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Editorial: Globalisation & African Responses

Morris Szefetl

This issue continues the analysis and critique of globalisation which has been a central concern of this journal in the last few years. A number of the articles which follow explore aspects of the way in which the process imposes itself on Africa and the way in which Africa responds to this 'new' imperialism in the context of continuing crisis. Four of the papers were originally presented at the millennium conference on 'Capturing the Future', which was organised jointly by ROAPE and Leeds University Centre for African Studies (LUCAS) in April this year. The conference brought together scholars, activists and observers from Africa and outside. Across a range of disciplines and issues, they discussed ways in which the continent might, in Amilcar Cabral's memorable phrase, 'recapture its own history'. We hope to bring together a number of contributions to the conference in a forthcoming issue of the Review early next year. The four conference papers featured here (by Bracking, Brown, Craig and Szefetl) have a slightly different focus, being concerned with the problems caused by (and inherent in) various aspects of the restructuring process imposed on Africa by international capital and western agencies.

Addressing the British Labour Party annual conference in September 2000, Nelson Mandela urged on them the need to understand globalisation as not just involving economic liberalisation but also ideas of international equality and solidarity. It remains to be seen whether or not Labour's leaders, now enthusiastic 'globalisers', have the wit or interest to respond to his call. But Mandela's concern is echoed in at least two of the four conference articles included here. They are concerned with the theoretical assumptions and institutional structures which underpin the changing nature of North-South relations and, in particular, the aid and trade regimes through which African development is regulated. Thus, William Brown examines the nature and implications of the new EU-ACP Partnership Agreement which replaced the Lome Conventions in June 2000. He argues that the new agreement enshrines the process of restructuring and liberalisation of North-South relations which has been underway since the onset of debt peonage in the mid-seventies. Starting from the premise that the specific nature of development cooperation reflects concrete political and economic relationships, he suggests that the Lomé dispensation, because it was set up in the context of decolonisation, enshrined nonmarket considerations into interstate relations between North and South, with the North allowing a measure of protection for the post-colonial economies of the South. Under the new agreement, by contrast, the Lomé concessions have now been scrapped and replaced by the liberal principles of open markets and global competitiveness.

From a rather different point of departure, Sarah Bracking explores the assumptions inherent in these principles of a liberal economic order and finds them inconsistent and unsustainable. She argues that the analysis of bilateral relations between North
and South suffers from bifurcated economic and political discourses which often obscure the political economy of the subject under discussion. The new orthodoxy, asserting, as it does, the ideology of international competitiveness and the imperatives of globalisation, acts to ensure that many economic policy issues are not open to discussion. As a result, it allows bilateral development finance organisations to assert a political and moral agenda of poverty reduction, human rights, good governance and anti-corruption while closing off an assessment of these policies in terms of any analysis of the behaviour of the 'donor' states and agencies. One consequence, she argues, is that the reform agendas of donor agencies, such as Britain's Department for International Development (DFID) and a range of international NGOs, are undermined in practice by economic and trade relations which are in urgent need of regulation and reform. In place of these illegitimate bilateral relations, she proposes that principles of international solidarity should shape North-South relations.

John Craig considers a more specific area of the globalisation process, namely the restructuring of the role of the Zambian state through the programme of privatisation of state enterprises pursued by the government since 1992. This project has been subject to a number of conflicting evaluations. Some see it as a model programme, 'the most successful in Africa' and an example to other developing countries. Others consider it to be deeply flawed, an expedient which allowed for the corrupt acquisition of public assets by those linked to the ruling party. Craig argues that these conflicting evaluations reflect not a 'right' and a 'wrong' way of understanding the process so much as two underlying sets of interests and the discourses which emanate from their conflicting perspectives in the particular political and economic environment in which the policy was implemented. On the one hand, there is the demand by northern donors and the Bretton Woods institutions that international capital must have an attractive and secure environment for investment; and, on the other, there are those in Zambia's ruling party for whom privatisation is an opportunity for personal accumulation. For those concerned with 'rolling back the state', who care little about how selling off public assets shapes Zambian society, the privatisation process has been exemplary. For those involved in private accumulation or perhaps more specifically, for the much larger number excluded from it, the programme is, indeed, less about liberalisation and more about looting.

On a related subject, Szeftel continues his examination of the problems besetting local and international efforts to control corruption under the 'good governance' agenda. In the previous issue of ROAPE he argued that the aim of reducing corruption in order to promote greater predictability in globalised markets was in conflict with the local accumulation process in Africa, and particularly with the continuing dependence of the national bourgeoisie on access to state resources. Indeed, he suggested, crisis and debt had increased this dependency and intensified pressures for looting the state. In this issue, he considers the way in which the form of political mobilisation used by this local petty bourgeoisie to maintain access to public resources, also intensifies the tendency to extract spoils from state office. He argues that clientelist politics are not peculiar to Africa and nor is the fact that corruption attends clientelism. This has been a recurring feature of many societies, historically and in the present. In order to explain why corruption has had such 'catastrophic' effects in Africa, he suggests, it is necessary to understand the peculiar nature of clientelism in post-colonial Africa and the particular weakness of the state in juxtaposition to it, a weakness compounded by donor strategies and structural adjustment.
Alongside these conference papers, Frynas, Beck and Mellahi examine the continuing influence of Shell in Nigeria and the reasons for it. In particular, they are concerned to identify the factors which allowed Shell to maintain its position of dominance in Nigeria against its potential competitors. Their analysis is important for linking the structures of the colonial economy to the institutions through which globalisation is effected today. The authors argue that Shell's domination of Nigerian oil was created under colonial rule when a range of colonial government policies and preferences entrenched its position. This was subsequently translated into a 'first-mover advantage' after colonialism, giving Shell the resources and standing to defend its position, even when post-colonial reforms might have threatened its preeminence. The company showed considerable skill in closing off the space for challenges from competitors and also in assisting the 'personal enrichment of government officials' when government became involved in the marketing of oil. The study underlines the difficulty African states face in reducing the local domination of global capitalist actors. As in the case of the mining companies of Africa, Shell's power in Nigeria might occasionally have been challenged but it endures.

Nowhere are the tensions thrown up by globalisation and the contradictions of internal crisis manifested more sharply at present than in Zimbabwe. Our last issue highlighted both the difficulty of incorporating a politically isolated rural proletariat into a programme of land redistribution and also the growing political conflict and increasing violence which resulted from the unpopularity of the ruling ZANU-PF government. These themes are set out in more detail here in Norma Krieger's meticulous examination of the crisis and its possible consequences. Her analysis opens up discussions (on which Roape would welcome future contributions) on the future of Zimbabwe's political economy. The conflicts on the land have increased divisions between classes and races and, if the election results of 2000 are any indicator, between regions. In the short term, too, the dislocations caused by violence and land appropriations are likely to feed through eventually as food shortages and investment bottlenecks. The effects of all this on the country's political stability are also difficult to divine but, clearly, major difficulties will have to be negotiated. In the longer term, the eventual nature of the land redistribution resulting from the recent conflict, and its outcome in terms of production relations and class developments, will have an even more profound impact on the country's development path. One possibility has probably been closed off already: the pattern of accumulation in which political office is translated into land ownership was never particularly pronounced in Zimbabwe; now, as a result of political protest, it has become illegitimate, denounced as evidence of the government's corruption.

In this respect, Peter Alexander provides a much-needed examination of the nature and political role of Zimbabwe's organised working class and of the opposition MDC which has spearheaded the campaign for democratisation against Mugabe's regime. Assisted by considerable violence and intimidation during the parliamentary election campaign of 2000, the ruling party scraped home by 62 seats to 57. Considering the number of seats in which farm workers and other perceived opponents were forced to flee their homes, and which were then won by tiny majorities by the government, the election outcome is a considerable achievement for the MDC – and an impressive testament to the maturity and courage of the electorate. Yet, as Alexander points out, the result is that ZANU-PF is still in power. The opposition must live with its use of that power and survive at least until the presidential elections of 2002 if not beyond. Much will depend on how (and how far) ZANU-PF changes and/or on how the MDC develops. That poses questions in turn about what futures are possible for Zimbabwe.
and Alexander is concerned to explore a number of alternative political scenarios as well as to consider what Zimbabwe’s problems might portend for South Africa.

The analyses of both Krieger and Alexander raise the question of what it would mean for Zimbabwe if the opposition ever came to power. Here there are strong echoes of, and parallels with, the victory of the MMD in Zambia in 1991 when the UNIP’s 27 years in power were ended and a new government inaugurated. In Zambia then, as in Zimbabwe now, a political coalition committed to ending single-party rule and instituting a pluralist parliamentary system challenged the country’s only president, a patriarchal figure who had led since Independence. The MMD represented a coalition of trade unionists, business leaders, intellectuals and students and was led by Frederick Chiluba, formerly the head of the Zambian Congress of Trade Unions (ZCTU). In Zimbabwe, the MDC is a coalition of trade unionists, business leaders, settler farmers, intellectuals and students, and is led by Morgan Tsvangirai, formerly the head of the Zimbabwe Congress of Trade Unions (ZCTU). In Zambia and in Zimbabwe, the unions have provided the new party with organisational capacity, popular leadership and campaign resources. In both cases, this has given alienated business interests the chance to win power, a capacity they would never have come near to owning without organised labour. The MDC, then, like the MMD in Zambia, represents a coalition of organised labour and other urban strata, alienated from government by spiralling economic hardship and rising unemployment, with right-wing business interests and settler farmers opposed to the economic regime associated with traditional, clientelist nationalist politics. The MDC, as Alexander tells us, includes urban and rural workers as well as those who exploit their labour power, local capitalists and farm owners. It has received financial support from commercial farmers, local business and even from British Tories.

In Zambia, the MMD coalition of 1991 was never a ‘natural’ one. It was an alliance of necessity, to overcome the heavy hand of the existing state. Soon after taking power, the MMD began to fragment. In particular, liberal and social democratic reformers were progressively driven out until what remained were narrower regional and propertied interests. This coalition of progressive and reactionary forces faces similar possible dangers in Zimbabwe should the MDC win power. Much will depend on the programme of the trade unionists who comprise the party’s main leadership. If they take power owing too much to the donor states and agencies, or if they progressively cede power to local business interests, Zimbabwe might again follow the Zambian route. But it is not altogether inevitable. It is also just possible that the MDC will use the business donations to promote an agenda of national reconstruction, social justice, fairness and protection for all workers and landless peasants. It is just possible that Zimbabwe’s present difficulties might be the prelude to the country ‘recapturing its history’ rather than being restructured into neo-colonial subordination decorated by a liberal political facade.
Evaluating Privatisation in Zambia: A Tale of Two Processes

John Craig

The programme of state enterprise privatisation pursued by the Zambian government since 1992 has been subject to a number of conflicting evaluations. For some it is a model programme, ‘the most successful in Africa’ (Campbell White and Bhatia, 1998), which stands as an example to other developing countries. For others, it is a deeply flawed experience which allowed for the corrupt acquisition of assets by those linked to the ruling party. This paper argues that these conflicting evaluations are the result of two underlying processes which reflected the political and economic environment in which the policy was implemented. This required the Zambian government to balance, on the one hand, the demands of northern donors and the Bretton Woods institutions that international capital should be provided with an attractive and secure environment for investment and, on the other hand, those in the ruling party’s domestic constituency who regarded privatisation as an opportunity for personal accumulation.

Background & Overview

Zambia’s state enterprise sector was built up primarily in its first decade of independence (1964 to 1974). Burdened with a mono-economy based on the production and export of copper, the United National Independence Party (UNIP) government, led by President Kenneth Kaunda, pursued a policy of import substitution industrialisation (ISI). The state played a direct role in implementing this strategy and entered into joint ventures with foreign corporations to establish a range of new industries. In addition, between 1968 and 1972, Zambia enacted a programme of nationalisation, acquiring a controlling interest in many of the most important private sector enterprises, including the copper mining companies. By the mid-1970s, most of the main enterprises in the economy were under state ownership and were held within a hierarchy of state holding companies, at the summit of which was the Zambia Industrial and Mining Corporation (ZIMCO).

The performance of the state enterprise sector over the subsequent one and a half decades proved to be disappointing as it fell into a malaise of low profitability, under-investment and high indebtedness. While the current orthodox view is that such results are the inevitable consequence of state ownership, a number of more concrete problems can be noted which largely account for the experience of Zambia in this period. Among these were the decline in international copper prices which brought a prolonged recession to the entire economy, the weakness of Zambia’s managerial resources and certain conflicting objectives which the government sought to pursue through the sector. Although, in the 1980s, the Zambian government worked with the
World Bank and other aid donors to rehabilitate the state enterprise (or parastatal) sector, these initiatives generally proved to be of limited success.

At the end of the 1980s, the Zambian government came under increasing pressure from the IMF, World Bank and donors to pursue an orthodox structural adjustment programme in which privatisation was a key component. Although the Zambian government accepted the principle of privatisation in 1990, their initial plans for its implementation were quite limited. The situation changed with the defeat of President Kaunda and the UNIP government in the elections of November 1991. They were replaced in government by the Movement for Multi-Party Democracy (MMD), headed by Frederick Chiluba, which was more strongly committed to structural adjustment. The implementation of liberalisation was swift and far reaching (Kapoor, 1995; McPherson, 1995; White, 1997). By early 1993 the government had effectively removed all controls over prices, interest rates, foreign exchange rates and foreign currency allocation and had eliminated subsidies. Trade policy was also liberalised with the removal of quantitative restrictions on imports and exports, and the tariff structure was simplified.

The MMD launched a comprehensive privatisation programme in 1992 which has resulted in the majority of state enterprises being transferred into the private sector. As shown in Table 1, by the end of March 2000, 113 enterprises out of the original portfolio of 144 had been privatised (Endnote 1). This included 70 per cent of enterprises rated large and over 85 per cent of enterprises classified as medium or small sized. In the course of this the ZPA had raised over US $70m in sales proceeds (*The Times of Zambia*, 24 October 1998) and in addition to attracting new investment from major transnationals based in Britain, South Africa and the United States, it could also claim that seventy per cent of sales were to Zambian citizens (*Business Day*, 9 June 1999).

The only exception to this pattern of success is among those enterprises unclassified by size. This reflects the strategic and utility nature of this group, which included enterprises engaged in sectors such as transport, energy and communications. The one instance in which privatisation has occurred is the case of the state copper mining enterprise, Zambia Consolidated Copper Mines (ZCCM), which was completed in March 2000. This was an enterprise of great economic as well as symbolic importance, accounting for around ten per cent of gross domestic product and three quarters of all foreign exchange earnings. It can be concluded, therefore, that while some enterprises

<table>
<thead>
<tr>
<th>Size Of State Enterprises</th>
<th>Number of State Enterprises in Original Portfolio</th>
<th>Number of State Enterprises Privatised</th>
<th>Number of State Enterprises Remaining in State Ownership</th>
</tr>
</thead>
<tbody>
<tr>
<td>Size Unclassified</td>
<td>9</td>
<td>1</td>
<td>8</td>
</tr>
<tr>
<td>Large Enterprises</td>
<td>27</td>
<td>19</td>
<td>8</td>
</tr>
<tr>
<td>Medium Enterprises</td>
<td>27</td>
<td>24</td>
<td>3</td>
</tr>
<tr>
<td>Small Enterprises</td>
<td>81</td>
<td>69</td>
<td>12</td>
</tr>
<tr>
<td>Total</td>
<td>144</td>
<td>113</td>
<td>31</td>
</tr>
</tbody>
</table>

*Source: J Craig, State Enterprise and Privatisation in Zambia 1968 to 1998, PhD thesis, University of Leeds 1999, with additional, updated information drawn from reports in *The Post* and *The Times of Zambia*. Size classifications are those used by the ZPA.*

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Table 1: The Extent of Privatisation in Zambia, 1992 to March 2000
remain within state ownership the overall level of privatisation under the MMD
government has been substantial and has affected the core sectors of the economy.

**Interpretation One: The Programme as a Success**

While Zambia’s privatisation programme has been praised in many quarters, perhaps
the most influential assessment has come from the 1998 World Bank study
*Privatisation in Africa*, written by Oliver Campbell White and Anita Bhatia. The study
examined the privatisation programmes pursued in ten sub-Saharan countries and
evaluated them on the basis of eight indicators which were identified as appropriate
to measure aspects of the programmes’ design, implementation and results (Endnote
2). With six scores of ‘high’ and two of ‘medium’(see Table 2), Zambia was deemed to
have outperformed the other countries studied. On this basis, Campbell White and
Bhatia (1998:4-5) concluded that Zambia’s programme was the ‘most successful’ and
provided many examples of ‘best practice’ that should be followed by other countries
(Endnote 3).

A full critique of the comparative methodology employed by Campbell White and
Bhatia is outside the scope of this paper. However, it may be noted that it is vulnerable
to a number of lines of criticism. For example, one of the eight indicators was designed
to assess the impact of the programme upon government finances. This was measured
on the basis of the average annual sale price as a proportion of total government
revenue over the period of the programme. Zambia achieved a rating of ‘high’ on this
measure, with privatisation proceeds equalling almost seven per cent of Government
revenue over the period of the programme. However, this approach arbitrarily
favours countries which undertook privatisation over a shorter period and those in
which the government has fewer alternative sources of revenue. In addition, it
ignored two further points. The first is that the potential for privatisation to improve
government finances lies as much in the impact on recurrent expenditure as on the
capital receipts generated by the sale. Second, sales revenues may legitimately be
sacrificed for other objectives such as promoting competition by breaking up state
monopolies. In Campbell White and Bhatia’s study neither of these issues is
addressed, although both have previously been identified by other World Bank
studies (Nellis et al. 1992:30-1 and 44-5).

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**Table 2: Zambia’s Privatisation Performance**

<table>
<thead>
<tr>
<th>Performance Indicator</th>
<th>Zambia’s Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Indicators of Process</strong></td>
<td></td>
</tr>
<tr>
<td>Government commitment</td>
<td>High</td>
</tr>
<tr>
<td>Programme design and management</td>
<td>High</td>
</tr>
<tr>
<td>Transparency of procedures</td>
<td>High</td>
</tr>
<tr>
<td>Efforts to broaden ownership</td>
<td>High</td>
</tr>
<tr>
<td><strong>Indicators of Result</strong></td>
<td></td>
</tr>
<tr>
<td>Extent of privatisation</td>
<td>High</td>
</tr>
<tr>
<td>Financial impact on government</td>
<td>High</td>
</tr>
<tr>
<td>Foreign direct investment generated</td>
<td>Medium</td>
</tr>
<tr>
<td>Post-privatisation performance of enterprises</td>
<td>Medium</td>
</tr>
</tbody>
</table>

*Source: Campbell White and Bhatia (1998:106-13)*
While similar reservations could be expressed about the measurement of the extent of privatisation, the foreign direct investment generated and the post-privatisation performance of enterprises, this paper will concentrate upon the institutional arrangements for privatisation (programme design and management; transparency; government commitment; and broadening ownership), which were put in place in Zambia. This is for two reasons. First, Campbell White and Bhatia (1998:111) identify these as the main reasons for the successful outcome of the programme. And secondly, it is Zambia’s institutional arrangements which are seen as a model for other countries. Within these areas they commend: the creation of a single privatisation agency with legislative authority and procedures to ensure transparency and accountability; the commitment of the government to the success of the programme as demonstrated by its willingness to address obstacles to its implementation; and the steps that have been taken to broaden ownership (Endnote 4).

The legal framework was provided by the Privatisation Act which was passed in July 1992 (Endnote 5). Its central provision was for the establishment of the Zambian Privatisation Agency (ZPA). The ZPA was created under the direction of an independent board whose members were drawn, predominantly, from civil society. Organisations which the legislation required to be represented on the board were, among others, the trades unions, the churches, the Chambers of Commerce, the Bankers Association and the Institute of Certified Accountants. Each of these appointments was subject to the scrutiny and ratification of the National Assembly. The ZPA was given a wide range of duties covering both the design and the implementation of the policy. It was to recommend to the cabinet:

• Privatisation policy guidelines;
• A timetable, or sequence plan, for the sales;
• The method of sale of each individual enterprise.

On the basis of approval the agency was required to:

• Screen potential investors through the setting of pre-qualification criteria;
• Prepare all documentation necessary for a sale;
• Arrange for the independent valuation of enterprises and assets to be sold;
• Evaluate of bids on the basis of price, the background of the bidder and the ability and commitment of the bidder to develop the enterprise;
• Appoint independent negotiators to agree the terms of the sale.

The completion of each sales transaction was further subject to the approval of both the Attorney General and the Minister of Finance and the ZPA was required to publish details of the bidders and their offers, the reasons for the selection of the winning bid and the price and terms of sale. Through these procedures, the Act clearly sought to ensure that a high level of transparency and accountability would be maintained during the privatisation process.

Although the Privatisation Act placed no general restrictions on the participation of foreign investors in the programme, a number of provisions were included which
were aimed to assist local investors. The ZPA was also empowered to unbundle large enterprises into smaller units which were generally more accessible to Zambian citizens. In addition, the stipulation that the ZPA could not offer enterprises or shares on credit was relaxed so that citizens could make payments for shares by instalments. The Privatisation Act also provided for the establishment of the Zambian Privatisation Trust Fund (ZPTF) to promote the sale of shares in some of the privatised companies to Zambian citizens. This was established under an independent board in 1993 with the management placed in the hands of a local merchant bank. The trust deed allowed it to acquire a minority interest in newly privatised enterprises which could subsequently be sold to Zambian citizens in small quantities at a discount price, with bonus issues to long term investors.

The government also legislated in a number of related areas to support the privatisation process. In 1993, for example, the Securities Act made regulatory arrangements for a stock exchange to be established, resulting in the formation of the Lusaka Stock Exchange (LuSE), while a new Investment Act offered improved provisions to foreign investors. In addition, the government proved itself willing to address other obstacles to privatisation. The ZPA complained that ZIMCO (the central state holding company which had provided the umbrella under which the network of state enterprises were grouped) was slow to collate the necessary documentation for the completion of sales and accused it of leaking confidential information to the press in an attempt to derail the privatisation process (ZPA 1993:19-22). With the strong encouragement of donors, the government announced, in early 1995, that ZIMCO would be liquidated. This was interpreted by donors as a demonstration of Zambia’s commitment to privatisation.

For Campbell White and Bhatia, the commitment shown by the government and the institutional arrangements which it had created were the basis of the successful implementation. They accounted for Zambia’s superior performance and provided a model for other developing countries seeking to pursue a policy of privatisation.

Interpretation Two: The Programme as Less Successful

Alongside this positive interpretation of the Zambian privatisation process has grown a rival interpretation which characterises the programme as a deeply flawed process. In contrast to the positive interpretation which is widely accepted at the international level, this second interpretation has been more influential locally and among some NGOs. It is also expressed unofficially in some diplomatic circles and among some academic observers (Szeftel, 2000:218-9). The main Zambian opposition parties, for example, while generally accepting the principle of privatisation, have criticised its implementation under the MMD. UNIP, for instance, has argued that the programme has been designed to benefit MMD leaders and foreign enterprises, rather than the majority of Zambian citizens (The Post, 8 November 1995; and 13 August 1998). This claim has been echoed internationally. In the words of the Executive Director of Transparency International, ‘Zambia’s privatisation was a looting exercise ... Government Ministers simply grabbed the assets’ (Institutional Investor, 31 December 1998). Such criticisms are not without foundation, and this section will examine some of the evidence which support such claims.

The arrangements for accountability, transparency and independent oversight which were enshrined in the Privatisation Act have not always been implemented adequately. For example, in 1997 Dipak Patel MP, who as Trade and Industry Minister had been responsible for the drafting of the Privatisation Act in 1992,
criticised the ZPA for having ceased to disclose all the information which it was required to under the Act (*The Times of Zambia* 4 December 1997). Another area of concern has been the vacancies on the Board of the ZPA. In December 1998, a Parliamentary Committee noted that the seats reserved for representatives of the churches, the Law Association and the Bankers Association had been vacant for over two years and it also criticised the re-appointment of a number of board members who had previously been removed for contravening ZPA regulations (*The Times of Zambia*, 8 December 1998 and *The Post*, 1 December 1997). Questions have also been raised over the ZPA's selection of outside consultants to undertake valuations and negotiate the terms of sale for enterprises. It has been suggested that in allocating these lucrative engagements, the criteria for selection has not been transparent and that the ZPA has favoured a small number of firms (*The Post*, 9 April 1997 and *Times of Zambia*, 3 December 1997) (Endnote 6).

Provisions for transparency, moreover, have not avoided controversy with regard to the acquisition of enterprises by members of the government and the ruling party. While the Privatisation Act did not prevent a political leader or public officer from acquiring an enterprise, it did require that they should disclose their intention to bid. A number of ministers and party leaders have been active participants in the process and have successfully acquired enterprises and assets. Concerns have been expressed by the opposition parties that they have used their influential positions to gain an advantage in the privatisation process and, in at least one case, this has been admitted by the government (*The Post*, 10 October 1996). It is important to note, however, that the acquisition of assets by political leaders is not unregulated and the ZPA has acted, on occasion, to repossess assets from government ministers who have defaulted on payments (*The Post*, 29 May 1996). However, these cases illustrate instances in which the provisions of the Privatisation Act appear either not to have been fully implemented or to have proved inadequate, and certainly they provide a counterbalance to the evidence presented by Campbell White and Bhatia (1998:156), who noted that 'Zambia was the one country in which not one interview revealed any concern about the transparency of the [privatisation] process'.

The arrangement for the supervision of state enterprises before they are privatised has also been subject to criticism. Following the liquidation of ZIMCO in 1995, the responsibility for overseeing its remaining subsidiaries companies was passed to the Ministry of Finance, acting as the agent of the liquidator. The Auditor General was critical of this arrangement, which added to the complexity of their supervision and increased liquidation expenses (*The Post*, 25 October 1996). These arrangements also proved to be inadequate for ensuring that the assets of the enterprises were properly safeguarded and both the Auditor General and Parliamentary Committee concerned with state investments have highlighted cases of asset stripping by enterprise managers (*The Post*, 22 October 1996 and 1 December 1997; *Times of Zambia*, 11 October 1996). While the justification for abolishing ZIMCO had been that it held back the ZPA in the implementation of the privatisation programme, the ZPA continued to depend upon the co-operation of other state bodies, including the Government, which has itself been criticised for slowing down the process (*The Times of Zambia*, 14 January 1997).

The adequacy of the arrangements for ensuring that ownership would be broadly distributed to Zambian citizens can also be questioned. While it was originally expected that at least ten enterprises would be privatised through the majority of their shares being sold directly to the public, no enterprises have been sold using this method. However, agreements have been reached in at least fifteen cases of
privatisation for a minority interest to be made available to the Zambian public through the ZPTF. So far only five have actually been floated on LuSE. In two of these cases, the demand for the shares was significantly lower than had been expected and, in both cases, resulted in the timetable for sales being suspended (the last occasion when the ZPTF floated a minority shareholding on LuSE was National Breweries in March 1998).

A number of reasons have been cited for the limited capacity of the Zambian economy to absorb these share issues. For example, the Securities and Exchange Commission and others involved in the privatisation process have complained that the minimum number of shares for which application could be made has been set at too high a level for many Zambians to participate and this has been aggravated by the absence of collective investment vehicles such as unit trusts (The Post, 15 August 1996 and 5 November 1997). In response to these problems, the government has proposed that the ZPTF should itself be transformed into a unit trust as a means to promote widespread ownership (Times of Zambia, 20 August 1999). However, there are other factors which suggest that the problem is more deeply rooted within the country’s socio-economic structure. Perhaps most important of these is the fact that around 80 per cent of the Zambian population suffer absolute poverty and would be unlikely to participate in share issues however attractively packaged.

How can we reconcile these different evaluations of the Zambian privatisation programme? While substantial evidence can be compiled to indicate that the programme has not lived-up to the high level of transparency that has been suggested by Campbell White and Bhatia, it clearly remains well regarded internationally by donors and investors alike. This next section turns to an analysis of the political and economic context in which privatisation was undertaken to provide an answer.

A Tale of Two Processes

From the time that privatisation first gained prominence on the African policy agenda, questions have been raised over who would acquire the enterprises from which the state withdrew. Some believed that it would result in a process of re-colonisation as foreign firms moved in to regain control of the commanding heights while others suggested that it could lead to an extension of the process of indigenisation with local business interests gaining control of the enterprises (Ghai, 1987; Vernon, 1988). It is the recognition that both of these processes have been at work in the Zambian privatisation programme which provides the key to reconciling the two competing evaluations that have been put forward.

As noted in the opening section of this paper, Zambia’s pursuit of privatisation has been an integral component of the structural adjustment policies, the continued adherence to which has been a required to secure concessionary finance from the World Bank, IMF, and northern donors. One important element, within this policy framework, is the link between privatisation and foreign investment. For the World Bank, the participation of foreign enterprises in the process is seen as an important element in creating a vibrant private sector while, for the norther donor states, it provides welcome business opportunities for enterprises based in their home economies (Young, 1991:54-6; Martin, 1993:98-100; Cook and Kirkpatrick, 1995:15). Given the continuing financial dependence of the Zambian state on the donors and multilateral institutions, foreign investment has been encouraged and dealt with in a generally transparent and supportive fashion. In practice foreign capital was interested in only a limited number of the enterprises offered for sale in the Zambian
privatisation programme. In general, this reflected an existing relationship with the enterprise concerned, usually in the form of a minority shareholding. In such cases, the foreign shareholders frequently held pre-emptive rights over the government’s shareholdings and were able to exercise an option of first refusal at the time of privatisation. This scenario has been particularly common in the case of large- and medium-sized companies undergoing privatisation and, of the sixteen sold as single units, eleven were acquired by foreign minority shareholders on the basis of pre-emptive rights (Endnote 7).

In most cases, the levels of investment and technical expertise required to manage these enterprises were beyond the reach of the indigenous business class and they have generally been content to participate in these privatisations by acquiring small shareholdings in the minority flotations. Local interest has, however, been far greater in the privatisation of smaller enterprises such as farms, hotels and shops, and in the sale of related assets such as housing and equipment. The privatisation of these assets has generally been subject to local imperatives of class formation and clientelism, a process which frequently involves the political elite seeking to use its political power to gain direct ownership of productive assets or to use their control of the state machinery to control the access of others to these resources (Szeftel, 1982:2000).

As argued in the previous section, there have been a number of accusations of MMD ministers seeking to use their political influence within the privatisation process. However, this is only a part of a wider process of appropriation. Ongoing reports have suggested that senior members of the MMD have used their public offices for private acquisition, and these accusations of government corruption have come not only from opposition parties, but also from within the MMD itself. For example, Enoch Kavindele, an MMD MP who later served as Commerce, Trade and Industry Minister, criticised ministers in 1996 for ‘helping themselves to government funding and property’ (The Post, 15 May 1996). In this context, it may be questioned whether the funds which politicians and others have used to purchase privatised assets have always been legitimately acquired. As Ben Kapita of the Lima Party has put it, the government’s ‘financial mismanagement is deliberate as it gives leaders in the MMD the resources that enable them to become instant millionaires and to acquire parastatal firms’ (The Post, 2 December 1997). Therefore, even in cases where the ZPA has carried out its tasks fully in accordance with the requirements of the legislation and procedures laid down, the overall transparency of the acquisition may be open to question.

This paper has examined two conflicting accounts of the Zambian privatisation programme, one portraying it as a model of transparency and accountability, and the other presenting it as a being marred by corruption. Neither of these accounts provides a comprehensive picture of the events that have unfolded over the last decade. Instead we must look to a more complex explanation, a privatisation programme with two processes at work within it, the first related to the terms of which foreign capital has re-entered the economy as owners of productive enterprises and the second concerned with the process of local accumulation and its relationship to the political process.

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Endnotes

1. The figures presented in this paper differ from those published by the Zambia Privatisation Agency, who have recorded 239 sales from a working portfolio of 279 enterprises over the same period. The ZPA records the number of transactions completed by the agency. On the one hand this inflates the number of privatisations by counting multiple sales when a single company is unbundled and resulting units divested separately and on the other hand deflates it, by not including divestitures of state enterprise which have been handled by other agencies (for example those privatised through creditor liquidations).

2. The countries were Benin, Burkina Faso, Ghana, Kenya, Madagascar, Mozambique, Nigeria, Togo, Uganda and Zambia. The data covered events up to the end of 1996. An alternative source of information on privatisation in Africa is Bennell (1997), which includes data up to the end of 1995.

3. This conclusion has been quoted approvingly by, among others, USAID and an African Development Bank study, Fundanga and Mwaba (1997), and an academic study Musambachime (1999). Among others who have given a positive assessment of the programme or the Zambia Privatisation Agency are stockbrokers Pangaea Partners (1997) and Natwest Markets (The Post, 20 February 1998), and the Commonwealth Development Corporation (CDC Magazine, no.3, 1994:12-3) which has been a substantial investor in privatised enterprises.

4. It should be noted that the creation of a single agency with responsibility for privatisation has long been advocated by the World Bank, for example Berg and Shirley (1987:15) and Kikeri et al. (1992:70-2). In this way, the Zambian model reflected the best practice that was already advocated by the World Bank, and the Bank’s praise of Zambia’s success might be interpreted as including a degree of self congratulation.


6. Such problems have not been confined to the ZPA. In 1998, the Ministry of Finance was criticised by the Auditor General for having failed to properly maintain the Privatisation Revenue Account held at the Bank of Zambia (The Post, 14 April 1998). Under the Act, all privatisation proceeds were to be paid into the account, and funds could only be spent on specified purposes. The Auditor-General concluded that it was not possible to be confirm that this had been the case.

7. The other five enterprises which were sold intact were by competitive tender, with the 27 remaining large and medium enterprises either liquidated or sold as a number of separate units. Among the 69 small enterprises that have been privatised: five were sold to existing minority shareholders; 33 were sold through competitive tender; six were sold through management buy-outs; six were returned to private owners; three sold as multiple units and 16 were liquidated.
Bibliography


Restructuring North-South Relations: ACP-EU Development Co-operation in a Liberal International Order

William Brown

This article will examine the character of relations between the European Union and African, Caribbean and Pacific countries in the wake of the new EU-ACP Partnership Agreement, signed in June 2000, and which replaces the longstanding Lomé Convention. The article views development co-operation as encapsulating particular political and economic relationships rather than constituting some kind of technical or apolitical endeavour. The origins of EU-ACP co-operation are placed within the specific context of decolonisation and the rise of a new form of inter-state relations between North and South. However, the nature of North-South co-operation has been transformed in the period since the 1970s when Lomé was first signed. Consequently the new agreement (and the prior changes to the Lomé Convention) need to be understood in the context of the wider restructuring and liberalisation of North-South relations. This has led to far-reaching changes to both the aid and trade elements of European Union-Africa relations.

Introduction

The negotiation of a new development co-operation agreement between the European Union (EU) and the African, Caribbean and Pacific (ACP) states to replace the Lomé Convention, which expired in 2000, provides an opportunity to consider the nature of EU-African relations in an historical perspective. This is not least because the scope of the negotiations and the restructuring of the agreement signals an attempt to open a ‘new phase’ in the relationship. But how are we to understand the move from the Lomé Convention to the new ACP-EU Partnership Agreement? Is it a major break with previous practice in EU development co-operation with Africa or does it further extend characteristics already entrenched in the relationship? And what does the evolution of EU-ACP co-operation tell us about the direction of North-South relations more generally in the post-cold war era?

This paper examines the character of relations between the EU and ACP countries in the context of the restructuring and liberalisation of North-South relations. It assesses the political economy of EU-ACP relations as institutionalised in the formalised development co-operation of the Lomé and post-Lomé agreements. The paper argues that EU-ACP development co-operation has been restructured to reflect liberal and
multilateral norms of international relations. First, it is argued, development co-operation itself should be seen as encapsulating particular political and economic relationships rather than constituting some kind of ‘apolitical’ or ‘technical’ endeavour. Second, the origins of EU-ACP co-operation must be situated in the specific context of decolonisation and the rise of new forms of inter-state relations between North and South. It is suggested that in important respects this new dimension of international relations ran counter to the predominantly liberal and multilateral international order constructed after the Second World War under US leadership. The early forms of EU-ACP co-operation in the first Lomé Convention (and its predecessors, the Yaoundé Conventions) reflected this departure by granting particular and favourable treatment to the developing countries involved. However, the debt crisis, structural adjustment and ‘political conditionality’, particularly since the end of the cold war, have entailed a restructuring of North-South relations on liberal and multilateral lines. And just as the earlier forms of EU-ACP co-operation reflected the wider pattern of North-South relations so too more recent Conventions have been altered to accommodate prevailing trends. This was particularly the case with the introduction of economic and political conditionality in Lomé IV and IV/ii but is also very apparent in the new agreement. The paper therefore concludes with an assessment of the new agreement within this context.

Development Co-operation, Statehood & North-South Relations

Much of the discussion of EU-ACP co-operation over the years has focused on the ‘technical’ policy side of the policies and programmes that have been implemented. Changes to these programmes have been evaluated in terms of their effectiveness or otherwise in achieving various objectives. This is not surprising given the policy orientation of much research and analysis. Indeed, the purpose of co-operation under the Lomé agreements was simply stated as seeking to ‘... promote, and expedite the economic, cultural and social development of the ACP States’. And the Commission for a long time argued that EU-ACP co-operation was non-political, stating boldly that, ‘the ideological neutrality of Lomé rules out the possibility of the Community living by doctrines’ (CEC-DG VIII, 1992:16). Many of the modifications to the Lomé agreements and the lengthy process leading up to the new agreement were therefore couched in a discourse about ‘effectiveness’ of policies and in terms of an unchallenged and unquestioned notion of the ‘development of the ACP States’. While such an approach and the questions to which it leads are indeed important, this paper seeks to explore a somewhat different path.

Development co-operation should not be seen simply as an apolitical process in which certain kinds of programmes and polices are deemed by some objective criteria to be better or more effective than others. For development co-operation also constitutes a particular realm of relations between states, a particular practice, and therefore embodies particular kinds of political and economic relations in the international arena. Understanding the evolution of EU-ACP co-operation therefore also demands that we try to assess the origins, character and evolution of this particular relationship of development co-operation. And this cannot be done without setting the discussion of Lomé within a much broader context of the origins and evolution of North-South relations more generally. Development co-operation, as an inter-state relationship, is a product of the post-war era brought into being by the process of decolonisation. It is rooted in the distinctive nature of southern states and the particularities of their position within the international system. It has given
rise to substantial challenges to the principles of a liberal international order, the creation, consolidation and extension of which has dominated the post-1945 era.

The process of decolonisation was paradoxical insofar as it represented both an extension of a liberal international order and created obstacles and challenges to such an order. The post-war political and economic reconstruction of the international system was fundamentally liberal and multilateral. It was liberal in terms of the character of the leading states as constitutional, limited, capitalist polities and in respect of the principles of economic relations established and pursued in the post-war era and enshrined in the main international economic organisations. It ensured that political rule would be established on the basis of territorially-defined nation states rather than through empires, dominions or bilateral relations of direct domination. It was multilateral in so far as the means of organising relations between these states was to be rule-based and universalistic in terms of applying the same rules to similar types of actors over classes of actions (Ruggie, 1998). Post-war reconstruction was distinctive in the extent to which this multilateral ordering of inter-state relations was institutionalised in international organisations (Ibid.). The central elements of post-war reconstruction thus involved the creation of both a universal and multifunctional international political organisation – the United Nations – and multilateral organisations to govern international economic cooperation – the World Bank, International Monetary Fund (IMF) and the General Agreement on Tariffs and Trade (GATT).

Of course, this liberal international order did not come into being overnight; instead it has evolved and been consolidated over time. Furthermore, it faced two major challenges to its efforts in organising the international system. First, for 45 years after the war it was confronted by the global challenge of the Soviet Union, which not only limited the geographical scope of the liberal international order but in certain respects profoundly affected its development (both with respect to the conduct of relations between the western powers – and particularly the role of the US – and of relations with the third world, to which we return in a moment). Second, the order was challenged by the existence of the old European empires which, even during post-war reconstruction, were defiantly defended by the imperialist powers. Britain and France, for instance, both entered the negotiations at Bretton Woods and San Francisco with extensive plans for the reorganisation and consolidation of their empires. And yet, within a relatively short space of time, this challenge to liberalism was overcome and sovereign independent states replaced the European empires. The creation of the new states of the South thus indeed represented an extension of the liberal international order.

However, decolonisation also produced effects which challenged liberal multilateralism and left an important legacy affecting the politics of the South and the relations between North and South ever since. The means by which sovereignty was gained by southern states was a distinctive process of state creation in terms of the overt, activist and international nature of the process. Jackson has characterised these novel features as representing 'negative sovereignty' in contrast to the more straightforward and self-dependent 'positive sovereignty' of the stronger states in the international system (Jackson, 1990). Thus, whereas the older, 'positive' sovereignty was achieved by a demand for recognition made to existing states by the new state, and dependent on the achievement of certain minimum standards and capacity of internal rule by the new state, the newer (post-1945) 'negative' sovereignty represented a much wider, all-encompassing 'right to independence' for all nations and peoples. This was
institutionalised in the United Nations Charter and subsequently reinforced in the 1960 General Assembly declaration which explicitly excluded consideration of the character of, and capacity for, internal rule by a state, or the level of economic development, as factors in granting or withholding sovereign status (UNGA, 1960; Jackson, 1990) (Endnote 1).

The importance of this was that while decolonisation entailed an expansion of the state system, the circumstances through which sovereignty was gained by the South also resulted in the internal form of rule in the South diverging in important ways from liberal norms. Granted, the mechanism of transferring sovereignty to the new states, particularly in Africa, was often through an electoral process with ‘western-style’ institutions. But in a context where new regimes had weak, clientelist political bases, these superficially liberal systems did not last long (see Allen, 1995). In addition, in the context of the cold war, pressure on the new southern states to adhere more strictly to liberal norms such as constitutionalism, respect for human rights and electoral politics was often subordinated to the aim of ensuring that they did not become allies or clients of the communist bloc. However, the failure to consolidate liberal rule internally did not lead to the questioning of the independence of the state itself: the right to sovereign statehood was seemingly absolute. The up-shot was that a group of new states, including most of sub-Saharan Africa, came into being which were often fundamentally different from those in the North in terms of the way that political rule was constituted internally. A process fundamental to the creation of a liberal international order (the extension of sovereign statehood in place of the rival organising principle of empire) therefore resulted in a world divided between a rich, developed North, in which liberal principles of rule and multilateral international relations were consolidated, and an economically and politically weak South, in which liberal principles of rule were much weaker and more tenuous (Endnote 2). The combination of fundamentally weak economies, negative social legacies of colonial rule, political instability and an often tenuous grip on power by many of the regimes in the South meant that these states had a pressing need for increased access to international resources in order to maintain their rule.

For its part the North remained committed to the principle of sovereign statehood in the South. Despite the many interventions in the South by leading states that did take place, particularly driven by the exigencies of the cold war, there was no fundamental questioning of the existence of the states concerned as states, although the allegiance of the state to one side or the other in that global conflict certainly was important and the effect of these interventions often acted to undermine the viability of such states even further (Endnote 3). The process of decolonisation and state creation had been an international one in which the North had participated – and to some extent conducted. The post-colonial relations between North and South reflected this and included a variety of forms of support available to the weak states of the South. At the most abstract the existence of principles of a right to independence consolidated the decolonisation process and was reflected in international law, the Charter of the UN, declarations and resolutions of the General Assembly and was reiterated in numerous international agreements as well as being reinforced by the day to day practice of international relations in which the new states participated. However, more concretely, developing countries were accorded economic support in the form of preferential trade concessions and in the form of aid.

This new field of post-colonial international relations of development co-operation created both opportunities and contradictions and the course of North-South relations can to an extent be seen as the playing out of the tensions thus created. From
the point of view of the developing countries, these sources of external support were always important, often vital. While access to increased economic resources has a key role for any state in consolidating political stability and funding the state’s activities, it also played a more specific and central role in post-colonial states. For regimes that came to power at the head of a popular movement seeking to eradicate colonialism and its negative social effects, economic growth and development had a particularly prominent role in the legitimacy that such regimes were able to establish (for a discussion see Clapham, 1996). Furthermore, for particular regimes, power lay in the clientelist links and the patronage that occupation of state positions made possible, and access to external resource flows (from both aid and trade) were a major element in this (Allen, 1995; Clapham, 1996). The South sought two things: first, to reiterate and reinforce the legal and political recognition of their sovereignty and statehood and, second, to extend their access to material support from the North in the form of aid and from the international economy in the form of changes to the rules and forms of regulation governing the world economy.

Two aspects of development co-operation should be noted here. First, aid and financial resources were sought as of ‘right’ — that is, economic support from the richer, northern countries should be granted to the South with as few conditions as possible set over its use or over the economic and political situation inside the recipient state. Just as sovereignty was a right claimed regardless of the form or effectiveness of internal rule, so too was economic assistance so claimed. In this sense the South sought a ‘right to development’ to accompany the ‘right to independence’ that had already been won (Jackson, 1990). Indeed, in western aid policies prior to the 1980s, it was cold war considerations and the legacy of colonial ties that had most influence over the receipt of aid. And in many respects the North was tolerant of a high level of both economic (authoritative, state interference in the economy) and political (authoritarianism and military rule) ‘illiberalism’.

Second, however, the South also sought to reorient the principles for the regulation of the international economy towards much greater authoritative (rather than market) allocation of resources. Here the North was less accommodating and the limits of co-operation between North and South became readily apparent. The South’s claims for changes to the regulation of the international economy were derived from the weak and marginal position that the South occupied and by the requirement for the state in the South to gain access to increased international flows of resources. There were a number of dimensions to this but perhaps the most important was the issue of trade and commodities. Here the prevailing GATT regulations, which required reciprocal trade liberalisation, were seen by the South as particularly restrictive and became an early focus of international pressure (Adams, 1997). Indeed, two of the major gains made by the South were in this area. As early as 1964 the GATT regulations were amended so that the states in the South were formally recognised as ‘developing’ and were not required to bear the full burden of reciprocity. Not long afterwards, demands for greater access to the markets of the North were accommodated with the various non-reciprocal Generalised Systems of Preference (GSP) giving privileged access to the markets of North America and Europe. However, such concessions were limited and more far reaching demands that emerged in the calls for a New International Economic Order (NIEO) in the early 1970s met stronger northern resistance. The granting of non-reciprocity and special status certainly constituted a breach of multilateralism but the demand for compensation for changes in the market price of commodities, for a common fund to tackle market fluctuations and for rights of expropriation of the assets of multinationals and intervention in their investment decisions went beyond what the North would tolerate.
Europe, Africa & the Origins of the Lomé Convention

It is in this context that we can identify the origins of EU development co-operation as represented by the Lomé Convention. The EU's negotiation of a formalised arrangement with third world countries in the Lomé Convention of 1975 built on a long history of relations between Europe and Africa extending back to the imperial control of the continent and before. However, it was the twin processes of the creation of the EU and the dismantling of European empires that laid the basis of what became the Lomé Convention. At the very inception of the EU, the Treaty of Rome made provision for the association of the African colonies of France and Belgium with the new organisation. While this was fundamentally a colonial arrangement, and indeed was a part of an attempt by France to maintain its African imperial relations, the establishment of a formalised link between Africa and the EU carried over into the post-colonial era. The Yaoundé Conventions of 1963 and 1969, reflecting the ongoing ties between former African colonies and former imperial powers, formed an important part of the emerging architecture of North-South relations. Yaoundé provided both aid and trade access to the EU market – although the latter was given only on a reciprocal basis and therefore did not match the 'special treatment' in terms of non-reciprocal trade benefits that developing countries were establishing in the GATT at a global level – and showed that the EU would play a role in the international support that was afforded to the development and stability of the new states. While the move represented something of a 'multilateralisation' of post-colonial ties in that the agreements were with the whole EU rather than simply the former colonial power (Clapham, 1996; Morse, 1970) it also reflected French priorities in North-South relations, protecting as it did France's post-imperial ties with Africa.

The transformation of this limited arrangement into the Lomé agreements was driven by a number of factors. In terms of the geographical scope of Lomé, the association of some countries of the South with the EU had to be expanded in order to accommodate the entry of Britain into the EU in 1973 and the consequent need to establish some kind of arrangement to deal with Britain's Commonwealth. The offer of entry into a joint agreement was only open to some – the 'associable' Commonwealth – which excluded Asian Commonwealth countries (Jones, 1973). This was done on the argument that these larger, more developed countries would require different forms of co-operation and thus could not be easily included within a new association. It thus set certain limits to the development co-operation offered by the EU and highlighted the centrality of Africa to the EU's policies towards the South.

Perhaps more importantly, the new agreement was transformed politically in terms of the content of co-operation to be established. The negotiation occurred at the very time when the South was attempting to extend the scope of international support in the areas of trade and aid – for more beneficial and managed trade relations and more aid with less conditional terms. All played a role in defining Lomé co-operation. Trade access to the EU, which under the Yaoundé Convention was to be reciprocal, was now given to the new African, Caribbean and Pacific group on a non-reciprocal basis. Aid was to be increased, although by nothing like as much as the ACP hoped, but was to be administered 'jointly' with the ACP countries themselves gaining certain rights to determine its use. Elements of the managed trade projects of the NIEO campaign were incorporated within Lomé, particularly the Stabex scheme for the stabilisation of export earnings. To the extent that Lomé has ever been a 'unique' agreement, therefore, it is in the extent to which southern demands were given some limited accommodation by the EU when they were rebuffed at the international level (Endnote 4).
However, although the new agreement reflected the high point of southern attempts to redefine North-South relations to include a ‘right to development’ alongside their established right to independence, it was also based on the more well-established principles of North-South relations that we have identified above. The more ‘political’ aspects of the agreement reflected the ‘negative sovereignty’ pattern of post-colonial relations in the explicit, formal recognition of equality between the parties, recognition of ‘sovereign rights’ of the ACP states, in particular over their development strategies, and in the formality of the agreement as one conducted between equal, independent states. That all these formal declarations of equality were included in an agreement that was based on one side granting financial and trade support to the other is a perfect illustration of the Convention as an example of this wider pattern of North-South relations.

For the ACP countries, the Convention failed to deliver on its promises – its unique characteristics in practice amounted to much less than had been hoped for. The EU’s influence in the relationship undermined any notion that it was a partnership of equals and was reflected in its ability to determine the level and use of aid and the direction of future changes to the Convention. The so-called ‘spirit of Lomé’ evaporated when the Convention came to be renewed in 1979 and the ACP engaged henceforth in an unsuccessful opposition to increasingly EU-determined changes to the content of development co-operation. The trajectory of change in the Convention in the 1980s and 1990s owed much to the changes occurring at the global level of North-South relations.

The Lomé Convention & the Liberalisation of Development Co-operation

The failure of the NIEO to reform the liberal international order coincided with an important shift within northern states which had themselves previously engaged in substantial interventionist practice, at least until the era of social democracy reached a crisis in the 1970s. With the election of right-wing governments in the US and Western Europe at the end of the 1970s, there came a reassertion of liberal principles, of the ‘free’ economy with a concomitant strengthening of the state around its core functions. In a parallel process, the scope that had been open to southern states to pursue ‘independent’ development strategies was progressively closed down. Rather than being able to push for more generous and unconditional international support, the South now faced an assertive strategy by the North to redefine the role of the state and, indeed, of the whole development process in the South. Initially this focused on the international response to the debt crisis in which donors insisted on a neo-liberal programme of privatisation, devaluation of currencies, curbs on inflation and budget deficits and ‘market-friendly’ policies in return for a resumption of lending and rescheduling of debt payments. As such the North’s policies attempted to address the perceived weaknesses and constraints in the South’s development strategies, driven as they often were by internal political priorities. The emergence of the debt crisis itself marked the exhaustion of the previous, post-colonial pattern of development as well as initiating the reform of the existing principles of international support of southern states.

The adjustment of the economies in the South was only part of the process of restructuring, however. Soon it was not just limited ‘economic’ change but was extended also to political change. The 1980s and 1990s thus saw a recasting of political and economic relations. Alongside the limits of state-led development policies, so too
the political regimes in place in the South came under increasing pressure as failing economic performance eroded both the resources needed to sustain clientelist power bases and, indeed, the very legitimacy of regimes that claimed to be leading 'national development' (Allen, 1995). The growing 'internal' demands for political reform and democratisation that arose were augmented by donors extending the remit of aid conditionality to reform of the state itself (see for example, Baylies, 1995). This took different forms. It partly stemmed from problems encountered in trying to ensure that economic adjustment conditions were being met but it also extended to demands for 'good government', human rights and democratisation. This project of 'political conditionality' was also given much freer reign with the end of the cold war, which fundamentally reshaped western interests in the developing world and further limited the South's room for manoeuvre.

The restructuring of North-South relations and the redefinition of development co-operation which these changes entailed are significant. Certainly the key aspects of North-South 'co-operation' that we have identified above, remain in place. There remains a mostly unquestioned commitment to the continued existence of the sovereignty of southern states, even in cases where the decay of development processes have extended to the collapse of the state itself. There also remains a commitment to development aid (however modest in quantity) and, if anything, an increased engagement of the major donor institutions in, and direction of, this process. What has changed is that while the international support structure for southern states remains, such support is geared more explicitly to a liberal process of state reconstruction and development.

These developments in the aid sphere have been reinforced by changes in international trade. In contrast to the interventionist and authoritative challenge posed by developing countries to world trade rules in the 1970s, the period since has seen a reassertion of liberal and multilateral principles for governing trade. In particular the Uruguay Round of GATT negotiations heralded a renewal of trade liberalisation as an overriding goal for trade policy. For developing countries, trade liberalisation was in any case part and parcel of the adjustment reform programmes already underway. But the Uruguay Round also served notice that the special treatment so far accorded developing countries was under challenge by pressing for the 'graduation' of the richer developing countries, reducing the scope for them to enjoy non-reciprocal trade benefits (Raghvan, 1990). Furthermore, it strengthened the rule-based nature of trade regulations by establishing a new World Trade Organisation (WTO) with a much enhanced role in dispute settlement.

Such changes were faithfully reflected in the EU's own programmes of co-operation with the ACP countries. Just as the first Lomé Convention had reflected some of the South's demands for reform, so the subsequent evolution of the Convention reflected this latest restructuring of North-South relations. This was particularly shown in the introduction of support for structural adjustment in Lomé IV and in the explicit political conditions attached to aid in the midterm revision of Lomé IV (Lomé IV/ii). The introduction of adjustment support in Lomé IV is instructive in this sense. The Commission, holding to its claim that Lomé was a special relationship, argued that its support for structural adjustment programmes would also be 'unique'. It claimed, in the run up to the Lomé IV negotiations in 1989, that adjustment support under Lomé would be differentiated from that pursued by the Washington institutions: it would be less doctrinaire; it would protect the ACP countries' right to determine development priorities; and it would protect the provision of 'traditional' long term
ACP-EU Development Co-operation in a Liberal International Order

The importance of this change for the political character of the Convention was that it reoriented EU development co-operation under Lomé towards the wider liberalisation of North-South relations. This was further reinforced by the move towards ‘political conditionality’ during the lifetime of Lomé IV. The EU was quick to engage with this new agenda and used an activist interpretation of Article 5 of Lomé IV (which stipulated that development co-operation entailed respect for human rights) and a new policy declaration on Human Rights, Democracy and Development to suspend aid to a number of countries deemed in serious breach of these principles (ACP-EEC, 1989; Council of Ministers (Development), 1991). As we have noted, the change from the earlier era of development co-operation, where the internal character of recipient states was not a central issue in aid allocation, was marked. For Lomé, development co-operation was now conditional upon respect for universal principles of human rights and a commitment to multiparty democracy, and a substantial part of aid resources were now directed to support economic liberalisation programmes across the ACP countries. This change was reinforced in the mid-term review of Lomé where Article 5 was amended to make respect for human rights, democratic principles and the rule of law ‘an essential element’ of co-operation (ACP-EC, 1995).

In summary, EU-ACP development co-operation during the late 1980s and 1990s saw a major shift in the principles and conditions of co-operation in a way that clearly followed wider changes in North-South relations. Essentially this entailed a change in the conditions under which economic and political support was on offer to southern states in a way which sought to reinforce a liberal conception of the state and of the development process. Developments in the late 1990s and the negotiation of a new Convention of co-operation has furthered this process in important ways.

The Post-Lomé Era

The end of the 20th Century coincided with the expiry date for the 10 year Lomé IV relationship and the Commission and member states were keen to follow up on the recasting of the Lomé relationship that had been achieved hitherto. The ‘post-Lomé negotiations’ were designed to take the EU’s development co-operation into the 21st century, fully recognising the transformations that had reshaped North-South relations. The EU had become increasingly convinced that while the revisions introduced to Lomé had adjusted development co-operation to changing international realities, there was now a need and an opportunity to undertake more wholesale reform.

Even before the 1995 mid-term revisions to Lomé IV were ratified, the Commission embarked on a consultation process designed to define options for EU relations with the ACP countries for 2000 and beyond. In 1997 the Commission published its Green Paper on relations between the European Union and the ACP countries (CEC-DG VIII, 1997a), in which it set out its view of the state of development co-operation with the ACP countries, the areas most in need of change and the possible options available. The Commission argued that relations with the ACP were in a ‘new phase’, that the Convention belonged to an earlier era and there was a need to re-assess the purpose and content of development co-operation. The Commission claimed that a new global
environment existed and that, 'the colonial and post-colonial period are behind us and a more politically open international environment enables us to lay down the responsibilities of each partner less ambiguously' (CEC-DG VIII, 1997a). It noted, in particular, the creation of the WTO and the liberalising trend in trade with a consequent need to adapt EU-ACP relations. In addition it claimed that past development efforts had produced disappointing results in the ACP countries and that the institutions and economic policies of the ACP countries had been a major constraint on the effectiveness of aid, as well as acknowledging some short comings in the EU's own aid processes. Furthermore, it recognised that the ideal of 'partnership' was lacking in reality and that the Convention provided 'inflexible' aid resources. In short the Green Paper aimed to ensure that future relations addressed the new global environment and recognised the 'changed political outlook' created by the rise of democratisation and liberalisation, the creation of the WTO and the need to make aid resources more 'effective'.

The Green Paper provoked a wide-ranging debate involving non-governmental development organisations, member states, the ACP and other commentators (Endnote 6). The conclusion of negotiations in February 2000 created a new Partnership Agreement between the ACP and EU which was signed in Cotonou in Benin on 23 June 23 and heralded the 'root and branch reform' of the relationship that the Commission had called for (CEC-DG VIII, 1997b:7). This latest restructuring of development co-operation centred on four main areas: a new political agreement over principles of co-operation; a restatement of the aims of development co-operation; issues concerning the use of EU aid; and changes to the trade regime.

A New Political Agreement
The EU made explicit its desire for a joint agreement on political principles. This was something of a change for the Commission which had always argued that Lomé was non-ideological and non-political. Its negotiating guidelines argued that 'once thought neutral in its impact on the ACP countries' political environment, EU-ACP co-operation is now seen as having a clear political dimension: the new agreement must reflect this fully' (CEC-DG VIII, 1997b:11). Indeed, in justifying a new arrangement with the ACP countries the Commission argued that not only did it affirm the value of the EU-ACP relations in a multipolar world (CEC-DG VIII, 1997b) but that the relationship would help to enable 'the kind of world development that is more compatible with European political and social values' (CEC-DG VIII, 1997a:vi).

The central focus of this political dimension is a reiteration and expansion of the liberal political conditions that had come to the fore in the 1990s. This focused in part on the political elements of the relationship already in the revised Lomé IV which restated that 'respect for human rights, democratic principles and the rule of law, which underpin the ACP-EU Partnership, shall underpin the domestic and international policies of the Parties and constitute essential elements of this Agreement' (ACP-EC, 2000:Article 9). Added to this was a highly controversial clause which extended political conditions more fully into the realm of 'good governance' paying particular attention to the problems of corruption (Articles 9 and 97). It is worth noting that while the ACP states accepted much of the liberal political agenda, at least at a rhetorical level, and indeed reiterated some of it in the ACP Heads of State meeting in Libreville in 1997 (ACP, 1997), the issue of corruption was notably absent and its inclusion in the Agreement one of the main sticking points in the negotiations. As with the revised Lomé IV, this political dimension carried with it the potential for
sanctions which, if a dispute was not settled through consultation between the parties, could be enacted unilaterally by the Commission. The centrality of the political dimension was forcefully highlighted even before the Agreement was signed when Fiji was chosen as the venue for the signing ceremony ahead of Togo on the grounds that the country had a better record of governance. However, a rebel seizure of parliament and military take-over of government led to a hurried move to Cotonou in Benin and highlighted some of the perils of political conditionality. More concretely, Cuba applied to accede to the Agreement and while welcomed by the ACP group was immediately refused by the EU with human rights, democracy and governance issues cited as the reasons (Financial Times, 2 April 2000).

The Aims of Development Co-operation

As well as these ‘essential’ and ‘fundamental’ elements, the new Agreement has broken new ground with respect to the aims of ACP-EU development co-operation. Previously, the Lomé Conventions had granted the ACP countries the right to decide development priorities ‘in all sovereignty’. While this statement remains, the new Agreement explicitly seeks to align EU aid resources with wider international efforts to define the aims of development co-operation. In particular, this has involved the move towards international agreements over a series of development issues that were thrashed out in several UN-sponsored conferences in the 1990s such as the 1992 Rio summit on environment and development, the 1993 Vienna conference on human rights and the 1995 Beijing conference on women and development, among others. One upshot of these was the subsequent definition of International Development Targets by the World Bank and the OECD (see OECD, 1996) - the most well-known of which is the aim to reduce by half the numbers of people living in absolute poverty by 2015. Alongside these there have been renewed efforts among leading donors towards debt relief in the IMF and World Bank-led Highly Indebted Poor Countries (HIPC) initiative. In a manner similar to the political concordat identified above, the new Partnership Agreement thus also incorporates these wider international aims (ACP-EC, 2000:Preamble, Article 19) as well as more specific EU aims as defined in the Maastricht Treaty (Article 19). The Partnership Agreement thus forms part of what the Commission referred to in the negotiations as, ‘The new development model gradually emerging from the major international negotiations’ (CEC-DG VIII, 1997b:3) (Endnote 7).

Aid Process: Moving Conditionality Upstream

This move towards joint agreement over the aims of aid programmes was reinforced by a radical overhaul of the process by which aid is to be granted to the ACP states. The Commission sought to address two main issues in this redefinition of aid to the ACP states. The first was a long-standing concern at the effectiveness of its aid programme, stemming from the scepticism of the Commission’s abilities to implement aid policies held by some member states and criticism from a number of independent studies of EU aid (see for example, Price Waterhouse, 1992; OECD, 1996; also see, Grilli, 1993). The second was an attempt to address some of the perceived problems of conditionality as a means of achieving desired outcomes – an issue the World Bank was increasingly focused on by the late 1990s (see World Bank, 2000). While the end product of market-based reforms and adjustment, and a reformed political and governance system, remained, the Commission was aware that the traditional means of achieving these was often unproductive. The result of these twin concerns was to create a new process of ‘rolling programming’ for aid.
Under all four Lomé Conventions a contractual system had operated whereby each country was told the amount of aid it would receive at the beginning of the Convention and then came up with ways that this might be used. Granted, as we have seen, conditionality encroached on this process in various ways. Now, however, aid allocations are to be given on the basis of a record of implementation of 'Country Support Strategies', which will be defined by the ACP states and the Commission at the beginning of the aid process, and which will outline how aid might be used, how this will support wider processes of economic and political reform and how this will move towards fulfilment of development targets outlined above (ACP-EC, 2000:Annex IV). Aid will be granted in a two-yearly cycle and ‘effective use’ of aid over that period will determine future allocations. As will be obvious, the criteria for determining effective use, the mechanisms of assessment and the scope for the EU to direct aid to where it thinks it should be going will all be key issues in the operation of the new system. In particular, it enables the EU to ensure that aid is used in accordance with the newly agreed aims and principles of development co-operation and to switch aid resources to those states that most successfully take on board the new ‘shared values’ of ACP-EU co-operation.

This change is further enhanced by the creation of a single aid budget replacing the various separate instruments under Lomé IV (CEC-DG VIII, 1999). Whereas previously, specific amounts were set aside for adjustment support, project aid, promotion of human rights, Stabex and Sysmin and so on (and indeed, at the time of Lomé IV the Commission was at pains to point out that adjustment support would not encroach on ‘long-term development support’), now there will be a single budget heading for all aid resources. This not only creates much greater ease for the Commission to switch aid to ACP states that are deemed to be ‘most effective’ in using aid but also, in theory, allows all aid resources in any one state to be used for adjustment support, or good governance, or whatever is identified as the priority area. Furthermore, the new agreement provides that, where appropriate state capacity exists and where issues of good governance and anti-corruption have been assured, aid may simply be given as direct budget support to the national government. This is designed to increase the ‘ownership’ by the national government of particular policies and aid use and allow the integration of external support more fully into national policies. As such, the centrality of economic and political reform in the use of aid is reinforced with the distinction between these processes and development co-operation more generally effectively ceasing to exist. As importantly, the new aid procedure, combined with the prior definition of the principles of co-operation, pushes conditionality upstream of aid project implementation and makes future aid allocations as much dependent on past, rather than promised future, performance.

Finally, and much against the ACP states’ wishes, the new agreement has also ended the Stabex and Sysmin schemes (CEC-DG VIII, 1999). The Commission had long thought that the kind of compensation for market fluctuations these funds provided was an inappropriate and far too costly use of aid resources and something of an anachronism left over from the NIEO debates of the 1970s. In the context of a renewed commitment to integration into the world economy and market-friendly development strategies and where the EU was no longer as concerned about raw material supplies from the ACP countries (see Grynberg, 1997) this is not surprising. The Commission has allowed that in certain circumstances some resources from the overall aid budget may be used to deal with the financial impact of drops in export earnings but such aid will be included in the two-yearly country allocations of aid funds by the Commission (see ACP-EC, 2000:Article 68 and Annex II) (Endnote 8).
The Trade Regime

The future of trade relations between the EU and ACP was in some ways the most important and difficult of all areas of the new agreement. There were two main factors influencing EU thinking on trade issues. The most important was the creation of the WTO which we noted above. For Lomé this was problematic. The Lomé trade arrangements had existed by virtue of a waiver from GATT regulations which was required because the market access provided was not reciprocal (and hence did not qualify as a ‘regional free trade arrangement’) nor was it based purely on ‘development criteria’ (that is, on the level of development of the states gaining preferential access, as the ACP states cover a range of levels of development). Thus Lomé had hitherto been an example of the extent to which multilateral rules had been qualified by the previously existing patterns of development co-operation. In the wake of the creation of the WTO it was highly uncertain that a simple renewal of Lomé regulations would receive a waiver from the new organisation and its member states. This was particularly apparent given the long-running dispute between the EU and the US over the Lomé Banana arrangements which forced the EU to change its rules. The other main influence on the Commission was a belief that trade preferences were not effective in any case and that internal economic reforms of ACP economies to improve competitiveness were far more important in increasing ACP exports. As one commentator noted, the WTO issue was fortuitous for some member states critical of preferential arrangements and of the focus on the ‘colonial’ ACP group and who sought to recast EU market access in more ‘global’ and liberal terms (Grynberg, 1997).

The key problem for the Lomé trade regulations was the different levels of development of ACP states – the ACP Group includes 39 ‘Least Developed Countries’ (or, as some call them, ‘Least Less Developed Countries’ or LLDCs) and 32 richer, middle income countries (non-LLDCs). The negotiations, as far as the EU was concerned, therefore had to produce a trade regime that would meet WTO rules over preferential market access. This could either be given to developing countries on the basis of their level of development (as happened in the GSP schemes) or on a reciprocal basis as part of a regional free trade area. The existing Lomé regulations fitted into neither category. In the event, the new agreement kept the ACP intact but only by differentiating the two groups of ACP states in respect of trade (see ACP-EC, 2000: Annex V for details of the trade regime). The least developed countries now have the promise of ‘enhanced’ Lomé style access but this has been extended on a non-contractual basis to non-ACP countries of a similar level of development (Endnote 9). The more developed ACP countries are to negotiate regional trade agreements with the EU. Importantly, these will be based on reciprocal trade preferences, thus removing one of the remaining distinctive features of the Lomé regime and reinforcing the extent to which it has been modified to accommodate multilateral norms.

Negotiations for these trade agreements must start by 2002, be implemented from 2008 and complete within 12 years. Where appropriate, LLDC states among the ACP countries may be involved in these negotiations (for example where a sub-region, such as southern Africa, includes LLDC and non-LLDC ACP states). If, by 2004, some non-LLDCs decide not to negotiate regional partnership agreements, the EU has committed itself to try to find a WTO-compliant trade framework that protects their present access (i.e. does not simply ‘relegate’ them to the GSP) (CEC-DG VIII, 1999b). It is difficult to see what this might entail without extending such access to all developing countries and thus eroding any remaining preferences enjoyed by the more developed ACP countries. For the interim period up to 2008 all signatories agreed to seek a waiver from the WTO to allow existing Lomé access to remain in
place. Because of the problems this may face, the EU rejected ACP requests for existing access to be improved, arguing that it would further extend the WTO-incompatibility of the existing trade arrangements (*Business Day*, 2 February 2000). The new Convention will run for 20 years allowing 8 years for the initiation of the new trade agreements and 12 years for their full implementation.

**Conclusion**

EU development co-operation, as institutionalised in the Lomé Convention, has been interpreted in this paper as one among many forms of development co-operation between North and South. The context for the formation of this relationship was the pattern of relations between the developed world and the new states in the South which saw the provision of external support of various kinds to these weak states and the attempt by these states to push for more preferential treatment in the international arena, new sources of external support and changes to the predominantly liberal principles of the world economy. The first Convention was notable partly because of the relative success of the ACP states in achieving, at least in principle, some of these aims – confirmation of their sovereign equality with the EU states, the ability to determine aid use and development priorities, a contractual arrangement over aid provision, specific and non-reciprocal preferential access arrangements to the EU market and compensatory finance for market fluctuations affecting export earnings.

As we have seen, these principles themselves have been eroded through subsequent revisions of the Convention and involved the modification of the Convention to include conditionality over economic and political reforms. EU development co-operation policies should therefore be interpreted as a specific moment in the wider evolution of North-South relations. As we have argued, this relationship has undergone a transformation in which liberal principles of international economic relations, domestic economic policy and development strategy and the nature of domestic rule became a central concern of the major donors and states. In significant ways the new agreement confirms and extends these changes in the context of a liberalisation of North-South relations. The changes in the Convention are therefore indicative not so much of apolitical, technical needs of development assistance, but of changes in the relations between North and South at the global level played out in a regionalist element of the architecture of North-South relations.

Thus a series of principles claimed by the ACP countries (and the South more generally) have been sidelined or removed in the new Convention. The principle by which development co-operation happens with little or no regard to the internal nature of rule in the South has been substantially eroded by the increasing conditionality of development co-operation: membership of the new Convention is itself now predicated on respect for liberal principles of internal rule. The claim by the south to control the development process has been in question for some time through the practice of adjustment conditionality but has been further sidelined by the explicit recognition of the ‘new vision’ for development co-operation defined by international UN-sponsored agreements and by EU development aims. The rolling programme for aid use ensures that these principles will remain central in allocating future aid resources. The aim of enacting authoritative control over international economic resources through the Stabex and Sysmin mechanisms has been removed. And the special, non-reciprocal treatment in trade arena has been adapted for compliance with the renewed multilateralism of the WTO.
The road from the Lomé Convention to the Cotonou Agreement has charted the transformation of North-South relations. The first Lomé agreement, more than any other scheme of development co-operation, incorporated some of the South's demands for increased claims for development assistance and special and particular treatment in the international system. As we have argued these aims not only represented a significant challenge to the liberal nature of the international political economy but also stemmed from the particularities of the South's emergence as a group of sovereign states. Their position in the international system, their relations with the North and indeed the character of their sovereign statehood have all been restructured in the intervening years. In the negotiations for the new Partnership Agreement the Commission was at pains to emphasise the 'new era' which had emerged and character of the new agreement reflects the liberal norms which now dominate North-South relations.

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Endnotes
1. As has been noted, Jackson's picture is 'overdrawn' and the distinctions are far from being as clear-cut as is suggested (Clapham, 1998). Not only does the pre-1945 era of 'positive sovereignty' share some of the characteristics of 'negative sovereignty' (the international and mutual nature of the process and creation of weak states) but the emergence of a 'right to independence' was not simply a 'top down' process. The role of nationalist liberation forces in the colonies, the gradual discrediting of the racism which attempted to legitimise colonialism as a form of rule (in the colonies and in the western states themselves) and the material weakening of European power were all vital factors which underpinned the recognition of the end of empire in the formal principles of international law.

2. This is of course something of an over-simplification with much greater variation within both North and South but the general picture is broadly accurate.

3. Although even these interventions were overwhelmingly justified in terms of international norms, action to prevent a threat to international peace, etc. (see Jackson, 1993), and the actual collapse of states is something that belongs much more to the post cold war era (see for example, Zartman, 1995).

4. That these factors were included in Lomé, when they failed to be achieved in the global arena is explained in part by the particular issues of concern facing the European states at the time, focussed as these were on the future of raw material supplies and future relations with the South and which forced the EU to seek to establish a more extensive accommodation with the developing countries than was ever likely at the global level.


6. The Commission had invited comment from all interested parties before the EU decided its own position. There is not space here to detail this debate but see for example: ACP 1997; Bossuyt, 1996; British Government: Department for International Development, 1997; ECDPM, 1996a; ECDPM, 1996b; Eurostep, 1996; 1997; 1998;

7. There is not space here to address the question of whether we are now in a ‘post-Washington Consensus era’ although it is pertinent to note that despite the renewed focus on poverty reduction, much of the recent aid agenda, in particular the HIPC initiative, is based on the familiar liberalising core that has characterised the donors’ response to the issue of debt from the start.

8. Despite the significance of these changes, the amount of aid offered for the new Convention is only a marginal increase only over that provided for in Lomé IV/ii. The 9th European Development Fund (EDF) will be EURO 13.5bn, a below-inflation increase over the EURO 13.132bn in Lomé IV/ii and short of the 14.330bn EURO sought by the Commission (CEC-DG VIII 1999; Financial Times, 3 February 2000). The 9th EDF includes EURO 10bn for the main aid allocation and EURO 1.3bn for regional development. It also includes EURO 2.2 bn for a new ‘investment facility’. In addition to this figure there will be funding for the European Investment Bank of 1.7bn EURO. The EU has agreed to allocate EURO 1 bn of existing EDF funds to the HIPC initiative (CEC-DG VIII 1999).

9. There are nine of these although Burma will be excluded because of its human rights record.

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Zimbabwean Workers, the MDC & the 2000 Election

Peter Alexander

For the first time since Zimbabwe gained its independence in 1980, the country’s president, Robert Mugabe, faces serious opposition. In the elections, held in June, the worker-backed Movement for Democratic Change (MDC) won 57 out of 120 elected seats, with Mugabe’s party, the Zimbabwe African National Union – Patriotic Front (ZANU-PF) securing 62 (Endnote 1). The MDC’s successes included all 27 contests in the three most populous urban areas (Harare, Bulawayo and Chitungwiza), and all the fully urbanised constituencies in the next six largest centres. There can be little doubt that, had the election been free and fair (which, clearly, it was not), the MDC would have won more constituencies than ZANU-PF; though, since the president had the power to appoint an additional 30 MPs, one can be less certain that it would have obtained an overall parliamentary majority. Since the party had only existed for 16 months, this was a remarkable achievement, and in 2002, when Zimbabwe holds its presidential election, the MDC’s leader, Morgan Tsvangirai, will be well placed to mount a victorious campaign.

This article does not provide a general assessment of the Zimbabwean elections which would need, for instance, to consider regional variations, attitudes in rural areas, and the impact of political violence. Its focus is limited to understanding something about the MDC. The party was brought into existence by the Zimbabwe Congress of Trade Unions (ZCTU) and its top leaders – including Tsvangirai and his deputy, Gibson Sibanda – are trade unionists. Yet the MDC leadership also contains, as its spokesperson for economic affairs, Eddie Cross, an industrialist who supports South Africa’s Democratic Party. Funding has come from, among others, white farmers and British Tories, and the party’s economic programme, largely neo-liberal in character, has been welcomed by the World Bank and the International Monetary Fund. How, then, do we explain this apparently curious and contradictory amalgam? Has Zimbabwe’s working class been duped in some way, or should we, perhaps, resurrect the labour aristocracy thesis? The breadth of the party is further underlined by the presence, within its ranks, of the International Socialist Organisation (ISO), a small, but well-rooted, trotskyist pressure group, led by Munyadzai Gwisai, now an MP. So, one also wonders how it is possible for an alliance that is so broad – both socially and politically – to hold together, and for how long it will do so.

Initial interest in posing questions about the MDC was partly motivated by a comparative concern. It was thought that, in understanding the circumstances under which workers broke with their allegiance to a national liberation movement and built a new party, it might be possible to shed some light on South Africa’s future. We
return to this in the conclusion. In providing an assessment of the MDC, albeit partial, it was also hoped that in a small way it might be possible to contribute to the political sociology of democratisation (as distinct from its political science) (see Saul, 1997). The assessment presented here is based mainly on group interviews with factory workers and on individual interviews with MDC and union leaders (Endnote 2). These were conducted in Harare, Zimbabwe's capital and largest city, during the period of the election.

Pre-history of the MDC

At independence, Zimbabwean unions were weak, and divided into six separate federations (Endnote 3). They were given a boost by two developments. First, there was a spontaneous upsurge of industrial unrest (with recent research showing that there were far more than the 200 strikes that were officially acknowledged for 1980-81) (Research and Planning, 1984:23; Raftopoulos, interview). Second, the government encouraged a merger of the federations into one body, the ZCTU which, henceforth, co-ordinated a large majority of the country's trade unions; indeed, 51 out of 58 unions responding to a 1984 survey indicated that they were affiliated (Research and Planning, 1984:31). To begin with, the ZCTU had a close relationship with ZANU-PF, and Albert Mugabe, a relative of the President, was the organisation's general secretary (Sachikonye, 1997:109). Although the Zimbabwe African People's Union, with 20 seats in parliament, had considerable backing in Bulawayo, ZANU-PF, which had 57 MPs, was the most popular party in Harare. Moreover, the government – which, at least rhetorically, was socialist and pro-worker – had brought in a minimum wage and some protection of employment, and it had introduced social improvements, including an expansion of public education.

Cracks in this cosy relationship became apparent at the ZCTU's 1985 Congress, when the organisation stressed its autonomy from ZANU-PF; by 1987 it was complaining bitterly about unemployment (already estimated at 20 to 25 per cent of the labour force), inflation, and the maldistribution of wealth (Loewenson, interview; ZCTU, 1991a; Mutandare, 1987). The first mass movement against the government, however, was that involving students at the University of Zimbabwe (UZ) in 1988-89 (which produced many of the MDC's leading activists, including Tendai Biti, now the shadow minister for foreign affairs, and Gwisai). According to Biti, the movement was

very, very important. It was the first time people criticised the legitimacy of these heroes. It showed you can make noise and not get killed.

The movement, which began as a protest against corruption, broadened to include two other major issues: opposition to Mugabe's plan for a one-party state (a plan that was later dropped, partly, perhaps, because of the demise of the USSR), and opposition to his proposed shift to a neo-liberal agenda, subsequently known as the Economic Structural Adjustment Programme (ESAP). In 1988, Tsvangirai – a former ZANU-PF commissar, a mine worker and a trade union activist – had been elected as ZCTU Secretary General, and when, the following year, he sided with the students, he was detained for six weeks on charges of being a South African spy (MDC, 2000a). In 1990, a general election year, the ZCTU adopted a clear stance in favour of multi-party democracy and against backing any particular party, and it also opposed the introduction of ESAP (ZCTU, 1990).
ESAP was not bad for everyone. Andy Ashcroft, a First Secretary at the British High Commission noted:

_The sky-line [of Harare] in 1991 was perhaps that of a large town. When I returned in 1996 it definitely had the air of an international city ... one of the positive effects that ESAP has had_ (Business Partnership, February 1999).

But, it was bad for the working class. The universal minimum wage and employment protection were dumped, the cost of education and health rose steeply, there was rapid inflation (reaching 48 per cent in 1992), real wages slumped (especially in the public sector), there were large numbers of retrenchments (in the private sector as well as in state employment), and inequality increased (Bond, 1998:380-408; Sachikonye, 1997:123).

In June 1992, the ZCTU held a march against ESAP that was poorly attended and attacked by the police (Bond, 1999a; Biti, interview). It responded by strengthening its organisation, a process that was already underway, but which was now intensified. Some unions were merged and new ones joined, extra departments were established and, from March 1993, the federation published a monthly paper, _The Worker_. In addition, ZCTU regional committees were created, and according to Gwisai 'these became the most powerful segment of the working class, rather than the affiliated unions'. Meanwhile, the state's retreat from direct economic management and its endorsement of collective bargaining - a product of the new approach - encouraged unions to build a factory-based capacity. State-sanctioned, directly-elected workers' committees had existed since 1980, and these were now, in effect, drawn into union structures, or sometimes superseded by shop stewards (Sachikonye, 1997:111-7; Gaidzanwa, 1991; ZCTU, 1991b:45-9; ZCTU, 1993; _The Worker_, March 1993; Adler et al., 1996:86).

Parallel with organisational improvement, the ZCTU began to clarify its political outlook. In Zambia, Frederick Chiluba, leader of the labour-backed Movement for Multi-party Democracy (MDM), had been elected as president as early as 1991, and one might ponder why it took the ZCTU until 1999 to establish the MDC. Doubtless, part of the answer is that governmental decay and popular resentment did not yet match those that existed over the border, where Kenneth Kaunda had held power for 25 years. Initially, at least, the ZCTU's organisational weakness may also have been a factor. In January 1993, Tsvangirai announced:

_[The ZCTU] will this year embark on a massive campaign to mobilise workers to transform itself from a largely vociferous organisation that no one seems to listen to, into a viable political force to be reckoned with_ (The Worker, March 1993).

However, at this stage, the reckoning that Tsvangirai wanted was not the removal of Mugabe, but a _social contract_, which remained the focus of the ZCTU's political thinking for the next five years. According to Godfrey Kanyenze, the ZCTU's chief economist, the social contract was first proposed within the labour movement by Tsvangirai himself, who raised it in 1992 'after some visit'; the visit may have been to South Africa. Certainly Tsvangirai favoured the formation of a tripartite body similar to South Africa's National Economic Development and Labour Council (established in 1995). In opposing ESAP, the ZCTU had complained that it had not been consulted about the programme's design and it criticised the part played by the World Bank and IMF, but it had not attacked structural adjustment as such. Now, in its 1996 report, _Beyond ESAP_, drafted by Kanyenze, the ZCTU proposed an alternative adjustment
programme, which would have included a social contract (Endnote 4). By 1998, even
Mugabe was convinced of the need for some kind of tripartite body, which he called
the National Economic Consultative Forum. However, he opposed the ZCTU’s
proposals for reducing unnecessary government spending (seen as the major cause of
economic decline), and he wanted to involve labour leaders as individuals rather than
as representatives, so the union movement refused to participate (Kanyenze,
interview; Loewenson, interview; Sibanda, interview; The Worker, April, November
1998).

By 1998, not only had the economic crisis deepened considerably, but the temper of
class struggle had been transformed. 1994 saw several major strikes, including a
successful stoppage by bank workers (Bond, 1999a:98; The Worker, August 1994). In
1995, there were riots, and massive anti-government demonstrations. The following
year witnessed numerous strikes, including, towards the end of the year, what Biti
described as ‘a watershed’ – the general strike by public service workers. According to
Gwisai who, together with his ISO comrades, played some part in agitating for the
action, it was ‘a movement from below in which the leaders of the three major unions
– the teachers’, nurses’ and public service workers’ – were forced to join in’. Biti
recalled that the ‘ZCTU had withdrawn into its shell – the social contract etc. – but
now reasserted its hegemony’. Similarly, Gwisai noted that, when the nurses
continued their action,

sections of the ZCTU leadership began to change. Some were able to recognise that
something was happening in the working class, and ... Morgan was at the forefront of that.
He issued a call for a general strike, which was not authorised, and nearly lost his job (the
strike was aborted).

The public service workers succeeded in winning most of their demands, and this had
an impact on other workers. In 1997, strikes were more widespread, and even
included action among farm labourers (Socialist Worker, December 1997) (Endnote 5).
Unrest was also being fuelled by hardship, with Sibanda – who had been President of
the ZCTU since 1989 – observing that real average earnings had declined by 63 per
cent since the introduction of ESAP in 1991 (Sibanda, 1997). In general, strikes were
victorious, thus raising the level of self-assurance among workers.

Successful militancy may also have given confidence to the ex-combatants associated
with the War Veterans’ Association (not that the Association showed any sympathy
for the workers). When, as a consequence of the looting of the War Victims
Compensation Fund by its senior officials, payments to nearly 50,000 veterans were
suspended, there was a series of well-organised protests (van der Walt, 1998a:86)
(Endnote 6). Eventually, Mugabe agreed to a one-off payment of Z$50,000 (about
US$2,800 at the time), plus a monthly pension of Z$2,000, for each of the former
combatants. This, however, was an unbudgeted expenditure, leading to two further
developments. First, partly also because of a threat to confiscate 1,500 white farms, the
value of the Zimbabwe dollar collapsed, falling by 75 per cent in the space of a few
hours on 14 November (Bond, 1999b:8-9). Second, in order to fund the payments,
Mugabe decided to introduce new taxes, including a 5 per cent ‘development levy’. Van
der Walt (1998a:86) explained:

For workers, who already faced low wages, a 30 per cent inflation rate and taxes which
consume up to 42 per cent of income, this was the last straw.
On 9 December 1997, the ZCTU held a successful stayaway to protest against the new taxes. According to Mutimutema Shoko, leader of the domestic workers’ union and now an MP,

*it demonstrated that things had taken a new twist towards the working class ... [the ZCTU] resolved to tell the workers that if they are not organised to come up with one voice, these problems are endless.*

Biti recalled: ‘This was a momentous occasion in the history of this country because it brought confidence – you could smell working-class power in the air’. In January 1998, price hikes in basic commodities triggered days of riots in Harare’s townships and left, perhaps, 13 people dead (Bond, 1999a:99; Gwisai, interview). On 3 and 4 March, a second stayaway against the unpopular taxes was backed by 90 per cent of the 1.2 million workers employed in the formal sector, and on 4 September, with the ZCTU threatening a third strike, the government scrapped the taxes (van der Walt 1998b:85). Victories brought increased membership, and Tsvangirai claimed that by April 1998 the labour movement’s membership had reached 700,000, compared with 200,000 in 1996 (*The Worker*, July 1998). An important feature of the stayaways had been that, in effect, they were endorsed by the major employers’ organisations, which encouraged their members not to deduct wages or take retaliatory action (Cross, interview). *De facto*, business was already forging an alliance with labour against the government; this was based on shared frustration with Mugabe’s increasingly capricious rule, and on a degree of mutual respect derived from negotiating many agreements with each other. The ZCTU was now at the centre of a national, political movement.

**The MDC & the Election**

Whilst the MDC was initiated by the ZCTU, a second major strand in the new party were the middle-class activists associated with the National Constitutional Assembly (NCA) (though the NCA, as an organisation, decided not to back the MDC). These included Welshman Ncube, Professor of Law at the University of Zimbabwe, and now the MDC’s secretary general and its MP for Bulawayo North-East. Focusing on demands for constitutional reforms, such as a reduction in the power of the executive, the NCA was able to build a broad alliance of NGOs, churches, lawyers, academics and opposition parties. Like the resurgent workers’ movement it, and the civil society movement more generally, was also a product of ESAP (which had created a greater demand for welfarist NGOs, financially squeezed a section of the middle classes, such as doctors and academics, and alienated those democratically-minded lawyers who were appalled by increased levels of corruption and dictatorial behaviour) (Raftopoulos, 2000:37-46; Biti, interview).

The government’s establishment of a Constitutional Commission, to consider demands for reform involved part of the NCA’s base, leading Rene Loewenson, an MDC intellectual, to conclude that it was important for the MDC to include the middle classes ‘who wanted their voices to be heard’; otherwise they would end up being ‘on the outside pissing in’. One might also be justified in wondering whether, perhaps, the anti-Mugabe intelligentsia concluded that, since they could not rely on the middle classes as a whole, they needed to work even more closely with the unions. Significantly, whilst trade union participation in the NCA was not extensive (though the ZCTU was an affiliate), Tsvangirai was the organisation’s chair, allowing him to play a pivotal role, leading both of the country’s principal pro-democracy
movements. If, at this point, there were external influences, they came, not from right-wing interests, but from social democratic forces, notably the wealthy German-based NGO, the Friedrich Ebert Stiftung, which was backing both the ZCTU and the NCA (Gwisai, interview).

From May 1998, if not earlier, support for the formation of a workers' party was voiced at labour forums (open meetings of workers held regularly in the urban centres) (Gwisai, interview) (Endnote 7). In November, The Worker reported:

A caller from Chimanimani said time was ripe for the formation of a labour party. 'There is so much discontent with the current leadership that if a labour party is formed today, every worker will rally behind it'. As for Tsvangirai, the man most see as their saviour, he has kept his cards close to his chest.

After yet more stayaways, on 11 and 18 November, this time in protest against a 67 per cent increase in the price of fuel (Socialist Worker, December 1998), the ZCTU executive bit the bullet and convened a National Working People's Convention (NWPC) (Endnote 8). The Convention, held in Harare on 26-28 February 1999, consisted mainly of workers (particularly ZCTU activists from the regions) and to some extent peasants (who often came via the churches and development organisations), though the NCA people, and others from the middle classes, made an important contribution in leadership roles (delivering papers, chairing sessions and the like) (Gwisai, interview; Loewenson, interview). The Convention's 'Declaration' – which drew, in part, on popular consultations held around the country (somewhat like the Freedom Charter) – was a left-leaning programme that ended with a call for a 'democratic political movement for change' (NWPC, 1999).

The Convention had, in effect, taken the decision to found the MDC, and it was left to the ZCTU's organising department to work out the details (Shoko, interview; Gwiyo, interview). In practice, this enabled Tsvangirai, in particular, to shape the character of the party in the months prior to its official launch in September. The MDC's Manifesto, published in August 1999, was a more conservative document than the 'Declaration' and marked the beginning of a shift to the right. The latter document, had, for instance, emphasised that 'National policies should prioritise the ... people's basic needs', and it proposed that 'The right to a minimum standard of health inputs (food, water, shelter) and health care be defined and entrenched in the constitution'. These or similar formulations were absent from the Manifesto, which placed the emphasis of economic policy on 'growth', and argued, as the Declaration did not, that 'The MDC will interact with international financial institutions'. The Manifesto also asserted, again for the first time, that the MDC favoured social democracy (whilst also, however, supporting 'traditional leaders' and 'traditional culture').

On 7 August, when the ZCTU held a special congress to consider its attitude towards the MDC, the chair (presumably Sibanda) hailed the event as 'historic and important'. Tsvangirai argued that the 'ZCTU must take an organisational decision to enter into strategic alliance with the Movement for Democratic Change', adding, cautiously: 'However, if the MDC reneges [sic] on the commitment to serve the interests of workers then ZCTU would reserve the right to withdraw its support' (ZCTU, 1999). The main proposal was that the NWPC Declaration 'be adopted', implying, of course, support for the MDC. This was not opposed by any of the speakers, though one noted, with a degree of prescience, that 'his only worry was the issue of money'. According to the minutes of the event, when the motion was put to delegates, 'the unanimous answer was “yes”', and none wished to record a vote against, or an abstention, or even
an objection. Nevertheless, Collen Gwiyo, a general secretary of the black workers' union, confided that about a quarter of union leaders did not support the new approach, and it is known that some – including, perhaps, the current Acting-President, Isdore Zindoga – still identify with ZANU-PF. Delegates (see appendix) left it to the ZCTU General Council to implement the organisation's new policy, though it seems they also backed the nomination of Tsvangirai and Sibanda for the MDC's top posts (Lowenson, interview).

The following month, at the 15,000-strong launch held at the Rufaro stadium in Harare, Tsvangirai announced a provisional executive in which middle-class leaders were prominent, and key working-class leaders were absent (Standard Online, 11 October 1999; Gwisai, interview). Gwiyo acknowledged, 'there are indications of sidelining of certain activists of labour'. Partly he blamed 'opportunists' within the MDC leadership; not Tsvangirai, but 'some businesspeople, academics and lawyers' who were 'for capital [not labour]'. However, he also recognised that there may have been a weakness on the union side:

*We might have allowed an opportunity to control the MDC to slide ... saying it is not the trade union role to transform itself into a political party, so let's ask those who are in a position to form a political party to do so; but we didn't put the terms.*

After the launch, the MDC executive created new provincial structures and modified some existing ones, producing, altogether, 12 provinces (though the country has ten). Effectively this reduced the influence of those trade union activists who had been building provinces based on ZCTU regions. Whilst the membership of the provinces varied greatly, and was, one assumes, much larger in Harare and Bulawayo, at the party congress, held on 29 and 30 January 2000, each province was accorded equal representation (300 delegates). The main task of the congress was that of electing a leadership. The top six posts were determined by an open vote, with, unsurprisingly, Tsvangirai elected as President and Sibanda as Vice-President. A further 24 seats filled on the basis of two per province, and two extra women were added to comply with constitutional provisions. Finally, it was decided to co-opt a few specialists whose expertise was required, and it was only at this late stage that Cross, the main organiser of the Confederation of Zimbabwe Industries (CZI), came into the leadership (Sibanda, interview; Loewenson, interview; Gwisai, interview; Biti, interview; The Worker, February 2000). Gwisai claimed that Harare province, dominated by Harare's ZCTU region, wanted an open election for all positions and was unhappy with the outcome of the elections. Loewenson accepted that there were disputes about the executive's composition – on a class and regional basis (not 'race') – but added that sufficient consensus was reached to move on.

Notwithstanding the disputes, the congress was perceived as a great success, thereby underlining the fact that the MDC was a viable alternative to ZANU-PF, quite different in scale to any other opposition party. The congress was followed, soon after, by the referendum on a new constitution, which included, at Mugabe's behest, mention of land acquisition. The combination of the MDC's strength and this attack on private property, pushed a significant number of white farmers and white businesses towards the MDC, and with them came their money. Later still, Tsvangirai received support from major foreign donors, including British Tories associated with the Zimbabwe Democracy Trust (Observer on Sunday, 21 May 2000). Sibanda responded to questions about such funding by saying:
What is wrong with us accepting donations from well-wishers who see the same view as us? The real issue is whether they make any meaningful decisions in the MDC — the answer is 'no'.

This is fair and reasonable, and in large measure Tsvangirai's fundraising was a pragmatic response to the problem of financing political campaigns (first the referendum, then the election). Indeed, whilst Cross's ascendancy undoubtedly improved the MDC's capacity to raise money, he was subsequently blocked from standing for parliament. Nevertheless, one would be justified in questioning whether 'influence' might be more valuable than decision-making power, and whether, from the standpoint of the MDC's base, it is appropriate for the party's leaders to 'see the same view' as capital.

The referendum was, of course, lost by Mugabe (who obtained 45 per cent of the vote) which gave a boost to the opposition, but also precipitated the land invasions (an analysis of this is beyond the scope of this article (Endnote 9)). However, Biti, the MDC's spokesperson for land affairs, regarded them as 'state sponsored', contrasting them with genuine peasant invasions that occurred in 1998. Gwisai, though, pointed to examples of peasant participation to suggest greater complexity, reminding us that the war veterans are not the mere puppets of Mugabe (a point that has been underlined since the election, in disputes over who should control the redistribution of white farms). Whatever one's precise characterisation, there can be little doubt that the invasions were associated with intense and widespread intimidation of MDC activists, with the party recording the deaths of 31 of its supporters in the run up to the election (MDC, 2000b).

For the election, the MDC stood candidates in all 120 constituencies. It provided the following description of their backgrounds: six involved in agriculture (including farmers), eight in executive positions in companies, seven self-employed, nine in the transport industry, nine in technical fields, one ordained minister, one environmentalist, two employed by NGOs, three in the medical professions, eight working for government in legal and administrative fields, five lawyers, nine academics, 19 educators, 18 in other professions, and 16 trade unionists (MDC, 2000c). Sibanda said that some of the candidates were, in fact, peasants, but his definition of 'peasant' was very broad, for he added:

In Matabeleland there was one [peasant], Thabane, from Umguza, and one lady from Umzingwane, and then this one we lost, Gwanda South, he's a peasant, a headmaster there.

According to The Worker (July 2000), of the 57 who were elected as MPs, only 12 were trade unionists (including Sibanda, now the MDC parliamentary leader). Gwisai calculated, probably correctly, that 'the vast majority [of MDC MPs] were middle-class academics, lawyers or other professionals. There were also some business people and one or two farmers'.

The predominantly middle-class character of the MDC leadership, especially its candidates and MPs, is in marked contrast to its plebeian base of support. The latter is reflected in the organisation's origins and presence at conferences, and also, for instance, in its final election rally, at the Rufaro stadium, attended by about 35,000 people (of whom, almost none were white and most were evidently working class) (Endnote 10). In the election, the MDC certainly attracted overwhelming support in predominantly middle-class constituencies — such as Harare East, where it won 80 per cent of the vote — but these contain a small minority of urban voters. The majority of
people in the Harare and Bulawayo provinces live in working-class constituencies, and here the MDC vote ranged between 70 to 86 per cent of the total. In the rural areas—where, in 1992, 69 per cent of Zimbabwe’s population was residing—the outcome was mixed. Whilst overall, ZANU-PF won most of the vote (and was especially strong in the three Mashonaland provinces). In the two Matabeleland provinces the MDC won all but two seats, securing between 35 per cent and 86 per cent support (see map). Although the MDC has strong support among teachers and farm labourers, one must assume that most of these rural votes came from peasants (Endnote 11).

Colloquially, the MDC is often referred to as ‘the workers’ party’, and Sibanda described it as such at the Rufaro rally, later defending his formulation saying:

Basically, that’s where our base is. When we say ‘workers’ we include the peasants. But the base really is the workers.

In terms of its mass support, Sibanda is clearly correct, but it is not a ‘workers’ party’ in the classical sense. It seems likely that most of the funds come from outside the working class, and the labour movement has no institutional hold over the leadership. This issue was raised in a number of interviews, comparing the MDC with the British Labour Party and South Africa’s African National Congress (ANC). Loewenson reminded me, first, that, unlike those two party’s, four of the MDC’s ‘top six’ were trade unionists; second, she suggested that maybe the ANC’s Alliance with the Congress of South African Trade Unions (COSATU) allowed the former organisation to have greater influence over the latter than vice versa. Sibanda was more sanguine, responding that this was something the MDC would have to address at its next congress, early in 2001. At the NWPC, there had been some discussion about whether the new party would be a labour or workers’ party, but Tsvangirai had come out firmly against this, arguing for a broad-based organisation. It is probably more accurate to say, as Tsvangirai now does, that the MDC is a social democratic party (though it is a more contested formation than might be implied by this description) (Endnote 12).

How, though, do the politics of Cross—a London-trained economist, former government employee, and a businessman with investments that include ownership of a clothing factory—mesh with Tsvangirai’s thinking? To begin with, Cross is happy to label himself as a social democrat, but we can go further. It would be a mistake to see him as representative of Zimbabwean capital in general for, as Loewenson pointed out, there are sectoral divisions and major differences between ‘patronage business’, overseas companies and so on. Patrick Bond, author of a recent and excellent economic history of Zimbabwe (1998), situates him within a corporatist tradition that has deep roots in Rhodesian history (2000a). Today, arguably at least, that tradition is evidenced in the country’s system of industrial relations—a system in which Cross, wearing his CZI hat, has played a significant part. Each industry negotiates minimum wages on an annual basis (with new rates gazetted by ministerial approval), and it was through such negotiations that Cross came to know the ZCTU leadership. In showing me an MDC working paper proposing German-style, industry-based ‘social funds’, Cross unintentionally underscored Bond’s corporatism thesis. The paper not only argues for well-organised and adequately funded employer and employee organisations, it also says that it should be ‘compulsory’ for these bodies to affiliate to the appropriate federation (for example, the ZCTU). Further, these federations, together with the government, would then participate in a ‘binding Social Contract’ (MDC, 2000d).
There is, then, a strong intellectual bridge between the top ZCTU/MDC leadership and those business interests – essentially ‘national capital’ – that are represented by Cross. He and Tsvangirai can both say that they are social democrats, and they can agree on the need for structural adjustment and a social contract. Indeed, it would not be inaccurate to define the central planks in the party’s programme as ‘corporatist neo-liberalism’ (a more positive gloss is to call them, as Kanyenze does, ‘social market economies’). The issue, now, though, is who is moving in which direction across the bridge. Politically, Tsvangirai is in charge, and it is not impossible that, under the impact of renewed class struggle and/or deepening crisis, he could move back towards the side of labour. Thus far, however, the movement has been the other way. Cross was quick to repackage the MDC’s economic policy, and he gleefully informed me:

_The World Bank took one look at our programme and they said ‘we would have been proud to produce a programme like this, let alone have it handed to us’._

In March this year, he told a meeting in Harare:

_First of all, we believe in the free market. We do not support price control ... We are going to fast track privatisation. All fifty government parastatals will be privatised within a two year time frame ... We are going to privatise virtually the entire school delivery system_ (Bond, 2000a).

To date, none of this has been repudiated by Tsvangirai, who has often been quoted as saying, ‘the IMF is like my doctor – I do not like his medicine, but I know that it will make me healthy again’.

**Workers’ Attitudes**

Given, first, the class nature of much of the MDC’s leadership, second, its programmatic support for the kind of neo-liberal policies that have impoverished the majority and, third, its widely publicised financial backing from white farmers and overseas business interests, why should the working class have been so firm and enthusiastic in its support for the party? Was this tempered in some way, and what are the implications of workers’ attitudes for the future of Zimbabwean politics?

To begin to answer these questions, Terence Mashingaidze and I conducted interviews with four groups of workers employed in factories located in Harare’s south-west industrial sector. The selection of factories was virtually random: I drove into the area, saw a largish factory, sought permission to meet with a group of workers (at a convenient time), and then located another enterprise in a neighbouring road that was engaged in a different industry. The result was that eight managements were contacted, with the four that provided access covering different kinds of activity and, in terms of nationality and ‘race’, a range of different ownership and management combinations (Endnote 13). In three cases the groups were selected by the leadership of the workers’ committee, and in one this was undertaken by a personnel officer (who, according to those interviewed, did so randomly). The result was groups that ranged from two, through about eight and ten (the preferred size), to about thirty, with discussions lasting from roughly 30 to 60 minutes. At the time of the interviews there was a high level of political violence (and in one case workers refused to talk to us because of a fear of reprisals). Consequently, an undertaking was given not to reveal the factories that were involved or record the names of workers who spoke. The discussions that ensued were moderated by the researchers using a
Women workers were only represented in one group and, from observation, it is likely that in the other three factories women were either not employed on the shop floor or were employed in small numbers. However, in broad terms, this gender bias reflects the demographics of manufacturing workers in Harare. According to Zimbabwe’s Census 1992, only 25.4 per cent of the 79,587 people whose occupation was listed as ‘manufacturing’ were women, as were only 4.6 per cent of the 15,083 included as ‘machine operators’. Nevertheless, had there been more women in the sample, there may have been more comments on matters such as paraffin queues and childcare (Endnote 14). The groups appeared young, averaging just over 30 years in the one case where we asked. Yet, workers’ committee leaders tended to be older, and, if anything, our samples were biased against youth. In 1992, 45.1 per cent of
Zimbabwe’s population was under 15, and, of those aged 15-59, 57.2 per cent were under 30. ‘Generation’ was almost certainly a major determinant of voting behaviour, with Mugabe’s frequent references to colonial racism and liberation having little appeal to young people whose major struggle is for daily survival (Endnote 15). However, on the one occasion when the question of generation and support for the MDC was raised, the worker said simply: ‘It’s because the working class is mostly young!’ It was also noticeable that many of the workers were reasonably well educated – typically they possessed some O’ levels – and although they were encouraged to speak in Shona, most preferred to address us in English (Endnote 16). Doubtless, this reflected the emphasis that Zimbabwe has placed on education, as well as a level of unemployment that permits employers to select better-qualified applicants (Endnote 17).

In all four cases, we began by asking whether workers should vote in the election and, if so, why? Nobody responded negatively. A few said things like, ‘its our right to vote so we should’. Most, however, responded in one of two related ways. The first of these is typified by the comment: ‘I think workers can vote just because of economic hardships’. High rates of taxation, low salaries, the increasing cost of food, housing, transport, and schooling, were all prominent in the lists of ‘hardships’. One man highlighted the breadth of the problem in the comment, ‘I will have 3, 4, 5 young brothers who are unemployed; so I will have to look after them, and my parents, who are in a rural area’. Generally, ‘suffering’ was presented as a variety of injustice (that is, as moral economy). Thus, for instance, the problem with high taxation was that ‘social services are not commensurate with those taxes’, and ‘we don’t know where that money is going, so it seems the government is milking the poor’. The argument about ‘salaries’ was usually in the form, ‘I had an increment of 20 per cent, and the prices went up by 200 per cent’, though one worker commented: ‘You used to find artisans moving around with their cars, and now days its very rare’. With ‘school fees’ the complaint was both that ‘it was promised that primary education would be free’, and that ‘a lot of children are staying at home because their parents have no money’.

The second main response to our initial question can be summarised in one word: ‘change’. ‘Change’ was often the other side of the coin to ‘hardship’, the ending of which was sometimes described as ‘positive change’, in contrast to ‘change for its own sake’. For some workers the concept was also linked to a theory that politicians have a ‘limited shelf life’ (though this was not a phrase that anyone used). One worker drew the analogy of a healthy child who ages, adding ‘when someone is reaching [their] seventies they are failing to achieve some things’. Another explained (in Shona):

> It is like a new daughter-in-law. In the early days of her marriage into the family her behaviour will be superb ... With time she gets relaxed and many weaknesses or flaws begin to surface.

Many workers insisted that ‘change’ meant ‘change the system’. For three of them this was equivalent to a ‘government for the poor’, and thus similar to ‘positive change’ (one woman added, in Shona: ‘If the government does not change ... most of us are going to be retrenched. Then we will relocate to the rural areas, and that will compound the suffering’). One man qualified his response by adding: ‘in 1980 [at liberation] we changed the system’. Six workers linked their definition of ‘change’ (or ‘change the system’) to Zambia and/or Malawi. One man added: ‘We have to support people with trade union backgrounds’, and another said: ‘I am going to support the labour party, MDC, which stands for the workers. We have got the example of Zambia, which was changed by the labour party’ (Endnote 18).
Three workers said ‘change’ meant ‘change the government’ and, since Change! — Chinji! in Shona — was the MDC’s main election slogan, its use clearly implied support for that particular party. A common view was ‘We are the ones who formed the MDC, hence we should vote for it’. Two men (one in Shona) were complimentary about Tsvangirai, who was said to ‘appreciate the position of the worker’. Significantly, not one of the workers in these four factory groups, which included about 50 workers, expressed any support for the government — one woman claimed (in Shona), ‘No living person is going to vote for ZANU-PF’ — and nobody disagreed with those individuals who supported the MDC. Such overwhelming backing from workers was, of course, reflected in the Harare election results.

The initial question produced few responses that could be described as political, rather than economic. Even when we asked specifically about politics, many respondents turned the discussion back to economic concerns, and one simply told us: ‘No. I’m not going to say about the politics, I’m going to say about the economic hardship’ (Endnote 19). However, as if to underscore the close relationship between economics and politics he then added: ‘This ESAP, we, as workers, we want it to be lifted out’. When pushed to comment on politics, people expressed opposition to corruption, and to the war in the Democratic Republic of Congo (DRC), but there were far more voices concerned with restricting the powers of the presidency. One man said (in Shona): ‘Our president has been in power for too long. Look at countries like the USA, they have limited presidential terms’.

Questions about land and rural/urban relations produced more interest. One man wanted land for accommodation, saying ‘I’m still renting — though I’ve been here for ten years’. Another wanted distribution of at least 30 per cent of the land (‘the rest can go to the white commercial farmers’). Generally, however, there was scepticism about the government’s redistribution programme. Three workers in different factories made a similar point, with one of them expressing it thus (in Shona):

> for the land to be effectively utilised people need to be provided with jobs ... because without jobs we cannot buy equipment and other inputs.

One man complained (again in Shona):

> This land grab has caused a lot of problems — for example scarcity of foreign currency ... Of course there is a critical need for land ... but the land question has been manipulated by the political elite for its survival.

While some of these responses suggest a strong urban bias, many workers still had links to rural areas (Endnote 20). One man, for instance, argued:

> I was at my rural area, and people from the urban areas are busy educating those people ... You have to say to them, ‘sorry I have failed to come to a funeral because of the economic hardship’. They say ‘I want to come to look for employment, and if he comes he says please can I have the bus fare to go back’ (Endnote 21).

However, this view was contradicted by one man who argued, ‘Things seem to be cheaper in the countryside ... and they always receive something from the people working in the urban areas’. Another man thought that people in the rural areas were ‘afraid of a fresh blood war’.

The sense of injustice, to which reference has already been made, sometimes incorporated a class consciousness. This was evident, for instance, in complaints that,
while the government had agreed to pay increases of up to 90 per cent for civil servants, it did nothing to assist other workers. One woman said (in Shona): 'The government is doing nothing for us, the industrial workers, just for the civil servants'. Her notion of class, however, involved overlapping categories, for she had just complained: 'The government is serving the rich, it's not there for the poor'. The notion that 'industrial workers' are part of 'the poor' may be related to the fact that, whereas Zimbabwe's 'poverty datum line' now stands at about Z$8,100 per month, the average minimum wage is approximately Z$2,500 (roughly US$50) (Kanyenze, interview). At the one factory where rates of pay were discussed, however, workers said they were receiving about Z$2,000. In addition to 'industrial workers' and 'the poor', 'we' was also defined as 'the workers' and on two occasions as 'the producers of wealth'. By contrast, 'they' were sometimes the government or 'bureaucrats', but it could also be 'the employer'. It is the employers who determine our fate', asserted one worker, adding, 'They give low wages in spite of the massive profits they make. We should not just blame the government'.

Notwithstanding this consciousness of class, there was little anti-capitalist sentiment. For instance, there were almost no voices calling for society to be controlled by the workers (a view that was widespread in South Africa by the late 1980s). To the contrary, there seemed to be a concern to be 'fair' and 'reasonable', and this was applied especially to the white farmers. Workers were disturbed that Mugabe was scaring away investors and causing a shortage of foreign currency; in other words, that he was threatening their own futures. There was also, however, a complaint that 'there is a lot of racism in industry' (though even this was turned into an attack on the government, which, it was said, had failed to address the problem). Another example of being 'reasonable' concerned pay demands. The ZCTU wants all pay to be above the poverty datum line, and although one man agreed with this, another, with general assent, felt that if this happened 'business might collapse'. The more popular demand was for a rise that was in line with inflation. Nevertheless, there were some more radical thoughts, including those of one man who argued:

We understand that in the 1980s the government used the marxist system, which benefited the poor, but socialism cannot prevail in one country, or even a continent. It should be global. As workers we feel that can happen!

These interviews can, I think, assist one to understand better the relationship between the working class and the MDC, especially when they are coupled with the preceding analysis. First and foremost, the bond is based upon an overriding desire for 'positive change', for a reversal of the tendency towards impoverishment, for which Mugabe is held responsible. Whilst, for the workers, economic problems are paramount, there is a recognition that trade unionism does not provide an adequate solution, and that since political advance is possible it should, at least, be given a try. Moreover, since the MDC, which is a product of this desire and this recognition, has been built, in the main, by the workers and their leaders, there is, or so it might seem, a reasonable chance that it will succeed. If the middle classes or the farmers want to join their party, or if foreign interests want to give it support, so much the better; afterall, they too have good reasons for wanting an end to Mugabe's rule. This, in short, is the politics of short-term interest as perceived by the majority of workers (not those of a 'labour aristocracy'). As for the longer term; well, as one worker told me: 'If things don't work out, we try other means'.
Scenarios & Conclusions

The MDC did very well in the election, but it did not win. Mugabe remains in power, and the people are still poor. One possibility is what might be termed the Suharto Scenario. Suharto, it will be recalled, was President of Indonesia from 1965 until he was forced from power by a massive, popular, and largely spontaneous uprising in May 1998 (Endnote 22). In the group interviews, one worker mentioned Suharto, and two others said that mass action might provide a way forward. Even Kanyenze thought that Mugabe would not be removed through elections, and that, as with Suharto (his example) 'it would have to be done through other means, particularly civil disobedience'. He also felt that disobedience was probable (given the high level of inflation, then running at 59 per cent, and set to worsen), and Sibanda agreed that such mobilisation was both likely and 'a good thing'. It seems to me, however, that the full Suharto Scenario is improbable, for why risk mass violence when there is a strong possibility of Mugabe being removed in the 2002 election? Of course, if he refuses to allow a reasonably fair election, or rejects its outcome, that would be a different story. In the weaker sense, though, we have already witnessed the tendency toward civil disobedience in the ZCTU's highly successful stayaway, held on 2 August 2000. Moreover, given the level of price rises and the high degree of confidence among workers, there is a strong chance of pay-related mass strikes later this year.

Then there is a Reform Scenario. Within ZANU-PF, there is already considerable pressure on Mugabe, and if this grows he might decide to bow out of the limelight, possibly attempting, like Julius Nyerere, to retain influence through the party (Bond, 1999b:11; Bond, 2000b:1). Whilst something like this may happen, it would solve little, since a new president or presidential candidate is unlikely to have the kind of popular credibility, as a critic of Mugabe, that would be necessary to thwart Tsvangirai's campaign for the presidency.

A third possibility is the Kaunda Scenario: Mugabe is beaten in the 2002 election and hands over power to the MDC. Kanyenze thought this improbable, because the Zimbabwean government is too 'arrogant'; certainly Mugabe has demonstrated a willingness to use extra-legal force, if necessary, to maintain his rule. In a pure sense, the Kaunda option does seem unlikely but, if there is a high level of working-class mobilisation and the MDC takes the necessary steps to develop its base among the peasantry, it remains, I think, the most likely possibility. The MDC will, though, need to engage in the kind of sustained media work and outreach campaigning by trade unionists that was undertaken by the ANC prior to South Africa's 1994 election, and it could benefit from revisiting its land policy. On balance, then, the fourth scenario, a continuation of ZANU-PF rule well beyond 2002 seems less probable. There are just too many forces stacked against it: worsening economic crisis; a well-organised working-class; most of big capital; the middle classes (at least in the urban areas); the western powers; Matabeleland, most of Manicaland, and much of the Midlands and Masvingo; considerable internal dissent and scepticism even among erstwhile allies among other southern African presidents.

What, though, will happen to the MDC? It is, as the lawyers say, 'common cause' that there are tensions within the MDC, and there appear to be a number of distinct discourses, even around the leadership. Cross says, categorically, 'we will subsidise nothing' and 'we do not support price control' (interview; Bond, 2000b). Kanyenze, by contrast, emphasises 'equity' and a 'stakeholder driven process', and complains about 'people like Eddie [Cross] ... who've taken the policies more to the right, which doesn't go down well with labour'. So far, especially, perhaps, because of the pre-
election violence, these tensions have rarely reached the surface, but this is likely to change. MPs will have to take up positions on a range of issues, and on some of these – perhaps land, maybe price controls and subsidies – there are likely to be divisions within the parliamentary caucus that could spill over into labour movement and public debate. The likelihood must be, however, that the widespread and intense desire to get rid of Mugabe will ensure that the MDC holds together, at least until the presidential election.

Even after that election, there will probably be a honeymoon period. For instance, had the MDC come into government after the voting for parliament – which, for a brief moment, seemed possible – it would have been able to bring some immediate improvements to the economy. Mugabe’s costly war in the Democratic Republic of the Congo (DRC) would have been speedily ended, the number of ministries would have been reduced from 57 to 15, some financial aid that had been suspended would have been released, corruption might have declined, and there would probably have been some increase in investor confidence. By the time the MDC forms a government, the specifics will have changed, but it remains likely that there will be some short-term economic improvements. As for the longer term, one must, I think, be sceptical about any market-based policy having significant success in an economy as weak as Zimbabwe’s (see Bond, 1998 and 1999a). The example of Zambia – where the MDM had a similar social base and similar politics to the MDC – is pertinent. There, pro-market reforms, especially privatisation, have increased corruption, boosted profits for foreign businesses, undermined union organisation, and increased poverty (Adler et al., 1997). Tsvangirai responded to concern about the MDM analogy by saying: ‘I think Chiluba did not come on board with any ideology at all’, and then added that Zambia showed it was necessary for workers to retain ‘their initiative over the party’ (Bond, 2000a). This is, surely, an extraordinarily weak defence to problems related to the dynamics of global capitalism and key government policies.

Biti argues that there will be ‘class struggles within the MDC ... between the neoliberal element and the leftist element’, and there are signs of this already. For instance, Gwisai clearly has popular support over some of the issues he has been raising, such as subsidies, price controls and opposition to a social contract. Thus, Shoko recognised that workers want taxation ‘ploughed back in the form of subsidies’. In the group interviews there was support for price controls and The Worker (July 1998) reported criticisms of negotiations for a social contract. However, as Gwiyo noted: ‘the struggle has just started ... the struggle for workers is yet to take shape’. Any emerging opposition will no doubt search for alternatives to the present MDC programme, and it may find value in proposals recently advanced by Bond (who, significantly, perhaps, is highly regarded by Biti). He recommends (2000b:11):

- price controls (a short-term palliative to be sure, but a popular bandaid to some inflationary problems);
- foreign exchange controls; repudiating Mugabe-era debt, mainly on the grounds that IMF/Bank programmes were incompetently designed; massive expansion and redirection of basic-needs state subsidies ... growing state ownership and worker control of important – and potentially viable – bankrupt private firms (and mines and farms); and a reorientation of budgetary spending and imports towards working-class and poor people’s need.

This takes me, finally, to the relevance of Zimbabwean events for an understanding of South African politics. To the best of my knowledge, the only serious attempt to undertake such a comparison was that offered by Ian Phimister back in 1995. He recognised that there were important differences, including, though not only, the fact
that in Zimbabwe the liberation struggle had been 'almost exclusively rural' while in South Africa it was 'largely urban'. The thrust of his case was, however, that the similarities were more compelling, and he concluded that,

*the shared trajectory of national liberation goes a considerable way towards explaining why it is that erstwhile heroes of the fight against settler colonialism sooner or later squander their credibility ... precisely because they depended on the support and invariably the leadership of black professionals and other better-off elements, they ended up entrenching social inequalities.*

There is much to be said for this argument, though I would certainly want to factor in the international economic dimension, pointing to similarities between ESAP and South Africa's GEAR (Growth, Employment and Redistribution). Clearly, at this stage, Mbeki is not Mugabe – they have differences over key regional issues, and notwithstanding the AIDS debacle, rising unemployment and attacks on various groups of workers, Mbeki retains widespread support – the implication is, however, that he could, in some sense, become another Mugabe.

What are the main features of Zimbabwe's recent history that might, in modified form, be applicable in South Africa? The first is that, when people's living standards drop they begin to blame the government, leading, in instances where the administration has been in a power for a long time, to a popular mood of resentment that can turn into mass mobilisations. This has happened in many settings; in, for instance, the UK (against Margaret Thatcher), as well as in the immediately relevant cases, Zambia and Malawi, and more dramatic ones, such as Indonesia. Second, for countries with post-liberation, nationalist governments, unless opposition takes on a provincial or ethnic form, its core will consist of the labour movement. According to South African government insiders, Mbeki has given tacit support to Mugabe because he does not want a labour-backed opposition movement to succeed, particularly not in his 'back yard'. It seems possible, then, that Mbeki is not only aware of the parallels between the two countries, he is also concerned lest COSATU, increasingly hostile to his policies, follows the ZCTU in launching an opposition movement.

But let us, for a moment, return to that key difference between the two countries' recent political histories, the question of terrain of past struggle. First, for Zimbabwe, despite the continuing importance of the land question, the main dynamic is now located in the urban areas, thus reducing the difference between the two countries. Second, though, the South African working class is more politically experienced than that of Zimbabwe and, relatedly, the ANC has much firmer working-class roots than ZANU-PF. These roots are largely provided for the ANC by its allies, the South African Communist Party (SACP) and COSATU and, initially, the leaders of these organisations can be expected to use their influence to stall the formation of a mass labour-based party (and this has already been the case). However, if present trajectories continue, discontent can be expected to rise, and proposals for a new party (which have existed since the early 1980s, and have periodically reappeared) will gain increased support. Eventually, the SACP will have to decide whether or not to back such a movement, but this is a matter of detail (albeit a significant one). The contrast between the two countries is important, however, in that, in the more politicised South African context, a new party would be unlikely to endorse the kind of neo-liberal, social democracy that the MDC offers; after all this is, to a large extent, the kind of politics already practised by the ANC.
For Zimbabwean workers, the creation of a 'workers party' marks a major step forward, a valuable experience. 'If', as the man said, 'things don't work out, we try other means'. So, then, maybe the voice of another Harare worker is salutary - perhaps the only solution to poverty is a socialism that is global, and perhaps, too, as he said, it 'can happen'!

Peter Alexander is in the Sociology Department at the Rand Afrikaans University, Johannesburg. The author wishes thank the following: Terence Mashingaidze, a first-rate research assistant (who helped, in particular, with translations from Shona); friends in Harare, especially Beth Chitekwe-Biti; Brian Raftopoulos, for his encouragement; Nomore Sibanda and the ZCTU library staff; and the Rand Afrikaans University (RAU) Arts Faculty, which contributed financial assistance. In addition, this article benefited considerably from feedback on an earlier draft, both at the RAU Sociology Department Seminar, notably contributions by Patrick Bond and Tawanda Mutasah, and also in subsequent communications from Miles Larmer, David Moore and Blair Rutherford.

Endnotes

1. There is some possibility that this balance of parliamentary forces will change. At the time of writing (18 August), ballots are being recounted in a number of constituencies where the outcome was close, and the MDC is also challenging some results, claiming prima-facie evidence of intimidation. In addition the Supreme Court has nullified thousands of postal votes cast by soldiers in the DR Congo.

2. Unless otherwise indicated, all quotations are from these interviews (which were taped).

3. For Zimbabwe's labour history in the period preceding independence, see Brittain & Raftopoulos, 1997. For the most recent contribution to the history of its more dramatic earlier phase, see Phimister & Raftopoulos, 2000.

4. Patrick Bond's trenchant criticism of Beyond ESAP, which he says 'codified many of neo-liberalism's worst conceptual errors and policy recommendations' (1998:412) is, doubtless, valid. Nevertheless, in presenting an alternative to the government's general approach to economics, rather than merely rejecting specific policies, the ZCTU leadership may have begun to envisage itself as an alternative government.

5. The farm labourers' union, the General Agriculture and Plantation Workers' Union of Zimbabwe, claimed about 84,000 members as late as December 1999 (Magwaza, interview). Compared with South Africa, this sector is well organised. Surprisingly, perhaps, there is greater legal support for union organising and collective bargaining in Zimbabwe than in South Africa. For a valuable insight into the consciousness of farm labourers, see Rutherford, 2000.

6. See also Norma Krieger's Briefing in this edition of ROAPE. It would be a mistake to regard the war veterans as an homogenous block; the Zimbabwe Liberators' Platform, for instance, represents former guerrillas who suffered greatly at the hands of Mugabe (see Moore, 2000b).

7. According to Gwiyo, labour forums started with the advent of ESAP, 'as a tool to denounce government'. He says that they were also used to mobilise support for the annual May Day rallies, but, from the 1997 stayaway, became more frequent 'as a
result of change in consciousness, [with] workers beginning to take an interest in their political role'.

8. In preparation for the gathering, the ZCTU held broad-based consultative workshops in 20 towns around the country, and a summary of participants' contributions is reproduced in Kondo, 1999. One person complained: ‘At independence they [chiefs] came with socialism, an ideology they brought from the revolution, later they came up with ESAP, borrowed from the International Monetary Fund and World Bank. All we, the povo, was taught and expected to do was to answer to slogans in chorus and to do it as said’. In general, there was ‘recognition that collective bargaining is not helping at all’, and it was found that ‘workers were ready to form a party’ (Shoko, interview).

9. It will take time for an detailed account to emerge, but for a stimulating, if preliminary, analysis that suggests a possible move towards feudalism (a term that Biti also used), see Moore, 2000a.

10. This massive gathering was in marked contrast to Mugabe’s closing rally in Harare, at which only 5,000 people were present. I give these figures because the scale of the meetings was misrepresented in some western media; this was probably as a consequence of briefings by Jonathan Moyo, then ZANU-PF’s campaign manager, now minister of state for publicity and information in the president’s office. Moyo claimed that the MDC rally only filled a small section of one stand, implying less than 5,000 people, and that the ZANU-PF rally attracted 25,000 people.

11. Census 1992 recorded that 31.2 per cent of Zimbabweans were living in urban areas, 51.4 per cent were on communal land, 12.9 per cent lived on commercial farms, and 4.5 per cent lived in resettlement areas or on state land. Outside the two urban provinces, the majority occupational classification was ‘agriculture’. Sixty-four per cent of the MDC’s total vote came from the rural provinces. All voting figures are taken from The Herald, 27 June 2000.

12. In an interview with Bond (2000b), Tsvangirai grappled with the politics of nationalism, arguing: ‘In many ways we are moving away from the nationalist paradigm ... MDC politics are not nationalist inspired, because they focus more on empowerment and participation of the people. ZANU’s nationalist thinking has always been top-down, centralised, always trapped in a timewarp’.

13. A number of the managers complained that shortage of foreign exchange was limiting supplies and restricting output, though production was being undertaken in ‘our’ four factories.

14. Only one of the groups included specific discussion on gender. This produced two responses, both from men over 40. One said, ‘I wouldn’t like women to get into parliament’, and the other commented: ‘At the moment our culture hasn’t changed to let our women rule, but, with time, we expect that to happen’. It would be interesting to take this matter further, possibly by comparing working-class paternalism in Zimbabwe and South Africa.

15. Moreover, Tsvangirai, aged 48, was more capable of relating to and articulating the concerns of the younger generations than Mugabe, aged 76.

16. My observations about the gender and age composition of Zimbabwean workers are largely confirmed by Gaidzanwa, 1991. However, this earlier study found lower
average levels of education; a difference which may, perhaps, be explained by the fact that it was conducted a decade ago. In ‘our’ groups all the workers were black.

17. My general impression, not only from these interviews, was that education correlated with confidence to speak out against Mugabe (which is, of course, ironical, since the high quality of Zimbabwean education was, arguably, the single most impressive achievement of his first ten years in office).

18. Pressed for details about conditions in Zambia and Malawi, responses were more sanguine. From knowledge that had been received from lorry drivers and Zambian traders, the workers understood that conditions were still bad in those countries, though in Malawi it was said that ‘things have relaxed a bit’. It may be, then, that the importance of change in these two countries was that it demonstrated that labour-led parties had the ability to win elections.

19. Miles Larmer (pers. com.), whose MA (1992) was on the campaign to remove Kaunda, suggests this attitude is ‘uncannily similar to Zambia – “politics is not our concern, we leave all that to the politicians.”’

20. In a survey conducted a decade ago, out of 172 urban workers, two-thirds maintained a rural home (Peta et al., 1991:118).

21. When Sibanda was asked, what, in his experience, convinced peasants to vote for the MDC, he replied: ‘The economic issue. We are telling them we are going to create jobs, we are going to bring prices down. That’s what they are voting for, there’s no doubt. Most of the youth in the rural areas have got no jobs, and those are the people who voted for us’.

22. Subsequently, Socialist Worker (July, 1998) and the The Worker (November, 1988) both carried articles containing support for the application of this approach to Zimbabwe. For a useful account of the Indonesian events, see Fermont, 1998. She notes, en passant, that, at 86 million strong, Indonesia’s working class is larger than the entire working class of the world at the time of the Communist Manifesto.

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Group interviews with workers from four different factories in south-west Harare.

Appendix: Delegates to ZCTU Extra-Ordinary Congress, 1999

<table>
<thead>
<tr>
<th>Union</th>
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<tbody>
<tr>
<td>Amalgamated Railwaymen's Union</td>
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<td>Associated Mine Workers' Union</td>
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<td>Association of Enginemen</td>
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<tr>
<td>Banks and Allied Workers' Union</td>
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<td>Catering and Hotel Workers' Union</td>
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<td>Cement and Lime Workers' Union</td>
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<tr>
<td>Chemicals, Plastic and Allied Workers' Union</td>
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<tr>
<td>Commercial Workers' Union</td>
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<td>Construction and Allied Workers' Union</td>
<td>5</td>
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<tr>
<td>Domestic and Allied Workers' Union</td>
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<tr>
<td>Education, Scientific, Social and Cultural W. U.</td>
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<tr>
<td>Electricity and Energy Workers' Union</td>
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<tr>
<td>Federation of Food and Allied Workers' Unions</td>
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<tr>
<td>Ferro Alloys Workers' Union</td>
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<td>Iron and Steel Workers' Union</td>
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<td>Leather Shoe and Allied Workers' Union</td>
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<tr>
<td>National Airways Workers' Union</td>
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<tr>
<td>National Engineering Workers' Union</td>
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<td>Posts and Telecommunication Workers' Union</td>
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<tr>
<td>Railway Artisan Union</td>
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<tr>
<td>Textile Workers' Union</td>
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<tr>
<td>Tobacco Industry Workers' Union</td>
<td>5</td>
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<tr>
<td>Transport and General Workers' Union</td>
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<tr>
<td>Urban Councils Workers' Union</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>149</strong></td>
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</tbody>
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Source: ZCTU, 1999. In addition to the 24 unions listed above, the congress allowed the Sugar Industry Union to attend 'on full delegate'. Nine of the ZCTU's affiliates were 'not in good standing', though four attended with observer status.
Maintaining Corporate Dominance after Decolonization: the ‘First Mover Advantage’ of Shell-BP in Nigeria

Jêdrzej George Frynas, Matthias P Beck & Kamel Mellahi

Nigeria’s oil industry came into being during colonial rule. Preferential treatment by British colonial authorities had given a British oil company – Shell – a virtual monopoly over oil exploration in the country and Shell has remained the dominant oil company in Nigeria.

While there is substantial evidence to suggest that Shell-BP established its dominant position in Nigeria with the support of British colonial officials, it was by no means clear that Shell would be able to maintain this advantageous position. Indeed, the historical record shows that both the Nigerian government and a number of competitors posed a potential threat to Shell’s dominant position.

The purpose of this article is to answer the question why Shell was able to maintain a position of dominance in Nigeria. It examines Nigeria’s diversification and nationalisation policies from the late 1950s to-date with the view of identifying the factors which allowed Shell to maintain its position vis-à-vis potential competitors. This investigation is based on the analysis of secondary sources as well as documents from the Public Record Office (PRO) in London and the BP Archive.

In order to explain Shell’s dominance in Nigeria, the article proposes to utilise the concept of a ‘first mover advantage’. On the most basic level, this concept suggests that pioneering firms are able to obtain positive economic profits as the consequence of early market entry, that means, profits in excess of the cost of capital. The article concludes that a micro-theoretical analysis based on the idea of a ‘first mover advantage’, which explores the position of individual corporate entities within a political economy framework, provides a superior explanation of Shell’s dominance in Nigeria as compared to conventional macro-theoretical structuralist approaches.

In 1938, the two major British oil companies Shell and BP were granted an oil exploration licence covering the entire territory of Nigeria. Nigeria, at the time, was a British colony which it remained until 1960. Preferential treatment by colonial authorities had given Shell-BP a virtual monopoly over oil exploration in the country. On the eve of Nigeria’s independence, Shell-BP had a dominant position in Nigeria’s oil industry. While BP’s assets in the joint venture had been nationalised in 1979, Shell
has remained the dominant oil company in Nigeria. Should one interpret this fact to indicate that the establishment and maintenance of Shell’s dominant position was primarily due to Britain’s colonial policies?

Macro-theoretical analyses, such as the theories proposed *inter alia* by Wallerstein and other structuralists, would attribute continuing post-colonial dependency relationships to the interaction of core and periphery states. Based on their resources and political dominance, core nations of the capitalist world are said to be able to ‘capture’ production at the periphery in an integrated system that renders the struggle for national development and control over resources extraordinarily difficult. As a result, this view suggests that exploitative relationships between core and periphery nations can exhibit a remarkable degree of stability, beyond changing political contexts. Accordingly, the economies and economic agents of former colonial governments and their private corporations are said to have continued to dominate the economic activities and the development of formally independent African countries.

One of the major drawbacks of this type of macro-theoretical reasoning is that it fails to explain why one company of a core nation vis-à-vis another was able to maintain a dominant position in a periphery nation. Indeed, modern business research on the actual entry of multinational corporations into foreign markets yields markedly different conclusions. Already in the 1970s, scholars demonstrated that the expansion of multinational corporations in oligopolistic industries tends to take place in clusters. Research by Knickerbocker (1973) and Flowers (1976) suggested that foreign investment by one leading firm triggers the entry of other foreign firms, a move regarded as necessary in order to negate the leading firm’s early gains. The logic of this ‘oligopolistic response’ implies that a multinational corporation would inevitably face serious challenges to its dominant market position.

By implication for our research, while there is substantial evidence to suggest that Shell-BP established its dominant position in Nigeria with the support of British colonial officials (Frynas, 1998; Frynas & Beck, 1998), it was by no means clear that Shell-BP would be able to maintain this advantageous position. Indeed, the historical record shows that various initiatives threatened Shell-BP’s position. These included diversification policies in the late 1950s and early 1960s, a series of partial nationalisation policies during the 1970s, and a renewed focus on diversification from 1986 onwards. At the same time, Shell-BP’s successful exploration and production triggered the entry of many newcomers into Nigeria, which appears to be consistent with the above-mentioned business research. Therefore, both the Nigerian government and a number of competitors posed a potential threat to Shell’s dominant position.

The purpose of this article is to answer the question why Shell was able to maintain a position of dominance in Nigeria. We will examine diversification policies during the late 1950s and early 1960s, nationalisation policies during the 1970s and diversification policies during the 1990s with the view of identifying the factors which allowed Shell to maintain its position vis-à-vis potential competitors. This investigation is based on the analysis of secondary sources as well as documents from the Public Record Office (PRO) in Kew, London and the BP Archive at the University of Warwick – In order to explain Shell’s dominance in Nigeria, we utilise the concept of a ‘first mover advantage’. On the most basic level, this concept suggests that pioneering firms are able to obtain positive economic profits as the consequence of early market entry, that means, profits in excess of the cost of capital. We conclude that a micro-theoretical analysis based on the idea of a ‘first mover advantage’, which explores the
position of individual corporate entities within a political economy framework, provides a superior explanation of Shell's dominance in Nigeria as compared to macro-theoretical structuralist approaches.

**Early Diversification Policies**

While Shell-BP was actively assisted by political authorities in the 1950s, the British colonial administration like any state apparatus had conflicting interests. On the one hand, Shell and BP had a very close relationship with successive British governments. On the other hand, both the Nigerian and the British governments were interested in promoting private investment by attracting new oil companies to areas abandoned by Shell-BP. The British government, moreover, was pressured by the US government to open up oil exploration areas to US oil companies.

If the British Colonial Office had to straddle a number of agendas, policy-making was complicated by Nigeria's constitutional changes in the 1950s. These gave increasing decision-making powers to Nigerian politicians. From the early 1950s, petroleum policy in Nigeria increasingly became a prerogative of Nigerian politicians. On the most basic level, the control of petroleum matters in Nigeria rested with the federal government in Lagos. From 1956 onwards, the Ministry of Lagos Affairs, Mines and Power, which became the Ministry of Mines and Power by 1960, took many key decisions in oil matters. This Ministry in turn had to seek the approval of other formal bodies, particularly the regional governments in Nigeria, although the regional governments had little influence on oil policy in practice due to their lack of technical expertise in oil matters. For instance, when taxation of oil production was discussed, no objection was raised by any of the regional governments on the fiscal terms of the agreements with oil companies (PRO, File CO1039/107).

Apart from British economic interests, the colonial administration in Nigeria had, as it increasingly relied on American financial assistance, to juggle with US interests. Britain's financial condition may, at times, have taken precedence over the needs of Britain's corporations. In the late 1950s, the British government made a concerted effort to limit its financial contribution to the colonies in order to protect a stable government budget and a stable currency. From the mid-1950s onwards, the British government was no longer able to provide comprehensive aid to Nigeria, primarily due to its worsening economic situation. As a response, the government sought financial assistance from the United States while the US authorities were consulted with regard to potential African involvement, a policy which continued after Nigeria's independence (Frynas & Beck, 1998). The minutes of a meeting at the Commonwealth Relations Office in 1961 read:

*Sir A. Rumbold, winding up the meeting, said we had some six weeks to clear our minds on our attitude toward the Mission [Nigerian Economic Mission] before it came here for its business talks in July. He suggested that there were three alternatives:*

*a) To offer Nigeria some aid on account but to defer any offer of the bulk of our assistance until we have discussed the problem of aid to Nigeria with the United States;*

*b) To give nothing until we have discussed the problem with the United States;*

*c) To try to have discussions with the Americans between now and July on concerted aid (in which the World Bank might be brought in) (PRO, File DO177/6).*
In any case, British aid to Nigeria was increasingly tied to US policy. This reliance on US assistance can help to explain why the British government encouraged US private investments in Britain's African colonies in the 1950s. Before the 1950s, Socony-Vacuum Oil (later re-named Mobil) had already sought oil concessions in Nigeria and the Gold Coast. The US government assisted Socony-Vacuum's efforts in Nigeria throughout the Second World War, but the British government repeatedly refused to grant oil concessions to the company (Gibbs, 1995). In 1955, the British government turned around and granted Socony-Vacuum an exploration licence, despite the fact that Nigerian legislation formally barred the entry of non-British oil companies (Frynas & Beck, 1998).

As a result of Britain's new diversification policy, by the time of Nigeria's independence in 1960, Shell-BP had been joined by two competitors – Mobil and Tennessee (also known as Tenneco). The newly independent Nigerian state continued this policy and granted oil exploration licences to Gulf (later Chevron) in 1961, American Overseas (also known as Amoseas) in 1961, Agip in 1962, SAFRAP (later Elf) in 1962, Phillips in 1965 and Esso in 1965 (Schätzl, 1969:4-5; Whiteman, 1982:340-342). As a consequence, nine foreign oil companies were engaged in oil exploration in Nigeria by 1965.

Nonetheless, the British diversification policy was not a major threat to Shell-BP's dominant position for a number of reasons, above all, the nature of the oil licences in Nigeria and Shell-BP's ability to exploit the resulting business opportunities.

That the expansion of Shell-BP's operations in Nigeria required the backing of a sympathetic system of oil licensing and a business conducive legal framework is self-evident. Colonial petroleum legislation did not prescribe the specific terms and conditions of oil operations. These were predetermined by oil licences issued by the colonial and later the post-colonial government. Every licence set out the specific rights and obligations of the licence holder. An oil company had to apply for each licence separately. Once an oil company obtained a licence, it had to fulfil the conditions and obligations proscribed by the licence and had to pay the stipulated fees. There were three types of licences: the oil exploration licence (OEL), the oil prospecting licence (OPL), and the oil mining lease (OML). In addition to these three types of licences, an oil company had to apply separately for a licence to build a pipeline under the Oil Pipelines Act 1956. At first, an OEL was granted, which allowed the oil company to explore, search and drill for oil but prohibited oil production. Once the OEL for an area expired, the same oil company could either surrender the exploration area or apply for an OPL for the area in question. The OPL allowed the company to explore, search and drill for oil as well as to produce oil. Once the OPL expired, the oil company could surrender the area or apply for an OML for the area in question. The most important licence, the OML was a long-term agreement between the company and the government to produce oil. The specific terms and fees differed between OELs, OPLs and OMLs. The most distinctive provision of an OML was the exclusive privilege to produce oil in a specific area for a period of 30 years in land areas and territorial waters and of 40 years in the Niger Delta and the continental shelf (Frynas & Beck, 1998).

An obvious and crucial explanation for Shell's dominance in Nigeria's post-colonial oil economy is that Shell-BP held the majority of oil licences at independence. In January 1960 and in January 1962, the oil prospecting licences (OPLs) granted to Shell-BP under colonial rule had expired. The OPLs gave a venture the right to take up to 50 per cent of the area under oil mining leases (OMLs) for a period of 30 or 40 years (PRO,
Shell-BP, unaffected by competitors, was able to acquire 46 oil mining leases (OMLs) covering 15,000 sq. miles (approximately 38,850 sq. km) for 30 or 40 years in the areas with the best geological indications for oil deposits (Schätzl, 1969:1). In comparison, the area of the Niger Delta Basin, where the bulk of Nigerian oil operations have taken place since, covers roughly 28,950 sq. miles (75,000 sq. km) onshore (Ashton-Jones, 1998:151), albeit one needs to note that there exist different definitions of the Niger Delta territory.

Nigeria’s post-independence governments did not restrict Shell-BP’s concession area. Therefore, it is evident that the nature of the licensing process and the role played by Shell-BP within it enabled the company to pre-empt rivals by securing long-term leases in the most promising areas and to maintain a competitive advantage vis-à-vis rivals after Nigeria’s independence.

In order to exploit the advantages Shell-BP had gained in licensing, the company required an effective strategy of exploitation, production and marketing. Although oil exploration in Nigeria started in the first decade of the 20th century, systematic major drilling activities commenced in 1951 and oil production commenced in December 1957 (Frynas & Beck, 1998).

From the early 1950s, the managers of Shell-BP were aware of looming competition by non-British oil companies. The discovery of oil at the Akata-1 well in 1953 and at other oil wells was likely to trigger the interest of competitors in Nigeria. In a confidential letter in November 1953, C. L. Evangouloff of Shell D’Arcy expressed the anxiety of Shell-BP managers in the wake of the oil discovery at the Akata well:

*In view of the possibility of competitors renewing their interest in Nigeria on release of the Akata news, we would appreciate receiving an early expression of your views on the above conclusions [on the attractiveness of different licence areas] (BP Archive, File BP 42731).*

In order to pre-empt competitors, Shell-BP had to act fast as the company was to surrender the majority of its oil licences in line with the provisions of the licence agreement. Until 1951, Shell-BP had exclusive concessions over all Nigerian oil resources. In that year, the original exploration licence covering 357,000 sq. miles was reduced to an area of 58,000 sq. miles in Southern Nigeria. Between 1955 and 1957, Shell-BP’s exploration area was further reduced to 40,000 sq. miles, mainly in the Niger Delta (Schätzl, 1969:1).

Even when the oil exploration licences (OELs) expired, however, the British government amended the terms of the oil prospecting licences (OPLs) in favour of Shell-BP in Nigeria. In the early 1950s, the Nigerian colonial government, with the full authority of the British Secretary of State for the Colonies, agreed to increase the size of Shell-BP’s OPLs (PRO, File CO1029/255). It appears that the decision was made at the request of oil managers. An internal oil company report in 1954 read:

*As a result of representations made by Shell D’Arcy [re-named Shell-BP in 1956], the Central Government have agreed that the area of these licenses shall be increased from 500 sq. miles to 2,000 sq. miles and the obligation to drill a well shall be at any time during the period of the licence (BP Archive, File BP 52584).*

Under these terms, Shell-BP had to apply for only six to seven licences as against approximately 28 licences for the same area under the previous regulation. This reduced the number of wells that the company was obliged to drill to meet licence terms. With the assistance of the government, Shell-BP established its base in the oil-
rich onshore areas of south-eastern Nigeria at a lower financial cost than otherwise necessary.

While the above example illustrates that the British government was still prepared to actively support Shell-BP in Nigeria in the mid-1950s, the colonial authorities largely refrained from actively assisting the British oil companies. For their part, Shell and BP did not, by and large, need any active government support because of the nature of the oil mining leases (OMLs) mentioned earlier.

The key problem in exploiting the advantages Shell-BP had gained in licensing was that of information. Before choosing the specific areas for OPLs and OMLs, Shell-BP had to know where the most promising areas for oil production were located. Some of the most valuable information was gained through drilling activities, which started in 1951. The first deep exploration well was drilled at Ihuo near Owerri. In 1953, some 450 barrels of oil were discovered at the Akata-1 well. In 1956, the Shell-BP venture for the first time found oil in commercial quantities at Oloibiri. Encouraged by early successes, Shell greatly expanded its drilling activities between 1958 and 1960. According to Shell’s figures, 1959 was the peak year of drilling with 53 wells drilled by Shell-BP. As a result of expanded operations, Shell-BP was able to make important discoveries, of which the most promising one was the Bomu oil field in the Ogoni area in 1958 (Frynas & Beck, 1998).

The increased drilling activity between 1958 and 1960 appears to have been to a large extent a consequence of Shell-BP’s attempt to pre-empt successful competition. The information gained by Shell-BP’s drilling programme allowed the managers to examine the commercial prospects of different exploration areas. The information from exploration helped Shell to make well-informed choices in the 1950s. C. L. Evangoulloff of Shell D’Arcy wrote in November 1953:

Two of the areas, which we have re-examined in some detail, are Sokoto in the north-west and the middle/upper Benue-Lake Tchad area in the north-east of Nigeria. On the basis of the present information as contained in the appended geological appreciations, we do not feel that any new line of thought has been presented which brings us to upgrade the attractiveness of these areas, and we agree with previous conclusions that neither presents features favourable to commercial oil accumulation. Accordingly, we are of the opinion that no application for exploration licences should be made in these areas (File BP 42731).

When the Shell-BP venture was finally forced to reduce its acreage of oil licences in the 1950s, the company made informed choices to retain the best concession areas in the Niger Delta. Meanwhile the company withdrew from Northern Nigeria. Having acquired and explored the potential of a vast area of suspected oil reserves, Shell-BP could ultimately choose the most promising areas for production. The choice of exploration areas for newcomers in Nigeria was limited to less promising areas previously abandoned by Shell-BP. In this sense, Shell-BP not only had had the advantage of an early start, but had also been able to strategically exploit it.

As a consequence, on the eve of Nigeria’s independence in 1960, Shell-BP was able to choose 46 oil mining leases in the most promising areas which gave the company a virtual monopoly over Nigeria’s oil exploration and production in the decades to come. Despite the looming competition, Shell-BP had benefited from the economic interests and strategic calculations of the British Empire. The other oil companies had to start anew, while Shell-BP had the experience of over 20 years in Nigeria. Shell-BP had the first mover advantage in Nigeria.
The nature of oil licences and Shell-BP's ability to strategically exploit the resulting business opportunities can explain why the diversification policies in the 1950s and 1960s did not undermine Shell-BP's dominant position in Nigeria. All newcomers were merely confined to market niches left behind by Shell-BP, of which the most important were the oil resources in Nigeria's offshore area. Shell-BP had to compete with several other oil companies in offshore exploration from the start. With respect to new licences, Nigeria's Council of Ministers in 1959 agreed 'that not more than four blocks of 1,000 square miles each should be granted in the Continental Shelf area to any one company' (PRO, File CO1039/108). Of ten licences for offshore blocks granted in 1961, four were awarded to Shell-BP and two each to Mobil, Gulf (later Chevron) and Amoseas (Schätzl, 1969:5). This early diversification explains in part why Shell was not able to extend its dominant position in onshore operations to those offshore. In January 1964, Gulf discovered the Okan oil field, the first commercial field to be found on Nigeria's continental shelf. The Okan field began to produce oil in 1965 and remained the only producing offshore field until 1970 (Whiteman, 1982:315). Gulf thus became established in offshore operations owing to its early discoveries and remained the second largest oil producing company in Nigeria into the early 1990s. Mobil made its first discovery in 1964 and began production from the offshore Idaho field in 1970 (http://www.mobil.com/world/nigeria/mobnigeria.html, January 1998). Mobil remained the third largest oil company in Nigeria until 1992 when it overtook Chevron to become the second largest. Texaco/California Asiatic made its first offshore discovery in 1963 (Madujibeya, 1975:3). Of the 314 successful oil and gas discoveries made by 1975, 73 per cent were in onshore areas and 27 per cent in offshore areas. While Shell-BP accounted for 77 per cent of onshore discoveries, three US companies – Gulf, Mobil and Texaco/California Asiatic – accounted for 76 per cent of offshore discoveries (Madujibeya, 1975:3). Agip/Phillips and Elf focused on onshore areas abandoned by Shell-BP. All six major foreign oil companies, which still dominate the Nigerian oil industry today (Shell, Mobil, Chevron, Elf, Agip and Texaco), were already present in Nigeria by the early 1960s and were all producing by 1971 (see Table 1).

From the point of view of Shell-BP, the success of newcomers in Nigeria was likely to lead to a relative decline in the company's market share. Indeed, Shell-BP was progressively losing its share in Nigeria's total production. In 1958, Shell-BP generated 100 per cent of Nigeria's oil production. From then onwards, the company's market share has continuously declined. The production of Shell-BP declined from 74.47 per cent in 1970 to 59.53 per cent in 1976 and to 51.37 per cent in 1981. In absolute terms, of course, Shell's production operations increased to a peak of 1,398,500 barrels/day in 1974 (Khan, 1994:89). In percentage terms, from 1981 onwards Shell generated roughly half of Nigeria's oil production, though recently its share started to decline anew (see Table 1). While the diversification policies of the 1960s shaped a new era of development pattern of Nigeria's oil industry, Shell was able to retain its dominant position. The Civil War 1967-1970 finally interrupted Nigeria's diversification efforts.

While the Nigerian government appeared to have actively supported moves towards the involvement of a greater number of oil companies, it did not initially seek a direct share in the operations of the exploration and production sector. In 1962, Agip (an affiliate of ENI) gave the Nigerian government an option to take 33.33 per cent stake in the Nigeria Agip Oil Company (NAOC) in the form of a clause in its concession agreement, but the government did not take up the offer until April 1971 (Obi and Soremekun, 1995:12). Under the leadership of Enrico Mattei, ENI had embarked on
aggressive world-wide expansion by offering better financial deals for governments of oil producing countries, which posed a threat to competitors such as Shell and BP (Sampson, 1975:147-151). A confidential circular of the British Foreign Office in 1961 noted with anxiety that ENI (Agip’s parent company) ‘has actively encouraged the development of state oil organisations (...) by political means’ (PRO, DO177/33). The Nigerian government declined Agip’s offer and, by and large, limited petroleum policy to fiscal changes throughout the 1960s. Effectively, Nigeria’s attempts at diversifying oil production did not result in direct pressures on Shell. Additional companies did gain ground, notably in the offshore area, but Shell-BP remained the dominant company.

### Table 1: Percentage Share of Nigeria’s Crude Oil Production by Company, 1970-1999

<table>
<thead>
<tr>
<th></th>
<th>Shell-BP</th>
<th>Gulf*</th>
<th>Mobil</th>
<th>Agip</th>
<th>Elf</th>
<th>Texaco Ashland**</th>
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### Nationalisation Policies

Nationalisation measures, like diversification policy, also did little to undermine Shell-BP’s position in the post-colonial period. From 1971 onwards, the government gradually began to acquire equity stakes in the foreign oil companies in line with a group of moderate member countries of the Organisation of the Petroleum Exporting...
Countries (OPEC) such as Saudi Arabia. In the first wave of nationalisation, the government acquired a 33.33 per cent stake in Agip (then Agip-Phillips venture) and a 51 per cent stake in three smaller exploration companies — Deminex, Occidental and Japan Petroleum, according to prior voluntary agreements made with the companies. In 1971, the government also acquired a 35 per cent stake in Safrap (Elf) as a pre-condition of the company’s resumption of operations after the Civil War (Turner, 1977:138). In the second wave of nationalisation in 1973, the government acquired a 35 per cent stake in Shell-BP. At the same time, it sought an equity share in all the major foreign oil companies (Turner, 1977:138-139). Shell-BP was compensated on the basis of updated rather than net book value. The updated book value was higher than the net book value. Thereafter, the Nigerian government sought a 40 per cent stake in Gulf, Mobil and Texaco. The US companies predictably resisted this involvement. The US companies demanded to be paid compensation according to terms previously granted to Shell-BP, while the Nigerian government offered them a lower compensation payment. Mobil and Gulf were able to delay nationalisation for several months. In 1974, payment for Gulf’s and Mobil’s 55 per cent interest was calculated on the lower net book value (Turner, 1980:108). Interestingly, even when nationalisation measures were taken, Shell-BP was favoured vis-à-vis its competitors. Despite resistance, by July 1979, the government had increased its participation to a 60 per cent ownership in all major foreign oil companies including Shell-BP except for the production-sharing agreement with Ashland and the Tenneco-Mobil-Sunray venture (Khan, 1994:70) (see Table 2).

From the perspective of Shell-BP, the most dangerous development of all was the government’s decision in July 1979 to nationalise all BP’s assets. This nationalisation

<table>
<thead>
<tr>
<th>Government Participation (%)</th>
<th>Date of Acquisition</th>
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<td>Shell-BP</td>
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</tr>
<tr>
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<td>August 1979</td>
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<tr>
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<td>Texaco</td>
<td>May 1975</td>
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<td>January 1978</td>
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Table 2: Evolution of Government Participation in Major Oil Companies in Nigeria, 1971-2000

Sources: Turner (1977, 1980); Khan (1994); Whiteman (1982); Petroleum Economist (October 1993).

* Shell-BP until August 1979.
included pipelines, interests in eighty producing oil fields, a 20 per cent share in the Shell-BP joint venture and a 60 per cent share in BP-Nigeria Marketing Company. These nationalisation measures were a major blow to BP which lost an estimated 9 per cent of the company's total crude oil supply. Compensation was paid by the Nigerian government in 1981, but it was probably considerably lower than the true value of BP's losses. As a result of nationalisation, the government now owned 80 per cent of the former Shell-BP venture, while Shell retained its 20 per cent stake (Khan, 1994:70-71).

The nationalisation of BP indicated that the Nigerian government was capable of fully nationalising a foreign oil company, if government officials were determined to do so. The nationalisation of BP, however, was conducted out of foreign policy considerations, not for reasons of economic development (Aluko, 1990). The Nigerian government under General Obasanjo (1976-1979) was committed to the cause of black majority rule in Rhodesia and aimed at exerting political influence on the British foreign policy towards Rhodesia. For Nigeria's oil industry as a whole, the nationalisation of BP changed little. In the exploration and production sector, Shell continued to operate the joint-venture on behalf of the government, which was previously jointly operated by Shell and BP (Khan, 1994:70). This allowed Shell to maintain a position which closely mirrored the previous arrangement with BP. In these arrangements, Shell had been responsible for the exploration and production side, while BP conducted refining and marketing operations. Refining and marketing operations were now conducted by the government through the Nigerian National Oil Corporation (NNOC), a state oil corporation founded in 1971 (which became the Nigerian National Petroleum Corporation – NNPC – in 1977). Shell was at liberty to continue and expand along its previous line of business. Today, the government owns a 55 per cent share in the Shell-operated joint-venture and a 60 per cent share in other joint-ventures with the major oil producing companies (see Table 2).

Limitations on a further curtailment of Shell's position in Nigeria arose from several practical concerns. For some Nigerian officials, Shell's operations, like those of other companies, had become a source of wealth and income. Africa Confidential reported that some US$3-4 billion were reportedly siphoned off in oil deals by the ruling elite and its business partners in less than four years between 1993 and 1997 (Africa Confidential, 24 October 1997). In comparison, Nigeria's total government revenue from oil was US$12 billion in 1997 (Guardian, Lagos, 19 February 1998). Among other financial arrangements, more than US$2 billion allocated to the NNPC for refinery repairs in the period 1993-95 had gone missing. From General Abacha's rise to power in 1993, financial transfers involving the oil industry had to go through the presidential office, which suggests that the government was fully informed of the extent of corruption and financial deals in the oil industry (Africa Confidential, 24 October 1997).

Personal enrichment of government officials became more feasible when the government had become involved in the marketing of oil. Since the early 1970s, foreign oil companies in Nigeria have owned merely a fraction of the oil, which they produce. In the Shell-NNPC joint venture, for example, Shell owns only 30 per cent of the crude oil production, while the government is entitled to 55 per cent of the oil. Of the government's share of crude oil, a small part of the oil is transported to the Nigerian refineries, while the greater part is allocated to the so-called 'term contracts' for exports. The introduction of these term contracts in the early 1970s has opened an avenue of potentially lucrative business deals for government officials and private
businessmen. During the oil crisis of 1973-74, for example, major political differences arose when the NNOC had some 300,000 barrels/day available for sale. Signing of contracts was delayed, the oil minister changed his mind on a number of occasions and, generally, the auction of the crude oil came into disrepute. In the process, at least one Nigerian middleman, who acted on behalf of foreign companies, made a fortune out of two crude oil sales by the Ministry of Mines and Power. Because of the delays in signing contracts, the NNOC was finally forced to sell the unsold oil to Shell-BP and the smaller Nigerian producers in early 1974 at lower prices at the expense of the government revenue (Turner, 1978). Soremekun (1995) has reported that, during the civilian rule of 1979-1983, 72 individuals were issued with licences to sell crude oil, although only two of them were reportedly engaged in the oil business. All the others acted as middlemen. In the last two decades, corruption in the oil industry has continued and middlemen as well as state officials have continued to provide access for foreign companies. Under General Abacha’s rule from 1993-1998, foreign trading companies such as Glencore, Addax (both Swiss-based) and Arcadia (British-based) reportedly paid commissions of about 10-15 per cent to government officials for the allocation of term contracts. *Africa Confidential* reported that those three foreign companies controlled roughly 80 per cent of Nigeria’s term contracts between them in 1997, exporting 1.1 million barrels/day of crude oil from Nigeria (*Africa Confidential*, 24 October 1997). In comparison, Nigeria’s total oil production was 2.3 million barrels/day of crude oil in April 1997 (*Weekly Petroleum Argus*, 21 April 1997). What is obvious is that revenue made in these operations by Nigerian officials and middlemen ultimately depends on the production capacity of oil majors such as Shell. Any serious infringement on Shell’s operations, would have been counter-productive to the interests of those involved in these dealings. In other words, Shell’s operations, in part, have been protected by a ‘biting the hand that feeds rationale’, one which may not be open and visible but nonetheless may have had a powerful influence on decision makers.

Following the handover of power in May 1999, President Obasanjo announced anti-corruption measures in the oil industry (*Guardian*, Lagos, 1 June 1999; *Africa Confidential*, 22 October 1999). While it is too early to make a prediction on the significance of this decision, past experience would suggest that anti-corruption measures may be difficult to implement in Nigeria’s oil industry.

Even if these problems of self-dealing would not provide an obstacle to curbing Shell’s dominance, evidence suggests that the ability to carry out effective reforms may be limited by other factors characteristic of the current Nigerian political economy. In 1981, the Nigerian state attempted to curb some of the worst excesses of corruption and mismanagement in an effort to re-organise the NNPC. This followed evidence from a US accountancy firm that some 2.8 billion Naira (roughly US$4 billion) were not accounted for in the bank records of the NNPC. The Irikife Tribunal, which investigated the matter, failed to even summon Generals Buhari and Obasanjo, who were responsible for supervising the NNPC and controlled oil sales during the period in question. This suggests that the scope of the inquiry was limited (Turner and Badru, 1984). Khan’s (1994:24-27) account of the restructuring of the NNPC following the Irikife Tribunal’s report describes how the NNPC organisation was split up in nine subsidiaries; these were intended to be independent. An ‘independent’ regulatory agency called the Petroleum Inspectorate was also created (which was later merged with the newly re-established Ministry of Petroleum in 1986). As most of the reforms failed to improve efficiency, the NNPC was again re-structured as a ‘commercial and autonomous’ entity in January 1992, which was meant to be run
more like a private corporation. In practice, however, the government retained the prime influence within the NNPC, which in turn continued to run joint-ventures on behalf of the government (Khan, 1994:24-27). Despite the commercialisation of the state oil corporation, Khan (1994:26) has described the NNPC as an 'essentially weak organisation' with 'excessive red tape and bureaucratic delays'. These reform attempts have demonstrated the great difficulties involved in the creation of an effective regulatory authority within the Nigerian oil industry. Ultimately, these difficulties in running an effective production and regulation entity have benefited oil majors such as Shell, which have been able to continue business as usual in the absence of effective challenges by the state.

Even if the Nigerian state were able to challenge foreign oil companies more effectively, there are limits as to what is feasible in terms of the Nigerian petroleum policy. It was probably in the late 1970s when the Nigerian government officials came to realise the threat of the potential withdrawal of foreign oil companies from the country. A decline in oil exploration by foreign companies in the 1970s has forced the government into a more accommodating tone towards the foreign oil companies. Between 1977 and 1983, the fiscal incentives for foreign oil companies were accordingly improved four times, although the new fiscal terms failed to significantly increase foreign investment in oil exploration (Alli, 1997). In the 1980s and in the 1990s, faced with the immediate problems of falling oil revenues and political crises, the government introduced further measures to woo foreign investors. Among other fiscal incentives to oil companies, the guaranteed profit margin for oil companies was gradually increased from US$0.80 in 1977 to US$2.30 in 1991 (Alli, 1997). Most importantly, the so-called Memorandum of Understanding (MOU) was introduced in 1986 as a comprehensive financial agreement between the government and the oil companies. In addition to a rise in the guaranteed profit margin, the MOU introduced a variety of changes including a new method for the calculation of oil taxes, reduction of the petroleum profits tax, security of tenure and investments, generous tax holidays, guaranteed export earnings including permission to operate offshore escrow accounts and reserves addition bonuses (Adepetun, 1996). This improvement in the fiscal terms for foreign oil companies can be explained by the government's heavy reliance on oil revenues.

The government's continuing dependence on oil revenues can explain in part why the NNPC never carried out its threat to fully nationalise the oil industry in line with its original goal to eventually gain control of Nigeria's entire oil industry (NNPC, 1986b:27). According to Aluko (1990:386), when NNPC officials were summoned by general Obasanjo in 1979 to opine on the potential impact of BP's nationalisation, they reportedly showed little enthusiasm in favour of nationalisation of the oil industry. They were said to have argued that the nationalisation of BP would slow down oil production, which would in turn result in a fall of Nigeria's oil revenues in the short-term (Aluko, 1990:386). This cautious attitude towards nationalisation exemplified a marked shift from the earlier calls for full nationalisation of the oil industry among NNOC officials only a few years earlier. Almost from the onset of nationalisation, therefore, the government's objectives in the oil industry became much less ambitious because of practical economic concerns.

**Renewed Diversification Policies**

While the Nigerian government abandoned its plans for a full nationalisation of the foreign oil companies, from the late 1980s onwards it has attempted to carry out diversification measures. Diversification was potentially more threatening to Shell's
dominant position in Nigeria than partial nationalisation. Under nationalisation measures in the 1970s, Shell was able to continue and expand along its previous line of business. Shell’s market share was not directly threatened by nationalisation. Diversification measures could undermine Shell’s market share if newcomers expanded in Nigeria.

As the key element of diversification strategies, the Nigerian government was prepared to grant oil licences to newcomers. Attracted by favourable fiscal arrangements after 1986, many new companies – including the Statoil-BP Alliance, Exxon and Du Pont (an affiliate of Conoco) – started exploring for oil and gas in Nigeria (Khan, 1994:90-91). Several of Shell’s new rivals made a number of large oil and gas discoveries such as Conoco’s discovery of the giant ‘Chota’ field in 1998 and Statoil-BP’s successful drilling of the ‘Nnwa-1’ well in 1999 (NewReport Journal, 10 July, 1998; Quinlan, 1999). Above all, private Nigerian oil companies have greatly expanded their exploration and production operations throughout the 1990s. Their total production rose from 5,000 barrels/day in 1993 (Avuru, 1997:300) to 55,500 barrels/day at the end of 1996 and was further rising (PostExpressWired, 19 March 1998). Since Nigerian companies needed the capital and the know-how of Western corporations, most of them sought Western partners and formed joint-ventures, in which the foreign company usually has a 40 per cent equity share. These partnerships allowed newcomers such as Canada’s Abacan to expand in Nigeria. Nigerian private oil companies and their business partners reportedly invested over US$800 million in the Nigerian oil industry in the period 1991-1996 (Avuru, 1997:301).

As a result of diversification measures, the number of oil companies operating in Nigeria has greatly expanded. In 1966, eight oil companies had oil prospecting licences (OPLs) or oil mining leases (OMLs) in Nigeria. By 1975, 19 oil companies had concessions in Nigeria (Madujibeya, 1975:2). However, some of the companies, which obtained exploration licences or prospecting licences, withdrew from Nigeria at a later date. By 1986, only twelve oil companies had OPLs or OMLs. By 1998, their number had risen to over 50. A large proportion of the oil licences was held by the NNPC and its subsidiaries as well as by joint-ventures with an NNPC share. The total concession area (excluding exploration licences) had grown from 118,156 sq. km in 1966 to 225,444 sq. km in 1998 (see Table 3).

Nonetheless, the data on oil licences is somewhat deceptive because most newcomers were not able to significantly expand oil production. According to Khan (1994:90-91), Nigeria’s diversification measures of the last decade were of very modest success so far. The newcomers’ combined share of total production remained very small. The six established companies – Shell, Mobil, Chevron, Elf, Agip and Texaco – account for over 96 per cent of Nigeria’s oil production today. Shell’s market share stays ahead of the other established companies (see Table 1). Shell is likely to remain the dominant oil company in Nigeria, given it’s plans to considerably expand oil production over the next decade, particularly from the Bonga and the EA oil fields (Quinlan, 1999; Guardian, Lagos, 29 November 1999). In other words, the diversification measures did not undermine Shell’s dominance in the Nigerian oil industry.

The failure of diversification measures can be explained in part as the government’s inability to challenge the dominant position of Shell and the other five established oil companies. A prime example of this inability was the Petroleum (Amendment) Decree No.23 of 1996 (also known as the Marginal Fields Decree), which empowered the government to recover all undeveloped so-called ‘marginal oil fields’ from foreign oil companies and re-allocate the same to indigenous oil companies (Adepetun, 1996;
Atsegbua, 1997). The Marginal Fields Decree was an important test case of the government’s diversification measures because it could allow newcomers to expand oil production at the expense of the established oil companies. Not surprisingly, most foreign oil companies considered this compulsory acquisition of parts of existing concessions as a breach of existing agreements (Adepetun, 1996; Atsegbua, 1997). Foreign oil companies have previously claimed that the development of marginal fields was unprofitable. Yet a large number of oil companies, mostly foreign, have reportedly indicated an interest to exploit these oilfields following the Decree No.23 (Vanguard, Lagos, 13 August 1998). According to Avuru (1997:301), marginal fields can often be more economically exploited by smaller oil companies with smaller overhead costs than by large multinational companies. The Decree, if implemented, would constitute a substantial loss of capital assets for the established foreign oil companies. According to Avuru (1997:303), there were 183 marginal fields in Nigeria with an estimated proven reserves of 2.3 billion barrels of oil in 1997. Based on the low oil price of US$14, the marginal fields could yield US$32.2 billion in gross oil revenues. By implication, the provisions of the Marginal Fields Decree benefited the interests of the Nigerian state and the indigenous business elite at the expense of Shell and the other established foreign oil companies.

The Marginal Fields Decree, however, had a number of legal loopholes and was not yet enforced by 1999, which left the profit potential of the foreign oil companies unaffected. The lack of enforcement of the Marginal Fields Decree underlines the ad hoc nature of policy making in Nigeria. The one-page decree was hastily drafted and even failed to define the word ‘marginal field’, so the oil companies could, legally speaking, claim that they do not have any marginal fields. Shell indeed claimed that it

<table>
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<tr>
<th>Company</th>
<th>1966 Concession Area (sq. km)</th>
<th>1986 Concession Area (sq. km)</th>
<th>1998 Concession Area (sq. km)</th>
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<tr>
<td>Shell-BP*</td>
<td>48,946</td>
<td>Shell</td>
<td>Shell</td>
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<tr>
<td>SAFRAP**</td>
<td>23,600</td>
<td>Elf</td>
<td>Elf</td>
</tr>
<tr>
<td>Gulf***</td>
<td>17,754</td>
<td>Gulf/Tennessee</td>
<td>Gulf/Tennessee</td>
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<tr>
<td>Tennessee</td>
<td>8,721</td>
<td>Mobil/Phillips</td>
<td>Mobil/Phillips</td>
</tr>
<tr>
<td>Agip</td>
<td>5,260</td>
<td>Agip/Phillips</td>
<td>Agip/Phillips</td>
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<tr>
<td>Mobil</td>
<td>5,245</td>
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<td>Amoseas</td>
<td>5,001</td>
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<td>Shell</td>
<td>3,629</td>
<td>Texaco</td>
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<td>NNPC</td>
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<td>StatOil-BP</td>
<td>StatOil-BP</td>
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<tr>
<td>Total Concessions</td>
<td>118,156</td>
<td>Total Concessions</td>
<td>109,415</td>
</tr>
</tbody>
</table>

did not have any marginal fields and refused to declare any of its fields as marginal \([PostExpress\text{Wired}, 19\ March\ 1998]\). In any case, the reluctance of the government to enforce the Decree suggests that the government is well aware of the adverse consequences of alienating the foreign oil companies, which could result in diminished foreign investment that Nigeria is dependent on. According to a prominent Nigerian petroleum lawyer, 'there is no way anybody can get a marginal field without the approval of both the [foreign] oil companies and the government' (Endnote 1). It has to be assumed that the Nigerian government requires the goodwill of foreign investors, while the Marginal Fields Decree would undermine that goodwill.

In any case, it must be remembered that marginal fields only constitute a peripheral asset of the foreign oil companies. One could thus consider the potential use of marginal fields by indigenous producers as merely a profitable niche within the foreign-dominated oil sector. By implication, even if the Marginal Fields Decree were implemented, the Decree does not in any way undermine Shell's dominance in Nigeria's political economy.

The above discussion suggests that the Nigerian government was unable to challenge Shell's dominant position in Nigeria's political economy either through diversification or nationalisation measures. One could argue that, if the Nigerian government were strong and competent, it would be capable of much better diversification efforts, which in turn would decrease Shell's dominance in the Nigerian economy and the share of the other five main oil producing companies. By implication, the weakness of the Nigerian state has allowed Shell to maintain a position of dominance.

Conclusion

Empirical evidence on the origins of the Nigerian oil industry suggests that the British government gave the two British oil companies, Shell and BP, a head start in the country. The British government was committed to allow greater competition in the Nigerian oil industry in the late 1950s, yet this policy of diversification was largely motivated by British political interests during the final phase of colonial rule. By then, Shell and BP had gained a dominant position. Most importantly, when the two companies entered Nigeria in the late 1930s, they were given an exclusive monopoly over the entire Nigerian territory. By 1960, Shell-BP had established its base in the oil-rich onshore areas of south-eastern Nigeria, which allowed Shell to retain a dominant position in Nigeria to-date. This concrete example of dependency created under colonial rule lends support to dependency and underdevelopment theories as regards the economic interests of the metropolis under colonial rule, although this finding does not warrant in any way the conclusion that the self-perpetuation of dependency was inevitable after de-colonisation.

While Shell had the advantage of an early start, it was by no means clear that it would be able to maintain its dominance. Following the country’s independence, the Nigerian government launched a series of diversification and nationalisation measures which threatened Shell's position of dominance. Given a first mover advantage, it was likely that Shell would have retained its dominant position for some time. Nonetheless, since other competing oil companies were eager to invest in Nigeria it was inevitable that Shell's share of oil production would progressively decline independently of political factors. Political factors could accelerate Shell's decline, for example, through policies of nationalisation and diversification.
Alternatively, political factors could impede Shell’s decline, for example, through the incompetence and weakness of the Nigerian government, which could in turn obstruct policies of diversification. The key question is, of course, the speed at which this decline took place. The historical record of the period 1960-2000 indicates that Shell’s decline in market share was slow, considering diversification and nationalisation measures. Shell was able to maintain dominance for four decades after Nigeria’s independence.

As suggested at the outset of this article, macro-theoretical approaches cannot answer the question why one company of a core nation vis-à-vis another has achieved and was able to maintain a dominant position in a periphery nation. In order to answer this question, we propose to utilise the economic concept of a ‘first mover advantage’. According to Lieberman and Montgomery (1988), the key element of a first mover advantage is an initial asymmetry among competitors, enabling one firm to gain a head start over its rivals. The profits of a first mover are often associated with a firm’s market share, albeit this method has recently come under criticism (Lieberman & Montgomery, 1998) (Endnote 2). Numerous studies suggest that first movers have higher market shares than early followers, who in turn have higher market shares than later entrants (e.g. Kerin et al. 1992). The colonial and post-colonial history of the Nigerian oil industry largely fits into this pattern. Shell could be termed the first mover, while Mobil, Chevron, Elf, Agip and Texaco could be termed the early followers. In the 1950s, an initial asymmetry arose between Shell and its rivals in terms of geological information and the availability of oil licences. One could argue that, as a result of this initial asymmetry, Shell became the dominant firm, while the early followers achieved much greater market shares than the later entrants.

Studies on the first mover advantage suggest numerous reasons why one firm may be able to establish a first mover advantage. Mechanisms which promote first mover advantages include patents or pre-emption of input factors and locations (Lieberman & Montgomery, 1988). One of these advantages, the so-called spatial pre-emption, can help to explain why certain mining companies were able to gain decisive first mover advantages during the colonial rule. As Lieberman and Montgomery (1988) have suggested, a firm can pre-empt its rivals by selecting the most attractive niches in terms of geographical space. As a result of spatial pre-emption, a first mover may be able to limit the amount of space available to its competitors (Endnote 3). These competitors may find it unprofitable to fill the market niches not utilised by the first mover or the market niches may be less profitable than those utilised by the first mover. Shell’s first mover advantage fits into the pattern of spatial pre-emption. Shell-BP was able to choose 46 oil mining leases in Nigeria’s most promising areas. The early followers in the 1960s were confined to the spatial options created by Shell-BP. These options – areas abandoned by Shell-BP in the Niger Delta and the offshore areas – were still profitable enough to allow the early followers to build up a significant market share. The later entrants were in turn pre-empted by the geographical choices of the first mover as well as the early followers.

As pointed out on an earlier occasion, it was by no means clear that Shell-BP would be able to maintain its advantageous position as a first mover vis-à-vis the early followers. As Lieberman and Montgomery (1990:21-22) have pointed out, the impact of the first mover advantage depends on the firm’s skills and positions, competitors, and changes in the business environment. Indeed, there may be first mover disadvantages such as free-rider problems or shifts in technology and customer needs (Lieberman and Montgomery, 1988). A number of empirical studies such as the one
by Tellis and Golder (1996) have indicated that a large number of first movers fail to gain a dominant position in a market. In Tellis' and Golder's sample of firms, almost half of the first movers did not survive. An analysis of a firm's ability to maintain dominance is thus as important as the analysis of its ability to establish dominance. In the context of the Nigerian oil industry, Shell's ability to maintain dominance can be explained in relation to the company's skills and resources as well as the government's petroleum policy. There may be several reasons why early followers have failed to challenge Shell's dominance. One of those reasons was timing. Shell was able to acquire an optimal concession pattern just before the first competitors arrived. Another reason was financial resources. Shell was able to expand its drilling programme in the 1950s despite its initially uncertain success, which might have discouraged other, less financially resourceful, competitors. In the long-term, the most important reason why Shell was able to maintain a dominant position was perhaps the inability of the Nigerian government to devise and execute effective diversification and nationalisation programmes.

In general, if compared with some macro-theoretical explanations, the idea of a 'first mover advantage' appears to provide a superior explanation why one company vis-à-vis another has achieved and was able to maintain a dominant position following the independence of African states.

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Endnotes
1. Personal interview with Adesola Adepetun (Lagos, February 1998).
2. As Lieberman and Montgomery (1988) have argued, profit maximisation is the only objective of stockholders in all modern theories of the firm. In practice, however, disaggregate data on profits is usually unavailable to researchers. Therefore, market share and the rate of company survival are usually used as indicators of first mover advantages. In the Nigerian context, reliable data on oil company profits is not available, while the companies' share of oil production is transparent.
3. According Lieberman and Montgomery (1988), 'preemptable space' can be interpreted broadly to include not only geographic space, but also shelf space and 'product characteristics space' (i.e. niches for product differentiation).

Primary Documents
BP Archive

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Clientelism, Corruption & Catastrophe

Morris Szeftel

In the previous issue of this journal (ROAPE 84), the author argued that international anti-corruption efforts created conflicts between aid donors and African debtor governments because they attacked the ability of local interests to control and appropriate state resources. The control of corruption is an essential element in the legitimation of liberal democracy and in the promotion of global markets. However, it also threatens the local accumulation of wealth and property (dependent as it is on access to the state) in post-colonial Africa. This article explores another dimension of this problem, namely the way in which clientelist forms of political mobilisation have promoted corruption and intensified crisis. Clientelism has been a key mechanism through which political interests have built the electoral support necessary to ensure access to the state's resources. In turn, it has shaped a politics of factional competition over power and resources, a politics obsessed with the division of the political spoils. The article argues that this process is not unique to Africa. What is different, however, is that factional conflict and its attendant corruption have had such devastating consequences. This reflects the particular forms which clientelism has taken on the continent. There is a need, it concludes, to find ways to shift African politics towards issues of social justice and government performance and away from a concern with a division of the state's resources.

The Context of African Corruption

Why is corruption seemingly so much more damaging in its consequences in Africa than in other parts of the world and what might be done about it? This paper explores ways in which patterns of clientelist mobilisation make corruption in Africa such a serious problem for economic and political development. Although widespread in Africa, high-level corruption (the misuse of public office, public resources or public responsibility for private – personal or group – gain) is not markedly worse than in many other parts of the developing and former communist world. The sums involved are often distinctly modest when measured against the scale of corruption scandals in Russia, France, Italy or the Pacific rim. Yet corruption in Africa is universally perceived, by external observers and by local reformers alike, as being 'catastrophic' in its impact on development, a major cause (in the eyes of some, even the main cause) of economic crisis, authoritarianism, political instability and state collapse. Stephen Riley wrote that 'corruption in African societies ... [has] short-term and longer-term development effects, both of them catastrophic', adding that it was often 'part of a syndrome of de-development or underdevelopment which destroys the life chances of the poor majority' (Riley, 2000:138). John Mukum Mbaku observes that corruption 'has risen to become one of the most important constraints to genuine development in

several sub-Saharan African countries have been ruined by criminal dictators … who shifted much of the national wealth to their own Swiss bank accounts … In these countries children die of malnutrition because of past corruption (The Times, London, 15 February 1999).

Such views are, if anything, held even more strongly on the African continent than abroad. It is difficult to find (or even imagine) any African reformers or activists who do not identify corruption as a major cause of crisis and abuse of human rights or who do not demand action to curb it. Anti-corruption measures have become an important part of local demands for democratisation and of the economic and political ‘conditionalities’ imposed by international aid donors negotiating the terms of economic restructuring and political reform programmes.

Such claims and attention both exaggerate and underestimate the importance of corruption. They exaggerate the extent to which it is a cause of crisis in Africa rather than a symptom, albeit a virulent symptom, of much deeper problems. And they underestimate both the depth of its roots in the very fabric of the post-colonial state and its resilience in the face of reform measures imposed from abroad. External demands for reform identify important institutional weaknesses which need to be corrected if there is to be much prospect of stable, effective and accountable government. But the reform efforts attempted seldom challenge the link between corruption, on the one hand, and patterns of private accumulation and clientelist political mobilization, on the other, with the result that the anti-corruption agenda has had only modest success and limited staying-power. Moreover, because they interfere with patterns of private accumulation and political patronage and threaten the privileges which state office bestows on political elites and their supporters and associates, they create problems in the relationship between donor and debtor governments and are bitterly resented and resisted by ruling elites. In some cases this resentment has acted to poison relations between donors and African governments and even to discredit the wider liberal reform programme (Szeftel, 1998, 2000a). In the words of one former cabinet minister in Zambia, the aid relationship is ‘a game of cat and mouse’: donors try to nail down agreement on as many conditions as they can before writing their cheques and then try to insist on the most ambitious definition of the original remit when evaluating subsequent performance; debtor governments try to concede as little as possible without jeopardising the aid and then try to insist on as modest an original understanding as they can (Interview, 19 January 1998).

In a previous article (ROAPE 84), I suggested that part of the problem lay in the tension between, on the one hand, international efforts to reduce corruption in developing countries as part of a much larger process of improving the conditions for global capital accumulation and, on the other, the role played by political corruption in promoting the local accumulation of wealth, property and capital in Africa (Szeftel, 2000a). Globalisation increases the value for capital of having universal rules and norms of public behaviour, while the hegemony of the West ensures that such norms are logically those developed for and within liberal democracies. Thus, and to an extent that is historically unique, the process of globalisation has resulted in liberal
democratic norms of transparent and accountable government, of what is corrupt and what is not, being imposed as the universal rules of doing business. The trouble is they are being imposed in environments where liberal democracy is not established and where crisis obliterates most of the conditions necessary for its existence. More important, I have suggested, the reforms threaten the dependence of the African petit bourgeoisie on access to the state and its resources. In the context of underdevelopment, local accumulation rests heavily on political office and the ability it provides to appropriate public resources. Corruption provides a means of transferring public resources to the new middle class and bourgeois strata which emerged in the post-colonial order. And debt, economic crisis and underdevelopment ensure that this dependence on access to the state remains continuous. Indeed, Africa’s development crisis has intensified rather than reduced the dependence of the national bourgeoisie on the political domain and has increased conflict as rival factions compete for a diminishing pool of resources. Far from arresting the upward spiral of corruption, the economic liberalisation and attendant governance reforms imposed by the donors have sometimes intensified it beyond anything that government can manage or control. At its worst, this has destabilised the state to the point of collapse amid a rising tide of corruption, looting and criminality, and even of violence as private armies are raised to protect the grip that leaders have on their loot (Allen, 1999; Reno, 1995; Bayart, Ellis and Hibou, 1999).

This spiral of crisis, corruption and criminality has encouraged the tendency, noted earlier, to identify corruption as the cause of ‘catastrophe’. The recent research of scholars like Allen, Reno and Bayart et al., however, suggests that increasing levels of corruption and criminality are often the consequence of crisis and restructuring rather than their cause. The primacy given corruption in some discourses arises from the, often crude, ahistorical assumptions which underpin ‘good governance’ reform projects about the role of the state and the nature of African politics. Neglecting to locate the origins of corruption in the structures of colonial and post-colonial politics, they either decide that corruption is the cause of all Africa’s ills (as if its history started just 30 years ago) or locate it in somewhat vague cultural characteristics (the cult of the ‘big man’, ‘the politics of the belly’, even a fabled ‘return to the heart of darkness’ and so on). Such representations tend towards understandings of African politics as a reflection of the way in which traditional institutions and cultural values respond to and appropriate the institutional arrangements of a modern state. Corruption then becomes one of the ways in which ‘big men’ employ traditional forms of patronage and clientelism to access state resources which they use to reward supporters or appropriate as personal tribute. The symbols politicians employ come to be regarded as the essence of the political rather than as their surface. Yet there is no need for such assumptions. African politics exist in the present, for the most part: debt, famine, poverty, repression, torture and, yes, even patronage and corruption are the present, not echoes of an exotic past. Underdevelopment and the post-colonial state provide the arena in which the political fields of action take place, whatever the symbols are that some may use.

Corruption in Africa is not unique, either historically or culturally – although the conjuncture of forces which give rise to it may be. Instead of elevating it into a universal explanation of Africa’s ills, it is more useful for us to see corruption as a product of other structural forces, two of which are particularly important. The first is the dependence of accumulation and class formation on state power and public resources in the context of post-colonial underdevelopment (Szeftel, 2000a). Its outcome in Africa has been the plunder of the state. The second, closely related and the
subject of this paper, is the particular nature of clientelism as a means of political mobilisation. Their combined outcome has been to create patterns of competitive politics which lead to the plunder of state.

One reason corruption has been so destructive and resilient in post-colonial Africa is because of the forms taken by clientelism and its importance for local capital accumulation and class formation. Clientelism has been a widely employed mode of political mobilisation (through 'face-to-face' recruitment of networks of support) in all societies where peasant or migrant or otherwise excluded communities are integrated into electoral political competition. By galvanising such networks in order to gain access to the state and its resources, clientelism has proved to be an effective means both of giving a democratic voice to the demands of those previously marginalised and of enabling propertied classes to legitimate their political dominance. But it is also, inevitably, characterised by widespread corruption as competing patron-client networks form factions which fight to gain privileged access to public resources. In the context of underdevelopment, moreover, clientelism has proved an ineffective method of meeting longer-term factional demands and hence has become a source of instability as well as of corruption. Efforts to manage and limit factional demands for state patronage, through the one-party state for example, have proved unsustainable. Development crises and international debt intensify this instability and create pressures for increased looting of public resources, coercion, repression and violence. At its worst, this struggle for spoils has encouraged civil war. Corruption is thus an expression (or symptom) of intense factional competition; indeed, it could be argued that the more intense this competition becomes (as a result of increasing economic crisis) the more endemic corruption is likely to become too.

The nature of this malaise was built into the fabric of the post-colonial state at its very inception.

Clientelism, Corruption & the Crisis of the Post-colonial State

The roots of African clientelism were bequeathed by the nature of colonial development and the post-colonial settlement which succeeded it. By the late sixties, the colonial state survived only in its settler form in southern Africa. The withdrawal of European colonialism for the most part left in its wake formally democratic states more or less modelled on the metropolitan constitutions of the former colonial powers. Yet the reality was somewhat different. In Anglophone Africa, for instance, the multi-party systems left behind were, in practice, dominant-party or single party states. One party, enjoying overwhelming support at independence (further consolidated with the resources provided by office) confronted a small, often divided, often regionalised opposition lacking resources and any real prospect of power. Botswana apart, this seldom endured for long. In Tanzania, the predominance of TANU created a de facto one-party state from the start. In Malawi, Kenya, Zambia, Ghana and Sierra Leone, the dominant party, under a powerful executive president, ensured some degree of political stability for a time before giving way to one-party or military oligarchies. Characterised by increasing authoritarianism, economic stagnation and corruption. Where the excluded political interests constituted a large proportion of the population, as in Nigeria, Lesotho and Uganda, conflict and instability characterised the state from its inception and military rule (rather than one-party civilian regimes) quickly overwhelmed the civil political order. Save for Botswana, multi-partyism had essentially disappeared in Anglophone Africa by the early seventies. Moreover, few one-party or military regimes ruled without the use of emergency powers, preventive detention, draconian labour regulations and the
suspension of civil liberties or the rule of law. A similar story could be set out for Francophone Africa as well.

The complex inter-relationship of three factors were of particular importance in ensuring the early failure of liberal democratic politics: economic underdevelopment, the nature of the inherited state, and the pattern of political mobilisation in post-colonial Africa. The first of these needs little rehearsal here: the legacy of slavery, colonialism, export cash cropping, plantation production, mineral extraction and migrant labour regimes entrenched the economies of individual African countries in a wider, international division of labour within which each acted as a specialised supplier of primary export commodities. Highly skewed economies, vulnerable to international economic changes and fluctuations, produced high levels of dependence on international trade and capital flows and extreme forms of uneven internal economic and social development. Uneven development took many forms, among them: the combination of declining peasant subsistence economies with multinational export production; extreme inequalities of income; the differential incorporation of different regions and ethnic groups into the colonial economy and state; and the exclusion of vast numbers of Africans from property ownership, capital, skills and market opportunities through institutionalized racism (Szeftel, 1987).

The problems confronting the African post-colonial state were rooted in these economic circumstances. Historical experience made it unlikely that the market forces which had produced underdevelopment and exclusion would mysteriously reverse themselves once independence was attained. Moreover, the market and private property were associated with foreign domination and racism. Thus, inevitably, the new state was central to African aspirations. Power was to be the engine for development and for individual job opportunities and upward mobility. For many, the state was the means through which past discrimination would be redressed and private wealth promoted. The conjuncture of colonial exclusion, nationalist promises and political independence produced almost limitless expectations of government to intervene in the economy, to redistribute entitlements and to provide jobs, loans, contracts and favours through political patronage (Szeftel, 1987:118). This placed a huge burden on the African state.

Unfortunately, the state was not equipped to bear this burden. Underdevelopment and dependence on primary exports gave it an uncertain revenue base which constantly undermined development strategies. More importantly, the colonial institutions inherited by the independent state were inappropriate for the project of social renewal. Lacking established democratic institutions, and run by an alien bureaucracy, the colonial state was designed to ensure order and facilitate the production of export commodities, not to respond to democratic demands or develop a new sense of citizenship. In a watershed contribution, Mamdani has argued that the colonial state represented a ‘bifurcated’ system of power, dividing Africans between those who experienced urban racial discrimination and those subjected to rural ‘Native Authorities’:

*The African colonial experience came to be crystallized in the nature of the state ... Organized differently in rural areas from urban ones, that state was Janus-faced, bifurcated. It contained a duality: two forms of power under a single hegemonic authority. Urban power spoke the language of civil society and civil rights, rural power of community and culture. Civil power claimed to protect rights, customary power pledged to enforce tradition* (Mamdani, 1996:18).
This bifurcation was institutionalised as

direct and indirect rule [which] actually evolved into complementary ways of native control. Direct rule was the form of urban civil power. It was about the exclusion of natives from civil freedoms guaranteed to citizens in civil society. Indirect rule, however, signified a rural tribal authority. It was about incorporating natives into a state-enforced customary order. Reformulated, direct and indirect rule are better understood as variants of despotism: the former centralized, the latter decentralized (Ibid.).

Political independence reinforced both the authoritarian character of the state and the duality of African incorporation into civil and political life. By creating powerful central executives, the independence constitutions ensured that presidential authority would dominate over post-colonial parliaments, restrain popular demands for welfare spending and suppress radical pressures for fundamental social restructuring. Thus, the roots of African presidentialism (and with it authoritarianism) can be found in the transition from colonialism. There is little need to explain it in terms of traditions of deference to 'The Big Man' or of 'neo-patrimonialism' (for discussions of which, see Bayart, 1993:70-83; Bratton and van de Walle, 1997:63-5). Authoritarianism was underpinned also by the way in which independence incorporated the urban-rural dichotomy into the politics of electoral competition. Drawing on the contrasting experiences of Uganda and South Africa, Mamdani argues that nationalist politicians addressed the problem of 'deracializing' urban civil society without tackling the 'detribalizing' of the rural areas. By failing to free rural 'subjects' from the yoke of 'tribal' authorities, nationalism ensured their continued domination by traditional authorities and ethnic leaders rather than giving them the opportunity to take their place in the post-colonial order as individual 'citizens'. This fundamentally 'contaminated' the process of democratization itself, suggests Mamdani, with the result that African politics was 'tribalized' rather than 'democratized' (Mamdani, 1996:289 and passim).

Mamdani's argument helps to explain why 'civil society' has so singularly lacked autonomy in post-colonial Africa and why ethnic forms of political organization have been so ubiquitous and powerful. LeVine (1993:276) defines 'civil society' as an intermediate layer of associational structures occupying the space between the state, on the one hand, and ethnic and kinship networks, on the other. In this conception, 'civil society' refers to the organizations and interests which act to influence public policy and moderate the authoritarian tendencies of both community and state. The development of a network of such associations serves to underpin a fundamental feature of liberal democracies, namely the separation of the public and private domains, a separation on which liberal democratic concepts of corruption rests. Mamdani's argument, in contrast, highlights the failure to incorporate rural voters into the political realm through anything resembling the active, organized citizenship of 'civil society'. Instead, the franchise meant that ethnic identity was catapulted directly into the electoral arena through clientelist networks speaking for regional or 'tribal' factions. The test of public performance became how well it served particularistic interests.

This problem was reinforced by the way in which colonialism came to an end. In another landmark contribution, and working from a different perspective, Chris Allen examined the effects of the transition to independence and beyond, arguing that Britain and France organized a rapid process of decolonisation so as to ensure that radical elements lacked the time and resources to develop a strong grassroots base. This permitted the transfer of power to conservative nationalist leaders prepared to
guarantee key economic interests. Moreover, ‘independence elections’ were called at short notice,

requiring nationalist organizations to mobilize huge new electorates in a very short time. Those that succeeded had combined two strategies for party building and creation of electoral support: a reliance on individuals who already had considerable local followings, and the use of clientelist (‘patronage’) politics to bind local notables to the party and local voters to the candidates. In essence, voters were offered collective material benefits (roads, schools, clinics, water, etc.) for their votes, while candidates and notables were offered individual benefits (cash, access to licences, credit or land, etc.) ... This combination produced a set of locally-based MPs ... responsive to local demands, and loosely organized into parties whose leaders had access to private or public resources (Allen, 1995:304).

Political mobilisation thus rested on clientelist politics in which local and regional power brokers were incorporated into national political movements and electoral support was exchanged for access to state resources. Support was exchanged for access to state resources and the citizens of the new state were integrated into electoral politics on the basis of the access to public resources that political competition afforded rather than on the basis of ideology or class interests.

Given the underdevelopment of the economy, clientelism proved unable to meet factional demands and so became a source of instability as well as corruption. Governments lacked the resources to deliver the ‘development goods’ necessary to satisfy mass expectations. Popular disappointment put pressure on faction leaders to intensify their demands on the centre for an increased share of resources for their region or group, or face being replaced by those who would. Nor was it possible for the central leadership to satisfy all factions when distributing offices or career opportunities. Thus post-colonial politics became characterised by intense factional competition for patronage and by conflicts between factions which frequently became public and acrimonious, producing governmental crises and intensifying communal rivalries. Disappointed leaders could represent their personal frustrations as a snub for an entire region or ethnic group. In these circumstances, multi-party politics allowed dissatisfied factions to threaten the centre with withdrawal to join the opposition, taking with them their factional support. Thus, even the largest government majorities were fragile, vulnerable to wholesale defections. It is instructive that amongst the earliest legislation enacted in Kenya and Zambia were statutes that tied parliamentary seats to the party that had won them in an election. MPs defecting to another party had to vacate their seat and fight a by-election if they wished to continue to represent the constituency. While such measures may have moderated the competition for ‘spoils’, they were unable to control it or to check the corruption that inevitably arose as a result.

Over time, African governments became preoccupied with the need to manage patronage, making them intolerant of internal debate and increasingly inclined to use presidential power to control and ration the distribution of patronage. Attempts to manage patronage had varying degrees of success, depending on the nature of the state and central authority but all involved the growth of authoritarianism and the abandonment of the pluralist constitutions inherited at independence. The most common response was what Allen (1995:305-7) has called bureaucratic centralism, typically manifested in the creation of one-party states. This had four main elements: the continuation of clientelism under central control; the centralisation of power in an executive presidency standing above factional competition; the subordination of party politics to a bureaucracy answerable to the presidency, especially in the
distribution of patronage; and the downgrading of representative institutions relative to presidential appointments, including the absorption of much of civil society by the state. The one-party state was the ultimate expression of attempts to regulate factional competition and conflict over the division of spoils.

The strategy worked well for a time but became increasingly unsustainable as economic crisis undermined patronage and corruption increased. Once African economies began to contract from the mid-1970s, clientelist politics could not be sustained. Populations suffering the hardships imposed by debt and structural adjustment became increasingly critical of the shrinking patronage dispensed by an authoritarian state and of the leaders who managed it. In the case of Zambia, for instance, clientelism and corruption were exacerbated by crisis:

By 1988 corruption was such that the politics of spoils was approaching systemic levels. In the chill wind of economic crisis, the country ran up huge international debts. The ... patronage state was no longer sustainable. Capital stocks were run down, equipment ground to a halt, debts mounted. Thus pay-offs fell sharply and corruption rose just as sharply as public officials acted to offset their declining returns from office. For some, criminal activities replaced public sector corruption: Zambia became an important conduit for drug trafficking, particularly as a distribution point for the southern African region; and gemstone and currency smuggling became increasingly common. The state, too, ruled with an increasingly heavy hand; the period came to be characterised by severe repression of critics. If the spoils of office dwindled under the pressure of economic decline, a very small coterie of leaders continued to regulate the access of others while continuing to enrich themselves (Szeftel, 2000b:215).

By the end of the 1980s, and under pressure from donors, many of these one-party regimes gave in to demands for liberal reform.

Such liberal reforms stood in sharp contrast to the smaller number of states where clientelist crisis led not to reform but to repression and the plundering of the state by ruling ‘kleptocracies’ and the regional or ethnic interests they represented. Often such states lacked the repressive capacity to sustain this process for very long so that a ‘winner takes all’ struggle for spoils ensued, producing intensified corruption, extreme forms of factionalism, repression, violence and even the disintegration of the state (Allen, 1995:307-10). Yet even where liberal reform was attempted, less changed than was hoped. To return to Zambia:

For all the achievements of democratic reform, presidential power and patronage continue to be concentrated and centralised ... the main feature of politics is, again, jockeying for position and patronage within the ruling party ... The survival of clientelism and its adhesion to the liberalisation of the economy produces opportunities for personal accumulation and corruption. Clientelism and presidentialism often run counter to efforts at democratisation and decentralisation of power ... In contrast with the one-party state, government is no longer an activity undertaken in the name of the nation as a whole. Rather it is conducted for the benefit of those who support the government (Szeftel, 2000b:221).

I have laboured this discussion, treading much old ground, because a more historical and structural perspective indicates clearly the way in which clientelism and corruption are rooted in the contradictions of the post-colonial state rather than in any personal inadequacies of African leaders or any inappropriate cultural qualities which might negate African efforts at modern statecraft. Yet there have been other societies with high levels of corruption, with factional rivalries, with a poor economic
base. Some of them have gone on to industrialise, others are doing so now. In almost no other time and continent have factionalism and corruption promoted the very disintegration of the state itself. We need to examine the nature of African clientelism to better understand why the present conjuncture in Africa has been different.

**Clientelist Factions, Class & Corruption: Africa in Comparative Perspective**

Historically, clientelism – a system of political organisation where vertical links across class lines are based on unequal reciprocal relations between patrons and clients – has been widely employed as a mode of political mobilisation. In particular, it has been a feature of societies in which peasant populations or migrant or otherwise excluded communities have been mobilised or organised politically. This is particularly so where such populations have been integrated rapidly into systems of electoral political competition. Clientelism has been (and is) an effective instrument of mass politics because it uses ‘face-to-face’, or ‘house-to-house’ contact in order to recruit support. Among people who are poor or excluded from equal citizenship it thus constitutes an efficient, sometimes even an energising and empowering, method of political recruitment. It has often been almost the only effective means of giving a democratic voice to the demands of those previously marginalised, for instance in nationalist, anti-colonial movements or among excluded urban immigrants. And it has provided a limited form of redistribution because it galvanises networks of political support precisely in order to gain access to political power and the resources of the state.

Yet the democratic credentials of clientelism are ambiguous and contradictory. If it mobilises the poor and excluded, it does so on the basis of the unequal relations of domination and deference that obtain between greater or lesser patrons and the massed ranks of their client followers. If it provides marginalised people with a political voice, that voice belongs to the relatively privileged strata and propertied classes who typically speak for the group. If it permits access to state office and resources that would otherwise be denied, that access is hardly democratic. For clientelist leaders, mass support gives them political clout and translates into opportunities for acquiring personal wealth, social entry and improved class positions in the wider political economy. For clients, it means hoping that the leaders who have been elevated in this way will be successful in directing resources towards them. Given the intensity of competition between rival clientelist networks or factions, there is always the possibility that pay-offs will be meagre or that particular groups will lose out altogether. Moreover, the corruption that inevitably results from factional competition, itself invariably produces unequal results with the spoils being far greater for those at the top of the factional pyramid than for the mass of clients at the bottom. Clientelism results in patterns of (sometimes corrupt) resource acquisition which have ‘consequences for generations to come when new classes stabilise’ (Mushtaq Khan, 1998:16). Moreover, the vertical integration of mass support under the leadership of privileged classes ensures that factions focus political attention on the distribution of state resources rather than on the use of state power to restructure society or change class relations. Clientelism in this sense represents a politics of class domination as distinct from a politics of class struggle. It becomes a means of enabling propertied classes to legitimate their political dominance.

Historically, we can identify three main mechanisms (which are not mutually exclusive) by which clients are incorporated into political factions. The first is based
on relations which we can term coercive dependence, the second on politicised identity
and the third on exchange relations. In the first case, clients are dependent on patronage
ties which are exercised through coercion. One obvious form of this is the use of
violence, or the threat of violence, to obtain loyalty or obedience. The literature on the
Mafia sets out just such a relationship. More commonly, however, this form of
clientelism embodies the classic relationship between agrarian landlord and rural
tenant, a relationship from which much of the general concept of clientelism derives.
In this relationship, the dependence of the peasant on the landlord for access to land
compels obedience and support in return for that access and protection. This form of
clientelism is particularly important in the politics of the Mediterranean, parts of
eastern Europe, Latin America and much of South and East Asia. Its dynamic was
perhaps most clearly set out by Hamza Alavi in explaining the lack of class solidarity
among India’s poorest peasants. He is worth quoting at some length (1973:332-3):

The pattern of political behaviour of the peasantry is based on factions that are vertically
integrated segments of the rural society, dominated by landlords and rich peasants at the
top, and with poor peasants and landless labourers, who are economically dependent on
them, at the bottom. Among the exploited sections of the peasantry there is little or no class
solidarity. They stand divided among themselves by their allegiance to their factions, led by
their masters. Political initiative thus rests with faction leaders, who are owners of land and
have power and prestige in the village society. They are often engaged in political
competition (even conflict) among themselves in pursuit of power and prestige in the
society. The dominating factions, who by virtue of their wealth have the largest following,
back the party in power and in turn receive many reciprocal benefits ... Many factors enter
into the factional picture: kinship, neighbourhood ties (or conflicts), and caste alignments
affect the allegiance of particular peasants to one faction or another. But broadly speaking, it
does appear that in one group of factions the predominant characteristic is that of the
relationship between masters and their dependants, ... The number of votes that the Left can
hope to mobilize depends primarily not on the amount of agitation it conducts ... but on the
relative balance of the factions. Above all, the decisive question here is that of winning over
the votes of the large number of poor peasants and landless labourers who are still
dominated by their masters. This cannot be done unless the factional structure is
broken, for the allegiance of the poor peasants and the farm labourers to their
masters is not merely due to subjective factors such as their ‘backward mentality’
... It is based on the objective fact of their dependence on their masters for their
continued livelihood. Thus it seems hardly likely, in the absence of any direct action by
the peasantry or any action by a government which might break the economic power of the
landlords and rich peasants, that effective electoral support can be won by the Left. This is a
paradox of the parliamentary way ... [emphasis added].

Clientelist factions based on such relations of class dependence are, as Alavi notes,
difficult to change unless there are alternative economic opportunities which permit
peasants to opt out of the landed tenancy that binds them to patrons. Where economic
change undermines the stability of this relationship, the politics of class conflict are
likely to replace those of class domination but, until and unless that happens, the
relationship is likely to be stable. By contrast, the other two kinds of clientelist
relations identified are rather less stable and more fluid and the character of class
domination is hidden rather than overt. Where dependence is weaker or absent, the
loyalty of clients will need to rest on other factors. One of the most widespread is the
politicisation of identity, the manipulation of caste, religious, linguistic or ethnic
group solidarity by presenting them as ‘primordial’ interests with group entitle-
ments. Such ‘primordial’ appeals are part of the political pattern in the Indian
countryside, as Alavi mentions, and they frequently underpinned also the more fluid exchange relationships that characterised support for urban ‘political machines’ (Scott, 1969, 1972). Thus, while the urban political machines of the early 20th century on the east coast of the United States emphasised the exchange of votes for favours, they frequently represented ethnic immigrant groups as well. And the Bombay organisation, Shiv Sena, not only delivers services and protection to its supporters but also articulates an abrasive Hindu chauvinist, anti-Muslim, extreme right-wing message.

In Africa, clientelism is nearly always based on the politicisation of identity. While landed class relations do play a part in compelling the loyalty of tenants and farm-workers, such relations do not shape the politics of rural Africa. Instead, for the reasons discussed by Allen and Mamdani, the advent of electoral politics resulted in the mobilisation of voters through traditional authorities and local or regional notables. Even in urban areas, where local political machines have developed, these have tended to have an communal character. Unmediated by that layer of ‘civil society’ described by LeVine, political factions recruited supporters directly through the politicisation of kinship, ethnicity, religion and other forms of identity and political parties then built coalitions of these competing factions in order to gain power. Once in power, the factions within the party could (and did) set about competing against each other to gain control over public resources. The result was the development of factional competition articulated through the language of ethnic (but also religious and racial) identities. As Mamdani observed, there was a ‘tribalisation’ of post-colonial politics.

In turn, clientelist factions have given an ethnic character to corruption. This has both increased and decreased tolerance of corruption in different ways. On the one hand, factions are invariably concerned to monitor the acquisitiveness of their rivals and, in consequence, are quick to denounce anything they see as corruption. This disapproval frequently extends to actions which may not be corrupt as far as the law goes but which are perceived to be evidence that rivals in power are enriching themselves. Given that much capital accumulation lacks legitimacy when set against the communal values of the majority of people in developing countries, the identification of accumulation with looting of national resources is easily made and widely held. On the other hand, however, the ethnic nature of factional alignments means that there is a high tolerance of corruption within a group where group leaders are involved. Attempts to punish corruption frequently alienate the faction’s supporters and incur serious political costs. Thus:

In 1967, President Kaunda sacked two cabinet ministers (including Nalumino Mundia, one of the leading figures in the party) for directing public contracts towards a company in which they had interests ... Because clientelism and class formation were bound up with each other, attempts to punish corruption by prominent individuals risked alienating their clients and provoking the political defection of their factions ... After being sacked, Mundia eventually left UNIP to lead a new party which took every seat in his home region from UNIP in the 1968 elections, removing a number of prominent ministers in the process (Szeftel, 2000b:211-2).

Clientelism thus promotes a form of factional competition which encourages the plundering of the state. The intensity which ethnicity gives to factional competition tends to make questions about the entitlements of the group the only issue in which factions are interested – to the exclusion of broader questions concerning the efficacy of the overall political system or the stability of the state. Thus, if faction leaders and
supporters are disappointed by the results of their efforts to appropriate public resources – and in the context of African economic underdevelopment it is inevitable that pay-offs will always fall well short of needs or demands – they are likely to intensify efforts to appropriate spoils, regardless of how devastating such actions will be. The factions are engaged in a destructive game of Prisoner’s Dilemma. If they can co-operate in order to modify their corruption and appropriation, there might be some rewards for all groups and the looting of the state might be moderated. But the logic of ethnic competition drives them on and seemingly justifies their behaviour in the eyes of their supporters. If they don’t maximise rewards, another faction will. Thus all continue looting even to the point of institutional disintegration and development disaster. The ‘solution’ posited in the Prisoner’s Dilemma game is that there needs to be some central authority able to hold the ring and ensure that the competing interests cooperate rather than compete. Some among an earlier generation of African leaders (Nyerere and Kaunda, for example) sought to play precisely this role, to use the one-party system as a means of regulating the distribution of patronage and spoils. When such efforts failed, as they inevitably did, clienteles politics collapsed but the factions created by it continued in an evermore ferocious competition for the dwindling spoils of the state.

**Clientelism & Capital Accumulation**

Corruption driven by factional competition goes much further than the looting of resources, however. It reduces matters of policy to questions of pay-offs and spoils, in the process undermining the integrity of state institutions and subverting efforts to develop associational structures in ‘civil society’. Development crises and international debt intensify this instability and create in turn pressures for yet more looting, coercion, repression violence and, at its worst, even civil war.

The vicious circle of corruption described is augmented by the role of business in fostering corruption. Much of this is imported through multinational companies bidding for state contracts or seeking to circumvent regulations. In the process, government leaders learn that there are vast sums of money to be earned for gatekeepers who charge high rents. Moody-Stuart (1997:13) describes how the size of contracts may determine the nature of the bribery needed by business to influence officials: 5 per cent of $100 million may net a head of state, 5 per cent of $10 million may interest a minister and key staff, 5 per cent of $1 million and one is down to permanent secretaries, and so on. In a 1996 report on corruption in Tanzania, Justice Joseph Warioba identifies business connections (not clientelism or an over-weening state) as the primary source of corruption:

*Leaders who are supposed to take important national decisions are bribed by businessmen in order for them to take decisions which are in the interest of those businessmen.*

Corruption does not always have this ‘catastrophic’ effect. South Korea industrialised rapidly (from a base in the fifties very similar to that of sub-Saharan Africa) despite high levels of grand corruption. So too did Japan before it and the United States before that. The peculiar form taken by clientelism, and of the corruption it produces, would seem to have militated against similar processes of accumulation in Africa. In one view, put crudely here, corruption in Asia has tended to support, or at least not hinder, capital accumulation where democratic demands have been limited. Thus, in some of the Asian ‘tigers’ politicians and bureaucrats have exchanged rents for state resources required by business clients (Kahn, 1998). Where corruption has required
state resources to be distributed more widely, the rate of growth has been slower, as in India. In Africa, clientelism seems to work against accumulation in two ways. First, it rests on the need for patrons to distribute state resources to a wide communal base rather than simply to business cronies. And second, in contrast with, say, India, there is not much of a capitalist class from which politicians can extort resources. Instead, the flow of resources is all one way, from the state to the private sector; the looting of public resources, rather than the accumulation of capital, is the name of the game.

In part, however, the resilience and increasing scale of corruption, particularly high-level corruption, owes something to the disruptive nature of the reforms being imposed on African countries and the weakness of the remedies against corruption which these reforms embody. Moreover, sanctions imposed by donors to indicate disapproval of corruption punishes governments, a penalty unlikely to influence the individuals or factions involved in the corruption who are being offered vast fortunes by multinationals or drug dealers. More importantly, structural adjustment, liberalisation and even democratic reforms have played a significant part in weakening the regulatory capacity of the state by removing oversight capabilities. By reducing state funding and excluding it from various areas of activity, adjustment programmes have undermined the possibility of improving auditing, investigation and enforcement. William Reno argues that restructuring threatens to ‘take Africa back to the 1860s’ by creating ‘exceedingly weak trading states at the mercy of the international economy’ and ‘an increasingly dangerous political world’ in which high level corruption may be augmented and even overtaken by criminal activities and the creation of private armies (1995:26-7). The ideology of rolling back the state, and the policies of deregulation and privatisation have, if anything, reduced the capacity of government to regulate corruption rather than reducing the corruption itself.

Beyond Clientelism & Catastrophe

The spiral of crisis and corruption has created a bleak vista for Africans over these last three decades. There is little in the reforms being espoused by the donors that seems equipped to break the circle and begin a process of renewal. If anything, their strategy seems likely to exacerbate corruption and so undermine the important institutional changes they wish to implement. In the longer term, it will be necessary for anti-corruption strategies to tackle the deeper problems of which corruption is just one symptom (and not the worst one either, given the human rights abuses too often visited on powerless African citizens). There is a need to de-couple clientelism from the corrupt appropriation of public resources, to ensure that factions do not have direct access to state resources by virtue of their capacity to mobilise voters and politicise identity.

There is a need to find ways to re-focus African politics. It needs to move away from the politics of personal acquisition, away from the use of brutality and violence used by corrupt despots to ensure that they can keep on looting. It needs to move towards a politics of social justice, of concentrating on equality, security, decency. A generation of donor reforms, predicated on the belief that rolling back the state and releasing the market will change things has – if anything – made things worse. At the turn of the millennium, it is clear that neither post-colonial clientelist politics nor the global market work for Africa. There is an urgent need for African politics to become more overtly class based. By this I do not mean that class plays no role in the present situation; on the contrary, the analysis presented here makes clear that clientelism and corruption impose a particular pattern of class formation on Africa. Nor do I wish to
implies that a class-based politics would necessarily (or even likely) be a revolutionary or radical politics. Rather, what I am suggesting is that there is a need for political parties to represent the interests of workers, farmers, business and peasants and so on, so that material interests can begin to be articulated directly instead of being subordinated to nationalist patronage politics. This would encourage voters to judge government performance in terms of policy and delivery instead of in terms of how resources are divided up. It would encourage also a politics of growth and accumulation rather than of distribution and patronage.

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Bibliography


Zimbabwe Today: Hope against Grim Realities
Norma Krieger

Zimbabwe’s ruling party received the most serious challenge to its twenty year rule when a nine-month old opposition party won almost 50% of the contested seats in the recent June 2000 parliamentary election. This update identifies the key contestants, their major electoral issues, their campaign strategies, and their electoral fortunes. It concludes with an attempt to make sense of current dynamics and possibilities. Most urgently, will the ruling party respond to the pressures of a new strong opposition to adhere to the rule of law or will it take the country further along the path of anarchy?

Main Contestants: Background
Zimbabwe’s fifth parliamentary election was contested by many political parties, the most important being the ruling party, ZANU(PF), and the Movement for Democratic Change (MDC). ZANU(PF)'s roots are in the nationalist struggle for independence and the guerilla war which its ZANLA guerillas fought. Many of its senior leaders, including seventy-six year old Robert Mugabe, belong to a generation whose political careers were built in the nationalist struggle. Following the pattern of post-independence elections in Africa, the ruling party increased its representation at the expense of its opponents but electoral participation declined sharply in successive elections. In the first independence elections in 1980, the ruling party won 57 of the 80 contested seats, giving it a small majority in a 100 member house. Joshua Nkomo’s ZAPU, which had fielded its own ZIPRA guerillas, won 20 seats. Whites filled the remaining seats - the new constitution reserved 20 white seats for at least seven years. In the 1985 parliamentary election, ZAPU won only 15 seats and ZANU(PF) 63 seats. At the end of 1987, following a brutal ruling party insurgency against ZAPU personnel, structures, and supporters, ZAPU leaders agreed to a merger with the ruling party, which retained its name. Before the 1990 general and presidential elections, the constitution was amended to remove the reserved white seats (1986), to introduce an executive presidency (1987), and to introduce a unicameral house with 120 elected seats and 30 presidential appointees. In the 1990 parliamentary elections, the ruling party won 116 of the contested seats; five years later it won 117 seats.

The MDC has its origins in the Zimbabwe Congress of Trade Unions (ZCTU). Indeed, the ZCTU’s former leaders, Morgan Tsvangirai and Gibson Sibanda, are respectively the MDC president and vice-president. Zimbabwe’s formal employment sector is small and largely urban. The ruling party has always been more confident of its rural base and has often portrayed urbanites as not having contributed to the war of independence. In 1997, tensions between those who saw themselves as the liberators of the country and the ZCTU came to a head in the context of the resolution of a struggle between war veterans and the ruling party. Veterans in the civilian sector took to the streets to demand war pensions and other social benefits and on a number of occasions held senior party and government officials hostage. The veterans were well-organised and enjoyed the
support of their former comrades in the army and police. Standing to benefit from the guerilla demands, the police largely stood by and observed events. Mugabe, allegedly without party approval, consented to pay them Z$50,000 gratuities and Z$2,000 monthly pensions. How the government would raise the money to pay these hefty sums to some 50,000 veterans (the figures in this briefing are drawn from a variety of sources. Other sources often provide different numbers) alarmed donors and the foreign exchange market. The World Bank suspended balance of payments support and the Zimbabwe dollar dropped against the US dollar from Z$12, prior to the announcement of benefits, to Z$25 by mid-November. The government decided to raise money through further taxes on fuel, goods and services, and electricity, and a new war veterans levy on salaries and wages.

Taxation was already high and 70% of the urban population earned less than the veterans’ award of a Z$2,000 monthly pension. The ZCTU, with the blessing of business, organised a strike to protest the tax increases in December 1997. Both senior ruling party officials and Hitler Hunzvi, chair of the Zimbabwe National Liberation War Veterans Association (ZNLWVA), lashed out against Morgan Tsvangirai for aligning with ‘anti-party’ whites. The following day, though, the government revoked the veterans levy and promised to rescind the electricity and fuel price increases at the beginning of 1998. The next day Tsvangirai was attacked in his ZCTU office. It is widely believed that his attackers were ex-guerillas and/or government agents. To date, there have been no arrests. While the World Bank released its funding, the ZCTU organised a boycott against food price rises in January 1998 and against the remaining tax increases on 3 and 4 March 1998. Mugabe again blamed whites, as did Hunzvi, who said that as liberators of the country, the war veterans ‘could very well attack whites for inciting the boycott’. Facing the threat of a five-day work stoppage in November 1998, the government scrapped the outstanding tax increases.

On 11 September 1999, the MDC was launched. The MDC continued the ZCTU’s opposition to the ruling party’s constitutional reform initiative. The National Constitutional Assembly (NCA), founded in May 1997 as an umbrella organisation for civic opposition groups, spearheaded a movement to draft a new constitution which would reflect ordinary people’s preferences. Zimbabwe’s constitution, a product of the Lancaster House peace negotiations, had become a ruling party vehicle for expanding executive power. In 1999 Mugabe appointed a large commission to undercut the NCA venture. The NCA declined to participate because the vast majority of the 400 commissioners were staunch ZANU(PF) supporters and the president retained the right to ignore the views which the commission solicited from the people and to amend the commissioners’ proposals. Mugabe used his powers. The final draft constitution provided for compulsory land acquisition without compensation and still greater executive powers. The draft constitution was then submitted to a referendum on 12 and 13 February 2000. The MDC and the ZCTU joined the NCA’s drive to vote ‘no’. For the first time, the majority of the electorate voted against the ruling party.

**Electoral Issues**

The MDC campaigned against the ruling party’s economic mismanagement and corruption, called for reestablishing suspended IMF links, and demanded the withdrawal of Zimbabwe’s approximately 12,000 troops from the Democratic Republic of the Congo (DRC). At the beginning of this year, there were fuel and electricity shortages. Zimbabwe imports both, chiefly from South Africa. When suppliers asked for advance payments because of Zimbabwe’s failure to pay for previous deliveries, and when interna-
tional banks stopped offering credit, the government lacked the foreign exchange to continue to import. Basic data indicate the severity of Zimbabwe's economic problems. Between April 1998 and 1999, the cost of living for rural Zimbabweans increased 150%. Unemployment is at least 50%. In 1999 Zimbabwe's external debt was 82% of GDP and its government budget deficit – much of it spent on a bloated cabinet and civil service – was 7% of GDP. In August 1998 Mugabe announced that the Zimbabwe army had been dispatched to help defend the DRC's sovereignty. Last year the IMF suspended further assistance, chiefly over allegations that the government had misrepresented the costs of the DRC war. The government now deals with its financial problems by domestic borrowing (currently an average Z$2 billion per week), thus fuelling inflation (60%) and interest rates (70%). Ostensibly to help the government defray the enormous cost of its military support, the DRC government has given Zimbabwe's political and military elite access to diamonds, other minerals, and agricultural land. The governing elite's corruption is also evident at home. One small example is that Harare city is run by a government appointed commission after the mayor and his executive were suspended on charges of corruption and mismanagement. Most cases, however, go unpunished.

The ruling party sought to shift attention from its economic mismanagement and the ruling elite's rapid accumulation of wealth to the white farmers' unjust land share. Its May manifesto declared 'land is the economy and the economy is land'. Nationalists had mobilised rural support with appeals to win back the land from the whites. Whites' land ownership was grossly disproportionate to their small numbers. At the end of the war, 6,000 white commercial farmers owned 47% (15.5 million hectares) of agricultural land while 700,000 communal land farmers lived on 49% (16.4 million hectares) of farm land. The Lancaster House settlement protected white privilege. The constitution prohibited compulsory land acquisition without compensation for at least 10 years. The government could only compulsorily acquire underutilised land, it had to compensate in foreign exchange (if farmers so chose), and payment had to be prompt and adequate (that is, reflect market prices). The High Court could determine compensation where it was contested. These constraints on compulsory land acquisition ensured, as they were intended to, that land would be purchased on a voluntary willing seller-willing buyer basis. ZANU and ZAPU leaders only signed the constitutional settlement when they were guaranteed that British and American aid would support market-based land acquisition.

The ruling party blames the slow pace of land acquisition and resettlement on Britain's failure to provide adequate assistance – to date, it has provided £44m. Instead of the planned 162,000 families being resettled in five years, only 70,000 families had been settled on 3 million hectares of white farm land after ten years. Another half million hectares of white farm land were leased under a government scheme to promote indigenous commercial farmers. In practice, beneficiaries (who included the ruling elite) paid rents well below market rates. In ten years, 3.5 million hectares (20%) of white farm land had been bought.

In 1990, the ruling party amended the constitution to ease constraints on compulsory land acquisition. The government could acquire utilised land (and not just unutilised land) and it had to pay in reasonable time (rather than promptly) at fair (rather than adequate) prices. In 1992 the government enacted the Land Acquisition Act. It provides for fair compensation for land acquired (the original provision for land acquisition without the right to fair compensation was found to be inconsistent with the constitution), an opportunity for the landowner to contest designation in an administrative
court, and for either party to appeal to the Supreme Court. The policy targets of land acquisition include derelict land, under-utilised land, absentee-owned land, land adjacent to communal areas, farmers with more than one farm, and oversized farms. On 28 November 1997 the government gazetted its intention to designate 1,471 commercial farms (about half the white farm area). The government itself reduced its wish list to 926 farms because of official errors and policy violations. In September 1998 international donors met in Harare and many, including the World Bank, indicated their readiness to provide funds for a government program which was transparent, provided land compensation, and involved the major stakeholders. It was agreed to fund resettlement on 118 farms which had been compulsorily acquired without contestation.

In November 1998 the government issued acquisition orders for the remaining 926 farms on its original gazetted list which donors saw as undermining the agreements they had reached the previous month. Farmers applied to contest acquisition orders for 841 farms on legal grounds (they had to show the designated land was not 'reasonably necessary' for 'agricultural settlement or other purposes').

Meanwhile, the first farm invasions organised by ex-combatants and often incited by party officials took place in 1998, probably in response to the slow pace of even compulsory land acquisition. By February 1999 the government had to reduce even the 926 designated farms to 321 farms, again because of its ineptitude – it had failed to adhere to legal procedures. In April 1999 Didymus Mutasa, the party's secretary for administration, urged Mashonaland West party members to grab white land and blamed farmers for delaying resettlement by challenging land acquisition in court.

**Election Campaign & Election Results**

The ruling party first tried to ensure the loyalty of state employees through pay hikes. Civil servants' pay increases averaged 65%, when the budget only provided for a 33% increase. Chiefs' monthly allowances were increased from Z$2,000 to Z$8,000, and headmen's from Z$680 to Z$4,320, underscoring the importance ZANU(PF) attached to the rural vote. The ruling party encouraged land invasions to win popular support. To support land invasions, which began in late February, the ruling party forged an alliance with veterans inside and outside state institutions. Hunzvi was given Z$20 million to disburse to his ZNLWVA members. Some guerillas reported that they were paid according to the number of party rallies to which they transported supporters. The party also relied on the direct and indirect support of the army (still dominated and led by ex-guerillas), the police (under ex-combatant leadership), the Central Intelligence Organisation (CIO), and its own national and local leaders. The police were instructed to not arrest peaceful invaders. The CIO often identified farms to invade. The army supplied the invaders with rifles, food, and transport. When the election took place on 23 and 24 June, some 1,500 white farms were occupied. To underscore its commitment to land redistribution, ZANU(PF) parliamentarians amended the constitution to allow for land acquisition without compensation on 6 April. On 2 June over 800 farms were gazetted for designation.

The MDC and suspected sympathisers were potential targets of terror which the ruling party both sanctioned and instigated. The main victims were farm workers, white farm owners, and MDC candidates, their families, and supporters. About 25% of the formal labour force and 11%-18% of the total population, farm workers are a significant rural constituency. The ruling party has largely ignored their interests, perhaps because it
perceived them as ‘aliens’ – in fact, many are Zimbabweans or second, third or fourth generation Malawians, Mozambicans, or Zambians. Land resettlement has deprived farm workers of their livelihood without attending to their land needs, which the government only recently acknowledged. Until 1997, legislation precluded them from voting in rural council elections because they were neither renters nor property owners. The government has done little to force white farmers to improve their subsistence wages and often appalling living conditions which were at the heart of their unprecedented and violent strike in 1997. Ruling party supporters attacked and raped farm workers, burned their homes, and forced them to attend political education rallies. White farmers were attacked for being MDC sponsors. Indeed, the MDC was portrayed as counter-revolutionary – colonialist stooges who were financed by racist white farmers and backed by the racist British government. MDC candidates, their families, and suspected supporters were assaulted and their homes or businesses were burned. Villagers were told that a machine would photograph them when they voted and record their vote. If they didn’t vote, the machine could identify and trace them, and they would be whipped till they bled. About 32 people were killed, including 5 white farmers. Farmers and thousands of villagers and farm workers fled the rural areas.

Mugabe’s support for ‘peaceful’ land invasions, unlike his cabinet’s, never wavered. Early in the campaign, he warned whites with ‘very, very, very severe violence’ if they took action against veterans and others on their farms. On Independence Day, 18 April, he called whites the enemy of the state. Just prior to the election, he told BBC listeners that ‘even the whites’ were free to live in Zimbabwe.

But they must change. Your kind – the British kind – are very difficult to change. We rate them as the most conceited, the most arrogant, the most selfish and the most racist in our situation.

On land invasions and violence, he said: ‘Yes, maybe horrifying, but worse could have happened and worse can still happen’. Having gone to prison to regain the land, ‘I must not be seen as negating myself’. He defended the government against charges of failing to uphold the rule of law.

The law of the land must also work for moral justice – if I lead the people on the land and then get time to bring law and order then it is a far better proposition, a better approach than one that would pit the forces against the masses of people now occupying the land and there would be greater death, greater bloodshed – this is just a little row of trespasses.

Local leaders needed little coaching. Border Gezi, a candidate in Mashonaland, allegedly told supporters on 26 March to ‘warn opposition party supporters that Zanu(PF) was well-known for spilling blood’. Similar reminders were made in Matabeleland, which had experienced ZANU(PF)’s blood spilling in the 1980s.

The MDC ran a non-violent campaign. It resisted the temptation either to resort to violence or to boycott the elections. It denounced MDC supporters’ violence. Its slogan was chinjia (change) and its symbol the open hand to contrast with the ruling party’s clenched fist. The white farmers’ organisation, the Commercial Farmers’ Union (CFU), heeded Mugabe’s warning to avoid violence. They met with Mugabe, they negotiated with the war veterans – something Tsvangirai publicly criticised as legitimating bandits – and sought judicial intervention. On 17 March the High Court ordered police commissioner Augustine Chihuri (an ex-combatant) to remove the veterans from the farms. He claimed it was a political problem and the police lacked resources.
On 19 April the High Court ordered Hunzvi to remove veterans from the farms by 5 May and to show media clips by 26 April demonstrating he had publicly ordered and encouraged them to evacuate. These court orders have yet to be implemented. In many parts of the country, MDC candidates were unable to campaign because of ruling party violence and intimidation, as most election monitoring and observer teams reported.

On 27 June, the election results were announced. Voter turnout was 60% – the highest participation rate since the 1980 election. The MDC won about 46% of the votes; ZANU(PF) nearly 49%. Of the 120 elected seats, the MDC won 57, the ruling party 62, and another party 1. With its 30 presidential appointees, the ruling party now controls 92 of the 150 seats, a clear majority. But its losses are potentially significant. It no longer has the necessary two-thirds majority to make constitutional changes and the MDC controls all the seats in the two major cities, Harare and Bulawayo, and all but 3 of 23 seats in Matabeleland’s three provinces. At least 6 cabinet ministers and three deputies lost their seats. The final seat count is uncertain as the MDC is contesting the conduct of the election in 37 constituencies. The MDC injects into parliament young and educated men and women (9), Africans and whites (4), Shona and Ndebele. Its president, Morgan Tsvangirai, lost his bid for a seat in parliament but is among those challenging the outcome. Some analysts suggest he can devote his energies to the presidential campaign scheduled for 2002.

After the Election

Will the new opposition party be able to use its leverage in parliament to promote non-violent political and economic change? Will the ruling party continue to rely on extralegal methods to entrench itself in power? Will the MDC, the CFU, and the farm workers be able to resist resorting to violence? Will pressures within the ruling party lead it to seek internal changes and political and economic reforms? Will the ruling party fragment? Can the ruling party end the land invasions if it chooses to? My research, Guerilla Voices: Power and Privilege in Zimbabwe, documents a twenty-year pattern of the veterans and the ruling party using each other for their independent and often overlapping agendas but also not having full control over the outcomes of their struggles. Might the guerillas, themselves internally divided, turn on one another? Will the army and police hold together? What role will the army play? Under what conditions might major international donors return to Zimbabwe, and will they make a positive difference? A little more than one month since the election, the MDC provides the only glimmer of hope against mounting anarchy and regional presidents’ support for Mugabe. But its economic prescriptions and diverse support base portend problems.

The MDC has made an impressive start in the fifth parliament. Its motion to establish a parliamentary committee to identify and prosecute perpetrators of campaign violence was denied ostensibly because it is already challenging the electoral results on the grounds of campaign violence. Other motions to make a new constitution and to impeach Mugabe have been tabled. The MDC resisted Mugabe’s attempt to co-opt some of its members with offers of government positions. It has also resisted adopting a strategy of violence though one of its leading officials proposed civil disobedience, such as tax resistance and the occupation of ZANU(PF) officials’ properties, at a public NCA meeting. While the MDC favours restoring relations with the IMF and thus embraces its free market philosophy, the ZCTU – a major constituency – is already pressing for controls as prices spiral upwards. This is a serious internal tension between workers and business. Should the IMF return to Zimbabwe, it is reasonable to question if its
free market philosophy will be a help or will contribute, as it did before, to deindustrialisation and deteriorating health and educational services.

The MDC's similarities with Zambia's Movement for Multi-Party Democracy (MMD) confirm its potential for electoral success in the future but also strengthen concerns about its internal contradictions. Both 'movements' grew rapidly, capitalising on economic deterioration and decades of authoritarian rule. Zambia's MMD was formed only months before its leader, Frank Chiluba, won the presidential election against Kenneth Kaunda in October 1991. Both Tsvangirai and Chiluba exchanged leadership of a trade union federation for leadership of new political parties which garnered support from organised labour and the private sector. Both parties campaigned for democracy and economic liberalisation. Chiluba remains in power though he has lost much of his worker support base, and he presides over an increasingly authoritarian regime which has failed to improve the economy.

The ruling party is riddled with mounting tensions. Mugabe took three weeks to announce a new cabinet. He reiterated his commitment to support Kabila's government with troops. The new economic and finance ministers have made noises, welcome to the private sector, about the need to cut government expenditure, to reopen relations with the IMF and World Bank, and to attract investors. On 1 August the Zimbabwe dollar, pegged at $38 to US$1 since January 1999, was devalued to ZS$50 to the US$1 - a boost for exporters. If the new finance and economics ministers can prevail over the politburo, it will be a major reversal in the previous relationship between 'technocrats' and politicians. Within the ruling party, there are other tensions. Some continue to push, as apparently they did after the referendum, for Mugabe to resign; others ask that he merely indicate whether he will be a candidate so the party can plan accordingly. The politburo fired 5 provincial chairs and their executives ostensibly for the party's poor election performance. These disaffected politicians may join others - so far usually those seeking local government election in urban areas - who have defected to the MDC.

Rather than any respite from violence after the election, the white farms have been the site of growing violence and lawlessness and escalating land designations. Farm invasions have continued. Veterans are presiding over the building of permanent structures on the land and the pegging of plots, for which they often collect handsome fees. Similar activities are taking place in and around Harare. Small-scale African farmers are also coming under pressure from veterans and their supporters to give up their land. On 21 July Mugabe thanked the veterans for supporting his land redistribution agenda through farm invasions. On 26 July, some 800 white farms were designated; days later the government increased the total number of farms targeted for acquisition without land compensation to about 3,000. There is talk of settling half a million households on 5 million hectares in two months. White farmers have turned to the High Court to challenge Mugabe's land grab. On 2 August the CFU joined the ZCTU in a one day stayaway to protest anarchy on the farms and rural political violence. After meeting with South African President Mbeki on the day of the stayaway, TV viewers heard Mugabe say that the veterans would be removed from farms which were not designated. But the next day he denied having said this, and told communal farmers that the war vets would stay on all the farms until they had been resettled.

The police and army have complied with party directives. The police have made some arrests for campaign violence. Typically, prominent politicians are protected. Hunzvi merely illustrates the perpetuation of a pattern of selective police actions. A medical doctor, he has been
charged with fraud for signing applicants’ claims for war-related medical disability pensions without examining them. His case has been underway since 1997. Yet he enjoys Mugabe’s backing, for the moment, and so goes free. The army participated in a joint operation with the police in Harare townships and Kwekwe (both MDC territory). Ostensibly to restore peace, soldiers and police brought violence to otherwise relatively calm areas by assaulting residents whom they accused of being MDC supporters.

Mugabe has said that the army will move veterans from occupied farms to their resettlement plots. He has also indicated that he will appoint a department of war veterans affairs head within the Ministry of Defence. Will former guerillas, whether in the military or civilian sector, continue to have common interests? Will the army seek still greater political involvement? If the ruling party fragments, might the army divide its allegiances among competing ruling party leaders?

Ethnic ‘Nationalities’, God & the State: Whither the Federal Republic of Nigeria?

Caroline Ifeka

There is a continuing contradiction between the state as the corporate representation of Nigerian society and sectional (ethno-religious) interests struggling to counter perceived marginalisation by revenue ‘sharing’ among patrons and clients (Joseph, 1987). Power elites in command of the centre identify with the state and proclaim its indivisible ‘unitary’ character; poly-ethnic labour activists believe in the Federal Republic but criticise their exclusion from state power by a mege-rich elite (Ojewale, 2000). Other (southern) leaders are so dissatisfied with the unitary Nigerian state that they are campaigning for a confederation of ethnic ‘nationalities’ or secession into independent republics. As well, certain northern leaders are emphasising the Islamic identity of the Hausa-Fulani ‘nationality’ by substituting Shari’a law for the criminal code so some people believe core northern states are engaging in covert religio-legal secession (Soyinka, 2000).

The state and ethno-religious sectionalism thus continue to interact, power elite networking and patronage ensuring that each party to the contradiction reproduces politically unitary and divisive forces in changing constellations, rendering uncertain indeed the outcome of present empowerment struggles.

In this Briefing Caroline Ifeka explores current conflicts. She identifies historical constants in political relations between the state and ethno-religious ‘nationalities’ and highlights those that are crumbling. As conflicts intensify the (unitary) viewpoints of certain power elites, reported daily in the print and...
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visual media, become more strident. Ifeka compares these with the sectional perspectives of the struggling masses she encounters in tropical high forest villages, in vigilante meetings, and in guest houses in downtown city quarters. She asks: do current crises and discourses of 'marginalisation' constitute a penultimate phase in the history of a state born and governed through violence, and nurtured in mystifying discourses of 'faith and unity'?

Ethno-Religious Contests
Divisions are a major constant in relations between the (unitary) Nigerian state and ethno-religious 'nationalities' since before independence in 1960. Violent clashes between Muslims and Christians in northern cities earlier this year illustrate some ways in which dominant or activist ethno-religious groups across the country struggle to dominate others through control of the judiciary, courts and legal codes. Complaining that their 'ethnic nationality' is currently 'marginalised', they demand a measure of political autonomy in a looser federation. Christians fear the decay of the Federal Republic's foundation stone – embedded in all its constitutions – that Nigeria is a plural, multi-faith secular state with no state religion.

For example, since the election of President Obasanjo (a Christian southerner) in May 1999, elites in core northern states historically associated with Islam and the Jihad against infidels (Kano, Katsina, Kaduna, Sokoto etc.) have complained that their 'sons' hold fewer important federal ministries than did southern politicians. Core north (Hausa) states said they were 'marginalised' by a southern (Yoruba) President Actually, Obasanjo appointed as many northerners as southerners to ministries and an equal number of ambassadors from north and south, (Endnote 2). So, perhaps to rectify a perceived injustice, in late 1999 these core north governors supported the campaign of Jigawa state Governor Sani Ahmed to extend Shari'a law to criminal offences as theft, murder, malicious damage. In late February 2000 thousands of Christians resisted the Kaduna state governor's partiality towards Shari'a. Supported by complicit politicians, generals, ulamas and men of God, youthful militants mobilised followings of Muslims and Christians. An estimated 1,000 Igbos and other southerners were massacred by Muslim vigilantes and 'area boys'; then followed 'silent' killings of Christians in other northern cities (for example, Maiduguri) and retaliatory killings by the Igbo Bakassi Boys in southern cities (Yornamue, 2000).

In March many southern Christians began returning home; some believed that if Shari'a law were imposed and persecution persisted private companies as Ashaka Cement in Bauchi, manned largely by Christians, would re-locate to the south. Many southern residents in northern cities speak fluent Hausa and so hear of meetings of groups formed or revived in the aftermath of the Kaduna massacres, that is, 'Fatwa Committees', Northern Elders Committees and Committees of Ulamas (The latter group of religious leaders was established to advise the Zamfara state government on Shari'a law). These groups decided they would 'never' give up Shari'a – as devout Muslims already embarked upon an informal Jihad for Shari'a so as to remove corruption (that is, theft, fraud, money laundering, embezzlement) at all levels and restore morality – how could they? But to avoid further 'interference' by the Obasanjo government, ulamas advised 'go slow' tactics to Shari'a courts (BBC Hausa Service, April 2000).

Publicly, many northern state governors agreed in March-April to 'give up' the extension of Shari'a law. But many Muslim faithful were not happy. For example, Nigerian pilgrims in Mecca bood Vice-President Atiku Abubakkar (a Fulani Muslim) with shouts of 'Shari'a, Shari'a',
because officially he does not support the *Shari'a* movement. In public he upholds the President's line that the Federal Republic is a secular and not a religious state (Ugbolue, 2000). But in other contexts certain Muslim federal ministers, retired generals and religious leaders – ulamas, alhajis, sheikhs – and communities of the faithful insist ‘we will never give up *Shari'a*’ (Endnote 3). In May and June clashes between Muslims and Christians in Kaduna and Kano ensued as the state governors prepared to implement *Shari'a* law, applying it (in Kano) to all persons ‘with no exceptions’ (Wallis, 2000). The regime notes with concern the enthusiasm for *Shari'a* of ‘the world of Islam’ from Libya to Iraq; allegedly they are promising money, aid, guns and oil for a prospective land-locked ‘Arewa Republic’ or ‘Dan Fodio Republic’ of core north Hausa-Fulani states; that is, Kano, Katsina, Kaduna, Zamfara, Bauchi, Bornu, Niger and Sokoto (Endnote 4). For their part the Christian masses believe orchestrated by hidden (core north, military) hands, Islamic fundamentalism is growing so strongly that Nigeria can no longer sustain the ‘secular’ multi-faith Republic; what options does the *Shari'a* movement leave Nigeria other than confederation or secession?

The centre fears these crises are making a mockery of citizens’ duty to live in ‘faith and unity’ and to respect the government of the (unitary) Federal Republic of Nigeria (Nwajah, 2000). (The words ‘faith and unity’, bifurcated by a symbol of peace, are the national motto, emblazoned on federal government buildings and official letterheads). Confederation would greatly reduce oil revenues allocated by member states to the Federal Government; secession by oil-producing states would terminate the receipt of oil revenues by non-oil-producing states currently included in the Federal Republic (Banjo, 2000). Either option would diminish considerably the pleasures of power ‘enjoyed’ by established political elites some of whom hail from non-oil producing states (that is, Yoruba, Middle Belt) and have among their members President Obasanjo and ruling party chieftains (that is, Umaru Dikko, Solomon Lar, Jim Nwobodo), players in the ‘business of politics’ since the 1970s. For these reasons many federal politicians and ministers, supported by some state governors of their political party, religious or ethnic following, publically reject secession or confederation. (Some hedge their bets covertly by also supporting militant youth leaders of their ethnic nationality’s political congresses, cultural associations and regional inter-ethnic fora as the Commonwealth of Niger Delta States).

### ‘Politics is a Market’

Another more durable constant in relations between ‘nationalities’ and the state is the popular understanding that ‘politics is a market’; that is, however different their ethnicity or religion all men are alike because they want money, state power and control over the allocation of public funds. Indeed, ethno-religious groups define their inter-relationship through the money they receive from the Federal Government by way of subsidies, state budget support, and oil revenues. In this way, are not leaders and ethno-religious followings commodifying political relationships through money?

For example, the oil-rich Niger Delta is a centre point of past and present political crises, the basis of the Nigerian governing elite’s predatory wealth, and the focal point of violent power struggles (Ifeka, 2000). Oil and natural gas generate over 95% of Nigeria’s hard currency earnings, and this year could generate up to $19 billion in gross earnings (Endnote 5). Increasingly well informed of the wealth generated by oil, and socialised as clients of big men into valuing all relationships in monetary terms, militant youth and complicit chiefs in the Niger Delta are struggling to increase the funds their particular ethnicity receives from international corporations. They are also fight-
ing in true patrimonial fashion to increase the sum they (militants) appropriate by reducing the share the federal bourgeoisie – oil companies’ traditional partners – appropriates for personal gain (Ogunnaike, 2000). The Ijaw Youth Congress and the Delta Youth Forum support the idea of ‘The Commonwealth of Niger Delta’ nationalities. They (for example, Ijaw, Itsekiri, Urhobo, Kalabari, Ogoni) seek to appropriate up to 50% of the Federal Republic’s oil revenues for the proposed commonwealth’s ‘development’; a mere 30% would be allocated to the (con)federation’s other states, leaving 20% for the central government. But militant youth across the Niger Delta have told the Presidency to hand over the Niger Delta’s recently agreed 13% share of oil revenues not to the state governors (they will ‘chop’ all) but to ‘the communities’; that is, the money should be allocated to recognised (youth) leaders of ethnic associations for onward transmission to village councils (Sampson, 2000). In this event, youth and not elders and chiefs – traditional recipients of largesse from oil companies – would receive the lion’s share, inverting the customary respect owed elders by youth, weakening elder’s authority and thus probably facilitating intra-ethnic and inter-village conflict.

In early 2000, having intervened violently in late 1999 to quell armed conflict in Bayeisa state, the Federal Government sought to strengthen its democratic credentials by setting up an institution that could facilitate peaceful conflict resolution between Niger Delta ethnic nationalities. It established a multimillion dollar spending parastatal, the Niger Delta Development Commission (funded in part by overseas donors as the EU) to be administered by indigenes. The parastatal conveys a measure of self-government, but its abundant funds will surely encourage patrons, clients and youthful militants to identify even more strongly with community development as a ‘market’ that facilitates individual rather than collective gain. Conflict over funds marked by fierce accusations of ‘chopping’ is why well armed vigilante youth of rival villages regularly engage in ‘war’ as when Shell builds roads that cross inter- or intra-ethnic boundaries, and carry out ‘silent’ killings of oil company employees working on pipelines (Suleiman, 2000, Ofonimeumanah, 2000). The Obasanjo regime also uses its revenues to weaken ethnic nationalism. For example, following the massacres of Igbos in Kaduna in February-March, the Igbo based Movement for the Actualisation of the Sovereign State of Biafra (MOSOB) planned to proclaim Biafra’s independence on 29 May, unfurl the Biafran flag and sing its national anthem on Enugu radio. But close to the appointed day retired soldiers, survivors of the Biafran civil war and supporters of MOSOB, accepted Abuja’s retrospective payment of over-due pensions. So the flag remained unfurled. MOSOB has had a setback: for the time being the centre has prevailed against Igbo nationalism, showing us again how in Nigeria ethnicity and statehood are negotiated through cash as much as through ideals.

State & Nationalities

A further, equally durable constant in relations between ethno-religious groups and the state is the latter’s role as the locus of competition between individuals and groups competing for high office at the centre, mostly with a view to achieving control over public funds for personal and ethnic gain. Though clientelistic networks angle for sectional resource distribution that challenges western notions of value free nationwide allocation, power elites and the masses believe the Nigerian state is powerful – not ‘weak’ or a ‘shell’ as argued by some writers (Chabal & Daloz, 1999) – and shapes the outcomes of intra- and inter-ethnic conflicts (c.f. Allen, 1995; Szeftel, 1998). City newspapers contribute towards this ‘strong state’ perception: the press releases daily in-depth feature articles criticising the cen-
tre for brutal methods used in crushing internal dissent (i.e. assassinations of civil rights leaders under Abacha, massacres in Odi, Bayeisa state); press reports demonstrate how Nigeria proved its international stature in leading ECOMOG peace-keeping forces in Sierra Leone. However, in-depth feature articles also reveal how corruption has weakened the state’s capacity to deliver social services in, for example, the conflict ridden, degraded education sector. The Federal Republic’s (unitary) power elites have by and large used their (by African standards) vast national revenues to cajole, control and coerce the country’s many ethnicities into (temporary) acceptance that they are Nigerians before they are Igbos (important exception: the Biafran civil war). But many sections of the masses regard (particularistic, divisive) ethno-religious nationalities as carrying out their legitimate and ‘proper’ work in competing for control over ‘big’ Federal ministries and monies.

Consider how since Obasanjo was elected President in May last year the more radical press has portrayed dissident ethnic ‘nationalities’, human rights activists and religious fundamentalists as dictating to the centre a grass roots political agenda. This criticises the 1999 constitution: civil rights groups say it upholds a ‘fake’ democracy in which ‘false’ political parties without mass support dominate the scene (Endnote 6). Like the two opposition parties, Obasanjo’s ruling People’s Democratic Party was bankrolled to power by wealthy northerners, including Major-General (Ret.) Babangida and some southern business associates. As is customary in elections, the masses were paid to vote for parties bankrolled in top down fashion by partly ‘hidden’ power elites. Leaders of the (southern) Yoruba-based National Democratic Coalition (NADECO) argue that agreement as to each nationality’s future, and the shape of the new Federal Republic of Nigeria, should be achieved through a national or sovereign national conference; they aspire towards a pan-Yoruba region or state (Ajayi, 2000; Anon, 2000) (Endnote 7). The Obasanjo regime, however, insists that constitutional issues be routed through the National Assembly – that is, the House of Representatives and the Senate, the body elected by the nation in 1999 and therefore the current repository of national sovereignty.

Southern civil rights leaders as Major-General Akinrinade (Ret.) and Chief Anthony Enahoro believe Abuja is misguided in its persistent refusal to accept a sovereign national conference (Akinrinade, 2000; Mba-Afolabi, 2000). Some radicals fear that rejection of a sovereign national conference may result in civil war and disintegration of the Federal Republic, thus returning the country to 1967 when the Igbo leader Lt. Col Odumegwu Ojukwu proclaimed the republic of Biafra following his failure to secure a confederation of Nigerian states (Soyinka, 2000; Bello, 2000). Conflict ‘resolution’ by violence reflects the lack of nation-wide impersonal peace-making institutions and highlights the personal and informal nature of the ‘real’ (clientelistic) political system (Violence is widely accepted as a final sanction of personal domination – in the family, the village, city quarter, the state and Presidency – in the ‘real’ political system).

Sharing the Spoils

A further constant is the ‘real’ political system of clientelism, corruption and patronage: must not patrons reward followers with a share of their spoils? (c.f. Szeftel, 1998). Thus, individuals access state (public) resources in their personal/individual ministerial capacity on behalf of themselves and allocate small shares to ethno-religious clients (‘corruption’). No one believes officials implement rules of ‘fair distribution agreed by elected bodies (‘democracy’).

Alien political institutions inherited from the British (that is, free and fair elections,
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an independent judiciary, appointments by merit) have long intertwined with indigenous representations and practices of power centring in clientelism in military and civilian regimes alike. Democratic institutions that promote impartial revenue allocation for development at the grass roots are desired by the masses but not to the exclusion of their share. So if their man is in power, whether in Abuja or at the state government level, they expect to benefit materially even if his portfolio has nothing officially to offer his community by way of roads, health and education services, agricultural extension etc. If people believe they are being excluded from ‘sharing’ they feel powerless and marginalised, just as do many ethnicities in relation to the Federal Government, Council of Ministers, Senate.

Clientelism orders the expectations and behaviour of the executive (Obasanjo and his ministers) vis-à-vis the legislature (the National House of Assembly). For example, Olusegun Obasanjo was elected to the Federal Republic’s number one position of President. But his ability to operate according to democratic principles has been compromised by his debt to vote-bringing party chieftains and bankers as well as by the normal expectations of all politicians that they are to be ‘rewarded’ as clients by ‘oga’. Obasanjo typically has to ‘settle’ the Senate and the House of Representatives in Abuja before important bills are passed; in the real political system these men and women are the President’s clients, he is the supreme patron, ‘the big oga’. Another example, last year, despite vociferous objections from certain members of the print media, civil liberties groups, the labour movement and the public, National House of Assembly members prevailed on the President to ‘dash’ each Senator and Representative daily sitting allowances of N17,000 ($170) and N15,000 ($150) respectively, as well as one-off ‘mammoth furniture allowances’ N3.5 million ($35,000) for each Senator, N2.5 million ($25,000) for each Representative (Niboro, 2000). The President complied very reluctantly, after much pressure, to a chorus of criticism and boos from across the country. In March 2000, Obasanjo apparently had to resort to bribes in order to get his Budget passed – three months late (Avowed, 2000). That hurdle over, the President demanded that the legislature approve the release of N8.9 billion ($89 million) so he could replace the President’s broken-down Boeing 727 jet with a new air bus in which he and the Vice-President could fly in style to the world’s capitals seeking debt cancellation as well as overseas investment for national economic growth (Edomaruse, 2000). But in May 2000 the National Assembly still demanded more Presidential largesse (from which approved budget line?); while they waited for ‘oga’ to ‘help’ them, they told the President to ‘buy a new engine’ for the ‘bad jet’ and ‘manage that one’ (in rejecting the President’s bid for an air bus, after he had passed the national budget, were the Assembly men not behaving ‘selfishly’ like a typical ‘difficult’ client? They pursue money but are they such ‘ingrates’ that they fail to reciprocate their patron’s favours. Instead, they keep ‘gulping’ large amounts of money from ‘oga’ (Ojeifo, 2000)).

On the other hand, these contests also articulate the supreme executive’s capacity to exert power so as to influence the actions of others. He is or should be the country’s most powerful patron. For example, ten months after President Obasanjo urged that the anti-corruption bill be drafted, the Assembly inserted clauses authorising probes into the President and former heads of state. Obasanjo replied by ‘holding up’ the bill until the Assembly agreed to delete or water down these displeasing clauses (the President and other powerful players have close links with very wealthy former heads of state – Major-Generals Babangida, Buhari, and Gowon, anxious to avoid probes into their financial dealings).
Like his predecessors Major-Generals Abacha and Babangida, President Obasanjo 'dashed' important ('useful') political clients in the ruling party, federal government and Central Bank of Nigeria brand new Peugeot of Nigeria cars (*Punch*, March 2000). Higher status persons – ministers in strategic ministries as Finance, Energy Steel and Power, and Works – are receiving more costly, coveted Japanese four wheel drives with black tinted windows which obscure the passenger's identity (Many people believe that the owners of such vehicles and their passengers may be engaged in secret deals to enrich themselves at the public’s expense, and favour black tinted windows to avoid identification. This interpretation implies that the hidden passengers may have malevolent intentions to others, and so may be performing as 'witches' who suck life-giving ‘blood’ (wealth) out of victims. Only those with ‘bad’ intentions would wish to hide themselves to avoid identification – and possible death by witch-finding ju-ju?).

State House of Assembly members secure their 'share' of the state cake in governor's 'hand-outs' to people (clients) who have 'helped' him (Assembly men find it easier to get 'dashes' when the governor's party is in a minority or in alliance with the majority party and so is seeking support from allies. Allies demand rewards). In late December last year Governor Lucky Igbinedion of Edo State allegedly succumbed to pressure and paid the State House of Assembly N12 million ($120,000) so they would pass his budget. The money was brought to the Assembly’s doors in the usual way, in ‘Ghana Must Go’ zip bags unloaded in full view from a black security van. It is said other Houses of Assembly (Rivers, Lagos) have been ‘settled’ likewise (*Semenitari*, 2000). Indeed, it is expected of governors that they reward all the ‘boys’, especially those belonging to their own political party who will support any policy to the point, critics say, of performing as ‘political prostitutes’. These are the kind of practices that pro-Shari’a governors as Sani Ahmed of Zamfara wish to extirpate by applying Shari’a law to embezzlers; whatever their position and power, civil servants, politicians and business men caught stealing public money will have their right hands amputated.

Clientelism defines power and powerlessness, political inequality, in terms of material exchanges of money, goods in kind or favours between the holders of subordinate/dominant positions in local and national political structures. Such exchanges make ‘small men’ or ‘boys’ ‘accountable’ to the ‘big oga’ or patron, and thus disencourage the incumbents of public offices from performing their duty impartially. Clientelism and the sectional interests it promotes are highly durable. They weaken the state as the corporate embodiment of the Nigerian people, and render hazardous the development of a democratic civil society subject to an independent judiciary, fair and free elections and transparent interactions between the executive and legislature.

**Future Scenarios**

Will the Shari’a movement and other ethno-religious divisions swamp an embryonic class consciousness – long suppressed by military rule – that might favour the growth of political institutions supporting a more democratic, less unitary and less kleptocratic federal state?

A small minority of southern radicals – intellectuals and working members of trade unions – are beginning to mobilise in terms of class ideology, as members of the under-classes who are remembering what the early 1960s trade union movement achieved. They are struggling to overthrow the corrupt oppression of international corporations (oil, timber, diamonds), and the national bourgeoisie who link external capital to local resources (oil, timber) for exploitation and capital accumulation. A few radicals
(Chief Anthony Enaharo) may be genuinely opposed to the delegitimisation of the Nigerian state through persisting sectional interests whose corrupt leaders, in command of oil revenue distribution, carve up state assets by revenue 'sharing'. However, these radicals and their supporters may be too few to wean the masses from mobilising as ethno-religious nationalities' struggling against perceived marginalisation that they associate with power elite corruption.

In sum, will conflict articulated through class ideologies remain encapsulated in webs of patronage articulated in ethno-religious nationality contests, and thus be powerless to check divisive forces including the Shari'a movement? Will emerging class alignments break free of clientelistic (ethnic) relationships and constitute a national platform on which youth leaders, widely respected radicals, and more conservative notables of cultural associations can enter into serious dialogue with power elites of the contested (unitary) Federal Republic of Nigeria?

Or will Shari'a and core north religio-legal fundamentalism break the historical constant that the Federal Republic is a multi-faith secular state practising unity and peace?

Note: This Briefing was written in March and April, 2000, in the bush and up-dated subsequently in May and June while in the UK. The writer relied on daily BBC and Voice of America news broadcasts. Iliaus Nyako, a young Fuguide and Hausa speaker in the writer’s NGO, supplied invaluable daily translations of the BBC and Voice of America Hausa broadcasts. Useful articles in the daily press and weekly magazines cited below were obtained during monthly trips to Calabar, the capital of Cross River State.

Endnotes

1. Ethnic ‘nationality’, that is a people who share the same culture, customs, language, and homeland within the Federal Republic of Nigeria.

2. Of 57 appointed service chiefs, ministers and special advisers 29 hailed from northern states, or 22 excluding 7 from the middle belt (Nassarawa, Plateau, Bauchi, Adamawa, Taraba, Benue). A total of 28 hailed from southern states of which the Yoruba states produced more ministers than other states. Count based on full newspaper coverage in June 1999 as reported to Iliaus Nyako. Of 108 ambassadorial appointments 54 came from northern states, 54 from southern states. Count based on newspaper reports obtained by Iliaus Nyako.

3. Ulama – men of religious piety and learning, authorities on Muslim religion and law; sheikh – head of a religious order, term of respect for a Muslim man of piety; has – greater pilgrimage to Mecca in the twelfth month of the Muslim year; mallam – Hausa word used as a title for a learned man, scribe or teacher. Shari’a – the sacred law of Islam, the Islamic way of life, based on the Qur’an and the sayings of the prophet Muhammed. Debate in Nigeria about the ‘need’ to extend Shari’a law from personal to criminal matters has occurred periodically, for example, in the late 1970s when a new constitution was being drafted; it was also debated in the run up to independence in the late 1950s when a penal code was drafted specifically to accommodate Shari’a law in the predominantly Islamic northern provinces. The code reflected Shari’a law but in a modified form: thieves were imprisoned, their right hand was not amputated. Extending Shari’a law to criminal matters includes offences as theft, fraud, burglary, armed robbery, and murder that would otherwise have been judged under the penal code.
4. Are land-locked, oil-less Hausa-Fulani responding to the challenge to their political hegemony by redefining their ethnic nationality in terms of stricter (Muslim) religio-legal practice? Statements of religious and political leaders show they seek a purer, less corrupt society through stricter obedience to Koranic laws. Is religious law imposed through *Shari’a* courts a political instrument for ‘silent’ separation from the Federal Republic whose 1999 constitution prescribes a secular Nigeria in which there is no state religion? (Wole Soyinka calls this ‘secession’).

5. Figures calculated as follows. Average daily production 1.9 million barrels @ $28 barrels = $ 53,200,000 x 30 days = $1.596 billion x 12 months = $19.152 billion. As of April 2000 oil is selling at $30 per barrel and production is about 2 million barrels per day. The above estimate allows for small variation by assuming a slightly lower average output and price.

6. The 1999 constitution is a barely disguised version of the 1979 military constitution put in place by Major-General Obasanjo as he handed over supreme power to civilians.

7. A large number of ethnic, labour and religious associations have joined Yoruba civil rights groups in calling for a sovereign national conference so ethnic nationality representatives may decide on their relationship to the centre – full independence or semi-independence – and agree on a democratic constitution. Prominent supporters of a national conference including intellectuals, youth leaders, and notables leading ethnic cultural associations across the Federal Republic (i.e. [the pan-Igbo] Ohanaeze N’digbo, [the pan-Hausa Arewa Peoples Congress, [the pan-Yoruba] Oduduwa Peoples Congress) as well as the leaders of pan-Nigedan civil rights groups as Wole Soyinka’s United Democratic Front of Nigeria and Anthony Enaharo’s National Democratic Coalition (Ojewale, 2000).

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Newspaper and Magazine Articles


Britain and Western Sahara: Examining the Debate

David Seddon

Over the last six months, the British Government has come under sustained pressure from MPs and Lords urging them to implement the UN Appeal Agreements. We estimate that 100 MPs have written to the Government, either because of all the constituents’ letters (your letters) or because they share the concerns of the Campaign. This shows how much concern there is in Parliament for the Saharawis.

A number of MPs were so concerned they wanted to arrange for an adjournment debate. These debates enable back bench MPs to question the Government about an issue they feel strongly about. The debate took place on 4 April and, as Peter Hain MP was away, Foreign Office Minister Keith Vaz responded to the questions from MPs. Jeremy Corbyn MP (Labour) led the questioning with contributions from Liberal Democrats Jenny Tonge MP and Alan Whitehead MP.

Jeremy Corbyn began the debate with an overview of the current situation highlighting especially an article from the April edition of Jane’s Intelligence Review which predicted the resumption of armed conflict if the referendum doesn’t take place in the near future. Joined by Jenny Tonge, he also highlighted the export licences for CS gas grenades and rubber bullets. Alan Whitehead asked about Moroccan attempts to obstruct the referendum by flooding the process with appeals.

In response, the Minister made some very important remarks. He began by saying that ‘with this debate we are doing our bit to ensure that the issue is kept on the international and domestic agendas’. He expressed Britain’s view that a ‘just solution to the problem depends on the


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people of Western Sahara having the right to express their will at the ballot box'.

Unfortunately, this was tempered with the rider that the parties need to be ‘flexible’ and the ‘solution ... cannot ignore the regional political environment’. What does this mean? Does the British Government want the Saharawis to be flexible about their language, their culture, society, their inalienable right to self-determination as expressed in international law? And what is the ‘regional political environment’? Surely, a referendum in Western Sahara would only enhance peace and stability in the region. Is it the Arab Magreb Union, a sort of European Union for North Africa, which has never been established because of the Western Sahara conflict? Or they worried that an independent Western Sahara might destabilise the newly crowned Moroccan King?

British Foreign Policy

In July 1998, the Western Sahara Campaign presented the Foreign Office with a paper detailing British Government policy on the right to self-determination. It was well received at the time but seems to have been forgotten for this debate. We thought our readers might be interested to hear what Britain’s formal position is on self-determination.

The inalienable right to self-determination for colonial peoples, like the people of Western Sahara, is set out in two UN Declarations 1514 (1960) and 2625 (1970). These form the legal bases for the current UN referendum process in Western Sahara. In 1980, Britain formally consented to recognise these resolutions, just like almost every country in the world. In 1983, the then British Ambassador at the UN stated:

> inalienable is a very strong word. It means birthright, it means you cannot get rid of it, it means that ... [peoples] have the right to self-determination which no one can take away from them.

This is somewhat different from the Minister’s comments about being flexible; a ludicrous argument. The British Government never said to the Scots or the Welsh you can’t have your Parliament or Assembly because it will upset the English that you want to rule yourself, or that your self-determination will damage the European Union.

The Campaign was also concerned by another comment the Minister made.

He said, ‘I have not been exposed to all shades of opinion, nor have my hon Members’. How does he know this? What he means is the MPs would think differently if they heard the Moroccan view. In fact, Members of the House of Commons have been fully exposed to other shades of opinion. The Western Sahara Campaign encouraged MPs to meet with the Moroccan Human Rights minister last March, several MPs have been to meet the Moroccan ambassador, and the Campaign even sent MPs copies of long interviews with Moroccans ministers and officials on Western Sahara. These meetings have only served to strengthen support for the Saharawis in the House of Commons.

Fuelling the Fire

The Minister then goes on to address the concerns about arms export licences. He states ‘It has been suggested that the United Kingdom has been selling arms to Morocco, which enables it to suppress human rights and to assert a territorial claim’. Exactly. He then goes on to say that despite approving evidence for riot control equipment (the rubber bullets and CS gas grenades) there is no evidence that this has been used in Western Sahara.

We agree, but this is not what the Criterions of EU Code of Conduct on Arms Exports actually say. They talk
about an 'identifiable risk' that exports will be used to suppress human rights and a 'concern' that any exports may be used for international aggression (namely the occupation of Western Sahara).

We think that if you have recent and repeated instances of human rights abuses and that a country is already asserting its territorial claim by force that this represents the 'identifiable risk'. This is why Jenny Tonge and Jeremy Corbyn states that the Government has contravened the criteria.

As far as we understand it, the Government argues that they have got to see the rubber bullets and CS gas grenades being used before they will consider these arms exports such a risk. British officials suggest Saharawis have only been beaten with sticks during the attacks.

Rights and Wrongs

Our greatest concern was for the way the Minister presented the recent Moroccan human rights violations against Saharawis beginning last September. He said that 'initial press reporting was partisan ... designed to raise tension ... and exaggerated the true picture'. Is the Government saying that the BBC, Agence France Press, Le Monde, Le Journal, The Economist, El Pais, El Mundo, to name but a few, are all partisan and made exaggerated claims. This is exactly what the Moroccan Government said. Perhaps, the Minister should have read the two US State Department reports on Human Rights in Morocco and Western Sahara (featured in our March 2000 Newsletter). We are sure the Government will have a copy. Indeed, one of our members wrote to the Foreign Office advising them to read it.

It gets worse. The Minister then goes on to commend the Moroccan King for setting a royal commission on Western Sahara - 'a decisive, mature and laudable response' he called it. However, the British Government has never recognised

Moroccan sovereignty over Western Sahara or the institutions it establishes in the territory. Is this statement tacit acceptance of Moroccan sovereignty over Western Sahara?

Nearing the end of the debate the Minister stated: 'Morocco's record on human rights ... has improved dramatically recently, as has the professionalism of its police. Morocco's record on both counts is probably the best in Africa and the Middle East. My hon Friend should not just take my word for it but listen to what Amnesty International and other NGOs say on the subject'. Well we did ask Amnesty. Amnesty said categorically that they never make comparative judgements; they would never issue a league-table of countries adherence to human rights standards. What Amnesty International actually says about Western Sahara is:

There has been no improvement in the Moroccan authorities' human rights record in Western Sahara. In September security forces violently broke up a sit-in by Sahrawi students in Layounne and several days later a march protesting at the brutal manner in which the sit-in had been dispersed. Dozens of Sahrawis were severely beaten, and many sustained serious injury, including broken bones and teeth. There are also reports of torture and ill-treatment in custody. Police in some case accompanied by civilians, also reportedly attacked homes and business in predominantly Sahrawi areas of the city. (Amnesty International News, January 2000)

We can only conclude that the British Government has deliberately mislead Parliament about human rights abuses in Western Sahara.
When dignitaries are not what one thinks!

When everything is taken from a man or a woman, when he is condemned to live in poverty, when he is pushed into exile, when, without having been sentenced in a proper trial, he is crouching in unspeakable penal servitude, when his right to live with his family is taken away, the right to live in his own country, what is left? His dignity. It is of this dignity to which so many Saharawis today bear witness, that we want to speak here.

We know the difficulty of exile in the refugee camps, we have already raised the question of repression in the occupied zones of Western Sahara, we have constantly described the conditions of imprisonment of the Saharawi prisoners and disappeared, but we have only rarely had the occasion to give homage to the Saharawi fighting in Morocco. In the name of this dignity which remains their only possession, they are many denouncing the injustices which assail them. Fearlessly, on the same ground as the occupier, they bring colour: they are Saharawis and want to remain so. Without committing any offence, they have left years of their life in prison, today they want their rights to be recognised. In this number of *El Karama*, above all we will give the floor to these dignitaries of human rights – the Saharawis of Morocco: some still in prison like Mohamed Doddach, some still disappeared like those 500 men and women who figure on the list of Saharawi disappeared, some still in revolt for not seeing their rights respected. Morocco, renowned for dignitaries of the court and public show, but above all today, fertile ground for Saharawi dignitaries (in the most noble sense of the word) ready to rub up against the former through love of justice and liberty.

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The Kenya SAREAT International IDEA Democracy Workshop

Sarah Bracking

The report of the Nairobi workshop on 22 June 2000 which follows forms part of a pilot project of democracy assessments conducted under the auspices of the International Institute for Democracy and Electoral Assistance (IDEA) in Stockholm, and its Director of applied research, Dr. Patrick Molutsi.

The purpose of these country assessments is to answer such questions as 'How democratic are we? How much progress have we made? Which are the issues that give the most cause for public concern, from a democratic point of view? The assessment framework being used has been developed through a process of widespread international consultation, and builds on a methodology that was first used for the Democratic Audit of the UK. The assessment criteria are derived in the first instance from basic democratic values, such as equality, participation, representativeness, accountability, solidarity, and only secondarily from the institutional arrangements through which these values are to a greater or lesser extent realised.

Although the assessment framework provides a common instrument for use in any country, it treats democracy as a comparative matter – of more or less – and allows the in-country assessors to define for themselves what the appropriate standards or comparators for assessment should be, as well as how the assessment should be compiled and presented.

Eight countries have been chosen for the pilot phase of the programme from different regions of the world: Kenya, Malawi, Bangladesh, S.Korea, El Salvador,
When dignitaries are not what one thinks!

When everything is taken from a man or a woman, when he is condemned to live in poverty, when he is pushed into exile, when, without having been sentenced in a proper trial, he is crouching in unspeakable penal servitude, when his right to live with his family is taken away, the right to live in his own country, what is left? His dignity. It is of this dignity to which so many Saharawis today bear witness, that we want to speak here.

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© *El Karama*; AFAPREDESA, Association des Familles des Prisonniers et Disparus Sahraouis, B. P. 12, Tindouf – Algerie.
Peru, Italy and New Zealand. The Kenya assessment was researched and compiled by Jeremiah Owiti and Shadrack Nasongo under the direction of Professor Njuguna Ng’ethe, the of Series on Alternative Research in East Africa Trust (SAREAT), Nairobi, with assistance from David Beetham and Sarah Bracking from the Centre for Democratisation Studies, University of Leeds. The assessment report covers issues such as citizenship, rule of law, basic rights (economic and social as well as political), representative, accountable and responsive government, civil society and the media, and the international dimensions of democracy. The completed report has proved highly relevant to the constitutional review process in Kenya, and its findings, together with the assessment methodology itself, have given rise to vigorous debate, as the accompanying workshop report makes clear.

The workshop was opened by the Swedish Ambassador to Kenya, Ms Inga Bjork-Klevby, and was attended by 45 people, including MPs, academics, lawyers, representatives of national NGOs, local representatives of government and international organisations. The first session was devoted to a debate on the constitutional reform process, at which leading representatives of the two alternative review bodies - the civil-society based Ufungamano, and the Parliamentary forum - were represented at the workshop by Professor Oki Ooko Ombaka and Professor Mwanzi respectively.

Professor Ombaka argued that because of a 'burden of history', the legislative assembly could not adequately test or galvanise the totality of public opinion on constitutional change. It is subservient to the executive branch and its decision-making powers compromised by executive fiat. Because of the legislature's lack of independence, both perceived and real, and its 'sorry history of constitutional adventurism', Kenyans did not have the confidence that it could rise to the responsibility of shaping a new dispensation. A greater degree of political participation was required than Parliament could supply. Who are the people? The legitimacy for a new constitution could only arise from a broad-based process of consultation, culminating in an extra-parliamentary consensus. This position relies on the process of a people-driven consultation being an exercise in constitutional rights in and of itself.

Professor Mwanzi replied that Kenya had been a system of representative democracy for 37 years, and that the process of Ufungamano erroneously suggested that the people were in a different constituency to the one that the MPs represented. His position was that constitutional reform was not possible outside the boundaries of the existing constitution, and had resulted before in an Act of Parliament which could not be operated. In contrast the Parliamentary review process was correctly 'starting from what was there',

Session I

Professor Ng’ethe and Ms Inga Bjork-Klevby, made introductory speeches outlining the background to the Democracy Assessment project. Ms Bjork-Klevby described the purpose and history of International IDEA, and the basis of the project in 8 comparative country assessments from 4 continents.

The workshop then rapidly moved to the most contemporary issue for democratic change in Kenya: different constitution making scenarios. The two parallel organisations for constitutional reform – the civil-society based Ufungamano, and the Parliamentary forum – were represented at the workshop by Professor Oki Ooko Ombaka and Professor Mwanzi respectively.
and would be subject to legislative endorsement. He continued that those involved in the Ufungamano process were not behaving in terms of the 'rules of the game', that they should accept defeat and wait for another election in which to express their views. However much they didn't like the situation, the reality was that KANU had a legitimate majority in Parliament, had won the argument over the constitutional change process and were in the 'right' place to oversee a process of further consultation through a government-backed Commission.

Professor Ombaka replied that this conception of unitary, exclusive Parliamentary leadership was akin to 'national socialist' arguments, and that it failed to realise that there were many plural leaderships in society, who should all be consulted in such an important issue as constitutional review. Professor Mwanzi responded that Parliament was not intending to write the constitution, but was setting up a commission to generate an inclusive process of consultation. This debate was widely reported in the national newspapers the following day.

Professor Beetham made an extended contribution clarifying the legacy of the 'Westminster system' of democracy, inherited in Kenya from the British, in terms of the recent unravelling along its fault lines in Britain itself. He claimed this legacy resulted in a limited Parliamentary sovereignty, inadequate for the purposes of constitution-making. He asserted that there were two underlying inadequacies in the Westminster model which militate against the possibility that the legislature is an adequate forum for initiating constitutional change: first, that the first-past-the-post system of majoritarian voting practice fails to deliver representative government in the first instance. That is, that the electoral process is itself inadequate from a representative point of view. Second, that the legislature suffers from a permanent structural subordination to the executive. He then developed this argument by describing three different processes of advocacy of constitutional change in the UK: the civil society based groups arguing for reform; the (inadequate) movement in the Labour party itself which had led to some limited changes in the structure of the House of Lords and in a process of devolution in Wales and the English regions; and the successful demand in Scotland for an independent Scottish assembly.

This experience seemed to endorse Professor Ombaka's position of the necessity of some form of Constituent Assembly beyond the control of Parliament. Professor Mwanzi responded with the argument that it was time the debate moved on from a discussion over 'who' should control the process, since a whole year had already been spent on this, to the more substantive issue of what the content of the review should be, and to how it could be done. He also repeated his earlier inquiry concerning the 'why' question, why now, after 37 years of experience of the current system.

Other contributions from civic education and advocacy NGOs centred mostly on the question raised by Professor Ombaka on how 'the people' could be configured, consulted and represented within a process of democratic consultation and change.

Session II

Professor Ng'ethe, principal investigator of the Kenya in-country assessment team, introduced the second session with a more lengthy historiography of the project's inception and an account of his initial scepticism over the adequacy of the assessment framework. He had approached the project by developing a series of nine questions to initially ask concerning its efficacy and adequacy: What conception of democracy is implied or implicit in this particular comparative framework of democracy assessment? Is this conception useful for the Kenyan
situation? Is this conception legalistic, institutional, political, economic, social, and how are these different aspects weighted in the framework? Can the framework capture the dynamics of change or can it only take a static snapshot of the 'state of democracy'? Does the comparative framework adequately balance the elements within the democratic process? How are these components of the democratic process implicitly or subsequently weighted, and what is the resulting utility of this ranking? What is the nature of the epistemology underlying this framework? For example, would an 'ordinary' citizen generate the same democratic 'menu', or a more utilitarian one? Is it useful to be comparative? What are the real determinants of democratisation and are these captured by the framework?

With this conceptualisation and these questions in mind, SAREAT researchers presented a highly adept audio-visual presentation of the key findings of Section I — Citizenship, Law and Rights — and Section II — Representative and Accountable Government — of the assessment report. This consisted of relaying the 'bullet-point' summaries provided under each assessment question in a full-colour, large screen, graphically and musically illustrated presentation. One innovation to the assessment design was the term 'remedial measures' as a replacement for an original, but much longer, final question from each section. In the main, the audience was positively responding to the conclusions.

Professor Okoth Ogendo followed the presentation with a number of critical caveats and scepticism over the project's utility. He pointed out that democracy and democracy assessment had developed into a global industry since the essays by Fukuyama and Huntington in the early 1990s, and that this industry was biased to the prescriptions and world-views of the north. He outlined the nature of Freedom House ratings for Kenya, that Kenya had never been free, but that between 1972 and 1986 it had been 'partly free'. He said of the IDEA democracy assessment framework that it was incoherent in a number of respects: it started with institutions and then developed into highly subjective and generalised questions; it failed to assess the baseline determining the prospects for democracy in a country's specific culture, ideology and within what he termed the 'political hygiene' of its institutions; it was based in highly abstract institutional requisites of a western notion of democracy, whereas in reality such institutions would rise organically from a hygienic political culture through a process of socialisation of values. He asked 'how could anyone pass such an assessment, and 'why do countries always fail?' in such assessment processes. He said that the framework shouldn't be used to judge another's system, and in any case the framework had no definition of where a democratic future lay. Particular criticisms included that the basis of assessment of the experience of women and minorities was unclear in that it could be judged from law or practice; that the rule of law was notoriously difficult to define, and was about conduct, not about objectivities; that some terms, including the word 'mafia' were inappropriate; and that if all third world countries were always 'not free' or 'partly free' we must question on the basis of whose values the assessment is being undertaken. Professor Ogendo summarises with a reiteration of his point that institutions derive from culture and that the real issue for democratic or desirable change concerns the socialisation of values.

The plenary discussion which followed took its cue from the themes, criticisms and remarks made by Professor Ogendo, and explored the three related issues of methodology, language, universalism and relativism. Professor Beetham explained, after much criticism had been expressed at the use of 'international standards' or benchmarks, that there were in fact four
alternative forms of comparator that could be used: international standards; regional comparators or countries with a similar socio-economic status; benchmarking using the domestic government's own promises; or comparison with the country's own past. This was a choice to be made by the assessment team in each individual case.

'Does democracy travel?' became an orienting question, and the discussion split between those believing that African countries represented a wholly different and specific structure to which the assessment framework could not be applied, and those defending the concept of shared, universal values which could be applied in an African context. This latter position was taken by Davinder Lamba of the Mazingira Institute, a civic education and environment NGO, in a contribution stressing that human values belonged to humanity at large, and were not the property of the north or south. He argued that some resistance to the audit process could be traced to Kenya's history of colonialism, asserting that 'we are a wounded people, but we can do this, it is allowed'. He also commented that the framework had potential as a civic education instrument in that it could be placed on a hay-bale in the street and people could tick 'yes' or 'no'. It was understandable, and the intellectual process of arriving at the results was of a lesser importance than the result itself, which had utility.

Other contributions on specific points included Tom Wolf, of USAID, who wanted to assess the framework's utility in terms of the security agenda, and asked whether it could contribute to social peace. One discussant remarked that the assessment was state-centred. Professor Ng'ethe remarked that the initial writers in Leeds had demonstrated a deliberate caution over the issue of ethnic relations and their importance to political process. Another discussant remarked that some of the evidence was quite historical, and questioned the utility of returning to certain political episodes and events which would unnecessarily open a 'Pandora's box' of the country's past, which was no longer of any help to its current process of change. Another discussant remarked that the issue of political parties recruiting on ethnic lines could be seen in the reverse, that ethnically-defined groups of people sought out a political party to represent them.

Session III

In the afternoon, the audio-visual presentation continued with the summaries from the remaining sections III and IV, on Participation and Government Responsiveness, and Democracy Beyond the State respectively.

Dr Karuti Kanyinga led the discussion by raising issues concerning participation and government responsiveness. Key points arising from this discussion concerned the nature of social movements and political participation. It was pointed out that the report concluded that there were 'few, if any, social movements', and yet currently the tea and coffee workers had organised into extensive networks in order to campaign over producer prices. Were these not social movements? In general, there was some agreement that the issue of how civil society organisations related to the state and other agencies could have been more extensively covered in the report. In Kenya the issue was that decentralisation since 1983 had involved a conflict between two often contradictory processes - between the district offices and the autonomously constituted rural development programme. The activities of donors added to the confusion as they acted in practice as an alternative to the state.

A brief discussion was also held over the role of donors in Kenya and the issues arising from 'democracy beyond the state' and the role of Kenya in regional diplomacy, which was described as 'mixed',...
whereby Kenya was often aligned ‘on the wrong side’ of the issue. The ‘dualistic’ approach taken by Kenya to international law was also highlighted by other participants, particularly Dr Andronico Adede (the first registrar, now retired and running an NGO called L’Etwal International, of the Arusha-based UN tribunal for the Rwanda genocide) who pointed out that Kenya had signed a multitude of international treaties and conventions, but failed to assimilate its obligations therein into Kenyan domestic law. This was a point which particularly frustrated NGOs working on behalf of women, since Kenya was a signatory to CEDAW (Convention on the Elimination of all forms of Discrimination against Women), but failed in practice to implement its obligations as such. Agreement was reached on the urgent requirement for Kenya to pass national laws corresponding to its international obligations. One participant with a particular interest in the relationship between poverty and democracy expressed concern that this relationship was not covered by the framework well, but was key to Kenya’s future development. For example, only 4 from a total of 52 women who stood in the 1997 elections had won seats, and further investigation had found that poverty and their relative inability to promise or provide material reward to voters had been the largest contributing cause.

Professor Ng’ethe concluded by returning to the questions he had posed in Session I. He spoke of his personal experience of the first project meeting in Stockholm, when academic experts from around the world had been gathered to design a comparative assessment framework. He had questioned the applicability of the framework in an African context, but then reconsidered asking ‘how long can we keep walking out of these meetings because we are academics, or because we are Africans’. He then developed the questions which guided the teams approach to the project.

He decided that the framework does capture the various dimensions of democracy, but not necessarily the relations between them. However, he criticised those speakers in Session I who sought to characterise African values as solely concerned with culture, arguing that he had heard this argument before, and that it would lead to a conception of Africans as ‘dancing animals’, playing into the hands of those who would seek to thwart positive change. (As an addendum he did claim that music had been important to the process of democratisation in the past). Of the weighting of the various elements of the democratic process he said that the legal institutional aspect did appear as the most important, and that perhaps a different entry point could be
considered. However, of the argument that the framework was an example of institutional formalism, and thus was inappropriate to an African context, he contended that in traditional societies in Africa there had been institutional and formal structures. He claimed that this was an instructive history and the issue of proper institutions could not be avoided. Concomitantly, ideas of ‘African socialism’ could not be used in a way that detracted from this necessity, since they failed to capture the whole process of desired change. He said that it had become evident that democracy was ‘not a state of being, but a state of becoming’.

On the question of whether an ‘ordinary’ citizen would generate the similar requisites of democracy, he recounted that initially he had been sceptical that they would, but had latterly decided that yes, citizens would desire a similar democratic menu. The institutional forms in which this would be delivered might be substantially different from those elsewhere, but the underlying values have a common currency.

On the use of comparative frameworks he claimed that while he was sceptical over arguments concerning globalisation and its necessary disciplines, this framework could help in divining the space in which a country could engage in the global system.

On the issue of whether the framework captured the ‘real developments of democracy’ he argued that the role of leadership remained underrepresented. The ‘anti-leadership tendencies’ of liberal democracy, where power is subject to the competition of different interests and groups, was reflected in the framework. This militated against the proper significance of leadership in a Kenyan context, where institutions remain weak and subject to centrifugal forces.

He added that since the framework is predicated on a certain degree of institutional formalism it was inapplicable in situations of state collapse, the ‘prostrate state’. It was perhaps three years ahead of its time in the context of Kenya, since there exists a prior requirement for the ‘three pillars’ of institutional democracy. However, he added a caveat to this argument claiming that the real dilemma was that these pillars would not stand without this type of work: a proverbial chicken and egg conundrum.

Following this conclusion to the workshop, the DFID representative, Karijn de Jong, raised the question of the purpose of the whole exercise: what was the point, and what was planned to happen next? She argued that the document should become a framework of public debate. Arguing that she had witnessed a mushrooming of such audit efforts in the preceding years she was eager to establish a specific use for this project. A short discussion followed concerning modes of dissemination and how to popularise the conclusions for a wider audience.

For more information about the Kenya assessment report please contact Series on Alternative Research in East Africa Trust (SAREAT), 4th Floor, View Park Towers, P O Box 72289, Nairobi.
Sustainable Development in Mozambique (2000), Bernardo Ferraz and Barry Munslow (eds.), Oxford: James Currey, ISBN 0 852558201 (cloth) 085255821X (paper). Reviewed by Graham Harrison, University of Sheffield

This book constitutes the first significant overview of Mozambique's development prospects since John Saul's edited book, A Difficult Road: Mozambique and the Transition to Socialism, published in 1985. Mozambican studies has produced a rich vein of research which gives this country a presence in academic literature which is disproportional with its marginality and poverty. But much of the work on Mozambique has recently - and probably partially in reaction to the general trend of the 1980s in which research on Mozambique was quite generalised and even abstract - involves itself in the particular: the district, the community, refugees and so on. Sustainable Development provides a book with a more ambitious scope. It aims to define a new development agenda and to encompass the whole country.

The book succeeds in its principal aim, which is to define a development strategy for Mozambique based on the notion of sustainable development. Sustainable development is defined broadly (see the chapter by Munslow), and interpretations vary between authors, but the usage of the phrase throughout the book distils down to: a concern with the environmental impact of economic change; a desire to ensure that development projects are owned by the beneficiaries; to ensure that economic development is equitable and that it is managed in a way that minimises negative externalities.

The second section of the book, titled 'Challenges', proceeds to identify opportunities and constraints to the elaboration of this agenda within the Mozambican state. Almost all of the twenty five chapters of the book are written by government officials, and this brings to the reader a keen sense of the modest beginnings of the effort to promote sustainable development. It also gives the book a strong sense of application: the concern of the book is far less with theories of development (in fact no mention is made of development theory) than with the pragmatics of institution building, resource management, organisational problems, and so on. At times, this produces a rather dry narrative - definitional lists, facts and figures which are not critically elaborated, and a few 'wish lists' concerned with action that needs to be taken.

But of course, with a book containing so many contributors, the quality will vary from chapter to chapter. The important counterbalance to the passages which read rather like the executive summaries of consultants' reports is the resolutely optimistic tenor of the book. For development studies, research in African politics, and specifically for Mozambique, this is a welcome change. It is painfully obvious that Mozambique is faced with overwhelming problems and massive human suffering, but there are groups who are struggling to change this, and some small progress is being made. For example, Ribeiro's chapter (a particularly good one) gives an example of a peasant's adoption of terracing after a visit to Tanzania being supported by the provincial Forestry and Wildlife Service which, through a demonstration effect, allowed the new technique to spread to other
farmers and generate improved yields (pages 88-89). A modest change, but surely one that needs to be mentioned precisely because of Mozambique's general difficulties. Given Mozambique's history of large scale project development (gigantismo) - created by the Portuguese in the 1960s, developed under the mantle of 'socialism' by Frelimo in the 1970s and 1980s, and currently reproduced within the Bretton Woods framework according to Joe Hanlon - one suspects that the more that specific examples innovated in local conditions are promoted, so much the better for the country's long-term prospects. This is what makes the chapter by Rosário especially valuable.

The chapters of the third section, titled 'Mechanisms', address the practicalities of addressing the challenges identified previously. Most of the chapters follow the same structure of defining a problem and its component parts, diagnosing the problem, and providing a series of recommendations and embryonic actions-in-progress. Again, it is refreshing to read these tentative counter-directions to a prevailing sense of crisis in Mozambique. The main priorities in terms of action can be distilled as: institutional capacity building, the mainstreaming of sustainable development into the state infrastructure, and the development of 'state knowledge', that is, the generation, possession and management of data on economic and environmental change.

Much of the text here makes reference to the development language of the NGOs and international institutions: participation, ownership, partnership, and of course sustainability. The degree to which these ideas are operationalised within the state is not clear from the contributions. Fine sounding statements on participation are made, for example on pages 180 and 218, but there is little on exactly how communities can participate in sustainable development. There are small examples of community involvement in existing projects - more so in the final section of case studies - and one might argue that the book’s purpose is not to review what has been done as much as it is to try to sketch out what is to be done; but the issues of participation, partnership and so on are coloured by another feature of the book: it is written almost entirely by government officials.

One might suppose that a book which is actively promoting notions of participation and so on might reflect the conventional triad of institutions employed by development 'experts, public and private: state, private sector, and NGO. But the book is substantially written by those in the first institution. This is not necessarily a problem, but it does give a particular view of sustainable development and with that particular view come some limitations. First, there is very little to say about community organisations - their culture, their role(s) in development projects, or their relations with other organisations.

Second, there is almost no criticism of the government, which is depicted as emerging from war into the 'new times' of multipartyism with a desire to ensure the greatest good for the greatest number. Despite its pervasive nature and serious repercussions for development, corruption is rarely mentioned (pages 4, 151, 199, 223). At times, the text reads as advocacy of government policy - see especially Alves' chapter on privatization which does not seriously deal with the associated accusations of corruption or the loss of employment incumbent upon the sale of public companies. There have also been concerns raised in the press about the terms of sale, that is, the price and schedule of repayment. Perhaps there are limits to what one can expect from contributors whose editor is one of the executive heads of their employing institution.

The particular view of government officials is not entirely a bad thing, of course. The state’s role in development remains
pivotal. Also, the editors have judiciously selected a very strong field of experts within the state for the volume. Diogo’s chapter on debt gives some of the most clear and revealing statistics about the state of indebtedness in Mozambique that this author has seen; Sitoe’s chapter on coastal management provides dense and authoritative information that only an engaged official could provide. And, unless one is prepared to read the volume as the ‘ruse’ of officials who are actually solely engaged in *la politique du venire*, the book is a timely antidote to the increasingly prevalent and pessimistic notion that all government departments and officials therein are only concerned with feathering their own nests.

There are three ‘silences’ in the book which – at least in this reviewer’s opinion – should be centre-stage in any book on sustainable development in Mozambique: gender and participation, elaborating strategies to tackle AIDS/HIV (not mentioned explicitly in the book), and anti corruption strategies.

As mentioned at the beginning, the book cannot be easily compared with many others on Mozambique. It is not a research monograph, and it has been produced by a particular group of practitioners-as-writers, rather than *vice versa*. In comparing it with *A Difficult Road*, some contrasts are immediately apparent. First, this book is much more a Mozambican creation, not a progeny of engaged *cooperantes*. Second, the book is far less theoretically explicit than the Saul book. Erudite theorisation is explicitly rejected in the book for reasons that are justified by its focus, but perhaps a conclusion by the editors relating the chapters to some of dilemmas thrown up by more academic debate would have been useful.

The similarity that the books share is their attempt to delineate Mozambique’s adoption and adaptation of an internationally-produced progressive ideology of development: socialist- or sustainable-development. However one interprets the causes, socialist development in Mozambique met with a sorry denouement. One hopes that sustainable development will meet with a brighter fate. The Ferraz and Munslow text is a sound first step towards this goal.

**Reference**


With unemployment, inflation, poverty rates, and interest rates all running above 50%; with its external debt crisis and severe shortages of food, fuel, water, and electricity; with an AIDS epidemic killing 2,500 per week and an estimated quarter of its adult population HIV positive; with its nominally socialist government (one run by the same party that led a successful liberation struggle just two decades ago) riddled by rampant corruption and paralysed by the policy conditions laid down by its IMF/World Bank patrons whom it still periodically labels ‘imperialist’; with the same ‘socialist’ government bogged down in an unpopular war in the Congo while it tries to repress and co-opt worker-community struggles for democratic constitutional and economic reforms at home, contemporary Zimbabwe seems to defy systematic analysis.

Patrick Bond shows the roots of this apparent chaos in the uneven development of capital accumulation and attendant class struggles and factional conflicts. His book is not only essential historical
background for understanding current developments, it also provides powerful analytical weapons to all people struggling for more human and sustainable patterns of economic development in Zimbabwe and other countries on the global-capitalist periphery.

Bond’s historical analysis demarcates five periods during which the Rhodesia/Zimbabwe economy went through significant geographic, sectoral, and financial restructurings: (1) 1890s – full economic colonisation with the capitalisation of mining and agriculture and initial proletarianisation of the labour force, based largely on speculative inflows of British financial capital; (2) 1930s – adjustment to global depression, partly via the development of domestic manufacturing ‘in the context of diminished international trade and investment’ (p.426); (3) 1950s and 1960s – a new speculative boom and bust driven by excessive capital inflows and their rapid withdrawal, culminating in the Unilateral Declaration of Independence (UDI) and much tighter government control over finance and trade; (4) 1970s – increasing problems of overaccumulation in manufacturing, partly due to the UDI regime’s financial controls but more fundamentally reflecting the class limits on production and investment built into the racist/white settler regime; (5) late 1980s and early 1990s – another explosion and implosion of financial speculation, with international financial institutions increasing their power over Zimbabwe’s economy (as reflected in the liberalisation of trade and finance) in objective alliance with a rising minority class of domestic speculators and rentiers who often used state connections to gain their initial accumulations of land and financial wealth.

Zimbabwe has yet to recover from the economic depression, growing poverty, and crisis of human-social reproduction produced by this last period of restructuring. By incorporating the role not only of external imperialist institutions (British finance capital, the IMF, the World Bank), but also of internal inequalities and struggles based on race and class (including factional conflicts among the white-settler population), Bond’s narrative provides a broad-based introduction to the political economy of Zimbabwe past and present. While uncompromisingly marxist in that he insists on the central roles of class and the circuits of productive and financial capital, Bond’s approach is far from dogmatic. In explaining the main contradictions and crisis tendencies of accumulation during each of its key periods, he critically draws upon the writings of numerous mainstream economists, journalists, and political figures in Zimbabwe – exhibiting full command of a broad range of relevant sources ranging from academic journals and books, to working papers produced by various think tanks, to trade- and professional-association magazines and newsletters, to the popular press. Where appropriate, Bond gives detailed personal biographies of certain individuals playing key roles during the period under discussion. This makes the narrative even more lively and readable.

Another vibrant feature of Uneven Zimbabwe is Bond’s insistence on the possibility of a socialist development strategy centered on a convergence of domestic resource use, domestic demand, and domestic needs – above all the basic needs of workers and communities. In considering each period of accumulation, crisis, and restructuring, Bond points out how the limits of production, investment, and state economic policy are traceable to the system’s failure to adequately empower and address the basic needs of, workers and their communities (both urban and rural). He does this not only in general programmatic terms but also in terms of specific sectors and the class-based effective demand constraints they faced (for example, the unrealised growth potential of certain forms of energy and textile production). At the same time, he indi-
cates how the new sectors of expanded production in each period often depended on appropriate use of state controls over trade, finance, and productive investments (as well as repressed labour forces) and on the extension of need satisfaction to include either additional needs for previously empowered groups, or the partial co-optation of dis-empowered groups into the system of production and effective demand.

In this way, Bond finds in Zimbabwe's history of uneven, crisis-ridden development (even in the history of the UDI regime) a hidden potential for a new system of more democratic development led by basic needs satisfaction, with human development as the primary means and end. This dialectical intuition helps explain Bond's ability to combine a resilient revolutionary optimism with a caustic, razor-edged critique of the yawning gap between the 'marxist-leninist' rhetoric and the comprador, petty bourgeois and bureaucratic rent-seeking reality of Mugabe's ZANU-PF regime. At the same time, Bond is not blind to the difficult political roadblocks standing in the way of the full envisionment and implementation of a democratic-socialist development. These barriers basically boil down to the difficulties with building a broad worker-community, urban-rural coalition in the context of uneven development, extreme poverty, and state repression and state control over the dominant mass media.

There is more to Uneven Zimbabwe than just a lively and politically charged history, however. The book makes several important methodological contributions to the analysis of development and underdevelopment – starting with its conception of uneven development itself. For Bond, uneven development is not just a general slogan referring to the crises and spatial inequalities inherent in capital accumulation. Synthesising prior work by the late marxian crisis theorist Henryk Grossman and contemporary marxist economic geographers David Harvey and Neil Smith, Bond rigorously theorises uneven development in four dimensions: temporal, spatial, sectoral, and scale. He shows how the overaccumulation and failing profitability of capital instigates restructurings of capital in each of these four dimensions which are mutually constituted in complex ways. Often these reconfigurations of capital counteract overaccumulation by providing new opportunities for productive investment and/or new markets for capital and consumption goods. However, these 'fixes' or 'counteracting tendencies to crisis', by extending the operation of the class-based contradictions of accumulation in all four dimensions, ultimately accentuate the problem of overaccumulation itself (p.17).

Bond places special emphasis on the financial mediation of accumulation fixes, crises, and capital restructurings. Briefly, overaccumulated industrial (including agricultural and mining) capital finds its way into financial circuits (for example, banks, real estate and stock market speculation), and this enhances the power of finance over the reconfiguration of the overall system of accumulation during both the temporary 'fixes' stage (often associated with speculative booms in commercial real estate) and the following crisis and restructuring period (during which both financial and industrial capital are normally subjected to massive devaluations). As alluded to above, speculative inflows and outflows of core-country financial capital fit naturally into this schema which then becomes capable of handling the interaction of overaccumulation cycles in core and periphery – with the dominant impacts of course exerted on the latter by the former. Bond's conception of uneven development thus assigns a key role to the economics and politics of finance domestically and globally. Indeed, one of his central arguments is that 'the operations of financial markets have exacerbated the scope, degree, and socioeconomic costs of uneven
Accordingly, one of Bond's main methodological tasks is a rigorous conception of finance capital. Critically surveying the relevant literature from Lenin and Hilferding to Sweezy and other recent contributions, Bond corrects two shortcomings in prior theorisations: (1) their focus on one or another singular function of finance capital vis-à-vis the accumulation process: speculation, control, or facilitation of productive accumulation – whereas in Bond's analysis these three functions are 'integrated into a holistic argument' (p.111); (2) their one-sided emphasis on the institutional structures of financial capital (for example, ownership and other interlocks between banks and industrial enterprises) to the neglect of the dynamics of the circuits of financial accumulation. As Bond notes, financial accumulation must ultimately be validated by the creation and realisation of value in the economy's productive sector – a sector with powerful class-based tendencies toward overaccumulation and failing profitability. Prior conceptions of finance capital 'emphasise institutional power bloc characteristics, at the expense of drawing attention to [this] vulnerability implicit in financial relations' (p. 12). This may explain why they have tended to overestimate the permanence of particular structures of financial power that – being contingent on specific configurations of industrial accumulation are – actually quite transitory.

While recognising the basis of financial power in the circuits of capital, Bond's analysis of finance and uneven development is neither one-sidedly structuralist nor economic reductionist. He incorporates the role of worker-community resistance in shaping the social limits to financial accumulation. These historically specific limits are defined not only by struggles over wages and work conditions but also by 'civil society' movements oriented toward basic need satisfaction – by any struggle that contests the reduction of wealth production (and the human, material, and social conditions of production) to a mere precondition of capital accumulation. Bond also recognises that less progressive forms of 'personal agency' (for example, those involving racism and corruption) have 'a material effect on the exercise of financial power' (p. 199). For example, he shows (and without getting preachy) how the personal shortcomings and cultural-political biases of ZANU-PF state personnel shaped important financial policy outcomes within the set of options presented by predetermined economic and political arrangements. This ability to make structurally informed ethical evaluations of policy decisions is, to this reviewer, one of the strongest features of Bond's development methodology.

A good example of Bond's synthesis of structure and agency is his analysis of what mainstream economists term 'financial repression', that is, the use of state controls over interest rates and credit allocation to promote investments in priority sectors and/or to channel subsidies to politically favoured groups. He shows how, in Zimbabwe, the developmental potential of financial controls has been constrained by the limited opportunities for productive accumulation available given the country's racially polarised class structure and its subordinate position in the international division of labour. At the same time, Bond ascribes great importance to class and factional struggles over the distribution of financial subsidies, with the distributional outcomes in turn shaping the patterns of productive and financial accumulation and future financial policy 'choices'. He details successive governments' use of cheap loans as patronage for white farmers or to co-opt a minority of black farmers, and the struggles over the distribution of the costs of unviable debts given overaccumulation problems. In short, Bond demonstrates that politics
did indeed matter for Zimbabwe's uneven financial and economic development.

Bond's analysis reveals the utter bankruptcy of mainstream approaches to financial repression and liberalisation. With their non-class perspective and their equilibrium biases, the mainstream approaches fail to recognise: (1) the role of financial subsidies in cementing together ruling-class coalitions and thereby providing an essential political backdrop for capital accumulation; (2) the connections between overaccumulation, speculation, uneven development, capital restructuring, and opportunities (or lack thereof) for productive investment of money capital; (3) the unequal devaluations of capital built into core-periphery relations, with the lion's share of capital devaluation borne by the periphery - and how this structural inequality limits the possibilities for stable and productive accumulation (and for viable systems of socio-material reproduction) in the periphery relative to the core countries. Compare, for example, the relatively benign effects of the massive US trade deficit with the socio-economic disaster of Zimbabwe's external debt crisis.

Bond concludes his book with an analysis of the limits and contradictions of IMF/World Bank adjustment policies as applied under the 'Economic and Structural Adjustment Programme (ESAP)' in Zimbabwe. Summarising his critique, Bond suggests that:

ESAP was misguided from the start, serving bankers' needs above all others, destroying local productive capacity and setting real standards of living (and 'human capital investment') back decades, and focusing on exporting to an increasingly hostile international economy which was mired in recession, at a time international competition was tougher than ever and commodity prices at their lowest in history (p.416).

This balance sheet is drawn only after a detailed documentation of IMF/World Bank 'loan pushing' (and 'consultant pushing') and the attendant growth of external control over the government's economic and financial policies. Bond does not blame Zimbabwe's troubles on an imperialist plot, however. He describes how certain elite groups in and close to ZANU-PF and the government found liberalised trade and finance, growing external debt, and IMF/World Bank 'policy conditionality' to be a congenial setting for speculation and corruption-based enrichment. Indeed, the story of how ESAP gained crucial elite support within Zimbabwe is a central element in Bond's narrative. Bond also carefully avoids ascribing too much rationality to the ESAP process even in elite-capitalist terms, as he details the haphazardness, technocratic disagreements, empirically uninformed decisions, and methodologically tenuous economic forecasts that often riddled IMF/World Bank policy operations vis-à-vis Zimbabwe.

With Zimbabwe still mired in the economic, social, and political crisis produced by ESAP, it is clear that any hope for a more progressive form of development in the near future resides in the Movement for Democratic Change (MDC) and its ability to forge a coalition of urban and rural working people and community groups without being co-opted by capitalist forces. Whatever the outcome of the forthcoming parliamentary elections (in which the MDC was a strong contestant), those seeking to contribute to and learn from Zimbabwe's regeneration will find important historical, analytical, and strategic guidance in this book.

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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 Szeftel (Politics Department, University of Leeds, UK). Compiled by Roy Love


The tendency to concentrate on conflict and instability in Africa has meant that many writers have seldom got beyond the military when looking at how the state exercises authority and manifests its legitimacy. Yet, in all countries it is often the police with whom citizens have most direct contact. Given this, it is surprisingly that so little has been written on the police in Africa and this book is a welcome and thoughtful addition to a limited literature. In the introductory chapter the author raises three fundamental questions: Who are the police? What is policing? What is a police system? The formal primary functions of African policing she sees as 'the maintenance of law and order, paramilitary operations, regulatory activities, and regime representation' (p.7). These have changed little since the 1960s despite even the spate of democratic reforms in a number of countries during the early 1990s. Other chapters concern policing the postcolonial state, the police and politics, models of African policing and a conclusion. The models of African policing occupy four chapters and take the form of case studies of Uganda, Ethiopia, Eritrea, Namibia, Somaliland under the respective categories of evolution, conversion, construction, integration, transition which appear to characterise each case. Other possible models would include adaptation and fragmentation. Relations between the police and the army, the police and irregular forces or private bodyguards and vigilante groups, the police and the state are all explored, as are issues of human rights violations, Western cultural perspectives, payment, training and corruption. In general, the case studies are well researched but inevitably tend to focus on the more recent past (the significance of Ethiopia's imperial past is mentioned only briefly) and links with customary practice (and its codification) for instance are minimal. Nevertheless, the author has produced a valuable, well referenced and readable update on this neglected but significant topic.


The four authors of Volume 1 examine the causes of conflict in Mali, Burkina Faso, Niger and Chad. They also introduce this series which focuses on the interrelationships between economic and other factors in both the causes and consequences of conflict. Their typology is based upon three categories of factors: (a) traditional factors linked to ethnic, religious or linguistic diversity, (b) traditional factors linked to the environment and (c) modern factors connected with the state, being either inequality in expenditure or taxation or the capture of public resources by a small group. On this basis they proceed to study the history of the causes of conflict in the group of Sahelian countries chosen. The three different authors of Volume 2 make little reference to this classification, bas-
ing the causes of organised violence on a trade off between economic costs and benefits. Volume 3, containing chapters on Mozambique, Zimbabwe, Zambia, Botswana and Malawi, returns to a more integrative approach between economic and non-economic factors. The aim of all three, it seems, is to give a greater economic perspective to the analysis of conflict in Africa that is so often dominated by political or socio-historical types of debate. In this sense the various authors have produced useful summaries of the economic aspects of conflict in the countries chosen, though, coming from the OECD, the view is that of mainstream economists looking at the problems. There is no useful summary that brings the findings of all three volumes together, however, and they do not appear to have worked to a common formula.


It is difficult to assess books such as this. How to review and make sense of the recent political history of 53 nation states in little over 250 pages? What are they presumed to have in common? To what extent is the author framing a Westernised construct? Yet, in the interests of widening and deepening student understanding of Africa beyond populist stereotypes without losing them in a plethora of cultural differentiation, introductory books which seek to identify common themes have an important place on most reading lists. Alex Thomson's is interesting in that he structures his book around a number of concepts to which political science students will relate: ideology, ethnicity, social class, legitimacy, coercion, sovereignty, authority, and democracy. Chapters based upon these reference points take on issues of patron-client relationships, the pre-colonial and colonial inheritance (rather briefly), civil society, structural adjustment, conflict, stability, international intervention, state forms, governance, and so on. Each chapter concludes with a case study.


The foreword claims this book to be the 'first systematic effort to undertake a detailed, case study-based analysis of the dynamics of identity politics in contemporary Nigeria'. A common thread is to assess the differential impact of SAP on various groups within Nigerian society and to assess thereby the 'nature, extent, magnitude and character of identity transformation and identity politics' in the country – no small task! The result, by political scientists largely attached to Nigerian universities, is a set of studies providing fascinating and insightful commentary on the identity politics of that country in recent decades. An opening overview by the editor is followed by his Chapter 2 on the state and identity transformation, by Chapter 3 on changing ethno-regional identities by Jibrin Ibrahim, and by Chapter 4 on religious identity in the context of Structural Adjustment by Mu'azzam and Ibrahim. A key point of the latter being how economic hardship can produce an increased religiosity amongst both Christian and Muslim with consequent interfaith tensions. The remaining five chapters cover problems of minority identities (Mustapha), the National Council of Women's Societies and discourses on 'womanhood' (Pereira), labour identity (Adesina), youth culture in Kano (Ya'u) and in Lagos (Momoh), and the student movement between 1986-96 (Adejumobi). There is much of interest in this book
which shows how the micro-politics of identity are affected by, and react to, the macro-economics of SAP.

**Africa in the Global Economy (2000), Richard E Mshomba, Lynne Reinner.**

This fairly short book (245pp) provides a usefully compact guide to the recent history and present status of African trade relationships with the rest of the world. Written from the perspective of mainstream economics the author summarises and assesses the impact of the Generalized System of Preferences (and the WTO), the GATT agreements on agriculture, textiles and clothing, International Commodity Agreements, and Regional Economic Integration. Each chapter concludes with an extended case study. There is a minimum of technical (that is, mathematical and geometric) forms of analysis in the presentation which offers a readily accessible summary of the main applied issues. The book will therefore be a useful accompaniment to a more formal textbook, giving flesh (economic and institutional) to the more abstract models while highlighting their limitations.


The ‘Acknowledgements’ tell us that ‘this book is one outcome of a project “Structural Adjustment and the Role of Labour Market Institutions: a Capacity Building Project” which was jointly financed by DANIDA and the ILO’. The two opening chapters by the editors outline some of the background to the relationships between SAPs and labour markets. The former are seen to have had four generations: the first aimed at stabilizing the economy; the second dealing more explicitly with issues of growth and capacity; the third beginning to focus explicitly on social concerns; and a fourth ‘trying to go further by seeking to include people and institutions as actors’. This leads to a discussion on the need to include institutions as a major variable in understanding labour market responses and as the foundation of effective policies. A taxonomy of labour institutions is suggested. Chapter 3 by Van der Geest and Ganeshan Wignaraja provides an overview of adjustment and labour market institutions in sub-Saharan Africa, and this is followed by Part II which contains case studies on Kenya (Ikiara and Ndung’u), Uganda (Ssemogerere), Zambia (Seshamani and Kaunga), Zimbabwe (Kayenze) and Malawi (Chirwa and Chilowa). The overall view is that SAP type reform is necessary but that to have an impact on employment appropriate institutions for its implementation need to be in place.