, associations have been formed to support married women with children who have been thrown out of their homes following divorce. The association SOS Femmes en détresse estimate that 80 per cent of the calls for help they receive are from such women. Given Algeria's long-standing housing crisis with an average of seven people per household, 30 per cent of the population living in three-room apartments and 18 per cent in one room, this solidarity is essential.

Apart from violent terrorism, the Algerian crisis has also involved a major onslaught on education. IMF debt rescheduling was bought at the price of public expenditure cuts. While the Family Code sought to regulate domestic relations, there have been parallel efforts by organised Islamist groups to restrict women's access to education. Educated women are more likely to work and employed women to be independent of fathers and husbands. Following the FIS local election victories in 1990, there was
renewed pressure against mixed classes and many women teachers lost their jobs. Girls were intimidated when they attempted to continue to higher education and schools began to be used for the teaching of Islam. Many associations some more formal than others, have been established around these issues.

So far I have considered Algeria as though it was isolated from international pressures and influences. This is far from being the case. Algeria stands at the confluence of Mediterranean, European, Arab-Islamic and African influences. The issue of organisation around the rights of children and education provides some clear examples of the effects of these wider influences. The significant Algerian migrant and exiled population in the ex-colonial power, France, maintains close links with the country of origin. There has been a great deal of activity of this kind involving different ties between people in France and people in Algeria. The best publicised tends to be that of well-known intellectuals who have family or political ties with Algeria such as Jacques Derrida and Pierre Bourdieu. They offer moral solidarity and an international profile for the women’s movement in particular. Derrida (1998) argues:

*I believe that today, not solely in Algeria, but there more sharply, more urgently than ever, reason and life, political reason, the life of reason and the reason to live are best carried by women, they are within the reach of Algerian women: in the houses, and in the streets, in the workplace.*

There have been fact-finding delegations, from the European Union and from the United Nations in 1998, which have helped to break the isolation of the years of violence. More significant for Algerian civil society, at grass-roots level, there are more than 100 groups throughout France involved in all sorts of solidarity activity, *many of them with roots in Maghrebian communities* (Endnote 2). Many local community based association have responded to the isolation and the violence faced by relatives in Algeria by deciding to go beyond family obligations and to correspond on an organised basis, community to community and to develop the idea of twinning. Since 1993 many children from Algeria have been invited to spend summer holidays in France, for pleasure but also to find calm away from the trauma of bereavement.

In 1998 the *Secours populaire français* working with the Algerian *Croissant Rouge* attempted to extend this scheme which had been limited to 450 Algerian children. French associations, volunteers and local municipalities prepared to receive just over 1,000 children most of whom had lost a parent during the conflict. On the day of departure 250 children were turned back at the port of Algiers. Despite immediate protests to the authorities, officials could give no valid reason for this refusal. Some children and parents lay on the ground to protest, the police reportedly gave them flowers to show their support, and their families organised a spontaneous demonstration – from the port to the *Maison de la Presse*. The same problem arose on 3 August, and a further 100 children were turned back at the airport. An association, *Djazairouna*, has taken legal action on behalf of the children against the government under articles 34 and 42 of the Constitution (Endnote 3).

This episode has given rise to further initiatives: *Un bateau livre pour l’Algérie* organised an international appeal for books in French, Arabic and Berber for children to learn to read and extend their understanding of the world. Supporters in France were encouraged to contribute by buying from a list of recommended books. This is a particularly relevant initiative given the pressure on schools in Algeria, which face financial problems arising from the IMF structural adjustment programme and
conflicts over control of the curriculum (religious lessons and the imposition of Arabic).

These types of very concrete activity match the resources and concerns of people from the socio-economic groups who tend to be active in local associations, such as teachers, social workers and mediators. Although there is clearly inequality of resources, it is important to note that this type of solidarity is not imposed by the givers. In the autumn of 1998 a Caravane of Algerian associations, with a very strong representation of women, toured France to arrange projects with associations there. The idea for this exchange was developed during a meeting in Algeria of the association Tharwa n’Fadima n’Soumeur, based in Algiers and Association AYDA of Toulouse (France). They sought to present a different view of Algeria from the violence presented by the media which they saw as operating ‘to obscure the fact of a growing civil society, but also the very creative action taking place in many areas such as culture, thought, social action and demands for rights’ (Endnote 4). The Caravane thus aimed to show a wider public the diversity of Algerian social life, to exchange experiences and to establish real partnerships. These forms of co-operation sought to put together a package of partners with whom to organise in a flexible, multifaceted way. Among the types of concerns represented were groups collecting reading materials for children or working to defend their rights (Le Petit Lecteur d’Oran, Association Stambouli from Tizi Ouzou and Fondation Belkhenchir from Algiers), environmental groups working on arid land (Espoir Vivant from Tiaret and Association de Béni Abbès), a solidarity group for the victims of terrorism (Djazairouna), women’s associations (Association pour l’Emancipation de la Femme, Association des Femmes Médecins d’Oran, and the Association Nationale pour la Defense et la Promotion de l’Emploi), a Touareg cultural group, and youth organisations (Endnote 5).

In the present situation the organising of international solidarity has the potential to transform local community associations and deepen their international reach and experience. The Caravane is one of the most recent examples of a sustained exchange of ideas and support, which is rooted in the migrant and exiled Algerian communities particularly (but not exclusively), in France. With the help of associations from Algeria who can ensure that solidarity is appropriate, important resources can be created from the personal skills and networks of migrant communities. They appear to be aiming at the sort of transversal organising which has been described by Nira Yuval Davis in which:

perceived unity and homogeneity are replaced by dialogues which give recognition to the specific positionings of those who participate in them as well as to the ‘unfinished knowledge’ that each such situated positioning can offer ... The boundaries of a transversal dialogue are determined by the message rather than the messenger (Yuval-Davis, 1997:9).

They also contain the potential to become part of a global or a transnational civil society which transcends the binary discourses which seek to identify someone to blame and instead look to empower and to find responses to real needs. The international activity of Algerian associations goes beyond links with migrant groups based in the ex-colonial power. Women’s mobilisations in particular can be created from the personal skills and networks of migrant communities. They appear to be aiming at the sort of transversal organising which has been described by Nira Yuval Davis in which:

perceived unity and homogeneity are replaced by dialogues which give recognition to the specific positionings of those who participate in them as well as to the ‘unfinished knowledge’ that each such situated positioning can offer ... The boundaries of a transversal dialogue are determined by the message rather than the messenger (Yuval-Davis, 1997:9).
ratification and application of international conventions on women’s rights and formulated measures towards an egalitarian codification of the personal status and rights of the family in the Maghreb (an alternative family code), activities bound up with those of women’s associations in Algeria.

Hélène-Lucas characterises women’s mobilisation over religious fundamentalism as occupying a continuum from ‘entryism to internationalism’ (Hélène-Lucas, 1993). She writes of the impact of the programme organised by the international Women Living Under Muslim Laws network which embraces appeals for solidarity with women in prison and national campaigns against severe application of the Shari'a, and information swapping. International exchanges offer some women the opportunity to see different versions of Islamic society, which may suggest more positive spaces for women, challenging the view of a homogenous Muslim world. This approach again is marked by the respect for different positions and the respect for local groups autonomy to define their own analysis and priorities which characterises transversal politics (Hélène-Lucas, 1993:223). Femmes Contre l’Intégrisme has taken similar initiatives with the organisation of conferences to exchange women’s experiences of fundamentalism around the Mediterranean. This approach also suggests a more open way of offering solidarity than that commonly associated with the more prescriptive, judgmental approach of western feminists, which is inevitably much more restricted in its scope and reach.

This discussion only highlights part of the Algerian ‘mouvement associatif’, but it does show that it is plural, conflictual but also increasingly global or international in scope. Theorists of civil society have debated the distinction between civil society and the state but also how to make ‘state policy more accountable to civil society and by democratically expanding and re-ordering non-state activities within civil society itself’ (Keane, 1988:3). The Algerian experiences illustrate conflicting pressures to these ends. Mobilisations against the Family Code are classic expressions of political dissent, which have sought to remain within the formal political arena. At the same time, the actions of some of the fundamentalists, particularly the FIS and the GIA (Groupe Islamiques Armé) burst these constraints by the use of violence and intimidation and made political action extremely hazardous. Responses have similarly occupied a social sphere, which has sometimes replaced or supplemented that formerly occupied by the Algerian state (protection of victims of terrorism, support for children’s education).

With the opening of a peace process during 1999, women’s associations have been working to ensure that their views are not pushed to one side. The more radical organisations were prominent in the formation of the Comité National Contre l’Oublie et la Trahison a federation of associations which worked to prevent the Zeroual government from equating terrorists and their victims (Endnote 6). Most International Women’s days have been marked by some public demonstration which combines a commemoration of the victims of terrorism with an intervention in the contemporary debate (El Watan, 8 mars 1999). Following the election of Bouteflika in April 1999, the declaration of a cease-fire by the Armée Islamique du Salut (AIS) in June, and the referendum to support a Concorde Civile in September 1999, associations have been hard pressed to intervene in developments. There is a danger of a major rift between associations on whether they should be prepared to compromise over issues such as the piecemeal reform of the Family Code or the treatment of former terrorists and their family. These issues can never be easily resolved, but the existence of an active, questioning civil society ensure that there is a debate, expressed if not through state television, at least through radio and the press.
Conclusion

Gramscian challenges to the state-centric focus of liberal theories of civil society stress the need to consider the conditions of existence and agency of broad social structures and the way in which ideas, culture, politics and economics overlap and are reciprocally related (Cox, 1983). Jean-François Bayart has applied the Gramscian idea of passive revolution to African politics where the national bourgeoisie is too weak to establish its hegemony, and change is presided over by established elites who seek to maintain their power and the existing social order (Bayart, 1993). However, this theory would seem to require some modification in the case of Algeria, whose discontents have certainly not lacked political direction, even though they have been deeply divided. Such ‘passive revolution’ led by self-serving elites is far from true democracy but is better understood as ‘liberal market democracy’, which supports hegemonic goals for the expansion of the capitalist world economy (Abrahamsen, 1997). There are reservoirs of resistance to all kinds of oppression within Algerian civil society.

Conflicts within civil society percolate into the structures of the state. Because the agents of oppression vary: the state and the fundamentalist militias are fragmented, the systemic nature of inequalities and exclusions from public life remain blurred. However, struggles take place at different levels and in different forms, involving control of ideology or ‘common sense’ definitions of how society should be organised. International solidarity becomes inappropriate when western agencies fail to think outside the notion of the state-civil society dualism, locked in conflict with all the force on the side of the state. Amnesty International among others has tended to focus its efforts on the apportionment of blame for the violence, to the despair of many Algerian activists who are struggling for access to a political space, within an (un)civil society, which contains many contradictions, oppressions and problems. The focus on the violence alone has obscured the courageous resistances involved in Algerian civil society.

The concept of ‘civil society’ has been criticised as an empty, Eurocentric notion (Allen, 1997). As an ‘essentially contested concept’ it is open to different interpretations and carries the problem of being ideologically loaded. The association of civil society with democratisation packages tied to structural adjustment has given rise to a tendency to ignore the usefulness of the concept in order to expose liberal-inspired democratisation for what it is. But there are important aspects to be salvaged. We need to be able to understand, analyse and describe relatively structured associative networks which contain resources by which social actors can resist violence and oppression (Stewart, 1997:21) and formulate new social visions. It is important to hold on to definitions of civil society which highlight terrains of political struggle open to people whose voices are not heard in formal politics (Frost, 1998).

The experiences of Algerian political mobilisation add a new dimension to post-colonial feminist debates which challenge the public/private duality. Women’s resistance to religious fundamentalists’ attempts to redefine their roles means that the ‘private’ or family relations becomes a highly contested political terrain, and social networks (of relatives, age-groups, friends, colleagues) become invested with political meaning:

*by calling for the repeal of the family code and the inegalitarian laws, women implicitly pose the question of a secular state; by demanding their status as citizens (by aspiring to equality) women fundamentally refuse to accept oppression and necessarily pose the*
question of fundamental liberties, for the redistribution of power by institutional means, in a nutshell, the rule of law (Fates, 1994:62).

The problem of the Ethnocentrism of the concept of civil society remains. However, a Gramscian interpretation helps us to understand what constitutes political space and how different actors gain access in ways more attuned to cultural specificities. Liberal theories of civil society have tended to ignore the existence of sites of power other than that of the state, for instance religious, gender-based, and ideological power structures. These are all central to the dynamics of civil society in Algeria where women and intellectuals (defined widely) are at the forefront of struggle. The Algerian example gives some indications of what might fall within an alternative framework and suggests that the boundaries of the nation-state may no longer contain the civic structures organised by political actors, especially where migration and exile play such an important part. Further research is required to show more clearly what might fall within an alternative framework of civil society in the Algerian example. It is clear however, that women’s movements and associations play a defining role.

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Endnotes

1. I should like to acknowledge support for this research (including for recent fieldwork in Algeria) from the Arts and Humanities Research Board and the General Board of the University of Oxford, and personal thanks to many Algerian women who have given me their time, particularly Chérifa Benabdessadok, Louisa Alt-Hamou and Djamila Amrane.


6. Members of the federation include various associations working with the families of victims such as Dizairouna, Fondation Tahar Djaout, Soumoud, FAFD, Defense et Promotion, Triomphe, Etre and many others.

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Debate

David vs. Goliath: Genetics & the New Millennium

In September there was a meeting to try and reach an agreement on the Biosafety Protocol – the rules by which GMOs (genetically modified organisms) are governed; this debate will continue at the WTO meeting in November.

However, as yet all attempts to protect the world’s poor have been thwarted by the power of the huge biotechnology companies and their army of lobbyists. This debate has spawned a huge response both from the ‘North’ and from the ‘South’. And while the internet has been, and will continue to be, used as a mobilising force of opposition for an ongoing debate about the effects of corporate power going out of control (Monsanto, the WTO etc), so too do we offer these pages for those who don’t have access to the ‘smart’ world of technology.

We invite your contributions on the World Trade Organisation ministerial meeting in Seattle from 28 November to 3 December. It is the highest decision-making body of the WTO with representatives from 134 countries (and an even greater number of NGOs).

It’s primary objective will be to agree and give political impetus to the WTO’s work programme over the next few years.

In a world where the poor aren’t good for business and investment, the clout of the global multinationals will be in securing the increasing fortunes of the ‘North’ with little regard for the environmental or social implications that could have a devastating effect on us all, but particularly the third world. We think the following dialogue between Dr Vandana Shiva of the Research Foundation for Science, Technology and Ecology, New Delhi, India and Koos Neefjes of Oxfam (UK) will highlight some of the issues which we’d like to explore in future issues.

From Dr Shiva to Oxfam:

I have just received a copy of your position on GMOs and WTO and it has saddened and disappointed me.

While Oxfam has been an NGO leader on food security issues, and it has been part of the mobilisation for a moratorium on GM crops in UK it is now calling for donor support for developing of GM technologies in developing countries. Oxfam sees the «need for public investment and incentives to promote private investment in GM research and innovation benefiting poor farmers and low income consumers».

In its position paper on ‘GM crops, WTO and Food Security’, Oxfam recommends, Donor governments and agencies commit resources for investment in research into the potential opportunities presented by applications of GM to deliver environmental and health benefits pertaining to small holder agriculture in adverse agroecological zones.

We feel that Oxfam risks betraying the South, the poor and food security objectives by calling for support for promotion of GM crops in the South instead of
calling for support for ecological and sustainable agriculture which is much better suited to the small farmers in adverse agroecological zones. Research from our own programmes in India and studies worldwide are countering the myth that ecological agriculture has low productivity and low returns. Farmers in fact have a tripling of incomes by getting off the chemical treadmill and getting out of the debt trap created by purchase of costly seeds and chemicals.

Because GE free agriculture is good for the poor and good for the environment. We have launched the 'Bija Satyagraha' which includes the creation of GE free zones in agriculture as part of the National Food Rights Campaign in India, in which more than 2,500 groups participate.

As a leading NGO funder and development agency, we hope Oxfam will join our call for freedom from GE in the South. Oxfam should join the worldwide campaign for promoting alternatives to both chemical agriculture and genetic engineering while calling for a moratorium on GM crops.

The focus on promotion of GM crops in the Third World, and the total absence of recommendations relating to the promotion of sustainable, ecological agriculture will on the one hand deprive the poor of ecological, decentralised production systems. On the other hand it carries a major risk of creating a nutritional apartheid - with northern consumers having GE free foods and the poor in the South being condemned to a future based on GE crops and foods. At this juncture in history, we need a joining of environment and development concerns, we need a combining of producer and consumer interests, we need North South solidarity. With such a joining of forces, people's power will be successful in controlling the corporate Biotechnology giants and promoting ecological options for small farmers.

We hope Oxfam will review its GM policy for the Third World and be part of the global movement for a sustainable and equitable agriculture. Oxfam spends £13m a year on projects linked to crop production. It provides £10m assistance for food aid and trades in 60 food products through the Oxfam Fair Trade Company. It, therefore, has an influential role in setting food security agendas.

Oxfam will definitely be assisting to provide relief in the recent disaster caused by the super cyclone in Orissa. We hope your food aid will be GE free and that in the rehabilitation programmes you will help distribute open pollinated varieties and indigenous varieties of seeds so that farmers are not made dependent on costly inputs.

We look forward to working with Oxfam on these urgent issues.

Yours sincerely,

Vandana Shiva

* * * *

Dear Vandana Shiva,

We think that there is only a minor difference of opinion between yourself and Oxfam GB. In our paper we call for a moratorium on the commercial release of GM crops because of the enormous health, environmental and socio-economic risks to poor farmers, consumers and developing countries. However, before completely shutting the door we believe further research is needed to establish the full risks and potential of genetic modification of crops for poor farmers and for consumers. We really don't feel that it is fair to suggest that our position amounts to risking 'betraying the South, the poor and food security objectives'.

Our position is in our view entirely consistent with that of the UK Freeze Campaign and international calls for
extreme caution with biotechnology. The UK Freeze Campaign calls on the UK government for a minimum five year freeze on

- Growing genetically engineered crops for any commercial purpose;
- Imports of genetically engineered foods and farm crops;
- Patenting of genetic resources for food and farm crops.

The Alliance believes that the following must be sorted out during the Freeze:

- A system where people can exercise their right to choose products free of genetic engineering;
- Public involvement in the decisions on the need for and the regulation of genetic engineering;
- Prevention of genetic pollution of the environment;
- Strict legal liability for adverse effects on people or the environment from the release and marketing of genetically modified organisms;
- Independent assessment of the implications of patenting genetic resources;
- Independent assessment of the social and economic impact of genetic engineering on farmers?

These calls were and are echoed across the world, and indeed several of our partners have developed similar positions. Oxfam GB did not immediately sign up to this campaign whilst many others did, which was mainly because we were worried to have our position dominated by Northern consumer concerns instead of those of small holder farmers and Third World consumers. We looked very carefully at the issues, consulted widely, and concluded our internal debates with our public paper. In fact we go further than the UK campaign where we do not call for a five year freeze but for an indefinite freeze of the commercial release of crops, foods and patents, until conditions are met similar to what the UK Freeze Alliance demands, for example legislation regarding liability for adverse effects. We stress the dangers of patenting, WTO regulation (now and in future) and a lack of national regulation for rights of small holder farmers and their potential dependency on very large international companies, apart from consumers the world over. We are of course equally concerned for potential health and environmental impacts of GM crops.

With our paper we believe that we actually support international coalitions and campaigns in defence of the interests of small holder farmers and Third World consumers and hope to contribute to North-South solidarity, and as you put it 'be part of the global movement for a sustainable and equitable agriculture'

We have not included in our recommendations to decision makers on world trade regulation our concern for the support to ecological farming, although we argue in our recommendations 6, 7 and 8 that farmers' seed saving rights should be protected, the CBD should be signed by all (including the USA), a proper biosafety protocol should be adopted, and multilateral environmental agreements should take precedence over WTO agreements. Furthermore, the paper clearly spells out in section 2.1 our interest in, and the potential of sustainable agriculture. We see that as one of our main arguments against assertions that world hunger can be resolved with GM crops in the control of the private sector, and in favour of extreme caution with genetic modification of crops and their commercial release. We support many partners and coalitions across the world who develop environmentally friendly, humane 'low external input sustainable agriculture' (aka LEISA). It is our common practice to purchase and distribute
crop seeds locally for regeneration of agricultural production following disasters, which are indeed generally open pollinated varieties. Furthermore, we are involved in a major internal review and learning exercise of the impacts of our support in this regard. We would very much welcome the research data which you have about the success of ecological agriculture.

Your main problem with our paper is clearly our second of eight recommendations, in which we call for cautious support by governments to invest in research of applications of biotechnology that are potentially useful. You write:

*Oxfam risks betraying the South, the poor and food security objectives by calling for support for promotion of GM crops in the South instead of calling for support for ecological and sustainable agriculture which is much better suited to the small farmers in adverse agro-ecological zones.*

We are at risk of entering in a debate where one is either in favour or against biotechnology. We are of the opinion that there are serious dangers implied by the rapid development of genetically modified crops in the hands of large private industries, dangers to public health, the environment and socio-economic relations. That is however not the same as rejecting the potential of all bio-technologies as such (there are many technologies that fall under that term), in particular not the applications that could support small holder farmers, consumers, and that could help local and global food security. We have mentioned nitrogen-fixing, salt resistant crops and enhanced vitamin and mineral levels of foods. We could also have mentioned improved or hybrid high yielding varieties that can be replanted (i.e. that are genetically identical to the mother plant and are reproduced ‘by apomixes’, without sexual fertilisation). All of those are in our view potentially supportive of sustainable agriculture, even though some may reject those as not entirely natural or ‘organic’. We are aware that these potentially positive applications are in their infancy only and can imply similar environmental and health risks as some of the applications favoured by private companies, and therefore we believe that public funding and extreme caution should dominate such research and development. We do not suggest that public money should be diverted away from research and development of sustainable farming technology, on the contrary, we want more publicly funded research to supports that, including biotechnological research.

We would very much like to assure you that we call on donor governments to support regulatory systems in developing countries in order to prevent the more risky trials of GM crops to be diverted to developing countries (recommendation 3), and we argue in favour of countries’ rights to demand labelling of GM food (recommendation 4). We also argue that the WTO should steer clear of forcing countries to go for patenting of life forms, and instead support their right and ability to regulate farmers’ historical rights to seed saving and selection otherwise. We are making these recommendations for example because we are concerned that the international community provides food relief that is free of GM substances, and labelled if it is not (leaving the choice to receiving governments). We do not want double standards for any consumers in North and South, whether they are the urban rich or victims of floods.

We hope that this reply reassures you that Oxfam GB is not ‘off course’ and that we will continue to support the development and use of technologies that are in the interest of poor farmers and their environments, consumers and developing economies.

Yours sincerely, Koos Neefjes

Briefings

Western Sahara at the Turn of the Millennium
David Seddon

Over the last two decades, this Review has, through its Briefings, kept readers abreast of the slow and uneven progress towards resolution of the long-standing conflict in the Western Sahara. The many impediments placed, largely by Morocco but with the extraordinary acquiescence of the UN, in the way of the UN's 1991 'peace plan' have been reported and analysed in previous issues (1, 38, 45/46, 52, 53, 56, 57). Now, at the start of the new millennium, we note once again the delays in 'the peace process' and the postponement of the referendum until the year 2000.

Towards the end of 1997, following the progress made at Houston during mid-September with respect to the precise details of the 'peace process' (particularly of the steps towards the referendum) and the signing of the Houston Agreements by both Morocco and the POLISARIO Front, the UN Security Council accepted the report of Secretary-General Kofi Annan, which outlined a timetable for the resolution of the conflict in the Western Sahara. The timetable was as follows:

This timetable was not, however, maintained and the long-awaited referendum on the future of the Western Sahara has still not taken place. The latest 'plan' suggests July 2000 as the likely date for the referendum. What happened?

<table>
<thead>
<tr>
<th>Date</th>
<th>Event Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>December 1997:</td>
<td>identification of those eligible to vote in the referendum resumed;</td>
</tr>
<tr>
<td>end May 1998:</td>
<td>identification complete;</td>
</tr>
<tr>
<td>early June:</td>
<td>infantry battalion of 800 deployed as part of MINURSO to help monitor implementation of the plan; list of those eligible to vote published; transitional period begins;</td>
</tr>
<tr>
<td>mid-June:</td>
<td>amnesties for Saharawi political detainees and refugees proclaimed by Moroccan government; Saharawi detainees and prisoners of war released; deadline for submission of appeal against non-inclusion in voters' list;</td>
</tr>
<tr>
<td>June-July:</td>
<td>Identification Commission hears appeals;</td>
</tr>
<tr>
<td>end July:</td>
<td>final list of voters published by UN;</td>
</tr>
<tr>
<td>early August:</td>
<td>all laws or measures that could obstruct a free and fair referendum suspended; repatriation of Saharawi refugees begins;</td>
</tr>
<tr>
<td>mid-August:</td>
<td>Moroccan forces in Western Sahara reduced to a maximum of 65,000; Moroccan and POLISARIO Front troops confined in holding areas;</td>
</tr>
<tr>
<td>mid-November:</td>
<td>repatriation of Saharawi refugees completed; referendum campaign takes place;</td>
</tr>
<tr>
<td>Nov-Dec:</td>
<td>referendum takes place, with result declared within 72 hours;</td>
</tr>
<tr>
<td>December:</td>
<td>MINUSO's responsibilities completed, withdrawal from Western Sahara.</td>
</tr>
<tr>
<td>January 1999:</td>
<td></td>
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</tbody>
</table>
Voter Registration has Proved a Continuing Issue

The identification and registration of those eligible to vote in the planned referendum has always been a matter of contention. The Moroccan authorities have consistently tried to augment the list of voters based on the Spanish census in the mid-1970s with individuals who have lived all or most of their lives in Morocco as Moroccan citizens in the hope that by swelling the number of voters in this way they will affect the outcome in favour of a vote for integration into Morocco.

Voter identification resumed on 3 December 1997, but the process was constantly undermined by Moroccan actions. Among other things, the Moroccan authorities obstructed Saharawi tribal elders from identifying certain tribal groups by seeking to disrupt entry into and exit from the Moroccan-occupied territory (on several occasions including 11 January 1998). Saharawis expressing opposition to the continued Moroccan occupation of the Western Sahara were frequently harassed, arrested, detained and tortured. As a result, there were demonstrations, leading to damage at MINURSO offices in the areas under Moroccan occupation.

A total of 12 identification centres were planned to come into operation by February, including two in southern Morocco, two in Mauritania, two in the Western Sahara and two in the area of Tindouf. By 10 January 1998, seven were in operation. But with only some 73,400 voters identified by this time since the start of the process in 1994 (13,227 were identified between 3 December 1997 and 10 January 1998), there remained about the same number to scrutinise, following the agreement in Houston.

In his July report to the Security Council, Secretary-General Kofi Annan expressed concern about the slow progress in identification of voters, and referred to seven separate violations of the peace process by the Moroccan authorities:

1) Morocco refused to participate in the identification by MINURSO of some 4,000 Saharawis appearing in the Spanish Census and belonging to tribal groups known formally as H41, H61 and J51/52, while at the same time sponsoring the claims of specific individuals from these groups.

2) Moroccan observers halted the identification process in Zouerate, Mauritania on 25 June on the pretext that some people had changed their address, although the two parties had agreed in November 1997 that such people could be identified. Some 2,000 people were thought to be affected.

3) UN de-mining units, arriving from Sweden to clear the thousands of mines so that Saharawis could return to the Western Sahara, were stopped from landing at El Ayoun airport by Moroccan authorities.

4) A draft ‘status of forces’ agreement, designed to ensure that the referendum could proceed in a peaceful atmosphere was submitted to the Moroccan authorities in March; but Morocco has failed to respond to it, despite repeated expressions of concern that they do so by Kofi Annan.

5) The MINURSO civil police had been unable to play their role in relation to the return of the Saharawi refugees due to the difficulties of obtaining the relevant information from the Government of Morocco.

6) The UN High Commissioner for Refugees was still unable to make progress in planning for the repatriation of Saharawi refugees. His report indicated that UNHCR still awaits clearance from the Government of Morocco on a number of remaining issues. The formalisation of UNHCR’s presence in Western Sahara, arrangements to ensure the freedom of
access and movement of UNHCR personnel throughout the territory and the implementation of UNHCR preparatory work, such as confidence-building and infrastructure development are still pending.

7) Morocco had stated that the use of MINURSO aircraft should be limited exclusively to MINURSO personnel. In the interest of transparency, the UN has been trying to facilitate the visit of journalists, diplomats and staff of NGOs. Charles Dunbar, the Special Representative, ‘reaffirmed his strong belief that those visitors should be allowed to fly aboard MINURSO aircraft and asked the Government of Morocco to reconsider its position’.

But, if the report expressed concern and effectively castigated the Moroccans for the difficulties they had created, the UN seemed able to do little about their interference. Kofi Annan reported in July that no date could be set for the referendum itself until there was agreement on the ‘contested tribes’ (H 41, H 61 and J51/52) and that he now felt it unlikely that the referendum would be held in 1998 after all.

His report stated that he had asked his Personal Envoy, James Baker, to call Morocco and the POLISARIO Front back together again and to try to break the deadlock. The UN Security Council approved the July report of the Secretary General and extended the mandate of MINURSO until 21 September 1998; they also called on both sides to cooperate constructively with the UN, with James Baker and with Charles Dunbar, the UN Special Representative in the Western Sahara. But they failed to condemn Morocco’s obstruction, largely because of strong French opposition to any suggestion of criticism of Moroccan manoeuvres. Not surprisingly, the Moroccan government saw the UN’s hesitation as a ‘green light’ and, in a press release after the adoption of the Security Council resolution, again predicted the outcome of the process as the confirmation of the Moroccan status of ‘our southern provinces’. The process which they themselves persisted – with little hindrance – in subverting was presented as ‘our cooperation with the United Nations for the completion of our territorial integrity’.

The pace of identification increased, however, in June and July: by early July a total of 135,667 people had been identified, 75,555 of these since December 1997. But in fact, it took the UN Identification Commission until September 1998 (not the end of May as planned) to sift through all of the would-be voters.

Two months later, in November 1998, in a significant policy shift, following a visit by UN Secretary General Kofi Annan to the Western Sahara, the POLISARIO Front agreed to a proposal by Mr Annan that the Commission should also scrutinise a further 65,000 potential voters from the tribal groupings H41, H61 and J51/52.

The willingness of the POLISARIO Front to agree what had long been a sticking point – admission of Moroccan-sponsored candidates to the scrutiny – threw the Moroccans into some confusion. According to Mr Annan himself, in his report on developments in the Western Sahara to the UN Security Council at the beginning of 1999, the Moroccans ‘expressed concern and sought clarification’. Despite the fact that the UN officials responsible had already provided ample clarification, the Moroccan government declared that it ‘intended to propose in writing specific amendments to the texts of the protocols’. The scrutiny of these additional would-be voters was to take many additional months, extending the original proposed timetable by, possibly, up to a year.

The UN Security Council in December 1998 welcomed the formal acceptance by the POLISARIO Front to implement the
package of measures and merely noted the stated position of the Government of Morocco. It also requested the Secretary General to report by 22 January 1999 on progress in the implementation of the Settlement Plan and, as appropriate, a reassessment by the Personal Envoy of the Secretary General of the continuing viability of the mandate of MINURSO.

Kofi Annan’s January 1999 report to the Security Council clearly indicated his frustration with the slow progress being made towards the referendum, and even hinted at an end to the UN’s peacekeeping mission, which would probably lead to a resumption of the war (a cease-fire has been more or less in place since 1991). He stated in his report that should the prospects for a settlement ‘remain elusive’ at the time of the submission of his next report, he would ask his personal envoy to reassess the situation and the viability of the UN mandate.

On 18 January 1999, Morocco agreed to formalise the presence of the UNHCR in the Western Sahara, prompting Kofi Annan to seek a further extension of the mandate. At the end of January, the UN Security Council extended the UN mandate to keep peace in the Western Sahara only until 11 February 1999: ‘the decision is the latest indication of international exasperation with the lack of progress towards solving Africa’s last de-colonisation wrangle’, according to John Hooper, writing in The Guardian on 1 February 1999. But the lack of progress has in fact been to a very considerable degree the result of the UN’s lack of willingness and capacity to insist upon its own proposals and resolutions in the face of Moroccan intransigence.

In the event, on the very day that the UN Security Council sat to consider renewing the UN mandate, Morocco finally agreed to sign the military Status of Forces agreement, designed to confine and control the hundreds of thousands of troops in the Western Sahara. On the strength of Morocco’s partial agreement, the Security Council extended the UN mandate once again. On 22 March, the very day that the UN Secretary General had to report again to the Security Council, Morocco sent its agreement ‘in principle’ to Annan’s plan; it also, however, now sought revisions to the already revised plan, and included a series of amendments for the UN and the POLISARIO Front to agree before they would formally sign. Another deadline was set for 30 April.

At the end of March, the UN Special Representative for the Western Sahara, Charles Dunbar, resigned. At first he refused to comment on his resignation but there were suggestions that he was angry and frustrated by Moroccan obstruction, and in a farewell statement he accused the international community of being more intent on managing a process than with fulfilling the UN mandate in the Western Sahara. He thanked the POLISARIO Front officials for their friendship and cooperation and regretted not being able to end the painful situation of the Saharawi refugees. Dunbar was the third UN Special Representative to resign in apparent disgust at UN indifference to blatant obstructionism on the part of the Moroccan authorities.

During April, a series of meetings was held with the parties to the conflict, in the region and in New York. The meetings seemed promising and the UN report was delayed again. Finally, Kofi Annan reported a new agreement on 27 April 1999, and the UN mandate was extended to 14 May, although Morocco had still not signed the agreement. It has done so since.

The new timetable proposed envisages the referendum taking place in July 2000. The identification of the remaining 65,000 disputed applicants was set to resume in June 1999, with the appeals process for those applicants previously refused a vote beginning in July. If all goes to plan,
identification will end in November 1999 and the appeals procedure would be completed by February 2000. The Special Representative would then call into force the 'transitional period'. This is the official 'second stage' of the process, when the UN increases its authority over the Western Sahara in readiness for the referendum itself. Kofi Annan has already called on the UN Security Council to provide increased resources for MINURSO. But he has also expressed a number of concerns regarding the new proposed timetable, which assumes no further obstructions to the process – which would be a novelty.

So far, the record of maintaining the programme for voter registration prior to the referendum has been abysmal.

But voter registration has been only one key issue over which the two parties to the conflict have wrangled and where the UN has failed to secure the implementation of its own proposals; another major area in which the UN has also failed is with respect to the maintenance of basic human rights in the territories occupied by Morocco since 1975.

Violation of Human Rights in the Occupied Territories

The treatment of Saharawis in the occupied territories has been a matter of international concern for at least the last ten years. The original Implementation Plan proposed by the UN Secretary General pursuant to Security Council Resolution 621 of 20 September 1988 contained certain provision which, had they been implemented, would have constituted important human rights safeguards. It was proposed in the Implementation Plan that the Special Representative of the Secretary-General would be responsible for maintaining law and order in Western Sahara during the transitional period following voter registration, and would ensure that no-one could resort to intimidation or interfere in the referendum process. The Special Representative would also be assisted by a UN support group, including civilians, military and security (civil police) units, made available by the Secretary-General and large enough to enable the Special Representative to perform his organisational and supervisory function. In addition, the UN was to monitor other aspects of the administration of the territory, especially the maintenance of law and order, to ensure that the necessary conditions existed for the holding of a free and fair referendum.

In fact the transitional period identified in the Implementation Plan has been repeatedly postponed, on the recommendation of the UN Secretary-General himself, due to the slow progress in the identification of those eligible to vote in the referendum. Responsibility for the maintenance of law and order in the Moroccan-occupied territory of the Western Sahara has remained, therefore, despite various UN resolutions to the contrary, with the Moroccan authorities for almost a decade after the UN approval of the Implementation Plan. This has meant that human rights abuses against Saharawis, which began after Morocco annexed the Western Sahara in 1975, have continued throughout the 1990s, in spite of the presence within the territory since 1991 of the United Nations Mission for the Referendum in Western Sahara (MINURSO).

In 1991, more than 300 Saharawis who had ‘disappeared’ for up to sixteen years were released by the Moroccan authorities; however, hundreds of others who ‘disappeared’ after arrest during the period from 1975 to 1990 remained unaccounted for. Since 1992, Amnesty International has been calling on the UN to ensure that the human rights safeguards contained in MINURSO’s mandate be respected, and to widen the mandate of MINURSO to include further provisions for the protection of human rights. In its report of 26 January 1993, the UN Secretary-General stated that
MINURSO, as a United Nations mission, could not be a silent witness to conduct that might infringe the human rights of the civilian population.

But in reality, MINURSO has been just that — a silent witness to blatant human rights violations in Western Sahara — and has failed to ensure the protection of the most basic human rights of the Saharawis. Throughout the period when MINURSO was present to oversee the preparation for a referendum to determine the future of the Western Sahara, as well as before then, hundreds of Saharawis who have, or are alleged by the Moroccan authorities to have, participated in pro-independence gatherings or demonstrations have been arrested by the Moroccan security forces and held in secret detention for weeks or months; many have been tried by military courts and imprisoned for the peaceful expression of their opinions. Widespread allegations of torture and ill-treatment have not been investigated. Some Saharawis have been forcibly expelled from Moroccan-occupied Western Sahara into Morocco itself, and others have been arrested and imprisoned for attempting to leave Western Sahara or Morocco to seek refuge elsewhere.

In April 1996, Amnesty International produced a major report on human rights abuses against Saharawis in Morocco and in the Moroccan occupied Western Sahara, pointing out that the provisions set out in the Implementation Plan for the maintenance of law and order by the UN Special Envoy had not been implemented. Even in the timetable announced in November 1997, the transitional period was not to begin until June 1998. In February 1998, the UN Secretary-General's special representative for the Western Sahara, Charles Dunbar, visited the Saharawi refugee camps near Tindouf in the southwest of Algeria. He received a delegation from the Association of Families of Prisoners and Disappeared Saharawi people (AFAPREDESA) and their talks covered the issue of 'disappeared' Saharawis and the release of Saharawi political prisoners from jails in Morocco and in the Moroccan-occupied Western Sahara.

Hopes raised by the promises of the Moroccan authorities early in 1998, shortly after the formation of Prime Minister Abderrahman Youssoufi's government, that all outstanding dossiers relating to human rights violations would be promptly 'solved' were disappointed by the list of 'disappeared persons' cases listed in October by the Moroccan Consultative Council on Human Rights (CCDH). While in June 1998, Amnesty International had submitted more than 500 cases, the CCDH list contained only 112 'disappeared' persons, none of them Saharawis, despite the fact that, over the years, Amnesty International (AI) has presented the cases of hundreds of Saharawi 'disappeared' persons to the Moroccan authorities.

In 1996, for example, AI sent a non-exhaustive list of hundreds of Saharawis who 'disappeared' between 1975 and 1987 to the CCDH. The cases of some 480 known Saharawi 'disappeared' persons were submitted to the Moroccan authorities again in June 1998 and the matter raised most recently in a letter of April 1999 to the government of Morocco. In May 1999, AI had records of some 400 cases of Saharawi 'disappeared' persons who remained 'disappeared' and some 70 reported to have died in secret detention. In a report in June 1999, AI noted that it had recently obtained information that, of the 480 submitted cases, about 120 persons had been released in previous years and over 10 had died in detention. The organisation had also received credible information on some 40 cases of Saharawis who 'disappeared' between the mid 1970s and the early 1990s and who were not included among the figure of 480. This information was relayed in May 1999 to the CCDH, which was asked to investigate the cases of the remaining 'disappeared' as well as those who had been released.
Abuse of human rights in the Moroccan-occupied territory of the Western Sahara is not confined to 'disappearances', but includes also imprisonment for the non-violent expression of beliefs, imprisonment without trial or after unfair trials, and ill-treatment, torture and deaths while in detention. On the occasion of the royal amnesty of 1994, when hundreds of political prisoners and prisoners of conscience were released, an explicit exception was made of 'whosoever does not recognise the fact that the Sahara is Moroccan'. Human rights abuses in Morocco and the Western Sahara generally declined during the 1990s, but have by no means ceased. Arrests and torture of known or suspected opposition activists have significantly decreased in recent years; but despite ratification by Morocco of the Convention against Torture, reports continue to be received of ill-treatment and torture during incommunicado detention, as well as in prisons.

Generally, the human rights situation in the Moroccan-occupied Western Sahara lags a long way behind that in Morocco itself and restrictions on the freedom of expression in the territory are still severe. Within Morocco itself, however, Saharawis have been treated with very considerable brutality by the state security forces. Individuals and groups protesting the continued illegal occupation of the Western Sahara by Morocco have been persistently harassed and persecuted, and frequently held incommunicado while in custody and ill-treated and tortured while in detention.

Prospects for the Future?

Towards the end of July 1999, King Hassan II of Morocco died, to be succeeded by his 35 year old son, Sidi Mohamed. In his throne day speech, the new king, Mohamed VI, promised to honour the international declaration on human rights. One of his first acts as monarch was to declare an amnesty for some 8,000 convicts and to commute the sentences of a further 38,000, although few of these were political prisoners. It seems unlikely that the position of Morocco towards the proposed UN referendum in the Western Sahara will change markedly under the new king, although it is just possible that a less intransigent stance will be adopted. It is also likely that the intense diplomatic pressure on Morocco since January 1999 will increase.

In particular, the approach adopted by the new Algerian President Abdelaziz Bouteflika – who has reiterated his support for self-determination for the Saharawis several times since his election in April 1999 and has emphasised that any settlement of the conflict in the Western Sahara 'must conform to the plan and resolutions of the United Nations, the Organisation of African Unity and the Houston Accords'- will be of critical importance. During a meeting in May with Yasser Arafat he indicated that any suggestion that he might be prepared to come to a quick 'arrangement' with Morocco was out of the question. According to the Algerian newspaper El Watan, he declared that 'if King Hassan II wants to negotiate, I will give him the Polisario Front's telephone number'.

The willingness of the USA to put its weight behind the new timetable and the UN peace proposals and convince the new king of Morocco and his government that there is ultimately no alternative will also be crucial. The President of the Saharan Arab Democratic Republic (SADR), Mohammed Abdelaziz, visited Washington in March 1999 to call on the USA to exercise its influence to ensure that the referendum is held in accordance with the Houston Accords. Also in March, US Ambassador to the UN, Nancy Soderberg, visited the refugee camps and Tifariti before travelling to Rabat to meet with Driss Basri to discuss the situation in the Western Sahara. This meeting took place just before Morocco's 'in principle' agreement to the revised UN Peace Plan.
Finally, the First Lady, Hillary Clinton, also visited the region and paid a visit to Morocco at the end of March. This level of US activity suggested a real interest in maintaining some momentum in the process; this is likely to be further encouraged by the accession of King Mohamed VI to the throne.

It seems also that the UK government is also now supporting the UN initiatives more actively. A reply by a government spokesperson in the House of Lords to a question on the Western Saharan conflict indicated that the UK government ‘fully supported the UN’s efforts to find a just and durable settlement to this dispute and was working with its EU partners, with the Friends of the Western Sahara Group, at the UN and at the Security Council to encourage Morocco to rally to the consensus on the next steps in the process’. According to observers, the UK government played a key role in pressuring the Moroccans at the UN into accepting Kofi Annan’s proposals and has indicated that it believes that ‘pressure is important to achieve a resolution to the impasse’.

On the matter of human rights, also, there are grounds for cautious optimism. In August 1999, Amnesty International reported that it had received comments on its submissions, both from the CCDH and from the Moroccan Ministry of Human Rights. While these were limited and far from satisfactory, they did indicate some recognition on the part of the Moroccan authorities of the need to continue to improve the Moroccan record on human rights, inside the occupied territory as well as in Morocco itself.

On the other hand, two Saharawis were killed and at least 40 injured following twelve days of peaceful demonstrations in El Ayoun, capital of Western Sahara, during September 1999. According to reports from AFAPRESEDA, the Saharawi human rights monitoring group, students and former phosphate workers from the Fos Bou Craa company organised a joint ‘sit in’ outside the main administrative offices of El Ayoun. The ‘sit in’ started on 10 September. In the early hours of the morning of 22 September, the demonstrators were attacked by combined forces of the Royal Gendarmerie, the Mobile Intervention Company, the Auxiliary Army and the Criminal Investigation Department. There was shooting, and two Saharawis, one woman and an elder, are reported to have died, and many others were injured. Injured Saharawis are reported to have been refused medical treatment and in some cases abandoned outside El Ayoun. Scores of others, possibly hundreds, are said to have been detained by the Moroccan authorities.

Incidents of this kind further undermine the already tattered credibility of the Moroccan government and its willingness to cooperate with the United Nations in the process – already appallingly protracted and inexcusably delayed – towards a free and fair referendum enabling the Saharawi people to exercise their right to self-determination.

Recent Reports

Amnesty International (August 1999), Morocco/Western Sahara: Addendum to ‘Turning the Page’: Achievements and Obstacles; (June 1999), Morocco/Western Sahara: ‘Turning the Page’ – Achievements and Obstacles; (April 1996), Morocco/Western Sahara – Human Rights Violations in Western Sahara.

Recent Events

The BBC2, Saturday 2 October 1999 at 6.54 pm in the series ‘Special Correspondent’ on ‘Western Sahara – The Forgotten War’.

The 25th European Coordinating Conference of Support to the Saharawi People was held in Las Palmas de Gran Canaria from 5 to 7 November 1999. It included
Coffee Crunch

Roy Love

Instability & Dependency
Between July 1993 and July 1994 the New York price for Arabica coffee beans trebled. Over the next two years it then fell by 44.6% before rising again in 1997 by 54.8%. Two years later, by July 1999, it had again fallen by half and by September 1999 was barely above the cost of production in many countries. A similar pattern was followed by the price of Robusta coffees, which provide the main input into the instant, or ‘soluble’, coffee industry. One recent study has shown that degree of price variation within each season is consistently greater for coffee than for tea or cocoa (FAO, 1998) while another reveals coffee to have one of the longer durations of price shock (Cashin et al., 1999). For African producers of arabica and robusta coffees this pattern of price behaviour is extremely unwelcome, particularly for those countries for which coffee exports are not only a major source of foreign exchange but also an important source of cash income for small farmers. This includes (in order of 1997 production) Ethiopia, Uganda, Ivory Coast, Kenya, Cameroon, DR Congo, Madagascar and Tanzania, and is a significant proportion of agricultural output in smaller countries such as Burundi, Rwanda, Togo and Guinea. In the past it was also a major crop in Angola and must inevitably form part of the reconstruction process when that country achieves peace.

Some indication of relative dependency on this crop is shown in Table 1.

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<th>Country</th>
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<td>Tanzania (1994)</td>
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<td>Burundi (1993)</td>
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<td>64.04</td>
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<td>Cameroon (1996)</td>
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</table>

Source: UN Yearbook of International Trade, 1998

With even moderate levels of dependency the repercussions of such extreme fluctuations in price, and hence incomes, are considerable. At the macroeconomic level the ability to service debt while paying for essential imports is severely constrained and can, as in the case of Uganda, undermine any ‘achievements’ of the IMF’s HIPC programme. Where countries are heavily dependent on this single crop for foreign exchange earnings and where structural adjustment has led to more liberal financial markets, operating via currency auctions, then the value of the currency is also likely to fall as importers compete for scarce foreign
the IVth International Association of Jurists for the Sahara. Numerous European NGOs and human rights organisations took part. For details of the Conference, contact: The Secretary, 25th European Conference for Assistance to the Saharawi People, tel. (34) 91 521 5612, fax. (34) 91 521 4314, e-mail fedissa@nagasys.es

In the UK, for further details, and a regular Newsletter, contact The Western Sahara Campaign, at: WSC Northern Office, Oxford Chambers Oxford Place, LEEDS LS1 3AX, tel./fax. 0113 245 4786, e-mail 100427.3223@compuserve.com

Coffee Crunch
Roy Love

Instability & Dependency
Between July 1993 and July 1994 the New York price for Arabica coffee beans trebled. Over the next two years it then fell by 44.6% before rising again in 1997 by 54.8%. Two years later, by July 1999, it had again fallen by half and by September 1999 was barely above the cost of production in many countries. A similar pattern was followed by the price of Robusta coffees, which provide the main input into the instant, or ‘soluble’, coffee industry. One recent study has shown that degree of price variation within each season is consistently greater for coffee than for tea or cocoa (FAO, 1998) while another reveals coffee to have one of the longer durations of price shock (Cashin et al., 1999). For African producers of arabica and robusta coffees this pattern of price behaviour is extremely unwelcome, particularly for those countries for which coffee exports are not only a major source of foreign exchange but also an important source of cash income for small farmers. This includes (in order of 1997 production) Ethiopia, Uganda, Ivory Coast, Kenya, Cameroon, DR Congo, Madagascar and Tanzania, and is a significant proportion of agricultural output in smaller countries such as Burundi, Rwanda, Togo and Guinea. In the past it was also a major crop in Angola and must inevitably form part of the reconstruction process when that country achieves peace.

Some indication of relative dependency on this crop is shown in Table 1.

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With even moderate levels of dependency the repercussions of such extreme fluctuations in price, and hence incomes, are considerable. At the macroeconomic level the ability to service debt while paying for essential imports is severely constrained and can, as in the case of Uganda, undermine any ‘achievements’ of the IMF’s HIPC programme. Where countries are heavily dependent on this single crop for foreign exchange earnings and where structural adjustment has led to more liberal financial markets, operating via currency auctions, then the value of the currency is also likely to fall as importers compete for scarce foreign
currency. Import prices then rise, affecting agricultural inputs, fuel costs and general consumer prices. For coffee producers regular fluctuations of such magnitude also increase risk and encourage short-termism. Instead of using surpluses in good years as sources for investment they tend to be spent on immediate consumption, perhaps even at the expense of debt repayment at farm level. The poor years may also force smaller, less well endowed, farmers into debt, selling capital assets or mortgaging land, and sending them into a downward spiral which even eventually rising crop prices do little to reverse.

There are thus macro and micro repercussions of these wide fluctuations in coffee prices. And the reason? The usual explanation is given as weather conditions in Brazil. Around one third of global exports of coffee come from Brazil, being a combination of the two main varieties, Arabica and Robusta. Production is by a mixture of small producers and larger estates, but frost and rain patterns at certain times of the year can have dramatic effects on the volumes produced and available for export. For instance, various estimates for the 1997/8 season ranged from 27 million bags to 18 million bags as the season progressed (Peel, 1997) and were reflected in movements of spot and forward prices in New York and London markets. These, however, are only the bare bones of what is going on, and reflect a common tendency, in media reporting particularly, to look no further than 'natural events' in explanation of certain types of economic phenomena. Of course, for those closely involved in coffee trading, at all stages in the trade, the immediate effect on prices that is created by reports of frost in Brazil is something that cannot be ignored. Their reaction, however, is constrained and conditioned by structural, institutional factors which owe their origin to the distribution and preservation of political and economic power.

**Institutional History**

As early as 1906 the planters in the Brazilian state of Sao Paulo had introduced a 'valorisation' scheme to maintain price levels by controlling stocks and this, as it expanded to other states during the following three decades, helped to support prices internationally (Roseberry et al., 1995; Paige, 1997), though naturally the main beneficiaries would be estate owners, landlords, rulers and traders rather than small producing farmers. That is, there were class motivations behind the controls set up in Brazil and they had class reinforcing repercussions in other producing countries. Such has also been the case with the numerous examples of marketing boards within other countries.

The best known coffee stabilisation scheme is the International Coffee Agreement first signed in 1940 under which the leading exporting and consuming countries agreed on annual export quotas. This agreement, managed and monitored by the International Coffee Organisation, had some degree of success (Bates, 1997) until it collapsed in 1989. The involvement of consuming countries, particularly, the United States, was in part a feature of its Cold War context and the hope that stable prices in commodity producing countries would lead to private capital accumulation and investment and hence economic 'take-off' in these countries, and to minimise the inroads which communist propagandists might otherwise achieve (Paige, 1997).

The Agreement was also supported by many of the larger buyers, principally roasters in the United States, who were able to negotiate bulk purchase discounts, thus placing smaller competitors and potential new entrants at a competitive disadvantage. During that period, therefore, the interests of the main consumers and producers coincided. However, by the end of the 1980s there was beginning to emerge some disenchant-
ment amongst other producers that the main beneficiaries had been Brazil and Colombia. By 1989 willingness to renew the Agreement was neither strong nor widespread amongst either producing or consuming countries (Gilbert, 1996), while the collapse of the Soviet Union altered the wider international context as far as the consuming nations were concerned. Many of the smaller producers had also been exporting more than their quota, principally to non-member countries such as those of the Communist bloc in Eastern Europe. While this may have had some effect on world prices it was not, during the Cold War period, sufficient to undermine the essence of the Agreement. With the collapse of the Soviet system, however, and the appearance of more liberal trade between the West and the former communist countries of Europe there was more scope for such trade in coffee to be re-exported to Western consuming countries and thus to threaten the continued viability of the Agreement. The end of the Cold War, and thus supposedly the communist threat in the developing world also rendered its underlying political objectives redundant and it gradually lost the support of the consuming countries and was not renewed in 1989.

Since then, on the wider stage, the ‘Washington consensus’ on liberalising markets has prevailed, its most recent manifestation being the WTO. Both within coffee producing countries and in their international trading there has been an externally driven ethos of unconstrained markets – at least in so far as this refers to the diminution of state intervention. The International Coffee Organisation now provides only a forum for the exchange of ideas and the promotion of advice and support in improvement and development of production and marketing for individual members. In an attempt to retain some influence over the world market the principal coffee producing countries reacted by establishing, in 1992, the alternative Association of Coffee Producing Countries, which has produced a series of agreements on voluntary export quotas. These have been difficult to implement, partly because the international context is now one of non-intervention and hence the mechanisms do not exist and partly because of domestic economic and political pressures not to limit production, particularly amongst certain major producers like Brazil and Mexico (O Licht, 1999).

The Global Marketing Chain

The degree to which prices react around the world to frosts in Brazil, and their uneven impact, is thus a consequence of political decision, and the differential effects which these price changes have are determined by the strengths in the market place of the various players, and of how they have institutionalised their advantages. These are significant as becomes apparent when a closer look is taken at the coffee chain. Most coffee is exported as green, decorticated and graded bean. It is purchased in the consuming countries (dominated by the USA, members of the EU, and Japan) by merchants, wholesalers and roasters. The type known as Robusta (Uganda, Cameroon) is of lower quality and is the main ingredient of instant coffees, referred to as the ‘soluble’ market. For the better instants a blend with more distinctively flavoured Arabicas (Ethiopia, Kenya, Burundi, Rwanda) is created, and the latter also form the bulk of the specialist and independent markets for roasted and ground coffees. Arabicas carry a price premium of around 50% in the world market. Globally, over 40% of global trade is in the hands of four companies while in the importing countries around 50% of sales are accounted for by four largest roasters. Within the United States, which has the largest instant coffee industry, this rises to almost 75% by only three roasters. The two dominant instant coffee companies are General Foods (for Maxwell House) and Nestle (for Nescafe).
The essential split between the export of decorticated and cleaned bean from producing country, and the roasting and processing of that bean in the importing, consuming country has remained virtually unaltered over the last hundred years. It is usually argued that this is in the nature of the final product, as roasting should take place as close as possible to the time of final consumption thus ensuring optimal flavouring. Yet the technology of vacuum packing would generally overcome this, at least for specialised markets. The present dominant pattern is therefore largely the product of the barriers to the import of processed foods that has prevailed throughout most of the century in the industrialised markets. It is also a reflection of the difficulty of penetrating instant coffee markets so dominated by Nestle and General Foods. Greater opportunity exists in emerging markets and Brazil is currently responsible for about one third of world trade in instant coffee - albeit with substantial MNC ownership and selling in markets outside North America and Europe (Talbot, 1997). For most of the African producing countries it seems likely, given the substantial capital investment required and problems of penetrating oligopolistic markets, that they will remain confined to export of green beans for the foreseeable future, though with increased efforts to be identifiably distinctive in certain niche markets. Kenya AA coffee has already had some degree of success in this respect.

This means that vulnerability to price fluctuations will tend to continue. For larger buyers and roasters in the West the procedures of hedging in the futures market is familiar and commonplace. For smaller exporters, growers and merchants who will often be operating in a less sophisticated financial environment this option is more difficult to take up (though it is fairly widely practiced in Colombia). There are also significant asymmetries in access to and use of information between international buyers of coffee and their suppliers, and between larger exporters and domestic growers, which inevitably means that price volatility has greater impact at the lower end of the marketing chain. This is the case even if farmers are receiving a reasonably high proportion of the fob export price, estimated to be around 73% in Ethiopia, 80% in Kenya and 60% in Uganda. But these are percentages of fluctuating prices and it is in the degree of variation that the cost of risk is borne by those at the grower’s end of the chain. Actual data can be scarce but in Ethiopia, for instance, over a sample of eighteen observable monthly changes between 1992 and 1996 the price to farmers changed by an average of 17.7% per month compared with 7.9% for the Addis Ababa auction price and 4.4% for domestic retail prices (Love, 1999).

Conclusion
This briefing is a reminder, then, that although the trigger for a price change in the market for a commodity such as coffee may be climatic, the way in which that economic change impacts on the different participants in the market is politically determined, with liberalised markets themselves a political construct. The halving of the price paid to farmers for their beans during the last two years has not been matched by a halving of consumer prices of coffee in its various forms in the main consuming countries. It is in the latter, as ever, where the control lies and where the greater proportion of value added in processing continues to accumulate. It would be tempting to place this discussion in the wider context of ‘globalisation’ but as Goodman (1997) has pointed out, it is not at all clear that international commodity markets, especially in food items, have been ‘globalising’ in the sense normally assumed in the literature. That is, there is little similarity between the production, processing and selling of coffee internationally and the international sourcing, production and selling of complex manufactured items such as vehicles or elec-
tronic goods. Many commodity markets, he suggests, may more appropriately be described as ‘multi-domestic’ though this nomenclature somewhat neutralises the hegemonic implications of an expression like globalisation.

Arguments expressed in this journal in recent years about the necessity of structural adjustment and of its failure or success take on a new relevance here. Bromley (1995) mentions adjusting economies being driven back to their static comparative advantage in primary products, Williams (1994) to the subsequent need for a sustained net inflow of foreign exchange to thwart wider political instability, and Bracking (1999) to the broader context of ‘the discourse of management of poor countries expressed as “development”’ where the primary objective is the deepening internationalisation of capital particularly via the IFIs. All three views are evident in the way in which African coffee producers are locked into the international commodity chain. In the area of production, into which finance is inevitably linked, and where monopoly capital is concentrated at the final processing and marketing stages and vertical or backward integration to ensure sourcing is unnecessary, given a variety of competing suppliers, the strategy for the dominant players, and the governments which they lobby, is for free trade to prevail in those supplying markets. (This is not the place to explore it but there are similarities with the garment industry and its fragmented host of small suppliers).

This view is reinforced by predictions of increased future supply, to which African countries will contribute. In the 1970s Angola was one of the continent’s major producers and exporters and the potential to return to that position when peace is eventually achieved is clearly great. Likewise, in the DR Congo potential for expanded production for export is considerable. These possibilities have the added attraction, for governments, of seeming directly to benefit peasant farm-
Alternative Development Policies for Sudan

Ibrahim Elnur

The crisis in contemporary Sudan is well known. Virtually every available social and economic indicator has recorded dramatic declines in both levels of economic activity and the standard of living. According to key indicators: shrinking economy, negative growth rates, falling gross investment, deteriorating health and education services leading to falling enrolment rates, falling standards of living and growing poverty with approximately 90% of the population below poverty line (almost three times the developing countries average and double that of SSA). Civil war, ethnic tensions and conflicts in Sudan may have deprived the rural communities not only of a substantial part of their assets but their physically able producers. To date, past development efforts at both the domestic and international levels have failed to develop a set of policy alternatives which are capable of reversing the current process of decline and restating a process of economic growth and raising the standard of living.

The Group for Alternative Policies for Sudan (GAPS), hosted by the Office of African Studies at the American University in Cairo was established in 1996 as an independent association of Sudanese professionals and academics. Members of the group were previously involved in the formulation and implementation of policies inside and outside the Sudan in their capacities as senior executives, academics and consultants in international organisations. They are now committed to the cause of salvation and rehabilitation in Sudan.

GAPS Programme

GAPS policy-related issues fall under four main clusters:

1) Development strategy and macro policy;

2) Sectoral policies with an emphasis on agriculture, industry, transport and infrastructure;

3) Social services including basic education, higher education and health; and;

4) War, reconstruction, diaspora and poverty. Issues related to the impact of public policy on environment, women's participation and empowerment are highlighted within each policy group study.

During the first phase of the project, progress was made in the formulation of the research teams, collection of data, and the drafting of a series of analytical frameworks for analysis of various policy sectors.

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During the first phase of the project, progress was made in the formulation of the research teams, collection of data, and the drafting of a series of analytical frameworks for analysis of various policy sectors.

The subsequent phase II of the project entailed the development of detailed policy analysis of each of the sectors and consolidation and expansion of GAPS
networks. These networks serve as a major tool and an effective mechanism for the broadest possible consultation, participation and dissemination of activities as well as a major instrument in building up a broadly-based national consensus on alternative policies among those people and institutions that will shape the future of the Sudan.

The rationale for the group's work is to bring together the expertise of Sudanese professionals (within Sudan and in diaspora); to provide for them a platform to develop their collective knowledge to draw up a sound and broadly-based framework for alternative policies to halt and reverse the process of increasing marginalisation, of the country and for its rehabilitation.

The Scale of GAPS Activities

The early discussion of GAPS collaborators focused on not designing over-ambitious research objectives. To avoid such a risk GAPS developed two approaches:

1) GAPS embarked on a process of focusing-down and narrowing a list of research priorities for each policy area. This started by trying to identify the major problems facing the economy (at macro and sectoral levels), assessing past and present policies and their impact, reviewing research undertaken in the area and suggesting some tentative priority areas in which GAPS should concentrate.

2) GAPS suggested modalities for project implementation based on interactive consultation through networks, throughout the project life cycle. This approach provided an effective mechanism for establishing a well-defined priority list, within each policy area and minimised dangers of over-ambitious and grandiose plans. Thus the initial project document identified main issues, highlighted main areas of investigation and suggested approaches to be taken in the study of these areas. Such a process of involving wide participation in the project formulation ensured the development of a sufficiently focused priority list.

GAPS-Policy Links: Dissemination & Beyond

On the one hand, the emphasis on building networks and interactive consultation reflect the desire to depart from the conventional linear perception of research-policy relationship. There is an implicit acknowledgement that the link between research results and public policies are not readily available or even attainable, that a form of entrepreneurialism is required, before findings and policy recommendations become acceptable and finally, that research-policy process is not a one way process.

On the other hand, the flexible structure of GAPS, in geographical terms (networks) and in terms of implementation modalities (working groups, individual research, workshops etc.) corresponds positively to the difficulties arising from the peculiarities of the Sudanese case - the Sudanese diaspora. Despite some similarities with the rest of sub-Saharan African countries, the Sudanese exodus of professionals, academics and experienced civil servants and managers is phenomenal. Recent estimates suggest that the country is left with just 20% of its medical doctors, 30% of its trained university staff, 40% of its engineers while its civil service is virtually depleted of its experienced and well trained manpower.

In its attempt to grapple with the complex nature of the research-policy link, GAPS applied a multiple approach to dissemination emphasising the need to integrate dissemination into the life cycle of the project, rather than tackling it as an end product. In the initial phase of the project dissemination involved networking with individual researchers, professional forums and academic institutions. Suggested policy frameworks are initially addressed to a selected audience of
experts, professional as well as various actors in the process of policy making. Wider dissemination is only undertaken as a second stage using both conventional dissemination methods (publications), mass media (summary articles) and web techniques (web-site).

Lessons from Past Experiences

In the process of implementing GAPS' programme, important lessons were learnt and new forms of organising research, debate and dissemination channels employed.

GAPS' first major experience was its direct involvement in the preparation and convening of a conference on higher education (The State and Future of Higher Education in Sudan, Cairo, 1-5 August 1998). The conference idea was initiated by the Association of Sudanese Academics (ASA). Because of the overlap between GAPS' steering committee membership and that of ASA, GAPS was practically the main implementing agent for the conference. The conference on higher education was a large-scale event, which brought together more than one hundred Sudanese academics working in Sudan and abroad. About 45 papers were presented to the conference during its five working days.

The preparation for the conference extended over two years and was initially designed on presentation of core background papers and panel discussion. A combination of failure to meet deadlines and over-diversified papers submitted by potential participants led to a change in the initially designed working methods. Although the conference was a success in terms of producing an acceptable framework for alternative policies for higher education, there were a number of drawbacks. These included problems of a large scale meeting that hindered in-depth discussion and diversification of core conference themes.

GAPS second major initiative on health policies represented a departure from the large-scale conference based model. The preparation started by a small core group, which developed a broad outline for a plan of action and an initial draft framework for alternative policies. The first stage of preparation involved interactive consultation within a group of Sudanese health planners from Khartoum, London, Dammam, Abu Dhabi, al Doha, Nairobi, Alexandria, Cairo, Oman, Jordan, Lebanon, South Africa and the USA. This network produced several contributions on a variety of health issues that showed a deep and serious understanding of the problems facing health delivery in Sudan and emphasised the urgent need for reform.

By the time the first formal meeting took place, the network was extended to over two hundred medical doctors, Senior Public Health Specialists and Pharmacists. A two-day Planning Workshop held in Cairo in March 1999 brought together about 25 participants including senior policy makers in ministries and international organisations, lecturers in medical universities, medical officers who were working in Teaching & Rural Hospitals in Sudan as well as GAPS Steering Committee members.

The workshop reviewed the health situation in Sudan with special emphasis on policy issues, manpower development and emergency, and developed outline guidelines for policy development (towards a framework for attainable health policies for Sudan). This draft document was widely distributed to Sudanese doctors working inside and outside the country. Feed-back is expected from five follow-up workshops to be held in Khartoum, Cairo, the Gulf, Saudi Arabia and UK.

The successful experience of the health policy area has established a model for other policy areas. Agriculture, basic education and macro policy and develop-
Is a Consensus on Alternative Policies Attainable?

GAPS endeavours to build up, through policy-oriented research, dissemination and debate, a nucleus around which a broad-based national consensus on alternative development policy may be built. This is an ambitious undertaking. However, the emerging pattern/patterns suggest that such consensus is not only plausible but there is a growing awareness of its urgency. Certain factors were crucial in the rising sense of urgency among the main actors who will shape the future of the Sudan and the public at large. Central to these factors are the increasing realisation of the depth and the overall nature of the crisis in Sudan’s economy and society. Increasing realisation that past models of development, institutions, structures and power relations are not only no longer viable but also not retrievable.

Furthermore, a real sense of ‘realism’ or ‘pragmatism’ is prevailing, transcending ideological, political and social barriers. This was very much felt in the debate on the forms of provision of both health and education (that is, fee payment and cost recovery schemes). The misery and social upheaval resulting from the erosion of post independence gains in health and education left no room for differences. The focus of the debate was, however, on higher levels of provision of such services (curative medicine and higher education). Moreover, the question of provision of educational services goes beyond the sheer size of resources allocated to education or health *per se* but also to the allocation of resources within the education and/or health pyramids.

In the difficult terrain of policy such as agriculture and macro policy, the overwhelming nature of the crisis is also forcing its ‘moderating’ impact. In agriculture for example, there is an increasing awareness that the old model of agricultural development based on horizontal expansion and dichotomies between its three main components (traditional rain-fed, mechanised and livestock) can no longer be maintained. The debate is, hence, on the alternative paths to growth that are sustainable and more equitable. Resolving the debate in this and other areas and building a consensus on alternative policy has important consequences to the direction of resource allocation and the development strategy debate.

The debate on macro policy and economic reforms assessed the present NIF’s ‘ruthless’ structural adjustment policies that were carried out since 1992. Some viewing these measures have saved the policy debate the embarrassing and socially, if not economically, difficult question of ‘how far should reforms aiming at restoring balances in the economy go?’ Or even the more difficult question *at what pace*. However, the NIF 1992 surgery was too drastic – to the extent of perhaps killing the patient (pushing millions below poverty line, escalating inequalities within and between peoples and regions and wiping-out post-independence social gains in terms of education and health), and because of its failure, creating internal and external imbalances far greater than the initial ones of 1989.

While the NIF’s structural adjustment policies may have saved economists, planners and decision makers the ‘embarrassment’ of taking the unpopular decisions (removing subsidies, introducing fees for social services and repressing wages below the bare minimum for survival), it left them an even more difficult task of addressing the social upheavals result from ruthless ‘text book’ reforms. This leaves little or no room for manoeuvre in terms of resource alloca-
tion in particular at the meso level, that is, involving allocation between sectors and groups.

With peace, whatever its form, strong pressure for a more equitable resource allocation between regions will be high on the agenda and that will also leave very little room for manoeuvre for policymakers, in terms of efficient resource allocation. In other words a trade-off between efficient growth-maximising resource allocation and sub-optimal, perhaps excessively inefficient, resource allocation is likely to prop-up as a result of strong regional pressures. Therefore much of the policy formulation efforts should try to address these possible trade-offs by designing realistic policies that will not ‘ignore’ the drive for more equitable resource allocation between regions and at the same time attempt to minimise inefficiencies and link short/medium-term policies to overall development strategy.

GAPS' Programme implicitly develops a certain sequence leading to paving the way for a broad discussion on alternative development strategy. GAPS starts with social services (education and health) moving on to sectoral strategies and macro policy, war, regional development and rehabilitation before embarking on the formulation of a broadly defined strategy for sustainable development (whose main features and directions will reflect the findings of GAPS' studies). Building consensus on the main features and directions of such strategy is the ultimate goal of GAPS.

**Ibrahim Elnur** (D.Phil.), Coordinator, Group for Alternative Policies for Sudan Project, (Formerly Head of Economic Department, University of Juba, Sudan), Office of African Studies, The American University in Cairo, Egypt; Email: gaps@uns2.aucegypt.edu

### Tributes to Mwalimu Julius Nyerere

As we were going to press with ROAPE No. 81, we learned of the death of Julius Nyerere. In this issue we continue the tributes that continue to come in.

Tanzania's first President Mwalimu Julius Nyerere died on 14 October 1999 in a London hospital after suffering from the blood cancer disease leukaemia. In this special report NEWSLINK AFRICA's Managing Editor Shamlal Puri a Tanzanian, and special correspondent Michael Mundia pay tribute to the leader described as the Mahatama Gandhi of Africa.

On Thursday, 14 October 1999, at 7.30am Greenwich Mean Time (GMT) Tanzania was plunged into darkness. Tanzania's first President and Founding Father of the Nation Mwalimu Julius Kambarage Nyerere, 77, had died. Mwalimu (teacher in Kiswahili) as he was known had been admitted to St Thomas Hospital in London for the blood disorder leukaemia. For two and a half weeks, doctors led by Dr Robert Carr tried their best to save Mwalimu but it all ended in vain. He died after a massive stroke.

Nyerere's death has stunned not only Tanzania but the whole of Africa and the developing and developed world. In Tanzania, there was shock and disbelief that Nyerere had died. The streets of Dar es Salaam and all main towns were plunged into sombre mood as the nation mourned the death of their charismatic leader. Throughout Tanzania, people gathered on unusually quiet streets to listen to the funeral music on radio and read newspaper tributes to Nyerere and discuss the good things he had left behind. Even street vendors of the normally bustling Dar es Salaam were numbed by the shock. Tanzanians selling tapes usually played a mix of Congolese
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As we were going to press with ROAPE No. 81, we learned of the death of Julius Nyerere. In this issue we continue the tributes that continue to come in.

Tanzania’s first President Mwalimu Julius Nyerere died on 14 October 1999 in a London hospital after suffering from the blood cancer disease leukaemia. In this special report NEWSLINK AFRICA’s Managing Editor Shamlal Puri a Tanzanian, and special correspondent Michael Mundia pay tribute to the leader described as the Mahatama Gandhi of Africa.

On Thursday, 14 October 1999, at 7.30am Greenwich Mean Time (GMT) Tanzania was plunged into darkness. Tanzanias first President and Founding Father of the Nation Mwalimu Julius Kambarage Nyerere, 77, had died. Mwalimu (teacher in Kiswahili) as he was known had been admitted to St Thomas Hospital in London for the blood disorder leukaemia. For two and a half weeks, doctors led by Dr Robert Carr tried their best to save Mwalimu but it all ended in vain. He died after a massive stroke.

Nyerere’s death has stunned not only Tanzania but the whole of Africa and the developing and developed world. In Tanzania, there was shock and disbelief that Nyerere had died. The streets of Dar es Salaam and all main towns were plunged into sombre mood as the nation mourned the death of their charismatic leader. Throughout Tanzania, people gathered on unusually quiet streets to listen to the funeral music on radio and read newspaper tributes to Nyerere and discuss the good things he had left behind. Even street vendors of the normally bustling Dar es Salaam were numbed by the shock. Tanzanians selling tapes usually played a mix of Congolese
Lingala music, rock and rap on their ghetto blasters or big sized tape recorders to attract buyers silenced their music. They played hymns and funeral music in respectful memory of Mwalimu.

There was no Tanzanian in or outside the country who was not touched by the news of Nyerere's death. Tanzanians openly wept on hearing the announcement by the country's third President Benjamin William Mkapa that Nyerere was dead. Tanzanian kiosk manager Ali Baraka said:

Nyerere was a very peaceful man. He united us all. We all loved him very much.

His friend Stephen, who was reading a newspaper nearby, said:

He was a messiah of peace. There was Mahatma Gandhi in India and in Tanzania, we had Mwalimu Julius Nyerere - he was the Mahatma Gandhi of Tanzania and Africa. He suffered for us all so that we could live harmoniously.

Nyerere lead his country to independence from Britain in 1961. He was the country's first president from 1962 to 1985 when he voluntarily stood down for his chosen successor Ali Hassan Mwinyi. Mwalimu Nyerere was widely credited for breaking down tribal divisions in Tanzania.

If you asked anyone in Tanzania, who they are, their answer would be Tanzanian. Neighbouring countries like Kenya are totally different – tribalism is so rampant that people rarely say they are Kenyans. Ask a Kenyan who they are, they will answer I am a Kikuyu or I am a Luo (tribes). The feeling of national identity which Nyerere gave to Tanzanians is one of the main reasons why the country is peaceful today. Even Nyerere’s critics within Tanzania who blamed his disastrous socialist economic policies for the nations economic malaise were forgiving. They are convinced he was an honest man who meant no harm to his people. Even newsvendor Rajabu Maulidi, who normally did not care about the headlines screaming across the front pages of the newspapers he sold daily, reflected soberly on Mwalimu:

Mwalimu was a very good man. He was very honest, not like others who have made millions. As a human being he made mistakes with his policy of Ujamaa (villagisation) but he was our President, genuinely devoted to his people. We will never have another President like him.

In London, on Saturday 16 October, Mwalimu Nyerere was honoured with a memorial service at the Westminster Cathedral before his body was flown back to Tanzania. Hundreds of mourners packed the Westminster Hall to pay tribute to Mwalimu Nyerere. Among the mourners were South Africa President Thabo Mbeki’s wife and British Foreign Office Minister Peter Hain, who had just returned to London from an official trip to Tanzania, Kenya and Uganda.

A Catholic requiem mass was held for Mwalimu. Mourners wiped tears as Monsignor George Stack said: The late President was indeed Mwalimu...he was a teacher not just in word but in personal and noble example. Dr Abdul Kadeer Shareef, Tanzania’s High Commissioner to Britain, told the mourners: We are deeply sad – sadness of the heart:

Yesterday, today, tomorrow and for weeks to come, we shall gather in our Holy places and pray for him.

Julius Nyerere spent all his adult life in our service. London-based Africans, not only from Tanzania but also other parts of the continent, were at the Westminster Hall to pay tribute to the great African statesman. One Tanzanian said:

Today there is darkness in our country. Mwalimu was the beacon with which
there was light in Tanzania. That light has been extinguished.

A Kenyan student, Shadareck said:

Mwalimu was a shining example not only to Tanzanians but to Africans all over the world. He was a great friend of Kenya. Political problems, aside Mwalimu was a thorough gentleman. He said he lived a life of austerity and had taught Tanzanians by example. Very rarely do our leaders show the way by example.

Nyerere's body was flown to Dar es Salaam on Sunday 17 October. The Tanzanian Government of President Benjamin William Mkapa declared 30 days of mourning and ordered that all flags be flown at half mast. The Tanzanian Government has declared public holidays for today Monday, Thursday and Saturday. On arrival, today Monday (18 October), his coffin was met with a 21-gun salute. A gun carriage has been prepared to carry the coffin through various sections of Dar es Salaam to enable as many Tanzanians to witness the event as possible, a statement from President Mkapa's office said.

On Tuesday 19 October, his body will lie in state at the national stadium, allowing Tanzanians to file past his coffin before visiting Presidents, Prime Ministers and other leaders pay their last respects on Thursday 21 October.

After the state funeral, his body will be flown to his birth place in the tiny village of Butiama on the shores of Lake Victoria where a private burial will take place on Saturday 23 October. World leaders paid tribute to Mwalimu Nyerere, who was one of her most favourite leaders in the Commonwealth. In a message to President Benjamin Mkapa, she said 'Mwalimu Nyerere will be deeply missed not only by Tanzanians but also by the international community'. British Prime Minister Tony Blair said, 'Mwalimu Nyerere was a leading African statesman of his time'. US President Bill Clinton said 'Nyerere was a pioneering leader for freedom and self-government in Africa'. Former US President Jimmy Carter, a personal friend of Mwalimu, said: 'Julius Nyerere was a man of vision and principle and should be remembered as one of the greatest leaders of this century'. French President Jacques Chirac said 'Mwalimu Nyerere was a tireless champion of the emancipation and unity of the African continent'. World Bank President James Wolfensohn was full of admiration for Nyerere's integrity.

While world economists were debating the importance of capital output ratios, President Nyerere was saying that nothing was more important for people than being able to read and write and have access to clean water. United Nation's Childrens Fund (UNICEF) said that with Nyerere's death it was one of those moments which makes time stand still. It said Mwalimu's death was not just the riveting end of an era; its the silencing of a voice which, uninterrupted for five decades, never abandoned principle, never abandoned purpose, never abandoned vision. Ugandan President Yoweri Kaguta Museveni said: All patriots of Uganda are eternally grateful for Mwalimu's contribution. He was referring to Nyerere's one foreign policy adventure – sending troops into neighbouring Uganda in 1979 which helped bring down the murderous dictatorship of Idi Amin.

Former South African President Nelson Mandela, probably the only African leader to surpass Nyerere in charm and international appeal, said: All of us share a deep
sense of loss and sorrow at the passing away of one of Africa’s greatest patriots. Mr Mandela acknowledged Nyerere’s firm support in the anti-apartheid struggle that finally brought Mandela to power in 1994. I count myself as deeply privileged to have been amongst the first South African freedom fighters to be received by him, when we sought his country’s help as we embarked on the armed struggle.

The passing away of Julius Nyerere is a sad event that has taken away one of mankind’s greatest sons, but left us intact with the ideals, inspiration, fortitude, courage and vision, that he stood for. Mwalimu has physically departed but his teachings, ideals and inspiration, shall forever remain in this world.

He has numerous accomplishments to his credit, one of the most admirable being the sense of nationalism, pride, and dignity he instilled in the people of Tanzania. As a Tanzanian I have a sense of belonging. I speak freely, fluently, and with a lot of pride in Swahili. I have criticised Nyerere’s socialist programme of ‘Ujamaa’, referring to it’s purge on private enterprise as “Nyerere bomber”, a term used in my days in Tanzania. I do not see myself as an Asian, I see myself a Tanzanian and an African. Julius Nyerere fully takes credit for this.

Julius Nyerere is also instrumental in the triumph of the freedom struggle in a number of African countries. Foremost amongst this is the support and refuge that Nyerere and his government gave to South Africa’s African National Congress (ANC), and Mozambique’s FRELIMO, under the legendary Samora Machel.

Related to this is the fact that it was Tanzanian troops that deposed the brutal regime of Ugandan butcher, Idi Amin. Uganda’s Yoweri Museveni, himself a great son of Africa, also owes his accomplishment and that of the Ugandan people in part to Tanzania’s Julius Nyerere, by way of Tanzania’s accommodation of the then National Resistance Movement (NRM).

In these actions, Nyerere comes out very clearly as a pillar of intellect and a staunch proponent of Human emancipation, indeed a statesman. Finally, homage must be given to Nyerere the pragmatist and master strategist. One of Nyerere’s greatest political accomplishments is the Tabora conference of 1958 which culminated in the Tabora declaration, where Nyerere skillfully averted a looming crisis in the then Tanganyika African National Union (TANU), by convincing the party to take part in the contentious tripartite elections, which formed a crucial prelude to full independence for Tanganyika.

Nyerere will also be remembered for his graceful exit from power in 1985, his courageous admission that ‘Ujamaa’ had failed, and his vital realisation that the management of affairs in the United Republic of Tanzania, had to be passed to a younger, energetic, and more vibrant generation. It is regrettably instructive however that ‘Ujamaa’s’ not succeeding is rarely seen in the light of Nyerere’s bold, broad, and courageous attempt to give Tanzanians a Nation ‘of Tanzanians, by Tanzanians, and for Tanzanians’. The United Republic of Tanzania is going through a trying moment following Nyerere’s death, in a way reminiscent of the situation Kenyans faced when Mzee Jomo Kenyatta passed away in 1978.

A number of factors are at stake, one of which is the call for the breakup of the United Republic of Tanzania, so that mainland Tanganyika and the Zanzibar and Pemba islands, become autonomous entities. Wellwishers fully trust that the transition shall be ably managed, with due concessions and compromises being made, a fitting tribute to the deceased Nyerere. Well meaning Tanzanians fully trust that Nyerere’s long time contemporaries and associates, such as Rashidi
Kawawa (the elders), shall be leading figures in Tanzania's period of mourning and transition. I personally feel honoured and privileged to have been part of the Nyerere era. Nyerere has indeed left us a worthwhile legacy. The African continent is also going through a delicate period of transition as a Nation, and need all the inspiration, courage, fortitude and vision, we can get. Julius Kambarage Nyerere is half that inspiration, courage, fortitude and vision.

Rest in Peace, Mwalimu.

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**Nyerere: A Tribute to a Statesman**

*Hashim Ismail*

Julius Kambarage Nyerere, former President of Tanzania and for more than two decades the most outstanding political figure in Africa, died in a London hospital on 14 October 1999.

His death was mourned in Tanzania, across Africa and the world in a manner befitting his status as a statesman and a selfless leader untainted by greed or self-aggrandisement. It is difficult to find the words to describe the sheer spectacle of the mourning in Tanzania.

Nyerere was buried with full national honours at his birthplace, Butiame village. He was born the son of a tribal chief of a small Tanzanian tribe, the Zanaki, in northwest Tanzania. From a small school in Musoma he gained a place in what was once the 'Harrow' of Tanganyika known as Tabora Boys School. From there he proceeded to Makerere College to qualify as a teacher. Later he was awarded a scholarship to read history and economics at Edinburgh University where he graduated with an MA in the early 1950s. After a brief period as a teacher at a Catholic Missionary School in Tanganyika, he resigned to form the political party – the Tanganyika African National Union – TANU. Under his very able and undisputed leadership of TANU, Tanganyika attained independence on 9 December 1961. Nyerere became the president and remained so for 24 years until his retirement in 1985.

I had the privilege of meeting Julius Nyerere some 40 years ago in 1959 at a Rotary Club lunch in Moshi, a town on the slopes of Mt. Kilimanjaro. I was a school teacher and a Town Councillor in Moshi and had been invited to talk to the Rotarians at their weekly lunch meeting at the Livingstone Hotel. But the Rotarians, having learned that Nyerere was in town on other business, invited him to the lunch and also to address the meeting (instead of me). Of course we all had a few minutes each to talk to him before lunch and when I told him that I was Zanzibari he was rather interested.

When the time arrived for the speech, he declined to speak and insisted that the designated guest speaker go ahead and speak as planned. He said, 'let us hear this Mswahili speak!' And of course I went on to address the meeting. I must recall and admit that his gesture on that day, apart from making me feel rather honoured, left a permanent mark of his humility and modesty on all of us at the gathering. Let me point out that in 1959 Nyerere was not yet the President of Tanganyika nor did he hold any official position in the government but to all intents and purposes he was the recognised, undisputed *de facto* leader of an independent Tanzania.

Julius Nyerere won independence for Tanganyika and ascended to power without a single shot being fired. He kept clear of confrontation with the British and was always one step ahead of them. So when the British put forward a proposal for the first multi-party elections on adult suffrage (not universal), the elections
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were going to be held under what was known as 'the Tripartite system', that is, the three races (African, Asian and European) were going to be represented equally – not proportionally – in the legislature! Each of the constituencies – the administrative regions - would return three members, one from each of the races. Since there were hardly 10,000 whites and 300,000 Indians in a population of 10 million, this system was unjust, iniquitous and highly provocative. As a matter of fact, the acceptance of this formula by Nyerere resulted in a split in the TANU party and a new party was formed by the dissidents – which is exactly what the colonial administration had wished to happen!

Nyerere toured the country to explain to the people why he accepted the proposal, unfair though it was. I recall a public meeting in Majengo in Moshi at which he explained it in this way:

*It is like dealing with someone very powerful who has taken your 100 heads of cattle. You demand to have your cattle back and he gives you only ten and tells you to get lost. You take those ten heads and come back for more later until you have recovered your rightful property."

Second, under the tripartite system of a division of seats in the legislature he had no doubt that all those returned (African, Asians and Europeans) would be his supporters anyway! So he really beat the powers that be at their own game.

Consequently, Nyerere won independence for Tanganyika in a short period of six years. I can recall only three of what might be termed political trials - otherwise the hallmark of most independence movements and struggles. Nyerere himself was charged with sedition, tried and acquitted. In another case one of his close aides, Issack Bhoke Mnanka, was imprisoned for trying to recruit civil servants into the political party TANU. In a third case, two Tanganyikan journalists, Kheri Baghdeleh and Robert Makange were imprisoned for sedition.

For half a century we have known Nyerere as our leader, Mwalimu (teacher) and Father of the Nation. We have known him as an indefatigable campaigner for independence and our president for 24 years. After his voluntary retirement he remained very much a player in the field. In fact, in Tanzania and on the international scene, he seemed to enjoy greater prestige and admiration during his retirement until his death.

Mwalimu Nyerere was a thinker, a philosopher king and a campaigner for the oppressed of Africa. He distinguished himself from other leaders in Africa by his ability to remain in power and to maintain peace while other founding fathers of the African continent were overthrown by the military or assassinated. Nyerere enjoyed a relatively peaceful tenure of office as President of Tanzania and passed on the leadership to his successors in an orderly and smooth manner.

Nyerere indeed was the man behind the peace that is Tanzania. It didn’t just come about on its own. We Tanzanians accepted his call and responded to it. Tanzania had to make tremendous sacrifices to abide by the leadership. I sometimes feel that peace was squandered and not used for the full benefit of Tanzanians. Charity did not begin at home.

Nyerere was human and I am sure he silently endured many unhappy episodes: the post-revolutionary situation in Zanzibar is one of them. I cannot forget the day I read in the then TANU party newspaper, The Nationalist (27 October 1969), that fourteen Zanzibaris had been executed in Zanzibar by a firing squad. The Nationalist published that front page news without comment. Nor was there any comment from the President of Tanzania.
Enough has been said and documented in favour of Nyerere’s experiment with socialism - its successes and failures. My own assessment is that all said and done it did produce a new cadre of Tanzanian entrepreneurs - in the final analysis perhaps they were more survivors than casualties.

Many Tanzanians remain puzzled as to why Tanzania supported Colonel Ojuku and his Biafra adventure. Nyerere went it alone in this; his entire cabinet having advised against it, not to mention the fact that the move was in contravention of both the United Nations and the OAU Charters. Mwalimu Nyerere’s determination to remove Idi Amin from Uganda - was it aimed to restore Milton Obote to power? Nyerere is quoted by Colin Legum as having said:

Before embarking on that operation I had no idea of the cost of a military operation … I wonder if I knew at the time what the cost would be whether I would have had the courage to undertake it. (Legum & Geoffrey Mnari, ‘Mwalimu – the influence of Nyerere’ (1995:191-92).

Nyerere’s personal example is never questioned, not even by his strongest critics. His life has been one of dedicated commitment, austerity, hard work, humility and integrity. But is even in such dedicated leadership and commitment to the ideals of a harmonious and productive society enough to ensure that Tanzania will continue along the road that he mapped out at the beginning of his career? Already there are signs of doubt.

Let me conclude with a quotation from a veteran Kenyan journalist who once worked in Tanzania, Phillip Achieng, writing in the East Africa newspapers of 18 October 1999:

Nyerere an intellectual of immense stature, a man of great personal integrity, a paragon of humanism, Julius Kambarage will be hard to replace in Tanzania, in Africa and on the globe … that is why, as I mourn, I ask, with Marcus Antonius, whence cometh such other?

May his soul rest in eternal peace.

He ‘Carried the Torch that Liberated Africa’

Julius Nyerere was the patron of SARDC. The following appeared on 14 October in both their newsletter and on their website. Thanks to SARDC for permission to reprint.

We, the people of Tanganyika, would like to light a candle and put it on the top of Mount Kilimanjaro which would shine beyond our borders giving hope where there was despair, love where there was hate and dignity where there was before only humiliation.

This was the commitment by Mwalimu Julius Kambarage Nyerere when he addressed the Tanganyika Legislative Assembly before independence on 22 October 1959, in a speech that came to be known as ‘A Candle on Kilimanjaro’. True to his principles and his vision, it can be said now, 40 years later, that he ‘carried the torch the liberated Africa’. Those are the words of President Joaquim Chissano of Mozambique, chairman of the Southern African Development Community (SADC), whose Front for the Liberation of Mozambique (Frelimo) was based in Tanzania for over a decade prior to independence. Mwalimu’s vision and commitment to the liberation of the subcontinent, to African unity and to pan-Africanism is unsurpassed. The Board, management and staff of SARDC are greatly honoured and humbled to have
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Address to Members of Parliament: By Mwalimu Julius K. Nyerere
Cape Town, 16 October 1997

Mwalimu Julius K. Nyerere: Madam Speaker and, I think I may say, Comrade President and Comrade Vice President, ladies and gentlemen. I have told you already how I felt when you asked me to come and talk here. And then I got the message that you were coming. Of course, I am happy you are here, but what do I say in your presence in this House? This is not my first time here. I have been here before and I have thanked you, but I must thank you again. For me to come here to this Chamber and address you is a dream which you have helped me to make true. How could any one of us have thought that it would be possible for me or people of my type to come to this country and speak from a forum like this? So, Mr. President, and all your colleagues, I say thank you very much for making this possible.

Now, as for sharing my thoughts with you: my thoughts, unfortunately, don’t change, so a lot of what I am going to say some of you will have heard before, but some of you have not. I am going to say two things about Africa. One, that Africa south of the Sahara is an isolated region of the world. That’s the first thing I want to say. The second thing I want to say is that Africa south of the Sahara is not what it is believed to be because Africa is now changing. So let me see if I can share those thoughts with you in a very short period.

Africa south of the Sahara is an isolated region of the world. During the last ten years, since my retirement as head of state of my country, I was asked, and I agreed, to establish something called the South Commission. That has meant a lot of travelling. I have been many times to Latin America, many times to Asia, many times to many parts of Africa before coming here, and many times to a large number of countries in Europe.

The world is changing. It is not only Africa which is changing. The world is changing. Of the three big power blocs developing in the world since the end of the Cold War, one – the obvious one – is the United States. It has always been there. The United States is building around it a group of other countries. That is the obvious area of power. It is the one which is very clear. Another is Europe, which is also an obvious power bloc. The third is Japan and the areas of Asia around it.

The US has neighbours. One of them is Mexico, from the Third World. A President of Mexico is reported to have said once – this is a president of the country – ‘Poor Mexico! So far from God, and so near to the United States!’ When he said that, what Mexicans were reaping were the disadvantages of being close to the United States. They were not getting any advantages at all from being so close to the United States.

The US is rich and there is a kind of osmosis – a political osmosis, but I think also an economic osmosis. The economy of the US pulls people from Mexico into the United States. The US has been trying very hard to stop these poor Mexicans from getting into the US, but without success. They spend a lot of money on the border, and have a lot of police there. I don’t know whether they have electric fences and other things to try to prevent Mexicans going to the US, but they can’t
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Africa south of the Sahara is an isolated region of the world. During the last ten years, since my retirement as head of state of my country, I was asked, and I agreed, to establish something called the South Commission. That has meant a lot of travelling. I have been many times to Latin America, many times to Asia, many times to many parts of Africa before coming here, and many times to a large number of countries in Europe.

The world is changing. It is not only Africa which is changing. The world is changing. Of the three big power blocs developing in the world since the end of the Cold War, one - the obvious one - is the United States. It has always been there. The United States is building around it a group of other countries. That is the obvious area of power. It is the one which is very clear. Another is Europe, which is also an obvious power bloc. The third is Japan and the areas of Asia around it.

The US has neighbours. One of them is Mexico, from the Third World. A President of Mexico is reported to have said once - this is a president of the country - 'Poor Mexico! So far from God, and so near to the United States!' When he said that, what Mexicans were reaping were the disadvantages of being close to the United States. They were not getting any advantages at all from being so close to the United States.

The US is rich and there is a kind of osmosis - a political osmosis, but I think also an economic osmosis. The economy of the US pulls people from Mexico into the United States. The US has been trying very hard to stop these poor Mexicans from getting into the US, but without success. They spend a lot of money on the border, and have a lot of police there. I don't know whether they have electric fences and other things to try to prevent Mexicans going to the US, but they can't
The United States had decided to change its policy. They have invited Mexico to join NAFTA, and now they are working together to create jobs in Mexico to prevent poor Mexicans from looking for jobs in the United States. I think they will succeed and Mexicans will now want to remain in Mexico. Some will still want to go to the United States, but the flood can be stemmed. There will not be a flood of Mexicans going to the United States.

What is happening between Mexico and the US is happening in Europe. Europe is a powerhouse – not a political powerhouse or even a military power house like the US, but an economic powerhouse, and one of these days, I think, they are actually going to be a bigger powerhouse than USA. They are a power and are attracting people: again there is osmosis there, the economic osmosis. Who are pulled there? East Europeans are pulled towards Europe.

But the others who are pulled towards the economic power are from Mediterranean Africa, Africa north of the Sahara. That is why I was talking about Africa south of the Sahara being the isolated region in the world. So Eastern Europe and Mediterranean Africa are to Europe what Mexico is to the US.

Geography, the logic of geography, means that if you have problems of unemployment in Eastern Europe, East Europeans will want to move into Western Europe. The Germans know it, and others know it. They will try to keep them out. They will not try to keep them out by building fences or putting up another wall. They will try to help East Europeans to stay at home by creating jobs in Eastern Europe, and they are already doing that. They will do the same with regard to the Africans of North Africa.

So Europe has a policy with regard to the countries of North Africa – not simply an economic policy, but actually a security policy. The French, the Italians, the Portuguese, the Spaniards – those are the ones in particular who are frightened of a flood of unemployment from North Africa into Europe. And some, of course, are afraid not only of the unemployed. Some think they don’t like the export of Islamic fundamentalism into Europe. But I think that’s a minor problem. The real problem is unemployment, people moving into Europe from North Africa. Europe has a plan. They can’t just sit there and watch this happening. European countries will have to work together to help the countries of North Africa to create jobs.

The other bloc is Japan. Japan is small, Japan is wealthy, Japan doesn’t like other people going to Japan. They don’t like that. But they are a big trading nation and they are pouring a lot of money into Asia, and I think they’ll do it in China also. I don’t think they’ll be frightened of China. They’ll put money in China.

So there are those three blocs of countries, three power blocs – power developing in Asia, power developing in North America, power developing in Europe- and those countries which are geographically in the orbit of those areas. These rich areas are being forced to help the countries which are near them.

Africa south of the Sahara is different – completely different. It’s not in the orbit of any of those big areas. If you people here are unemployed, very few of you will want to go to the US. The unemployed here will stay here. But so will unemployed in Tanzania. We’ll not go to the US. We’ll not go Europe. Certainly we’d never dream of going to Japan or anywhere else. A trickle will go out – the stowaways. But there is no answer to our unemployment in running away from where we are. And if you try it, it won’t work.
So the USA is not frightened of unemployment in Africa south of the Sahara. It's your problem. It's not their problem. They will not do here or in Tanzania or in Nigeria, what they are doing about Mexico. No, it's not a problem for them, and it's not a problem for Europe either. Europe has a problem arising from Algeria, yes, or even from Egypt, from that part of the world. But from Africa south of the Sahara? No, they've no fear of a problem there. There is no flood of unemployed moving from this area going to Europe to seek jobs. So what would be the imperative from Europe? What pressure has Europe to deal with you people, unless you create some very attractive means of attracting a few business people?

And in Asia, the Japanese are afraid that if they don't share their wealth with some of the poor, these poor might come to Japan. Those poor are not the African poor from this part of the world. They are from Asia.

So that is the first thing I wanted to say about Africa south of the Sahara. You are isolated from the centres of power. There is no internal urge in the US, in Europe or in Japan to help Africa. None. And, I think, to some extent the urge of imperialism has gone. So you could easily be forgotten. Africa is of interest when we are killing one another. Then we arouse a lot of interest. The big news now in Europe and North America is not here. It's in Congo Brazzaville: Congo Brazzaville is now big news. The television screens are full of what is happening in Congo Brazzaville. That's news. And won't last for long. It might last until the end of this week, then it's out. And then, if Africa wants to appear on European television, we can cause more trouble somewhere, I think I've made that point.

Africa south of the Sahara is isolated. Africa south of the Sahara, in the world today, is on its own – totally on its own.

That's the first thing I wanted to say. The second thing I wanted to say is that Africa is changing. I've been to Europe, Asia, North America and Latin America, and Africa is a stereotype. The Africa which now arouses some interest is the Brazzaville Africa, that Rwanda Africa, that Somalia Africa, that Liberia Africa. That is the Africa which arouses interest, and I don't blame these people. That's the Africa that they know.

And so I go out. I come from Tanzania, and we don't have these blessed troubles that they have in other places, but I go out. Sometimes I get annoyed, but sometimes I don't get annoyed. Here I am a former president of my country. There are no problems in Tanzania – we have never had these problems that they have – but I'm an African. So when they see me they ask about the problems of Rwanda. I say, 'I don't come from Rwanda.' And they answer, 'But you come from Africa'. But if Blair were to come to Dar es Salaam, I wouldn't ask him what is happening in Bosnia. If I meet President Kohi somewhere. I don't ask him, 'what is happening in Chechnya?' Kohi could say, 'Why are you asking about Chechnya? I don't know what is happening in Chechnya.'

But this is not true about Africa. Mr. President, here you are trying to build something which is a tremendous experience, but perhaps you are different. Sometimes they think South Africa is different, so perhaps they would say, 'This is President Mandela, this is different.' But for the likes of me, no, I am an African. And sometimes I get irritated, but then I say, 'Why? Why do I get irritated?' Because, of course, I am a Tanzanian.

But what is this Tanzania? Why should these Europeans see me as a Tanzanian? What is this Tanzania? This is something we tried to create in my lifetime. I built Tanzania. So what is this Tanzania? The Europeans are right. The North Americans are right to look at me as an African,
not as a Tanzanian, because Tanzania is a creation of colonialism, which is causing us a lot of trouble on the continent.

So, to some extent, Europeans are right when they see us in this differentiated manner. The Tanzania here is a president of Tanzania. He struggled there for 23 years before he stepped down to try and turn those 125 tribes into some kind of nation, and he has succeeded to some extent. This is what I want them to think of. Why? They see me correctly as an African. So that is where I want to end. This is the other thing I really wanted to say.

Africa South of the Sahara is isolated. Africa south of the Sahara is changing. That stereotype of 'There is trouble in Africa all the time' is nonsensical. There is trouble in Africa, there is trouble in Asia, there is trouble in Europe, there is trouble everywhere, and it would be amazing if after the suffering of the blessed continent for the last 100 years, we didn't have what we are having. Some of these nations we have are not nations at all. They make no sense at all, any geographical sense or ethnic sense or economic sense. They don't. The Europeans set somewhere and said, "you take that part, you take that part." They drew these lines on a map and here we are, trying to create nations which are almost impossible to create. But we are changing. The continent is changing.

My friend who was introducing me mentioned neocolonialism. I'm glad you still use the word 'neocolonialism', because, you know. We went through a period when some of our people thought we were so advanced now to talk about neocolonialism. Uh-uh, no, no. It is almost communist to talk about neo-colonialism. He is a communist? Well, I am not a communist, but I agree with you! We went through a neocolonial period in Africa. It nearly destroyed all the hopes of the struggle for the liberation of the continent, with a bunch of soldiers taking over power all over the continent, pushed, instigated and assisted by the people who talk about this stereotype of Africa.

We have just got rid of Mobutu, who put him there? I don't know what Lumumba would have been if he had been allowed to live. I don't know. He was an elected leader, but angered the powerful and they removed him within weeks. Then Mobutu came on the scene within weeks and he's been there since. He was the worst of the lot. He loots the country, he goes out, and he leaves that country with a debt of US$14 billion.

That money has done nothing for the people of Congo. So I sit down with friends of the World Bank and IMF. I say, 'You know where that money is. Are you going to ask Kabila to tax the poor Congolese to pay that money? That would be a crime. It's criminal.' And that was the type of leadership we had over a large part of Africa. They were leaders put there either by the French or by the Americans. When we had the Cold War, boy, I tell you, we couldn't breathe.

But Africa is changing. You can make a map of Africa and just look at the countries stretching from Eritrea to here. Just draw a line and see all those countries. You still have a Somalia and a Burundi there, but it's a very different kind of Africa now, it has elected governments, it has confident governments. Actually, most of those countries with the exception of Uganda, have never been under military rule. Never! And since your coming onto the scene, this is completely different kind of Africa.

When we were struggling here, South Africa still under apartheid, and you being a destabiliser of your neighbours instead of working together with them to develop our continent, of course that was a different thing. It was a terrible thing. Here was a powerful South Africa, and this power was a curse to us. It was not a blessing for us. We wished it away,
because it was not a blessing at all. It destroyed Angola with a combination of apartheid; it was a menace to Mozambique and a menace to its neighbours, but that has changed. South Africa is democratic. South Africa is no longer trying to destroy the others. South Africa is now working with the others. And, boy please work with the others!

And don’t accept this nonsense that South Africa is big brother. My brother, you can’t be big brother. What is your per capita income? Your per capita income is about US$3,000 a year. Of course compared with Tanzania you are a giant. But you are poor. When you begin to use that money this is arithmetic, simple arithmetic and if you divide the wealth of this country for the population, of course everybody gets US$3,000, but not everybody in this country is getting US$3,000. That would be a miracle. That is simply arithmetic.

So when you begin to use that wealth, Mr. President and I know you are trying to address the legacy of apartheid – you have no money. You are still different from Tanzania, but you have no money. You are still more powerful. So Tanzania and the others to say that South Africa is big brother, and they must not throw their weight around, what kind of weight is that? And, in any case, this would be positive weight, not the negative weight of apartheid.

So this is a different Africa. I am saying that this Africa now is changing. Neocolonialism is being fought more effectively, I think, with a new leadership in Africa. And I believe the one region which can lead this fight is our region. With the end of apartheid and South Africa having joined SADC, this area of Africa is a very solid area. It is an extremely solid area. It is strong, it has serious leaders and these leaders know one another. I know that because where some of them have come from, They have a habit of working together, Mr. President, so let them work together. Deliberately. It should be a serious decision to work together. Why? You have no other choice. You have absolutely no other choice.

South Africa, because of its infrastructure, can attract more investment from Europe, from North America, than Tanzania can. Fine, go ahead. Do it, use your capacity to get as much investment as you can. That’s good. But then don’t be isolated from the rest of Africa. What you build here because of your infrastructure and the relative strength of your economy, you are building for all of us here.

The power that Germany has is European power, and the Europeans are moving together. The small and the big are working together. It is absurd for Africa to think that we, these little countries of Africa, can do it alone. Belgium has 10 million people. Africa south of the Sahara if you exclude South Africa has 470 million Africans, I sit down with the Prime Minister of Belgium, and he talks to me about European unity. I say, “You are small, your country is very small, so how can you talk of European unity with giants like Germany and the others? He says, ’This question of the protection of our sovereignty we leave to the big powers. We lost our sovereignty ages ago.’

These countries are old, their sovereignty is old. These Europeans fought wars. When we were studying history, it was the history of the wars of Europe. They fought and fought, and they called their wars World Wars. But now I can’t imagine Europeans fighting. No, war in Europe is an endangered species. I think it’s gone, certainly war between one country and another. The internal problems you will still have, the problem of the Balkans, but that is a reflection of something that is like Africa. So I’m saying that Africa is changing because the leadership in Africa is changing. Africa is beginning to realise and we should all encourage
Africa to get that realisation more and more that we have to depend upon our selves, both at national level and at the collective level. Each of our countries will have to rely upon its own human resources and natural material resources for its development. But that is not enough. The next area to look at is our collectivity, our working together. We all enhance our capacity to develop if we work together.

Born Again: The African Renaissance in London

Giles Mohan

sub-Saharan Africa is in better shape than it has been for a generation (The Economist, 14 June 1998, p.15).

We must again be our own liberators. Thus we will turn the century that will soon be upon us into an African century and realise the objective of an African Renaissance (Thabo Mbeki, 13 July 1999).

In London on the 23rd of November there were two celebrations of the Renaissance. One was an exhibition of Florentine painting dating back 500 years and on display at the National Gallery. This period in European history is important, because it revitalised notions of progress and ushered in the ‘Modern Period’ which saw the evolution of capitalism and the spreading of Europe’s reach across the globe. The other was less high profile and took place at the Barbican Centre. This event, organised by The Africa Centre, was entitled The African Renaissance: from Vision to Reality and brought together politicians, intellectuals, activists and business people. The two events were linked in as much as the ‘triumph’ of European progress involved the subjugation of peoples across the globe who are still coping with some of the ramifications of this contact. Indeed, the African Renaissance (AR) aims to recover the sense of purpose across the continent which colonialism destroyed and some postcolonial leaders further abused.

The AR is gathering pace but it is not yet, as one speaker observed, a concrete movement. Nelson Mandela was credited with launching the AR vision in 1994, but it is Thabo Mbeki who took it on more formally in August 1998 and reinforced it recently at the OAU Assembly of Heads in Algiers. The AR captures the very essence of revitalisation and reconstruction that characterised the European Renaissance half a millennium earlier. It is not simply about wealth creation, but about political, spiritual and cultural renewal. Mbeki urged Africans to remove inhumane and greedy leaders, pursue scholarly work which will revive the continent and embrace strategically the opportunities of globalisation. The meeting in London, as the sub-title implies, was about taking this process forwards. As Dr Adotey Bing, Director of the Africa Centre, exclaimed in his opening address the AR is ‘aspirational, but it has teeth’. Rather than talking endlessly about what might be, the AR is very much about creating opportunities to realise these aims. The recent establishment of The African Renaissance Institute in Pretoria, under the chairmanship of Kapembe Nsingo, attests to this.

The Africa Centre should be applauded for organising such an event and sees them moving away from their more cultural focus to addressing wider political and economic questions. Dr Bing saw the day, and by implication the AR, revolving around four themes: governance, business, culture and science. Indeed, the panel speakers broadly represented these key areas.
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The first speaker was Jacob Zuma, the Deputy President of South Africa, who set the broadest context in which the AR must be placed. He stressed that the AR is not some fanciful dream but a 'matter of life and death'. He argued that in order to achieve a Renaissance in Africa there must be a realistic understanding of the continent’s history as this helps explain the current problems. From slavery to colonisation Africans have been de-humanised. Religion added to this cultural change so that, in Zuma’s words, ‘Africaness was almost lost’. He went on to castigate many postcolonial leaders who were harsh and dictatorial. Having traced through the roots of Africa’s present crisis the scene was set for ways in which the AR can be effected, I was also fascinated by the Deputy President’s white body guard, complete with ear-piece. It was a marvellous metaphor for decolonisation that Zuma, who was exiled as an ANC member, was now protected by the white South African security system.

Despite wide-ranging discussion over the day, the themes tended to revolve around those set up by Dr Bing. Nearly every speaker, directly or indirectly, spoke of the importance of governance. Jacob Zuma himself said that mistakes must be confronted and that multi-party democracy and solid political systems are a prerequisite for development. Part of this involves wide participation because one of the failings of the past has been centralised and unaccountable decision-making. This applies at the widest political level, but also in shaping the AR since it should not be an exercise in elite pontification. Nangolo Mbumba, the Namibian Minister of Finance read a speech prepared by the country’s Prime Minister, Hage Geingob. Again, he stressed widespread consultation with the people of Africa to ensure that the AR does not become a doctrinal ideology. This collaboration should be scaled up to all activities so that ‘Africa is in partnership’. Indeed, in addition to the obvious governance is-

sues around corruption and democracy, most speakers talked of the need for supra-national levels of co-operation. Regional economic and political groupings must be retained, but they should feed into a Pan-African co-operative grouping. This will reverse the fragmentation that colonialism effected and embrace the reality that economic and political life the world over is increasingly, as Jacob Zuma stated, ‘beyond borders’. Clearly, the OAU will be a key player in any such process.

The second major theme was business. Thabo Mbeki’s speech to the OAU Heads was cautiously optimistic about the potential of globalisation. However, while globalisation increases wealth polarisation, it can be managed better if governments, leaders and states are shrewd and well-informed. As Mbeki said:

'we, as politicians, must seek to gain a profound understanding of economics, so that we intervene in an informed manner and not as King Canute striving to wish the waves away (speech available on the ANC’s website).

Jacob Zuma echoed this and focused on banking as a means of retaining wealth in Africa and avoiding capital flight. Oliver Chidawu of Kuchi Holdings in Zimbabwe backed this up further in showing the possibilities for African business to become world class.

Thirdly, culture was highlighted as a mainstay of the AR. Ali Mazrui reiterated his Nkrumah-derived model of Africa’s triple cultural heritage - Africa, Islam and the West. He argued that for the AR to become a reality these three heritages must be 'synthesised'. It is no good demonising any one ethnic group or cultural influence, but more a case of realising their complex histories and combined effects on contemporary life. In addressing a rhetorical question of when did the AR begin, Professor Mazrui highlighted a number of key moments.
The first was when African states began to push for control over their own resources. The second was in the aftermath of the Nigerian civil war when General Gowon showed great sensitivity in forgiving the antagonists; what the speaker referred commendably to as ‘Africa’s short memory of hate’. Such attitudes have been further demonstrated in South Africa’s Truth and Reconciliation Commission. A third key moment was the ways in which religious tolerance, especially on the part of African Muslims, has stabilised nations. Professor Mazrui joked ironically that the protestant American political elite, held up as the custodians of tolerance and modern democracy, would be horrified if a Muslim were to marry into their group. Finally, in contrast to the widespread opinion that all African leaders are wicked and cling to power at any expense, he cited numerous examples of where leaders have voluntarily given up power.

However, Professor Mazrui was not so optimistic about the position of women in Africa and he urged the AR to look at ways of moving women from the margins of political life. One suggestion was to reserve 10% of seats in parliaments for women and to allow the remaining seats to be contested to avoid accusations of patronising women in politics.

The whole question of the role of women and progress was combined brilliantly in Dr Sheila Ochugboju from the Institute of Virology and Environmental Microbiology at the University of Oxford. At only 32, Dr Ochugboju is a Research Fellow on a major genetic research project looking at ways of increasing crop productivity by reducing pest damage. This we learnt can be achieved by breeding genetically modified viruses which killed the pests and thereby protected the crops. Dr Ochugboju showed that such technology was benign outside of their specifically engineered scenarios. She ended by looking at the ways in which Africa has been marginalised in some of the global agreements on genetic engineering, but mentioned a Biosafety Protocol which a number of Third World countries have opposed because they wanted social clauses written into the agreements. Given that this technology and its regulation is so new and evolving so rapidly it remains to be seen what will happen. Indeed, we could say the same of the AR itself, but with more events like the one held yesterday the momentum will surely gather.
Université du Littoral Côte d’Opale Colloque International Sur “Citoyenneté, coopération décentralisée et développement des territoires”

Le Groupe de Recherche sur les Economies Locales de l’Institut des Mers du Nord en collaboration avec le Réseau Horizon Pluriel et le Comité du Bassin d’emploi de Dunkerque organise un colloque international les jeudi et vendredi 18 et 19 mai 2000 sur le thème de “Citoyenneté, coopération décentralisée et développement des territoires”. Cette rencontre est ouverte à la fois aux universitaires et aux praticiens. Elle a pour but de confronter les recherches à caractère théorique et celles qui sont menées sur les terrains. L’objectif est de mettre en synergie la réflexion et l’action dans le domaine des approches qui tiennent compte des contextes d’action des acteurs et de leurs cultures afin de mieux accompagner les processus de décentralisation et d’implication des acteurs de la société civile.

L’expérience dans les pays industrialisés et dans les pays du Sud montre que les modèles et les projets quels qu’ils soient échouent lorsque l’on ne tient pas compte des sites de croyances pratiques des acteurs (valeurs, imaginaire locaux, parcours, trajectoires, histoires etc.) d’une situation donnée. L’efficacité des mesures en dépend. Jusqu’ici, en raison du découpage des disciplines et du cloisonnement des pratiques, les relations entre les représentations symboliques (valeurs, identités, normes, cultures d’organisation et de territoires) des acteurs et leurs pratiques ne sont pas prises en compte dans les modèles déterministes et mécanistes de l’ensemble des sciences de l’Homme. L’économisme en fournit une parfaite illustration à travers les croyances scientifiques dans l’automatique des lois économiques.

En effet, le placage du modèle unique entraîne le plus souvent une destruction du lien social et des écosystèmes des sites concernés. Ce qui s’ensuit c’est la perte de valeurs et des crises de repères pour les acteurs de la vie économique et sociale. Au bout du compte, c’est à la fois l’efficacité économique et la citoyenneté qui sont remises en cause. L’observation des faits prouve que les lois du marché, à elles seules, sont dans l’incapacité à motiver en profondeur le dynamisme économique et à fortiori à créer les bases d’une cohésion sociale durable et innovante. Ces incomplétudes du paradigme pan économique deviennent cumulatives avec la mondialisation et créent ainsi des incertitudes dans les comportements des organisations et systèmes sociaux.

Le paradoxe contemporain réside dans le fait que plus la mondialisation s’approfondit plus les acteurs tendent à rechercher des modes de coordination et de régulation enracinés dans leurs territoires d’appartenance. Ils y trouvent, par tâtonnement, des solutions de proximité à travers la production d’un sens commun et de règles d’ajustement situé dans le temps et dans l’espace. Ce faisant, au moment même du triomphe apparent du modèle unique à l’échelle planétaire, ils rendent rebelles leurs pratiques aux habitudes de pensée. Et, c’est la crise du réductionnisme. Ce divorce entre la théorie et les pratiques est le signe annonciateur de la nécessité d’avoir des approches plus souples et ouvertes sur la diversité des situations et le sens que les acteurs de la situation donnent à leur monde. Cette réorientation est la fois présente, même si elle est encore hésitante, dans la recherche universitaire et dans la recherche action menée par les organisations de la société civile impliquées dans les problématiques de citoyenneté (chômage, pauvreté, exclusion, écologie etc.) et de coopération décentralisée à l’intérieur d’un territoire donné comme à l’extérieur etc.
La montée en puissance des espaces locaux face à une mondialisation déboussolante induit d'elle-même le besoin d'une démarche à la fois interdisciplinaire, interculturelle et pratique. Celle-ci privilégie les principes de singularité, de diversité et de précaution et la mise en œuvre d'une pédagogie d'accompagnement, par le biais des initiatives économiques et citoyennes des acteurs. Les experts n'ont plus le monopole de la vérité. Dans cette perspective, les acteurs (individus, organisations etc.) sont aussi des chercheurs!

Les organisateurs se proposent, en conséquence, de stimuler les échanges sur ces nouvelles perspectives de recherche entre les participants en privilégiant une vision décloisonnante des savoirs et des pratiques. Il s'agira d'un exercice relevant du pluralisme scientifique et éthique.

Les orientations des contributions à cette rencontre internationale peuvent être théoriques, empiriques, multidisciplinaires ou relever de la recherche action des organisations de terrain. L'intérêt étant d'explorer les mécanismes endogènes de réaction des mondes de la petite échelle face aux multiples défis de la mondialisation et de la pensée globale d'une part et d'entrevoir les possibilités de les mettre dans des synergies de sens afin d'améliorer l'efficacité des initiatives communes d'autre part.

Liste non exhaustive de thèmes:

- Culture de projet et cultures d’acteurs
- Conventions, coordinations et société de marché.
- Lien social, citoyenneté et risques économiques et écologiques.
- Coopération décentralisée locale et internationale
- Microprojets Sud et Nord et Nord/Sud: expériences et théories (tourisme, patrimoine, développement durable, commerce éthique, économie solidaire et non violente etc.).
- Identités et coopération inter - territoires.
- Coopération, coordination et réseaux d’acteurs (collectivités locales, associations, entreprises citoyennes etc.).
- Économie sociale au Nord et au Sud: expériences et projets.
- Coopération décentralisée, croyances et pratiques.

Mots clefs du colloque: Citoyenneté, lien social, normes, convention, territoire, patrimoine, identité, coopération décentralisée, entrepreneuriat social et économique etc. Les participants sont invités à envoyer un résumé de leur contribution (1 page) au secrétariat du Colloque avant le 15 février 2000.

Siège de l’organisation du Colloque: Comité d’organisation: A. Bouchmal, consultant en coopération décentralisée et chercheur associé au GREL. H. Zaoual (zaoual@pop.univ-lille1.fr) Directeur du GREL. Secrétariat: Marie-Laure Deruyter et Cécile Pavot. Université du Littoral Côte d’Opale, Institut des Mers du Nord/Groupe de Recherche sur les Economies Locales. Maison de la Recherche en Sciences de l’Homme. 21 Quai de la Citadelle. B.P. 5528. 59383 Dunkerque cedex 1 Tel: (33) (0)3 28 23 71 00. Fax: (33) (0)3 28 23 71 10. Adresse électronique du colloque: deruyter@univ-littoral.fr.
From Conrad to Kabila: The Congo and 'Our' Consciousness by David Moore.

As we speed our way to the end of this century 'we' (in essence, a few white westerners — including those settled in places like South Africa and Australia — and hangers-on hovering in and around the edges of a global ruling class) might pause to reflect on the part the Congo played at the close of the last one. Then, as now, the globe was becoming integrated financially, productively and culturally at a frenetic pace. Then, as now, the heart of Africa was the seat of tumultuous transformations that appeared at first glance to have little to do with 'us'. In fact, they had direct links with and served as global signposts for the next 100 years — and crucial conjunctures within them. The Congo's history is defined by the worst of imperial exploiters and domestic dictators as well as some of the best humanitarians and more promising politicians. The literature engendered from the heart of Africa befits those contradictions. More ominously, the ferment from which such personalities and texts emerged presaged convulsions of global magnitude. In many ways, the various crises in the Congo were like canaries in the world's mineshaft. Perhaps if we were more conscious about what the Congo really means to 'us' we might pay more attention to its contemporary conflicts.

Adam Hochschild's brilliant history, King Leopold's Ghost, goes a long way to redressing our innocent ignorance. He reminds us that the Congo was the source of finest and the most opprobrious of the 19th century's political, literary and humanitarian figures who would do much to define the next century and its consciousness. Joseph Conrad is, of course, the most notable name that comes to mind: but it should not be forgotten that it has taken us some time to realise his was an empirically based hell on earth rooted in the ravages of imperialism, not an ethereal metaphor or Freudian metaphysic. Maybe we should remember that Kurtz's angst, based on the horror of such imperialist conquest, may have roots similar to many middle class woes today. Belgium's King Leopold, who colonised the Congo as his own personal company and whose twisted version of the 'civilising mission' may well have been responsible for the death of more than 10 million Africans ranks among the worst of the merchant-politicians of the era. It may bear reflecting on the possibility, too, that his part in the scramble for Africa may have instigated the perfidious imperialist competition that contributed to World War I.

Edmund Morel, the single minded shipping clerk who did much to awaken the world to Leopold's travesty of the white man's burden — Hochschild brings him to life, too — is among the best. Nor was he alone. His consciousness raising was preceded by George Washington Williams, an Afro-American missionary who was quick to dispel Henry Stanley's propaganda for Leopold, but died before he raised much publicity. Along with Roger Casement, Williams and Morel were instrumental in the first wave of western humanitarian responses to the ravages of global capitalism in Africa and the rest of world: precursors, perhaps, to today's Amnesty Internationals and Medicins sans Frontiers.

If the end of the 19th century marked a pinnacle of global 'free-trade' integration
much the same as today's (albeit with colonies instead of post-colonial proxies), the middle of the 20th century may have marked the height of managed capitalism's 'golden age' in the west - as well as the beginning of the Cold War.

Then, the Congo also played a crucial role as a site of one of that war's warmer moments. It marked how the United States ruled the informal empire it inherited from the decolonising Europeans. Patrice Lumumba's death, in which the CIA played no small role, signalled the end of any unconstrained efforts at independent nation building on the continent. The United Nation's first extensive effort to keep peace and construct state capacity in the wake of colonialism's biggest tragedy fell to pieces as it fell prey to the USA's distrust of neutrality and fear of a new African leader trying to play the super-powers equally off each other. In what could be called a modern Conrad-in-the-Congo tradition, Ronan Bennet's The Catastrophist and Barbara Kingsolver's The Poisonwood Bible both cast clear literary light on westerners' experience there and then.

The protagonists in both compelling, sensitive and nuanced books encounter 'the horror of it all,' grasping at the multitudinous contradictions ensuing from their appointment with imperial conquest and groping at ways to escape it. Just as The Heart of Darkness is essential reading for anyone wishing to understand the end of the 19th century, so are these books for the middle of the one to which we will soon bid adieu. (Perhaps for good measure one should add Conor Cruise O'Brien's To Katanga and Back and Murderous Angels - more contemporary and historically fine-tuned renditions of the brief Lumbumba moment).

Of course, if the reign of Mobutu Sese Seko is seen as both the endpoint of Leopold's terror and the blighted effect of American Cold War policy, and if his grotesque travesty of governance indicated how most Africans have had to cope with these legacies, we will need novels from the Congolese to really get to grips with it. Perhaps a newly published work by Philippe Wamba, son of Professor Ernest Wamba dia Wamba, one of the protagonists in the current rebellion, will do that for us. In the meantime, Hochschild, Bennet and Kingsolver are unsurpassed: and recognised (The Poisonwood Bible was on the New York Times best-seller list for 3/4 of a year, and Bennet's more in-your-face political novel was runner-up for the Whitbread). The fact that it is only at the turn of the century that these books on one of the key moments of its middle says something - besides that Conrad was a bit faster at the draw - about the way we are only slowly coming to grips with our immediate history.

As we enter the new millennium the Congo is at the centre once more. Today, the Democratic Republic of the Congo's war - in the wake of the historically unparalleled Rwandan genocide and Laurent-Désiré Kabila's consequential and almost coincidental coming to power - marks a turning point of consequence similar to King Leopold's in that area's history. As a war threatening to permanently alter Africa's political geography and regional economy continues in spite of the tentative Lusaka Accord, the Congo could be chirping canary-like again. Yet it does not seem to be making much of an impact on western consciousness. A few months ago a diplomat-miner in another mineral-endowed ex-colony (Canada) made a plea for a 'humanitarian intervention,' but it rang of a petition for protection for multi-national mining companies as much as anything else. Perhaps if we saw the Congo as a chronicle of a death foretold for us all, some more sincere efforts would be made towards the rectification of its crises.

Given the US's implication in much of the Congo's past, something new could have arisen out of the US House of Representa-
tives Subcommittee on Africa's September 28 hearings thereon; an atonement for past sins if nothing else. Depending on one's views on the efficacy of intervention, one's hopes may have followed three paths. One might have anticipated a straightforward rejection of more US intervention, with an apology for mucking things up in the past: this could have taken an anti-imperialist tone or that of Edward Luttwark's conservative call in Foreign Affairs to 'give war a chance' and to keep the meddling humanitarians out. Alternatively, a clear 'liberal imperialist' line might have emerged: as the good global cop the USA should at least be impressing upon the UN to send in the peacekeepers (the International Crisis Group suggested 100,000 to enforce a Chapter Seven intervention) or, as David Rieff seems to desire, to do it all by itself (as opposed to Michael Ignatieff's more internationalist pro-UN perspective.) Third, at least a call for increased aid to the innocent bystanders could have been broadcast. Yet the humanitarian agenda was not even mentioned.

Central Africa will remain a place where refugees and internally displaced people are worth a small fraction of the cost of their Kosovar counterparts. Probably the same would have happened to the East Timorese if Australia – the white settlers' Asian outpost – had not belatedly raised hue and cry for some help in its hasty local version of the civilising mission it had forgotten while Suharto ruled Indonesia (until broken by the Asian financial crisis).

Instead, the American politicians heard the usual prevarication, cautions and hints about how the State Department's Special Envoy Howard Wolpe and his companions may have done more towards encouraging the peace process than we know. What was loud and clear, though, was an inclination leaning far away from troops. The belligerents are somehow supposed to set up a joint military command to enforce their own peace and expel the genocidal Interahamwe back into the jaws of Rwandan – or Arusha based International – justice. Ninety UN military officials will help the process along. Presumably they will not all be working from 15,000 feet in the air. If the tactics of Kosovo or the Gulf cannot be implemented, the US steers clear. None of this is surprising. Perhaps it is even right: after all, one cannot suppose that the sole superpower would or should intervene on behalf of the its choice of 'good guys'. (For my bet, the 'political' wing of the Rally for Congolese Democracy have the right politics: its emphasis on civil society and democracy sounds good. But the militarists who used to be with them and still share the same name have committed a 'coup' and allied themselves with the Rwandans). Nor can one assume multilateral intervention – even without US domination – is without faults. But what was surprising was the early admission by the chairman of the Subcommittee on Africa, Edward R. Boyce, that yes; the United States should be 'engaged'. That 'means using the power we have, including the World Bank and International Monetary Fund leverage' and being 'willing to point the finger at uncooperative parties'.

Boyce has confirmed that these supposedly neutral international financial organisations are actually instruments of American foreign policy. With these words a lot has become clear. Globalisation American style – that is, neoliberal 'free' market-or-be-damned policies – are now the order of the day, and are to be served up as carrots and sticks in conflict resolution strategies. No wonder the World Bank now has a 'Post-Conflict Unit'. Is it ready to swoop in with 'market friendly' interventions before the gunbarrels have cooled down, and before the classically oriented humanitarian agencies can finish their tasks? (And without admitting that if the market is so friendly it wouldn't need international state-like bodies to push it on people?).
There are very good arguments in scholarly work on Africa suggesting that the warlord politics of Angola, Sierra Leone, Liberia, the Great Lakes, Somalia and the rest are causally linked to the continued debt burdens and policies of 'structural adjustment' imposed on Africa by the World Bank and the IMF. In spite of much rhetoric about 'capacity building' these policies deny the necessary resources to construct stable states, so the contenders for power and wealth resort to more brutal modes of plunder and accumulation outside of already fragile state institutions. Their international supports are mercenaries and pirate merchants, not multilateral institutions. Unless these policies have changed a lot since the eighties and early nineties, I'm not sure I'd want more of the same from these venerable institutions.

On a more universal level, though, Boyce's statement indicates the way in which the politicians of the current era have abdicated their role to the hands of global economic managers with their one-policy-fits-all ideology. It could be argued that was the case around 100 years ago too, when the Congo was bearing the brunt of unprecedented market expansion, personified in the first multinational-corporation-king and his ostensibly 'Free State'. Beyond Leopold's and the Congo's unhappy fate, though, remember what happened when the global bubble in which so many similarly inclined souls prospered started to burst: the 'long depression' and war from 1913 for a long time thereafter. The fate of the Democratic Republic of the Congo could be worth watching a little bit more closely this time.

Print & Websites of Interest:


Mark Duffield, 'Globalisation and War Economies: Promoting Order or the Return of History?' Fletcher Forum of World Affairs, 23, 2, Fall 1999.


Edward Luttwark (1999), 'Give War a Chance', Foreign Affairs, August.


David Moore teaches in the Economic History and Development Studies Programme at the University of Natal, Durban.


Paul Gifford's book is topical. In the development thinking of the 1990s where the importance of civil society as an agent
of change is undisputed, the place, opportunity and influence of the Christian churches in Africa is considered by many to be unparalleled. An aid and development agency like Christian Aid that works entirely through local organisations and whose preferential partners are the churches is tempted to feel that its hour has come and that its traditional way of working has at last been given the value it deserves. But Paul Gifford feels that such claims are largely untested. Through four unapologetically long country case studies he narrates with uncomfortable and unprecedented honesty a view of Christianity and church life, that is both sympathetic and critical. In so doing it seems he wants the extent of the information, or evidence alone to tell the story, for his footnote references to authors who have looked at similar aspects of his narrative frequently suggest that they have missed the point or drawn conclusions from scant examples.

The result is a wealth of information on African churches justifying the claim that they are at the very least sizeable civil society institutions. Gifford’s main thesis is to show how rapidly Christianity and church institutions have been changing:

there has been in the 1990s a change of status in the born-again churches. They are no longer necessarily counter-cultural. Only in Cameroon are they new enough to be still some distance from full acceptance. Elsewhere they have undergone considerable change of status in the space of less than a decade (p. 143).

The book paints a picture of four countries (if not a continent?) in which Pentecostalism or what Gifford calls the ‘new churches’ are booming, the mission-based or mainline churches are barely holding their own, and the African Independent (or instituted) Churches (AICS) are declining rapidly. This is relevant information for any student of Africa, whether from a background of anthropology, politics, development or religious studies. The four country case studies (Ghana, Uganda, Zambia and Cameroon) that form the bulk of the text stand alone and can be read by anyone wanting a good description of contemporary Christian life in each country.

Gifford helps too by bringing the reader’s terminology out of the cold war and up to date, by discarding terms such as ‘religious right’ and ‘fundamentalism’ and replacing them with terms such as ‘charismatic’ and ‘faith gospel’. This is part of his analytical approach which as he explains in the first two context-setting chapters: ‘attempts to shed light on what is happening to African Christianity by using a range of concepts not normally used in the study of Christianity’ (p. 52). We study ‘neo-patrimonialism’, ‘externality’ and ‘globalisation’ in order to see ‘not only how the churches are responding to political developments, but just as much how they are helping to shape them’. This is the interesting part for anyone trying to assess the church’s potential as agents of change. Sadly, it doesn’t go far enough and even passes over such basic confusions as that between Christianity (the faith) and the Church (the institution).

The final chapter picks up the strands and concludes with a review of the case study material according to its possible influence on civil society from a political, economic and cultural perspective. But the reader is left dissatisfied. This, as with the analytical sections in the first chapters is all too short, Gifford is content to raise questions rather than to try and answer them.

The questions themselves are nevertheless myriad. They pose real challenges to anyone working with churches and church-related organisations and indeed to the leadership of the churches in those countries themselves. Take for instance the immense attraction of the gospel music of the new churches which challenges ‘mainline’ churches still churning
out their missionary hymns and losing especially their youth membership in large numbers. The indisputable co-option of many churches by the state which calls into question the ability of churches to be independent actors of civil society (on the other hand their very proximity to the patterns of society and the state makes them an interesting target for reform). The different forms of externality underpinning the different churches are a challenge to their independent identity. The socio-political effects of different new movements also needs to be questioned irrespective of their motivation. Gifford ends with what may be the biggest questions of all, namely that of finding a way to bring together the very different strands of Christianity that he calls the 'primal vision' on the one hand and 'enlightenment' on the other; together with that of reconciling the churches lack of concern for structural issues with Africa's need for a structural solution. These are real questions of concern not only to theologians (though Gifford says they may have the answer) but to all those concerned about the development of civil society.

African Christianity: It's Public Role presents a compelling and detailed context for understanding contemporary Christianity on the continent and raises themes and questions of importance for the character of Christianity and its relationship with broader concerns of civil society. Even if the challenges are lightly put and the conclusions left for another volume, the book achieves a great deal in the wealth of detail that it presents. And it does so in a straight forward and sympathetic way: letting heroes and anti-heroes such as Otabil in Ghana and, Bishop Bamwoze in Uganda alike take shape on its pages.


It is relatively rare to find a serious analysis of the political economy of Mauritania in English (as we noted in our article in ROAPE vol.23, no.68, 1996), and still more unusual to find one written by an academic well versed in both the specifics of the Mauritanian case and the wider international context.

Mohameden Ould Mey is of Mauritanian origin and clearly has a particular interest in his own country; at the same time he is a political and economic geographer with the appropriate credentials for a broader perspective on global restructuring and peripheral states in the contemporary world economy. The book is based on his doctoral thesis at the University of Kentucky and shows the hallmarks of this in its meticulous research and careful analysis. But it is of wider interest also, and should be read by all of those interested in the process – which Ould Mey refers to as global restructuring – that took place through the 1980s and into the 1990s to give rise to the 'new' world order of Western (notably US) dominance and interventionism that is often referred to as 'globalisation'.

Ould Mey's thesis is clear: the processes of economic liberalisation and management decentralisation pursued everywhere today represent further centralisation of the world economy, indeed the emergence of a global command economy where the conception, formulation, design, and funding of development policy is increasingly controlled by a few international institutions, mechanisms and forums such as the G-7, the IMF, the World Bank, the Paris Club, the Consultative Group, and international non-governmental organisations (NGOs). The
consequences of this restructuring for peripheral states are three-fold. First, structural adjustment programmes are unleashing a profound de-nationalisation of the state, engendering a virtual lack of sovereignty over development policies. Second, the national economy is falling increasingly under the sway of international economic forces, creating ever greater uncertainty and lack of direction, combined with a general tendency to devaluation which contributes to the acceleration of the net transfer of resources from South to North. Third, the process of so-called 'democratisation', increasingly promoted as part of the 'adjustment package', actually encourages a profound sociopolitical fragmentation which serves to diffuse and undermine any potential collective response to the severe and widespread social impact of economic reforms (p. xvi).

The first two chapters provide the theoretical and empirical framework for the subsequent analysis of the Mauritanian case. Chapter One outlines the ideological and systemic thrust of global restructuring – arguing that:

structural adjustment programs are not actually aimed at either solving or aggravating the economic crisis in Africa, let alone in Mauritania. Adjustment was conceived outside Africa by the industrialised countries to expand their markets, increase their exports, and secure debt repayments through a carrot-and-stick policy of providing loans to fiscally bankrupt Third World governments in exchange for fundamental reforms in their political economy (p. 20).

Chapter Two presents and analyses the international geo-political context within which SAPs were conceived and designed, with particular (but by no means exclusive) reference to Africa. The chapter sub-headings illustrate the main line of argument: 'SAPs: a global strategy', 'Discrediting Nationalist Models', 'Suppressing Nationalist Models', 'Consolidating North/South Divide', 'Fabricating an Islamic Threat', and 'The Crucial Role of the State'.

Chapter Three sets out, economically, 'The Mauritanian Context', ending with the introduction of SAPs in Mauritania in the second half of the 1980s. Chapters Four and Five describe and analyse the ways in which structural adjustment in Mauritania led to the effective 'de-nationalisation' of the state, a process in which the formulation of development policy, the articulation of development strategies, the engineering of fiscal policy, the management of foreign debt, and the design of public investment programs all came to be conceived, funded and supervised by a group of international financial institutions and mechanisms, leaving only the role of implementation to the state (p. 147).

Chapter Six examines the scope and extent of re-structuring (sector by sector), and the effective internationalisation (and devaluation) of the Mauritanian economy, following the 'de-nationalisation' of the state. This involves, among other things, assessing the extent to which international agencies, dominated by the World Bank but also including NGOs, now determine development policy and practice across the major sectors of the economy. This chapter concludes by underlining the extent to which all of the major political parties operating under the new (post-1992) multi-party 'democracy' have signed up to the new economic liberalism. This has ensured that politics in Mauritania is now dominated by what remains in effect a struggle for spoils by members of the political elite but which takes an increasingly cultural-ideological form, threatening to encourage fragmentation and division along social fault lines other than those of class, including those between the ethnic groups and tribal
clusters which still play a significant role in defining the social identities of Mauritanians.

Chapter Seven considers the 'Social Dimensions of SAPs', and emphasises the point made above, namely that growing economic and social disparities are generally contained by complex forms of tribal and/or ethnic affiliation, which tend to reinforce clientelism and hierarchy. The chapter does not sufficiently emphasise, however, in this reviewer's opinion, the ways in which those social classes (the urban working classes and petty bourgeoisie, and the rural poor) which have suffered under a process which has systematically privileged the elites and established what Ould Mey refers to as 'a comprador international class' (pp. 210-11) have struggled against this process. While there has undoubtedly been a tendency for individual and household survival strategies to take precedence over forms of collective struggle, this has not always been the case.

A similar sense of the overwhelming nature of the globalisation process is conveyed by the author in Chapter Eight, which focuses closely on the political implications of structural adjustment. After a review of the intimate relationship between economic liberalisation and the shift towards multi-partyism in Africa generally, Ould Mey discusses the (largely external) pressure for 'democratisation' in Mauritania and the growing fragmentation of Mauritanian political life. The different parties which have emerged are either tarred with the same brush as 'little different' from each other (PDRS and UFD) or are cast as socially divisive and potentially destructive (FLAM), while the fragmentation within the trades unions is also seen as an almost inevitable consequence of the weakening of the position of labour within the Mauritanian economy; finally, it is argued that:

\[\text{Islamism may soon enter the official political scene of Mauritania as a real and potential third path of sociopolitical fragmentation (p. 245).}\]

A more positive approach to some of the new forms of politics and collective action might have allowed the author to develop a somewhat more optimistic and even constructive approach in his final chapter ('Democratisation or Democracy?'), which sets out, cogently but arguably somewhat one-sidedly, the devastating consequences - economic, social and political - for peripheral states in the process of globalisation. Ould Mey points to the bloody and violent recent history of 'democratisation' that has, together with economic liberalism, been forced on those Third (and Second) World states which formerly exemplified attempts to construct an alternative path to development. Any political system which defies the 'liberal' model and attempts to maintain an alternative model (whether 'nationalist' or Islamist) is treated as an international pariah (a rogue state) and crushed, if possible.

Democratization is an instrument that guarantees a lasting economic privatization and a political environment suitable for conducting business. Its emphasis is on openness, governance, and accountability rather than popular empowerment and equality. While strong states with integrated 'civil societies' can handle multi-partyism without fatal disintegration, in many weak and impoverished peripheral states the combination of SAP austerity programs and multipartyism could lead to fragmented and tension-plagued societies where ethnicity, tribalism, individualism, and other forms of national dislocation place society on the brink of civil war by pitting all against all amid uncertainty and confusion (p. 255).

In Mauritania, this is a real possibility. But there may be alternatives. As to the future, however, whether in the case of
Mauritania or more generally, the author leaves the reader with little real sense of what the alternatives might be – largely because he pays more attention to the juggernaut of globalisation than to the forms of resistance that have developed in response to the process, in Mauritania as elsewhere, which may provide the bases for creative alternatives.

Book Notes
The following section gives notes of books recently received which may be of interest to our readers; some may be reviewed in depth at a later date. If you would like to review books for ROAPE, please get in touch with the book review editors Roy Love (at the ROAPE office) or Ray Bush and Morris Szefiel (Politics Department, University of Leeds, UK). Compiled by Roy Love


This volume is the product of a project sponsored by UNDP and coordinated by the Africa Centre for Development and Strategic Studies in Nigeria, of which the editor is Director. From its original intention to have twelve case studies compiled by academics and others within the countries concerned it has come up with five: for Angola, Burundi, Liberia, Rwanda, and Sierra Leone. These appear in Part II of the book. Part I consists of four introductory chapters (the first by Adebayo Adedeji, who in his capacity of former head of UN ECA, was able to gain access to high levels of government in many of the countries visited.). Part III contains seven chapters on the transition from conflict to peace and brings Nigeria, Mali, Somalia and Somaliland into the picture in addition to those countries already mentioned. Part IV reproduces the debates which emerged during a panel discussion on the overall theme by the major contributors. There are two appendices which contain the quite extensive guidelines for the preparation of the background papers and the Final Communiqué of the Regional Consultative Workshop which followed.

The book is notable for its high proportion of African contributors, especially those from countries either in or coming out of conflict. The contents cover the wide range of possible causes of conflict and their relative significance in each case, with the final communiqué highlighting a number of cross-cutting themes which include the colonial border legacy, centralisation and concentration of economic power and the subsequent competition for access to it, Cold War politics, proliferation of arms, population pressure on land and for water, and the external debt burden. Considerable effort by a large number of concerned individuals has gone into this volume and the product is a thoughtful and thought-provoking, thoroughly analytical attempt to come to grips with the causes of conflict in Africa without falling into any pathological traps, and to seek realistic means of controlling and limiting it.


Potential buyers should be warned that this book is not an ethnographic history of the Ethiopian revolution. It is primarily about how a particular group of people in the district of Maale in the south east of the country experienced and reacted to the revolution which began in 1974. To this extent it is a valuable
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contribution to the ethnographic history of the revolution and highlights the need for similarly well researched studies at local level of how the revolution was received by other groups throughout the former 'empire'. The author is at his best, in fact, when discussing the history and reactions of the Maale people themselves and, in particular, on the complex role played by the Christian mission legacy. It is less clear whether his tendency to switch from developments in Maale to events at the political centre in Addis Ababa, and to link these, works as well. Too often the detail of his discussion of events at the centre of the revolution seems unconnected to the core chapters on Maale itself, and consist largely of resumes from well known secondary sources. Likewise, some might find his interpretation of the text with extracts from commentaries on the Chinese, Russian and French revolutions a distraction. There is much of importance in this book but I found its structure somewhat uneven. Some of his arguments, as the author acknowledges, have appeared elsewhere, and, apart from his interviews in Maale, there are comparatively few Ethiopian writers referenced in his bibliography.


Although ranging from Sub-Sahara Africa to Latin America and Southeast Asia in its case study material the editor and the authors here manage to identify with common themes in the evolving pattern of social policy as it is affected both by globalisation and the neo-liberalism with which it is generally accompanied. The result is a set of thoughtful debates which will be of interest to those working and teaching in the area, but which is also presented in an approachable manner for those from a more general background. There are two chapters on Africa: Tade Akin Aina on 'Social Policy for Reconstruction and Development' in west and Central Africa, and Kwaku Osei-Hwedie and Arnon Bar-on on 'Community Driven Social Policies' in Sub-Saharan Africa. Other chapters are on the decentralisation of social policy with reference to Southeast Asia and educational reform in the Americas, and the book begins with two general chapters setting the politico-economic context. This is an extremely useful book in giving the 'social policy' perspective on global influences and in moving us on from crisis management. A chapter on South Africa would have been useful in testing the comparative distinctiveness of that country's interaction with global forces, but that is not a major defect in an otherwise cohesive account of issues and experiences.


Originally published in French in 1998 this collection of papers is the outcome of a research programme which followed a conference at the Centre d'Etude d'AFrique Noire (CEAN) in May 1994. Its nineteen chapters are difficult to summarise – the nature of the problem is indicated in the three pages of acronyms with which it is necessary to precede the text – but are divided into four groups; Regionalism and Globalisation in Sub-Saharan Africa, States and Territories, Regional Organisations, and Networks. A flavour of the spread of discussion is given by mentioning relations with the EU, the crisis of the state and communalism, regional impact of the collapse of ‘Congo/Zaire’, the Franc zone and European monetary integration, discussion of ECOWAS, UDEAC,
SADC and SACU, and cross border trade in West Africa. The last mentioned is particularly interesting as the phenomenon of cross border trade, in the shape of informal 'trans-state regionalism', brings in historical antecedents, ethnic links and the colonial legacy. It is with this as background, as the editor points out in his introductory chapter, that contemporary regional institutions, attempt to form groupings that will effectively engage with globalisation processes, as opposed to the paradigm of the 1960s when disengagement through import substitution barriers with the rest of the world was often seen as an essential trait of regionalisation. Though difficult to see a common theme in the present book the inclusion of former francophone areas together with the anglophone does provide a balanced spread of discussion which is to be welcomed.

Books Received


Gilkes, Patrick & Martin Plaut, War in the Horn: The Conflict between Eritrea and Ethiopia, Discussion Paper 82, The Royal Institute of International Affairs, 1999, 1 86203 0596, £7.50.


Nel, Etienne Louis, Regional and Local Economic Development in South Africa: The Experience of the Eastern Cape, (The Making of Modern Africa), Ashgate, 1999, 1 84014 941 8, £45.00.

Nünberger, Klaus, Prosperity, Poverty and Pollution: Managing the Approaching Crisis, Zed Books, 1999, 1 85649 713 3.


Schaeffer, Robert K, Severed States: Dilemmas of Democracy in a Divided World,
SADC and SACU, and cross border trade in West Africa. The last mentioned is particularly interesting as the phenomenon of cross border trade, in the shape of informal 'trans-state regionalism', brings in historical antecedents, ethnic links and the colonial legacy. It is with this as background, as the editor points out in his introductory chapter, that contemporary regional institutions, attempt to form groupings that will effectively engage with globalisation processes, as opposed to the paradigm of the 1960s when disengagement through import substitution barriers with the rest of the world was often seen as an essential trait of regionalisation. Though difficult to see a common theme in the present book the inclusion of former francophone areas together with the anglophone does provide a balanced spread of discussion which is to be welcomed.

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Nürnberger, Klaus, Prosperity, Poverty and Pollution: Managing the Approaching Crisis, Zed Books, 1999, 1 85649 713 3.


Sachikonye, Lloyd M, Restructuring or De-Industrializing? Zimbabwe’s Textile and Metal Industries under Structural Adjustment, research report no. 110, The Nordic Africa Institute, 1999, 91-7106-444-3, £9.95.


Schaeffer, Robert K, Severed States: Dilemmas of Democracy in a Divided World,
Africa – Capturing the Future: The ROAPE Millennium Conference

Boddington Hall, University of Leeds, 28-30 April 2000

The conference will focus on the themes of control and contestation, both at the level of theoretical discourse and analysis and at the level of practice – preferably not treated as distinct topics; and looking forward, rather than rehearsing past debates or reviewing familiar literatures.

Thus we welcome papers that are critical of currently dominant discourse and practice, and especially papers that seek to assess and/or reassert the value of themes, concepts and approaches with which the Review has always been associated: imperialism, dependency, class, gender, the state, popular struggles etc. While we do not wish to discourage general papers drawing on and advancing debate around these concepts, we are particularly interested in papers that combine such treatment of macro-level themes with micro-level case studies.

The bulk of the papers will be delivered at panel sessions, which will run in three streams. Potential themes, and thus potential panels include:

- Class and 'civil society', State and NGOs, Gender, Ethnicity, Imperialism and globalisation, Ending adjustment, Intervention: old and new models (human rights, humanitarian intervention, environmental controls, drug wars, trade regimes etc), 'Empowerment' and local struggles; participation and collective action, 'Coping strategies': expedient tactic or development strategy?, Popular sovereignty v. state sovereignty; citizenship, Warfare; social dislocation and reconstruction, Regionalism: innovative coalitions,

Certain themes and topic areas should not be treated just within a single panel, but across many papers in different panels: e.g. gender, the environment, democracy, ethnicity and diaspora themes.

Plenary sessions will be organised to report back from the panels, which will allow those who could not attend a given panel to take part in further discussion of the panel theme. We also plan a final plenary session on: 'Understanding and liberating Africa' with a invited guest speaker.

To offer a paper, or make a provisional booking, write to: ROAPE Conference, PO Box 678, Sheffield S1 1BF, UK; mark the envelope CONFERENCE.