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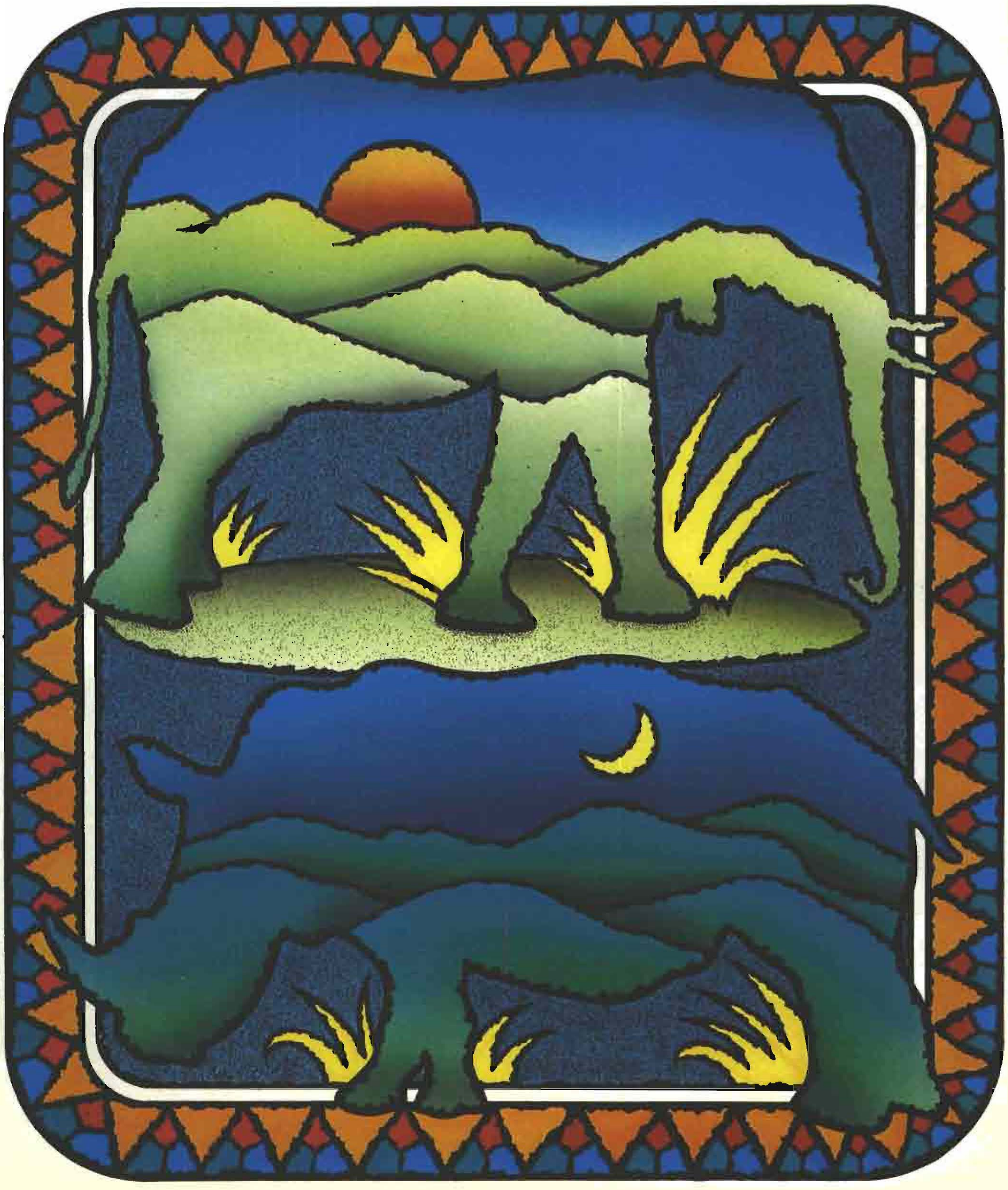

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Cover by William Steyn

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1989: A turning point in Southern Africa

The year 1989 brought Namibia to the threshold of independence and saw a change of leadership in South Africa. Pieter Esterhuysen, Assistant Director of the Africa Institute, discusses some of the possible consequences of these developments.

Events in South Africa and south-western Africa over several decades provide textbook examples of: one, the futility of suppressing legitimate nationalist movements and waiting too long to come to terms with them; two, the limitations of the military and non-military components of counter-revolutionary strategy in drawing nationalist support away from the perceived liberators; three, the cardinal error of not allowing enough time for wide-ranging political competition and democratic culture to take root in the pre-independence or pre-majority rule phase; and four, the inevitability of political solutions or negotiation in bringing to an end unwinnable and stalemated insurgency wars.

The protracted South African military campaign in northern Namibia and southern Angola, waged primarily to prevent Swapo from seizing power in Namibia, demonstrated South Africa's capacity to engage in power politics when provoked. Not only did it improve its diplomats' bargaining position, it also encouraged the notion that the best way to deal with the South African government was through negotiation.

Nevertheless, the change in the region's fortunes in the closing years of a momentous decade was rather the result of two historical reversals: the decline of communism world-wide and of apartheid in South Africa. These decisive developments implied a turning of the tide for both freedom fighters and defenders of minority rule and, most important, set the stage for the politics of negotiation. Thus Swapo's accession to power is less significant than the fact that it has done so through democratic procedures dictated by negotiated, international agreement.

Frontline responses

This point was taken by the Frontline States and Zaire, whose economic difficulties have sensitized them to the urgent need for the normalization of traffic through Angola and Mozambique and the expansion of existing ties with South Africa. The world-wide retreat of the Soviet Union and the successful implementation of UN Security Council Resolution 435 in Namibia — both much to Africa's surprise — have strengthened the hand of those African leaders, who, in concert with the US and the Soviet Union, are currently urging governments and their opponents to stop fighting and start talking.

This approach is likely to be vindicated when, sooner or later, Africa begins to feel the impact of a diversion of Western resource flows to the fledgling democracies of Eastern Europe — an anticipated consequence of the epoch-making events in that part of the world. Then, more than ever before, the need for stability and economic survival will dictate increasing interaction with Africa's most developed economy.

Although the first consequential attempts to bring together the Angolan and Mozambican governments and their opponents were made in 1989, the main focus has shifted to South Africa. Despite widespread unrest in this country during the period 1985-1987, the ANC and the PAC have failed to convince African leaders of their capacity to overthrow the South African government. On the contrary, President Kaunda, the Frontline chairman, became concerned that these movements would be excluded from the negotiation process that seemed to be gathering momentum under the new South African government. For this reason and also in order to further their own interests, the Frontline leaders used their considerable leverage on the ANC and the PAC to come up with a peace plan that was ratified by a committee of 13 OAU member states in Harare on 21 August 1989 — a week before President-designate De Klerk's visit to Kaunda. (The PAC had opted out as it did not agree with this approach.)

The ANC and its sponsors' definite statement on the former's negotiating position suggested that favourable conditions for negotiation existed if the South African government was prepared to create the proper climate. The ANC-OAU preconditions for real negotiation exclude demands for the repeal of apartheid legislation but insist on far-reaching concessions in the security sphere. Significantly, the proposals envisage the establishment of a transitional government with international involvement — an indication that the world will increasingly be persuaded to apply the Namibian model of conflict resolution to South Africa.

Through the involvement of African states, therefore, talks about talks have already commenced, with the implied acknowledgement that a South African settlement without the ANC's input would have legitimacy problems. What are the chances of a negotiated settlement in South Africa? Before venturing an opinion, it may be just as well to look at the Namibian experience, which could influence the South African situation for better or worse.

Emergent Namibia

The constituent assembly election in Namibia of November 1989 underscored a general phenomenon in African politics: the widespread attention that competitive elections command among the electorates. The scenes of patient crowds queuing in the scorching sun to cast their ballots over a period lasting several days and resulting in the amazingly high poll of 96 per cent, came as striking confirmation of people's desire — irrespective of the amount of sophistication — to participate in a process allowing them to make a meaningful choice.

Although Swapo emerged from of the elections as the majority party, it transpired that, after all, it was not so predominant among the population as a whole as the international community had been led to believe. Populous Owamboland, accounting for only a fraction of Namibia's vast territory, gave Swapo at least 24 of its 41 assembly seats, or nearly 60 per cent of the total vote for this party.

In the rest of the country the DTA led the way, being the majority party in 14 districts, against seven (mostly Ovambo dominated) where Swapo and one where the UDF were the choice of the majority of voters. All told, the six opposition parties making it to the constituent assembly obtained 43 per cent of the vote, and in terms of the electoral system, a commensurate 31 seats in the 72-member assembly.

To be fair to Swapo, however, it should be pointed out that it naturally experienced difficulties in transforming itself within a time-limit from a liberation movement to a political party having to compete in an electoral process. The chances are that it could do better in future elections. Be that as it may, the November election was the first in Africa in which the most radical alternative to white rule did not obtain a landslide victory allowing it to take power on its own terms.

A lesson from Namibia that must not be lost on South Africa is the formidable potential of party political reconciliation as opposed to reconciliation through constitutional engineering. Political alliances cutting across party, racial and ethnic divides in pursuit of common goals promise to be more effective in uniting people of different colours or creeds than constitutions. Although ethnicity remains part of Namibian reality, it should be noted that most of the groups have become less concerned with group rights as inter-group negotiation and contact progressed over the years — the phasing out of apartheid facilitated this process.

It was a considerable achievement for the well over 30 largely ethnically-based parties in Namibia to form these kinds of alliances, reducing the number of contestants in the constituent assembly election to ten. Unfortunately for them, however, these developments came too late to prevent Swapo, cashing in on the war in Owamboland, from being swept to power on a gulf of Ovambo ethnic and nationalist sentiment. Nevertheless, nearly all shades of political opinion are represented in the assembly, whose membership, by and large, reflects the composition of Namibia's population.

Those Namibia-watchers expecting a difficult birth for the new constitution were confounded when Swapo and its opponents reached consensus on the main constitutional tenets within little more than a month — a development that brought forward the possible independence dates. One of the major reasons for the swift agreement was the Swapo leadership's eagerness to rule the country. Moreover, Swapo recovered from its earlier errors of judgement by demonstrating political astuteness in several instances, such as promoting the chances of members of ethnic minorities within its ranks to be elected and the appointment of leaders of the weaker opposition parties (the UDF and the NNF) to its shadow cabinet — obviously to gain expertise and to emulate the cross-cutting ethnic representativeness of its main opponent. Only some 17 of Swapo's 41 elected representatives are Ovambos, while no less than four of the nine whites in the assembly are Swapo members.

To be sure, once the constituent assembly has transformed itself into parliament, peace and stability will largely depend on the perpetuation of this conciliatory trend. By setting the example, Swapo can do more for change in South Africa than through anything else on its part.

Yet the challenge to the opposition in Namibia is daunting, bearing in mind that opposition parties that have survived in Africa are generally those too weak to threaten governments' parliamentary majorities. On the one hand, unnecessarily obstructive opposition politics, especially in the extra-parliamentary sphere, may tempt a Swapo government to revert to the authoritarianism that marked its past record; on the other, suppression of a strong party enjoying broad support like DTA, particularly in view of sections of the population remaining apprehensive over the new dispensation, could spell serious trouble. Moreover, the advent of a one-party dominant or a single-party system would not only wreck Namibia's chances of attracting sufficient foreign capital but would also have a negative influence on the South African political debate. However, the DTA's long experience with consensus politics works in favour of moderation and against an overly pessimistic scenario.

With some of the Swapo leaders indulging in the same unrealistic expectations of a rather fragile economy as many of its supporters, official attempts to redress too many of the economic and social inequalities too soon present a real danger — crises and instability in developing economies tend to promote the monopolization of political power. Yet there are also Swapo leaders who are fully aware of the imperative of attracting investment and assistance from abroad, as they need a growing economy to implement socio-economic programmes. However, potential investors and donors are likely to adopt a wait-and-see attitude. Moreover, a Swapo government will find itself in the invidious position of having to compete for foreign capital as the government of a relatively unknown and remote part of a continent whose investment attractiveness is becoming increasingly marginal.

For these reasons Namibia's new rulers would be well-advised to maintain their country's existing links with South Africa and face the fact that their former enemy, more than any other government, can help to develop and stabilize Namibia — as can the South African business sector. There seems to be no reason why Namibia should not follow the example of the BLS countries, which participate with South Africa in the Southern African Customs Union while they are simultaneously members of economic groupings excluding their neighbour.

Of all South Africa's neighbours, Namibia, having been its ''sacred trust'' for many years, is the one with which South Africa has developed the closest relations — not only those created by massive investments in terms of human and material inputs but also ties of kith and kin. What happens in Namibia and between Namibia and South Africa is bound to have an impact in the latter country.

A Swapo government's regional policies can be expected to correspond with those of the Frontline States, whether Namibia becomes a member of this group or not. However, the Swapo leadership has already discovered that a too provocative approach to South Africa is not required in Frontline quarters, especially in times of economic survival. Although issues like the future of Walvis Bay will test the will of both countries to enter into a working relationship, pragmatism in their dealings with each other will have an enormous positive effect on the South African domestic situation.

A South Africa in transition

President P W Botha left his successor a national crisis and a purified but confused ruling party facing its most serious electoral challenge since coming to power in 1948. Yet the National Party demonstrated extraordinary cohesiveness during the drawn-out and tempestuous power struggle lasting from Botha's resignation as party leader in February 1989 until he stepped down as president on 15 August of that year. Thanks to the successful campaigning and leadership style of Mr F W de Klerk, the party not only survived the September general election, but also established beyond doubt that it would remain the leading force in white politics for the foreseeable future.

During his 11-year term President Botha had set South Africa on a new course, signalling the beginning of the end of apartheid. As the last remaining member of the Verwoerd cabinet and a builder of apartheid, only Botha had the status and the authority to get away with the demolition or renovation of the Verwoerdian designs and structures. Yet Botha had no grand vision — in fact, he tended to scorn those who had — preferring to take his apprehensive white constituency step-by-step in what he regarded as the right direction.

The first part of the Botha term implied an irrevocable break with Verwoerdianism. However, by mid-1986 the incremental reform process had virtually come to an end. Remaining faithful to his predecessors' concept of a legislated group order, Botha reached the limits of his ideological parameters when confronted by violent opposition from large sections of the population during the latter part of his term. His National Security Management System prevented revolution without, however, resolving the conflict or restoring confidence in South Africa's future at home and abroad.

President de Klerk and other senior members of his government, who began their ministerial careers under Prime Minister John Vorster, as well as the ministers appointed by President Botha, represent a new generation of Nationalist leadership. Having experienced the soul-searching immobility of the Vorster years and the lost opportunities of both the Vorster and Botha terms, it can be taken for granted that De Klerk and his colleagues have a better understanding of what is needed to negotiate the "Rubicon" than politicians still clinging to the outdated idea of white political supremacy.

Moreover, the indications are that for the time being they can rely on the reformist majority of the white electorate, who since the referendum of 1983 have consistently signalled a readiness to come to terms with black aspirations through the sharing of political power, as opposed to simple majoritarianism. A sure sign of the government's direction was De Klerk's interpretation of the September elections as a 70 per cent vote in favour of reform — counting together the National Party and the liberal Democratic Party's share of the total vote.

That the thrust of current government thinking is away from the former heavy reliance on security measures and counter-revolutionary strategy has been borne out by De Klerk's swift moves since his inauguration on 20 September 1989 — pointing to a phasing out of the state of emergency. By allowing steam out of a highly pressured system the president was obviously attempting to ease the country back to normality and — as he previously informed the public and foreign leaders — to open the doors for negotiation.

In addition, the return of a more balanced administration, with firm civilian control over the security establishment and one wherein the voices of the "econocrats" are carrying more weight, has raised the hopes of the business community and the hard-pressed taxpayers that monetary and fiscal discipline will at last bring about real economic growth — a crucial requirement in view of the imperative for black socio-economic advancement and social stability.

Restoring economic health will, however, remain an elusive goal in the absence of a generally acceptable political settlement. In contrast with Namibia, South Africa has an immense backlog as far as the political reconciliation of disparate cultural and racial groups is concerned. Because of racial polarization, South Africa has missed the opportunity for allowing enough time in its conflict-prone society — well in advance of the drafting of a constitution — to encourage the development of common interest groups across cultural and racial barriers. Consequently, the only likely option is to reconcile group interests through constitution-making, which is all the more difficult and time-consuming because of the deep-seated mistrust and suspicion between citizens participating in the present system and those who do not.

South African politics also differ from those of Namibia because they are not likely to be dominated by a single ethnic group as there are several dominant groups in South Africa — incidentally also a factor that could prove to be an obstacle to the transformation of a future dispensation into a single-party system. Nevertheless, no meaningful political progress in South Africa is possible without the principle of legislated or legalized group differentiation being replaced by the concept of voluntary association among groups.

To what extent the group imperative figures in the new president's political thinking will only become clear once he becomes engaged in negotiations with politically relevant leaders.

The paradoxes of wildlife conservation in Africa

Jenny Macgregor, Researcher at the Africa Institute, looks at some frequently neglected aspects of Africa's wildlife conservation programmes and at the implications of the decisions on the ivory trade taken at the recent Cites conference.

Over the last few decades large numbers of people in the Western industrialized nations have become conscious of an approaching global ecological crisis. One manifestation of this developing awareness has been a growing interest in the environmental problems of Africa, where human and animal life, soils and vegetation seem to be vulnerable as never before. The Western media, especially television with its use of stark and compelling images, have helped to focus public attention, thus linking Africa's predicament to the mainstream of European and North American concerns.

In Africa itself, a continent frequently depicted as providing wilderness for the world at large, conservation has been commonly identified with the preservation of wildlife and its natural habitat. Unspoilt Africa is seen as symbolizing the eternity of nature, in contrast with the artificiality of industrial, urban societies. This romantic vision of Africa as an "Eden" teeming with wildlife has resulted in a broad notion that the conservation of the African environment is a largely technical exercise, devoid of political considerations. Eager to protect Africa's declining wildlife, conservationists have carried out idealistic but narrowly focussed programmes in which the political and social changes needed to implement their policies either have not been understood or have been ignored.

More recently, however, the threat to the existence of the big, spectacular species — elephant, rhino, lion and gorilla — which conservationists frequently describe as part of the "common heritage of mankind", has led to a re-evaluation of conservation practices, particularly in the light of the rapid decline of both the black rhino and elephant populations.[1]

Dramatic visual material showing the wholesale destruction of elephants and rhinos at the hands of poachers understandably arouse an emotional public, yet both the media and conservationists can be faulted for omitting an important part of the story, thus distorting and misrepresenting the issues in question. The decline of Africa's wildlife has as much to do with the competition for space between man and the animals as it has with poaching and the international trade in hides, ivory and rhino horn.

Africa's human population doubles every twenty years, and the range land of elephants, which are notoriously destructive, and of other wild animals is shrinking as pressures on arable land increase. The retreat of wild animals into remote areas and their decimation by poachers have been paralleled by the encroachments of cultivators and pastoralists, which have effectively restricted their mobility to ever smaller areas.

The preservation of species such as the black rhino and the elephant is vitally important. However, the prescriptions now being put forward as panaceas for the salvation of Africa's wildlife threaten to be hazardous for both the wildlife and people of Africa if they fail to take into account the social context in which they are to be applied. For its part the public at large must temper its enthusiasm for conservation with a sober understanding of the politics of conservation and the history of outside intervention.

The traditional ethos of conservation and the early ivory trade

As John McCracken points out "Until recently, conservation as a means of providing long-term protection of the natural environment was often assumed to be an essentially 'modern' concern, introduced to Africa by expatriate experts and unrelated to the perspectives of African producers who were believed to be interested only in the short-term exploitation of natural resources."[2] In fact many pre-colonial communities for whom the hunting and gathering of wild products was a traditional way of life, had developed institutions, often religious in character, designed to enforce restraint in their handling of the environment. In order to ensure their own survival and that of the soils, plants and creatures which they needed in order to live and which formed a basic part of their rural existence, these people developed a deep awareness of these products and their interrelationships and ecology. Thus, for generations the untameable African elephant has been hunted by the men of Africa — but only to fulfill their needs. They ate the meat, made tools and weapons from the bones, fashioned cloaks, belts and sandals from the skin; only for the tusks did they have little or no use. In some cultures, the elephant was venerated as a mythical creature and hunting was conducted according to strict tribal customs, and then only for specific ritual purposes.

Unfortunately for the African elephant, its magnificent tusks have held an age-old fascination for all the great civilizations of Asia and Europe. Combs, knife-handles, carved figures and other items revealing a high degree of skill and which date to as far back as 3000 BC, have been found in Egyptian sites. King Solomon's great wealth was symbolized by his ivory throne, which was overlaid with gold.

Photo: Clive Walker

Elephants were to be found originally throughout the African continent, even in areas where today life is impossible for wild animals and difficult for man. By about 3000 BC, however, Egypt's herds were disappearing. By 500 BC there were no wild elephants left in the Middle East; Ethiopia, the northern Sudan, parts of Somalia, and the Maghreb remained the only major sources of African elephant known to the classical civilizations of the Mediterranean littoral. By the end of the fourth century AD there were no elephants north of the Sahara — they had been ruthlessly exploited for their ivory by the Carthaginians and later by the Romans, who consumed great quantities of ivory for staffs of office, insignia, curule chairs and, in some areas of the empire, for use as currency.

The fall of the Roman Empire brought some respite to the African elephant, enabling its numbers to increase. However, by 1000 AD the Muslim Arabs, who had invaded North Africa three centuries earlier, had established trading routes south of the Sahara in search of commodities which the rest of the world prized highly — gold and ivory. The ivory was sold to India and China, countries with a long history of craftsmanship using native ivory, supplies of which were beginning to dwindle. In China, the kings and their military and civilian officers used carrying-chairs of ivory; in India the most important use was (and still is) in the manufacture of marriage bangles for Hindu women.[3]

It was the early sixteenth century, when the product began to reach medieval Europe, that marked a turning point in the ivory trade. Initially the Ivory Coast was the chief source for the European trade, but as Portuguese navigators opened up routes to the East, outflanking the Moslem world, and began to establish fortified trading posts around the African coast, more and more African rulers were drawn into the new commercial network.[4]

Hunting in the nineteenth century

The nineteenth century witnessed a massive and sudden expansion in the international trade in ivory. The industrial revolutions in Europe and North America threw up a new, wealthy and leisured class, whose life-style created a demand for ivory in the form of billiard-balls, piano-keys, card-cases, letter-openers, buttons, fans, ornaments and other artefacts. Ivory soon became one of the principal objects of many trading voyages.

As European interest in Africa itself grew, culminating in the division of the continent into colonial territories, so East, Southern and later Central Africa became hunting grounds for explorers, missionaries and pioneers who were working their way inland from established areas of settlement. The statistics for the export of ivory and the consequent destruction of elephants in this period sketch a shocking picture: at the peak of European hunting in the 1880s an estimated 900 000 kgs of ivory was exported from Africa annually, a figure that translates into the deaths of about 53 000 elephants each year. Some individual hunters achieved almost incredible feats of destruction: William Finaughty, active between 1864 and 1875, shot 95 elephants in one trip in 1868, yielding 5 000 lbs of ivory; Henry Hartley killed between 1 000 and 2 000 elephants in his career. Men like Gordon Cumming, William Oswell, Cornwallis Harris and Samuel Baker became hunting legends.

European and African hunters both operated on a large scale in Rhodesia (Zimbabwe) in the 1860s and 1870s. Between 1872 and 1875 Lobengula's hunters and Europeans cleared most of the big tuskers off of the Rhodesian highveld. The ivory obtained during this period is estimated to have totalled about 100 000 lbs, some 60 per cent of it procured by Lobengula's large band of hunters.[5] By the time Frederick

Selous arrived in Central Africa in 1872, the elephant herds were already retreating to the remoter areas, and he devoted the later part of his career to the largely unsuccessful search for a new elephant-hunting ground.[6] It has been estimated that more than one million elephants were killed during the hundred years prior to 1930.[7]

While the early great white hunters and traders were interested only in the personal fortune to be secured from the ivory and skins, elephant hunting gradually came to serve another purpose during the European period of colonial acquisition, conquest and settlement — that of subsidizing the private concerns of missionaries and explorers, settlers and administrators. Robert Moffat and David Livingstone both hunted with famous hunters like Gordon Cumming. The London Missionary Society's Thomas Morgan Thomas hunted and traded to finance his mission; both Karl Mauch and Thomas Baines funded their prospecting expeditions from the proceeds of ivory sales, while the exploits of Frederick Lugard illustrate the manner in which hunters, campaigners, and administrators fused in the years around the establishment of white rule.[8]

The beginnings of conservation

By the 1890s, the remnants of the vast herds of buffalo, antelope and zebra which a few decades earlier had roamed the highveld south of the Limpopo had already largely been destroyed. Those that remained were ruthlessly exploited by professional hunters, sportsmen and pioneers. As the game retreated, the nature of hunting began to alter from being a practical exercise, to become what we know today as "The Hunt" — a ritualistic activity symbolizing manliness and sportsmanship. At the same time, and in the name of "conservation", access became restricted to politically and economically dominant groups.[9]

A small but growing colonial elite, lamenting the retreat of the game frontiers and the extermination or near-extermination of some species, a process in which they themselves had participated, introduced game regulations which virtually restricted hunting to members of their own class: gentlemen, sportsmen, administrators and army officers. The concept was initiated in South Africa, but soon spread to other areas of European settlement in Africa. Although there had been a number of conservation regulations in the Cape since the 1820s, the first adequate legislation for game conservation came with the Cape Act for the Preservation of Game in 1886. This was subsequently extended, many exemptions removed and licence fees were increased, thereby establishing the "Hunt" as a rich man's diversion in the remoter corners of Africa.

Under these laws, Africans were entirely excluded from hunting on their own account — licences were set at a price well beyond their reach; prospectors, farmers and travellers were exempt provided they were shooting for their own consumption only. Hunting became both a symbol of European dominance, and an indicator of status within the dominant community.[10]

Photo: Clive Walker

Game reserves

It was in the early twentieth century that game reserves were first demarcated on a significant scale. Initiated by only a handful of individuals, the first game reserves were demarcated during the 1890s in South Africa, after it had become evident that other game protection legislation had been unsuccessful. Motives were not altogether altruistic, there was also a practical element: because of the development of settler agriculture early conservation laws were directed toward controlling elephants, rhino and other game which were perceived as a nuisance.[11]

The first reserve was the Sabi Game Reserve, established in 1898; this formed the basis for The Kruger National Park, which was established in 1926 with the consolidation of the Shingwedzi and Sabi Game Reserves. As Wilson and Ayerst point out, "South Africa was at least forty years ahead of the rest of the continent in the development of game reserves but the success of the Kruger National Park in restoring to some extent the balance upset by generations of ivory hunters was a spur to the development of the conservation idea."[12] Support gathered momentum slowly with a growing number of reserves coming into being between and after the two world wars.

Since the independence of most African states in the 1960s, the number of national parks and equivalent reserves gazetted has more than doubled, a growth stimulated by the rapid increase in wildlife tourism. It is now widely accepted that the viewing and study of game animals constitutes a legitimate, and financially viable, form of land use and that the state should provide land for this purpose. Today the protected area situation in Africa is relatively favourable — there are now well over a hundred game parks throughout sub-Saharan Africa covering an estimated 4 per cent of the continent.[13] Several African countries, including Botswana, Malawi, Tanzania and Zambia, have allocated over 10 per cent of their land area to national parks or equivalent reserves. In 1981, the total allocation to wildlife conservation in Africa other than South Africa was about $75 million and the majority of these funds were derived from government rather than external donations.

Photo: Clive Walker

Africa's endangered wildlife

The development of game reserves and the clamp-down on hunting has not brought an end to the trade in animal products; on the contrary over the last sixty years, and especially since the 1970s, this commerce has burgeoned into a highly lucrative and technologically sophisticated business. Today there are a considerable number of endangered and threatened species in Africa, including about 180 varieties of birds and several types of vertebrate. Among the latter, conspicuous cases are the scimitar-horned oryx, possibly already extinct in the wild, and the northern white rhinoceros *(Ceratotherium simum cottoni)*, which had been reduced to 19 at the last count, all of them in Zaire's Garam ba National Park.[14] By contrast, the southern sub-species of the white or square-lipped rhinoceros *(Ceratotherium simum simum)*, once on the verge of extinction with a total population of perhaps fewer than 150, is thriving in South African game reserves and its numbers now total over 4 000.[15]

The black rhinoceros *(Diceros bicornis)* population has been drastically reduced over the last decade, largely because of illegal hunting for horn, but also as a consequence of the reduction in suitable range-land brought about by rapid agricultural development and by hunting as part of tsetse control operations. Historically the most abundant of the world's five rhino species, the black rhino's existence is now precarious. In 1960 there were still about 100 000 black rhino, but by 1980 there were only 15 000, and by 1989 the number had dwindled to around 3 500 — a 75 per cent decrease in nine years. Twelve African countries have either lost or are about to lose their remaining black rhino — and only six have more than 100. About half the remaining population is in Zimbabwe; in South Africa effective conservation has resulted in an increase in numbers since 1960 from about 300 to over 600, and in the establishment of ten new populations in reserves from which the species had disappeared during the last century.

In most countries the penalties for rhino poaching and horn smuggling are negligible compared with the potential profits to be made: the man who kills the rhino may make a year's income with a single horn, while the middlemen who control the trade make upwards of $60 000 each time.[16] Trade in rhino horn is as old as the ivory trade, being highly prized in the Far East as an essential ingredient in the preparation of medicines to reduce fever; nevertheless, the market has always been very small. The very sharp increase in trade over the last twelve to fifteen years is a direct consequence of the increased demand among wealthy Yemenis for ornamental dagger-handles.[17]

Much attention has also been given to the African elephant *(Loxodonta africana)*, whose numbers are already in steady decline, though it is not yet an endangered species. In 1979 there were an estimated 1,3 million elephant on the African continent; by 1987 the total had fallen to 750 000, and the latest estimates put the population at 625 000. Despite the imposition of stiffer penalties by several countries, including a shoot-to-kill policy in operation in both Kenya and Zimbabwe, governments have been unable to put a stop to poaching and the lucrative trade in illicit ivory.

Ian Parker, a Kenya-based elephant expert who has worked as a consultant for both ivory dealers and conservation groups, estimates that about 1 400 tonnes of ivory have been shipped out of Africa during the past two years — representing perhaps 150 000 dead elephants.[18] Some conservationists claim that as many as 800 000 to a million elephants have been slaughtered for their tusks over the past ten years, principally in East and Central Africa. Most of the surviving animals are concentrated in the dense equatorial forests of Zaire, Congo, Central African Republic and Gabon. East Africa has been losing an average of 14 500 elephants a year; Uganda's once thriving herd of 20 000 has been reduced to less than 2 000; in Burundi, once one of the richest sources of ivory in the world, the elephant is extinct; a decade ago Kenya had 65 000 elephants, now there are less than 18 000, (Kenya's Tsavo National Park, which had a herd of 45 000 elephants in 1969, had barely 4 000 in 1989); and Tanzania has lost most of its herd of 200 000 over the last decade.

Numbers of black rhino in African countries 1980-1987 as estimated by the African Elephant and Rhino Specialist Group of the IUCN[19]

Country	1980	1984	1987
Tanzania	3 795	3 130	255
Zimbabwe	1 400	1 680	1 775
Zambia	2 750	1 650	95
South Africa	630	640	572
Kenya	1 500	550	511
Namibia	300	400	440
CAR	3 000	170	?
Mozambique	250	130	?
Cameroon	110	110	30
Sudan	300	100	?
Somalia	300	90	?
Angola	300	90	?
Malawi	40	20	20+
Rwanda	30	15	15
Botswana	30	10	2
Ethiopia	30	10	2
Chad	25	5	-
Uganda	5	-	-
Total	14 795	8 800	3 717

Africa's elephant population: Regions and selected countries[20]

	1981	1989
Zaire	376 000	103 000
CAR	31 000	27 000
Congo	10 800	25 000
Gabon	13 400	92 000
Central African total	436 200	278 100
Kenya	65 000	18 000
Tanzania	203 900	75 000
Sudan	133 700	21 00
East African total	429 500	125 600
Botswana	20 000	58 000
South Africa	8 000	8 200
Zambia	160 000	45 000
Zimbabwe	47 000	49 000
Southern African total	309 000	203 300
West African total	17 600	15 700
Africa total	1 192 300	622 700

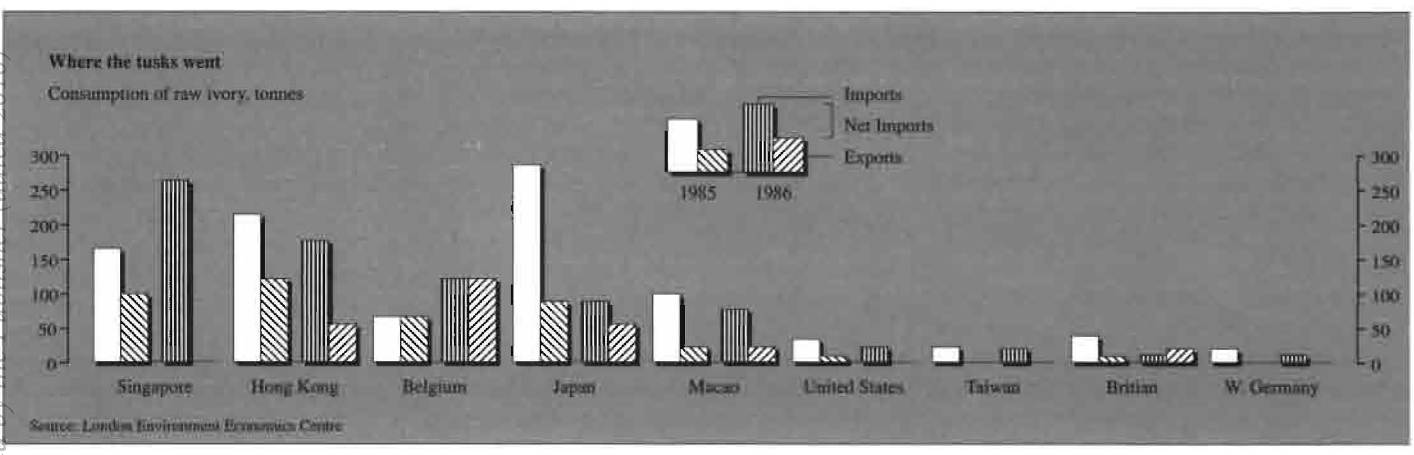
The impact of conservation on the ivory trade

There was very little official control over ivory dealing until the end of the nineteenth century — after the payment of duty, suppliers and buyers were free to make their own transactions and export arrangements, but towards the end of the century Mombasa, which had held ivory auctions under government control for some years, began to dominate the export scene. After the Second World War auctions came under the control of the Game Department and every tusk legally exported had to carry the Department's stamp. Despite this, by 1973 an estimated 12 000 elephants were being killed every year in Kenya alone.[21] Aware that a problem was developing, the government stopped all elephant hunting licences and closed the Mombasa auction rooms to all except government ivory. The basic motive behind this decision was the desire to preserve the elephant by protecting it from the further depredations of ivory traders and trophy hunters. There was also a commercial motive: tourism had become the country's principal industry.

The 1960s saw a massive increase in the number of foreign tourists to Africa. Many of them visited the continent's famous game parks, to enjoy the experience of viewing and photographing wild animals in their natural habitat. Hunting was strictly controlled and permitted only in the non-protected areas (outside the parks) and licence fees were too expensive for hunters to be able to recoup their expenses by selling tusks. The future of the elephant seemed secure, but in fact all that had happened is that the restriction on hunting had given a new lease of life to the poacher, while tourists, not content to simply photograph wildlife, also demanded animal products as souvenirs — elephant hair bracelets, lion and leopard claws, skins, teeth and even elephant feet turned into stools.[22] As consumer demand grew, the price of ivory rose: until 1969, it fluctuated around $5,45 per kilo, in 1970 the price was $7,44, and by 1978 it was fetching as much as $75,00 per kilo. By 1989 the price had reached $300.[23]

Today the ivory trade continues to be dominated by the traditional craft centres, though the final destination of raw ivory varies from year to year. Some of the biggest importers, like Belgium and Hong Kong, are also big exporters, while some net importers, such as Hong Kong and Macao, export much of what they buy as worked ivory. The most important market has long been in East Asia, and especially in Japan, the world's biggest importer of both raw and worked ivory, where ivory is particularly prized for making hankos, personal seals used by some Japanese in place of a signature. The Japanese ivory industry employs some 30 000 people and Japan alone accounts for perhaps 40 per cent of the ivory market. Demand is growing as the country becomes ever wealthier. Japan is followed closely by the United States, which imported $29 million worth of elephant products — skins and ivory — between 1984-86, with a retail value of over $100 million. It has been estimated that more than 32 000 elephants were killed to supply the US with worked ivory in 1986.

Consumption of raw ivory: imports and exports[24]



Cites and the ivory ban

In October 1989 the growing influence of environmentalism in the West and African governments' realization that their countries' wildlife was more important to them alive than dead, culminated in an international ivory trade ban. The Convention on the International Trade in Endangered Species (Cites), set up fifteen years ago by a group of member nations to regulate what was then uncontrolled trade in hundreds of species of rare animals and plants, has been trying to control the ivory trade since 1976. In that year it placed the African elephant on its Appendix II, which restricts trade so that a species does not become depleted through excessive sales. At its meeting in October 1989, the delegates to the Cites conference voted 76 to 11 in favour of upgrading the status of the African elephant from Appendix II to Appendix I, thereby applying a total embargo on the international (though not domestic), importation and exportation of ivory by any signatory nation.

Despite its good intentions, however, in its fifteen years existence Cites has proved unable to control trade either in rhino horn or in ivory. The black rhino was placed on Appendix I in 1976 — thereby forbidding by international law the sale of rhino horn — since then the rhino population has declined by 75 per cent, and by as much as 90 per cent in some countries. Under the quota system established in 1986, ivory exports are supposed to be authorized by Cites, but most traders have found it simpler to smuggle rather than bother with the paperwork needed to obtain a quota authorization.

The centre of the world's ivory trade is Hong Kong, where hundreds of ivory carving establishments thrive. Trade is controlled by a small number of Hong Kong-based syndicates, which arrange for poached ivory to be smuggled out of its African countries of origin by middlemen and dealers, few of whom are themselves African. The syndicates then rely on the legal trade to "launder" the poached ivory. International controls have never constituted any real restriction for traders, who have found many willing allies at senior levels of government and bureaucracy across the continent, willing to assist in the acquisition and export of poached ivory.

There are more than 100 separate elephant populations in Africa, but in only five of the 36 African countries with elephants — South Africa, Botswana, Zimbabwe, Malawi and Namibia — is the ivory trade controlled and the elephant population stable. At the October 1989 meeting of Cites, therefore, these five Southern African countries objected to a total ban on the ivory trade, feeling that they were being penalized for the high level of poaching and the misguided policies of other African countries, especially those of East Africa, and for this reason they voted against the ban. Burundi, Zimbabwe, Botswana, Malawi, South Africa and Mozambique have lodged a "reservation" on the decision, which thus excuses them from abiding by the ban. South Africa, however, has agreed not to trade in ivory for a year, in order to stay within the spirit of the convention and to help Cites trace the illegal traders. In an effort to reconcile the two different positions adopted by its members, Cites has proposed that after a two year moratorium certain member countries with viable, well-managed elephant populations be granted the opportunity to apply to a panel of experts to have their elephants retransferred to Appendix II, thereby allowing controlled trade.

The momentum behind a ban rapidly

gathered pace during 1989, triggered both by the upsurge in poaching and its negative effect on tourism in Kenya and Tanzania, and by media reports of the possible extinction of the African elephant. The proposal for an international ivory trade ban was introduced by Tanzania, with the support of, the World Wide Fund for Nature, the US-based Wildlife Conservation International, the US Department of Fish and Wildlife and the European Community. However, even prior to the historic Cites ban in October 1989, several ivory-consuming countries had voluntarily implemented import bans earlier in the year: Australia and Britain, followed by the rest of the European Community, Canada, Switzerland and the USA. Surprisingly, the United Arab Emirates, which is one of the main entrepôt centres for the ivory trade, followed suit shortly afterwards, after seizing 70 tonnes of ivory smuggled out of Tanzania. In the UAE's old smuggling port of Dubai, the tusks are carved into ornaments, which are free of the international controls on raw ivory. Persuaded by conservationists and Western governments, however, the Emirates are believed to have closed down the carving business, and are now co-operating in an effort to stop the illegal trade in ivory and rhino horn.[25]

A week after the UAE's decision, Japan and Hong Kong, which in the past have resisted efforts to curb their highly profitable and fast-growing ivory trade, finally agreed to a number of stringent measures to control the global commerce, by continuing trade only with countries with well-managed elephant populations and refusing to deal in processed ivory. However, wildlife conservationists interpret Japan's partial ban as intended to protect Japan's Y20 billion annual ivory trade, rather than the African elephant.

Deficiencies in Africa's conservation policies

Conservationists are hoping that the international ban on the ivory trade will be effective, but this is only a part of the solution. The ban will be ineffective unless African governments are able to police and manage their game reserves successfully. It is also imperative that they appreciate that while they cannot support development that does not take care of the environment, neither can they continue to support ideologically narrow conservation programmes which ignore the social and political context within which they are applied. In the past African governments have failed abysmally in their efforts to control trade, to win the support of the general populace, and to preserve and conserve their wildlife, because of poor management and misguided policies.

Poor management

Most national parks and game reserves suffer from severe neglect and inadequate funding. The lack of efficient management has resulted in the degradation of their ecosystems, in bad roads, and of course in an increase in poaching. One of the main causes of inefficiency and corruption within wildlife conservation departments has been the lack of motivation among the staff, mainly because of low remuneration and the absence of lucrative benefits. When a warden or ranger can make more money from the sale of a couple of contraband tusks then he can from a year's honest work then the temptation to poach becomes considerable.

Poor training and equipment are also factors: rangers armed with only bolt-action rifles can hardly be expected to frighten off far better equipped poachers whose methods have become increasingly elaborate. Africa's rebellions and civil wars have also encouraged poaching, both as a method of raising funds for the purchase of arms and by making those arms available for non-military purposes. Poachers who ten to fifteen years ago hunted elephants with bows and arrows are now mowing them down with automatic weapons.

But it is the professional poacher who augers danger. As the price of ivory has continued to rise on the world market, so poaching has become more sophisticated. Spotter planes, high-powered landrovers equipped with walkie-talkies, and men who move rapidly and easily, armed with machine-guns and electric buzz-saws make the game-rangers task nearly impossible. In the last three months of 1988, for example, bands of heavily armed men killed more than a hundred elephants in Kenya, and five white rhinos, closely guarded by rangers in Meru National Park, were also killed.[26]

Even South Africa, which is able to claim with confidence that its elephant and rhino herds are well-managed, has proved incapable of preventing the passage of illicit ivory through its territory. It has now established a Police Endangered Species Protection Unit which is having some success in intercepting illegal consignments, but it is thought that there are still some big operators who remain untouched.[27] As recently as October 1989, and within weeks of the Cites ban, an ex-game ranger from the famous Kruger National Park was arrested on suspicion of having illegally shot several elephants and rhino in the reserve. Yet, although not immune from management problems, South Africa has not suffered to the same extent as other African states from the inertia or greed of corrupt officials or politicians turning a blind eye to illegal trading.

The year 1989 appears to have been a turning point for the rest of Africa in this regard. Swept up in a wave of emotion about the ivory crisis, in July 1989 Kenya's President Moi ordered the burning of 12 tonnes of ivory worth $3 million. This symbolic act highlighted the growing awareness among African governments that the potential financial gains from tourism outweigh those from illicit ivory trading. In East Africa, where elephant herds are fast approaching extinction from poaching, the sudden awakening at the eleventh hour to the threat to the tourist industry has caused officials to "jump into action"; hence Tanzania and Kenya's enthusiasm for an international ban on all ivory dealings, a move which enjoyed the support of Somalia and Zaire.

Yet until 1988, when poachers were reported to be killing an average of two elephants a day, the Kenyan government did not seem to take the poaching menace seriously enough to warrant the commitment of sufficient funds, material or personnel to the anti-poaching units. It was only when tour operators told the Ministry of Tourism and Wildlife that poaching in the game parks was ruining their business and the tourism industry (which has become the country's principal foreign exchange earner, with earnings for 1988 in excess of $330 million), that the government began to act decisively.[28] Early in 1989, President Moi appointed Richard Leakey, the Executive Director of the

National Museums of Kenya, as Director of Wildlife Conservation and Management, with a mandate to put a halt to elephant poaching. The Kenyan authorities have now adopted a military-style campaign against poachers: poorly-equipped and ill-motivated game rangers have been reinforced, and a shoot-to-kill policy, similar to that of Zimbabwe, has been initiated. Poaching has apparently fallen off dramatically, to an average of three elephants in two months, but at some human cost: twelve men have died, although hundreds more have been arrested. White wildlife conservationists, for once, have praised the government.[29] A white Kenyan conservationist is reported as saying "Personally, I don't mind if they shoot a few people, there's too many people anyway. It's the elephants I'm worried about."[30]

Tanzania, whose elephant population has declined from more than 300 000 in 1979 to no more than 100 000 today, has also taken a stand against poachers. Following the incident in January 1989 when the Indonesian ambassador in Dar es Salaam was caught trying to smuggle out 184 elephant tusks, a new Director of Wildlife was appointed and a national crackdown on poaching initiated. By September 1989 it was reported that police, troops and game wardens were arresting nearly a hundred suspected poachers a week. Unlike the gangs of "shifta" (wandering bands of armed Somalis) operating in Kenya, however, most of the local poachers were foud to be villagers hunting game to supplement their diets and incomes. The penalties for ivory poaching have been icreased, with sentences of between 10 and 20 years imprisonment being imposed.

In Zimbabwe, where wildlife activities curretly bring over Z$200 million to the national economy, most of it in foreign exchange, the Department of National Parks and Wildlife Management has been operating a controversial "shoot-to-kill" policy since 1984.[31] During the first five years, more than 70 poachers were killed and 42 captured.[32] Defending his country's policy, Zimbabwe's Vice-President Simon Muzenda, recently stated: "These poachers are identical to economic saboteurs. It would be suicidal to have mercy on such people."[33]

While the decimation of elephants by poachers is generally abhorred, what is seldom realized is that the elephants being poached probably represent only about half those killed. As the well-known South African conservationist Clive Walker points out "The African elephant is also dying because man is invading its ranges, and the conservation of wildlife vies directly with the need to provide food for a rapidly rising population."[34] As some 70 per cent of Africa's elephants live outside of any form of protected environment, there is growing competition for space with man. These large mammals, which are incompatible with most forms of rural development because of the damage they inflict upon human life, property and crops, are being slaughtered because they are a nuisance. They are also hunted because of their value as a supplement to the diets and incomes of poor rural people, who process the hides, and sell the meat, bones, and even the tails and feet; for the villager ivory is often the perk, not the prime reason, for killing the elephant.

The politics of conservation in Africa

On no other continent do so many people live in such close proximity to wild, and often large and dangerous, animals, yet Africa's hundreds of national parks and game reserves have been established and run with animals and tourism almost exclusively in mind, and with little consideration for local Africans. Large amounts of money have been spent on game lodges, park roads, transport and catering facilities for the tourist industry, the revenue of which goes into government or hotel bank accounts, not to rural people whose participation or consent has apparently been of little importance to conservationists or African governments. This is because much of conservation thinking in Africa, as defined and exercised by Europeans, has in the past been directed to a desire to protect the natural environment of Africa as a special kind of "Eden" for the ease of the European psyche, rather than as a complex and changing environment in which people actually have to live. Anderson and Grove encapsulate the situation thus: "at its crudest, Africa has been portrayed as offering the opportunity to experience a wild and natural environment which was no longer available in the domesticated landscapes of Europe."[35] As a result, a naive and idealized picture of apolitical conservation has dominated, which has been characterized by a lack of awareness of the broader social implications of conservation efforts. To rural societies in Africa conservation — which has frequently meant their simple exclusion from national parks and forest reserves in the interests of the protection of large animal species and preservation of habitats — is a very political issue.

In rural Africa the management and ownership of land, as both the dwelling place and means of production of the majority of the population, is of major political importance, yet the principle of setting aside separate blocks of land for the sole use of wildlife remains an essential element in conservation thinking. As income from wildlife-oriented tourism has increased, the position of governments has grown closer to that of conservationists who have actively lobbied for the setting aside of national parks and reserves. However, the costs in terms of alienated land, damage to life and property, and restrictions on resource use are mainly borne by rural populations, particularly those at the interface between settlement and conservation areas, while the economic benefits are enjoyed by the governments, and the aesthetic and recreational benefits mainly by foreigners or, as in the case of South Africa, mainly by whites.

The potential for conflict over land use has become greater in recent decades because of the increasing intervention of modern governments in pastoral life-styles, and because of growing population pressures. Reference has already been made to indigenous methods of conservation and, as has been shown, it was with the establishment of colonial rule that governments began to intervene in the shaping of African environments. By the 1970s growing concern about the worsening environmental crisis led to an increase in state intervention, much of it inspired, financed and directed by agencies external to Africa. Excluded from the decision-making process, farmers and herders have found themselves uncertain about who was ultimately responsible for regulating the use of natural resources.

Almost every game park that has been established has caused the displacement of the local peoples' hunting areas. A well-documented case is that of the Masai pastoralists in Kenya who systematically slaughtered rhino and elephants in Amboseli during the 1970s as a protest against the loss of dry grazing lands, expropriated for wildlife preservation. Likewise, the Matabo National Park in Zimbabwe has been controversial.[36] Cecil Rhodes carved out a huge personal estate in this area south of Bulawayo, the south of which had long been occupied by Banyubi and Ndebele people, whose security of occupation Rhodes guaranteed. But in his will he also designated part of his estate as a nature reserve, so in 1962 the people were removed and resettled in an area which was agriculturally useless — boreholes failed, grazing deteriorated and real ecological disaster loomed — while the park became a preserve for rangers, scientists and visitors, most of whom were white. The site of shrines of important African cults, this was also Rhodes' chosen burial spot, which added to the conflict over the Park and its environs. Typically the conservationists' concept of a national park is of a preserve for plants and animals and free of human habitation. In the Matobo National Park (Matopos) this has implied the reconstruction of a supposedly "natural" state which had not in fact existed for hundreds, if not thousands, of years. "Nature", as Rhodes and the early settlers experienced it, had been deeply shaped by African settlement. The calls by conservationists to "be more vigilant" because "we cannot afford to lose our national heritage" beg the question "Whose heritage is it anyway?" Not only wild creatures make up wild regions — people have a right to exist there too.

Conservation has also made poachers out of communities for whom hunting has always been an integral part of life. For many centuries the Liangula of southern Kenya lived off the elephants migrating from the swampy regions of the Tana River District to the north through to Kilimanjaro and the Serengeti plains. Within their tribal culture the whole elephant was used — the skin, the meat and the tusks. But with the arrival of traders at the beginning of the twentieth century, the killing of large numbers of elephants for their tusks alone was encouraged. When the Tsavo area, the Liangula's traditional hunting ground, was made into a national park in 1947, the killing of elephants became illegal. But the Liangula, whose life had become economically and socially entwined with the traders, could not stop hunting. They had been deprived of their livelihood and nothing had been done to replace it. Today the Tsavo area still has a severe poaching problem.

The irony for many of these people is that they have had to witness the legal hunting of game in the catchment areas surrounding game reserves. When the idea of sanctuaries for wild animals was first mooted, very little was known of the complications of ecology. Game animals, especially elephants, are never static, so in the early days of conservation, before a system of game rangers had been developed, professional hunters were called in to locate and destroy troublesome elephant herds which had wandered out of reserves in search of additional pasture. Because the hunters were allowed half the ivory, (the remainder went to the Game Department) they were encouraged to kill the biggest tuskers. The local population living on the boundaries were forbidden to hunt. Today many national parks are unfenced but are divided into different zones. Fairly heavy land-use around the perimeter gives way to a "buffer zone" or several zones graduated according to use, in which farming and herding are controlled. A chronic problem of the integration of wildlife with other forms of land use has frequently developed, necessitating control hunting. Where local peoples have not been allowed to kill for meat the animals in their own areas, as they have done for many generations, rich men from overseas who know and care little about the place have bought shooting licences and hunted in these buffer zones, merely for trophies. The local population, unable to afford a healthy supply of protein food, have to watch rich foreigners who live in the greatest luxury, and who obviously do not need the game meat for survival, shoot animals for "show". Similarly, local people have witnessed annual culling in parks and reserves which are surrounded by fences. Deprived of the full range of their grazing lands, the larger mammals are liable to upset the ecological balance in the reserve within which they confined, necessitating the practice of "cropping" or culling.

The conservationists' changing perceptions

Conservationists are beginning to realize that it is no solution to protect Africa's game simply for the aesthetic benefit of European tourists. So long as the great majority of local people are excluded from any tangible benefits of wildlife conservation, they cannot be expected to support the cause of conservation, nor can national parks be expected to survive very long. As Clive Walker succinctly puts it: "Most disadvantaged communities cannot consider conservation, as we know it, when their bellies are empty. Their own survival is the issue ... (only) well informed and well-fed people understand why we need wilderness and wildlife from an aesthetic point of view."[37] In order to secure that support, conservationists are beginning to redress the problems of the lack of communication with, and tangible benefits experienced by, the communities concerned.

Spreading the benefits

The approach now being more widely adopted is that revenues earned from protected wildlife or land is fed back to the community bearing the cost, in the form of a rent for the sequestered resources. An early example initiated in the 1940s was that of Nsefu Game Reserve, Zambia, where revenues from tourism were returned to the chief in whose area it was established. Similar arrangements are in operation today in the Amboseli and Mara areas in Kenya. In northern Namibia the Auxiliary Game Guard System, whereby the local people become the conservationists, has been remarkably successful in combatting the poaching of rhino and elephant. Although having no legal status, the local community, via the headman, is paid a salary and provided with uniforms to carry out the task of monitoring and reporting on the status of the game in its area.[38]

Revenues from reduction culling in Sebungwe region, Zimbabwe, allocated to district development committees under Operation Windfall are also reported to have led to a decrease in illegal hunting in the area. These revenue allocation schemes are a positive step, but have not always been as successful as expected, firstly because fund allocations are not always targetted accurately enough on affected sectors of society, and secondly because the recipients are essentially passive, neither participating in decision-making nor enjoying the direct aesthetic benefits associated with personal use of wildlife areas and resources.

In Zimbabwe a step has been taken towards participation in the decision-making process, with the institution of local wildlife boards and owner's control of wildlife on private land, a policy based on the belief that wildlife should not be viewed as museum pieces in parks, but should be harvested as a renewable resource. This has triggered the growth of a large and lucrative game ranching industry. The government has carried the concept even further with its 1985 "Campfire" proposal (Communal Area Management Plan for Indigenous Resources), in terms of which residents in communal lands may form companies owning and controlling the use of all natural resources on a communal basis, within certain limits. Cash earned from animals killed in a professional hunt, culling operations or from the shooting of animals that have repeatedly destroyed crops or threatened people, bypasses the Treasury. Ten per cent of the proceeds is deducted by the district council to cover administrative costs, the remaining 90 per cent is handed to the people of the ward for their own disposal. In the pilot project which was initiated in 1987 in the Dande Communal Land, Guruve District, income was invested in six schools and a clinic.

By encouraging the adoption of wildlife management as a alternative form of land use in an area where arable agricultural activity is marginal and population pressures great, the community has been enriched financially and socially. The result, helped by favourable shifts in the exchange rate and international demand for wildlife-based recreation (mainly hunting), has been the blossoming of wildlife schemes in many of Zimbabwe's Communal Areas. With the help of Zimbabwe, Botswana is also planning wildlife utilization programmes.

Such programmes, which test the concept of conservation with a human face, hold out hope, though conservationists also need to be aware that it is a misconception that the only interest in wildlife is utilitarian and that people can be bought off with development schemes or cash. If African societies are to link the aesthetic significance of wildlife and conservation to land-use strategies then greater attention must be paid to the problem of local involvement in conservation-related activity. Conservation areas are widely seen as playgrounds for wealthy expatriates, from which national residents are effectively excluded. For example, in Malawi nationals account for 1,0 per cent of all fee-paying visits to national parks although they make up 99,75 per cent of the resident population.[39] It is basic to effective conservation planning that access be provided for nationals, in the form of cheap accommodation and transport to the commodity — the recreational experience of wildlife — for which the community has paid a considerable price. Particularly in Southern Africa, where aesthetic appreciation of wildlife is largely confined to whites, the ethics of conservation must be understood and developed by both privileged and underprivileged communities.[40]

The future

Governments and conservationists are becoming increasingly aware of the objectives of conservation and are asking fundamental questions about which species to conserve and in what numbers, where to conserve them and how to utilize them. Such a strategy implies a policy defining the relationship between man and his environment, and recognizing that development and conservation go hand in hand. Implicit in this is a growing awareness of the need to put people back into conservation. At the same time governments are now realizing that in order to protect their wildlife (and indirectly their tourist industries), they need to be much harsher and more effective in the fight against poachers, many of whom are merely in the service of highly professional international traders. The difficulty for those instituting conservation policies is to determine the difference between the professional poacher and the local hunter who is trying to supplement his diet or to rid his community of a pest. The former has no regard for human or animal life and must be dealt with accordingly; the latter needs to learn about and experience the benefits of animal conservation.

What role Cites can play is open to question in the light of its past record. The current ban has its pros and cons , which in the light of the social and political issues debated earlier, can now be more clearly assessed.

Proponents of a blanket ban, namely the East African countries, the International Wildlife Coalition (IWC), and a consortium of animal welfare and conservation groups, submit the strong argument that this is the only way to close the loopholes exploited by the illegal traders despite the Cites restrictions. (Between 80 to 90 per cent of ivory on the market is illegally obtained.) But the effectiveness of this measure would ultimately depend on all concerned abiding by the rules — in reality corruption is rife and no government in Africa can plead innocence. Even Cites officials have been accused of not acting "by the book". If neither Cites nor even the Southern African states are able to control the trade, then the solution will lie in the complete closure of the consumer market. A temporary ban will not work because stockpiling could take place (as it has done previously), while traders wait for the price to soar again. The high prices would in turn further stimulate poaching.

Zimbabwe, the Worldwide Fund for Nature (WWF) and the other Southern African countries whose elephants are not threatened, have argued that the countries pressing for the ban are precisely those that have failed disastrously in the management of their elephant populations and those most in need of the elephant as a tourist lure, but that have been too inept or corrupt to prevent poaching. This group opposes the ban on the grounds that the trade will always continue and that money from the sale of legal ivory can actually aid the conservation of elephants. Culling operations to maintain the ecological balance of well-managed herds in Zimbabwe and South Africa have enabled these countries to reinvest the money earned in conservation — in South Africa this has amounted to approximately R6,5 million annually, money that conservationists are reluctant to do without.[41]

Another argument is that the ban will constitute a setback to conservation as a whole, and particularly to some of the most exciting innovations in conservation in Africa, notably the Campfire project in Zimbabwe. For the communities reaping the benefits of conservation, the ban will represent a loss of an estimated US$5 million in 1990, as well as bringing about the imminent reduction of the elephant population as the incentives to protect wildlife disappear.[42]

The additional argument, that in any event, a blanket ban would be ineffective and would drive the ivory trade completely underground, seems valid in the light of events. According to the quota system introduced in 1986, by which ivory exports are supposed to be cleared with Cites, some 108 000 tusks were authorized for export in 1986 — a figure that would have represented more than 50 000 dead elephants, ten times the annual figure some conservationists regard as Africa's sustainable yield.[43] In that same year Burundi, which has only one elephant according to its government, exported 23 000 tusks, all carefully documented as originating in that country. At the October 1989 Cites meeting, however, no objection was made to Burundi taking a "reservation" on the decision to ban, thereby allowing it legal trade. Burundi's objection to the ban, however, had nothing to do with management of its elephant(s) — it is through Burundi that most trade is channelled. Likewise Somalia, which is a signatory to Cites, has only 4 500 elephants, but has exported more than 21 000 tusks over the past three years, representing a minimum of 10 500 elephants.

However, even an effective ban on the ivory trade by itself would not put an end to the slaughter of elephants, because the majority live outside the reserves. Increasing pressures for arable land have served to highlight the extent to which elephants compete with man. Yet restricting elephants to poorly managed reserves leads to problems of ecological imbalance, and can be detrimental to the health of the elephants themselves.[44] A degree of culling is essential to avoid these problems, and has the advantage of helping to pay for the running of game departments. Unfortunately the gradual clamp-down on poaching has made "legitimate" ivory, most of which comes from culling, all the more valuable. (In the four years after the introduction of the Cites quota system, the price of legally documented ivory increased by 400 per cent, making legally acquired ivory far too expensive to use for the production of traditional artefacts.[45])

The irony of all this is that it seems that ivory is destined to remain a valuable commodity, at any price. Therefore, given conditions in the international market, which operates according to its own agenda, and taking into account the inadequacies of Cites, it is up to African governments to focus their efforts on protecting and controlling their wildlife against poachers, and on eradicating official corruption. One of the major problems they face, however, is the cost of conservation: experts have calculated that African governments need to spend at least $200 per sq km annually to adequately protect wildlife in their national parks. Few are able to afford this.[46] International aid, which has been in short supply until recently, is needed by governments to assist them in their enforcement efforts. After all, it is from the West that most of the tourists come. The international community must also play a role in educating the consumer against the purchase of ivory, as was done in the case of seal skins and fox furs.

Governments and conservationists must now ask the question "For whom are we conserving our wildlife?" and assess carefully what is realistically possible in a continent plagued by poverty, disease and hunger and facing an annual population growth rate of 3,1 per cent. Can they, and should they aim to, maintain the status quo? The time has come for each government to establish a conservation philosophy applicable to its own complex set of circumstances, but one in which conservation is practised as if people mattered, and development as if nature mattered. In the final analysis conservation is concerned not only with "preserving species", but also with human beings and with sustainable development.

Notes and references

1 Last century the estimated number of elephants in Africa was around 10 million; optimistic estimates in 1989 put the figure at 625 000, though some experts believed the more realistic figure was 400 000. If the present rate of slaughter (between 80 000 and 100 000 annually) is not halted, the African elephant faces extinction, possibly within 10 to 12 years. The black rhino is already in danger of becoming extinct: over a period of nine years the population declined by 75 per cent to total a mere 3 500 by 1989.

2 John McCracken, "Conservation priorities and rural communities: Introduction", in David Anderson and Richard Grove (eds), *Conservation in Africa: People, policies and practice*, Cambridge: Cambridge University Press, 1987, p 189.

3 D Wilson and P Ayerst, *White gold: The story of African ivory*, London: Heineman, 1976, pp 18-25.

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Small business policy: Stepping down from the side of the angels

Gillian Godsell, Researcher, Centre for Policy Studies and Ian Clark, Deputy Director, Centre for Developing Business, both of the Graduate School of Business Administration, University of the Witwatersrand, *raise questions about the developmental benefits to be derived from the promotion of small businesses in the South African context.**

Small business appears to hold out the promise of a solution to so many problems: from the alleviation of unemployment to the achievement of black political emancipation via economic empowerment. It seems petty to raise questions about the efficacy of this panacea. Yet if small business is as important as an astonishingly wide range of people and organizations seems to think, it is imperative that we examine carefully what can and cannot be achieved by this route, and the best means towards these ends. If some expectations are unrealistic, they must be tempered now, otherwise smaller benefits will be lost in the general disappointment with larger goals not achieved.

It is therefore worth analysing the expectations currently held with regard to small business, the costs and consequences of these expectations, and the role policy could play in providing shape and direction for expectations and for interventions. Stepping down from the side of the angels will involve limiting our expectations, admitting bad as well as good consequences, and accepting the inevitability of ideological choice, limitation, and contamination.

The what and the how of small business are inextricably linked. Until now, those of us involved in small business development have colluded with one another to limit the debate to areas of what can be done (from the point of view of the developer) rather than what should be done (from the point of view of the entrepreneur). So we have, for example, focussed on programmes, rather than the policy frameworks within which programmes should be carried out. Specifying policy would involve examining both objectives and implications of interventions: spelling out costs as well as benefits. Because these are both complex and sensitive, we have tended to avoid them. We have devoted our energies towards abolishing laws and regulations, and postponed the more difficult issue of producing creative enabling legislation, or non-legislative means of encouraging an enterprise-friendly climate. In education we have focussed on transferring skills rather than shaping values. We have measured out progress in terms of rands spent rather than wealth created; we have counted jobs created and maintained, and have shied away from the consideration of the intangibles such as well-being, job satisfaction, and independence.

The consequence of very high expectations of what small business can do for particular groups of people, and the design and implementation of programmes which must be judged in terms of numbers, has been that we have sometimes lost sight of the individual entrepreneur. He or she must be returned to centre stage, and become the person around whom policies are designed.

This is not to say that the social group does not have a role to play in small business. Important resources are provided by family, religious, and other groups, and it is wrong of the policy-maker always to view the entrepreneur as a Lone Ranger type of figure. But it is the individual entrepreneur who is successful, or

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unsuccessful, within the context of the group. And viewing small business as the solution for an externally defined demographic group may produce more problems than it solves.

We seem to have focussed on eliminating the bad rather than encouraging the good. It is perhaps easier to see and agree on what is undesirable than what is desirable. This attitude does have important implications and consequences. Of course the climate and external environment are important, but so is the individual operating within that climate.

We have avoided the intangibles simply because they are intangible — without quantification, how do you measure progress and solicit assistance? But we have also avoided them because of the inevitability of choice they imply. One man's tax break is another's tax burden, and we cannot dispense favour without imposing burdens. The redistribution of wealth may also imply the redistribution of poverty, and who shall allocate which to whom? To choose between consequences would mean stepping down from the side of the angels, and aligning ourselves within one or other unappealing ideological camp. By way of illustration, let us examine some of the many expectations held about small business.

Expectations

The long-term goals of individuals and groups will shape their business interventions, and will have positive and negative consequences for small business. Therefore we need to examine these expectations, some explicit and some implicit, some contradictory, and even some perhaps inimical to the development of small business. In particular, we need to look at costs, and at consequences.

Unemployment

The first group of expectations may be loosely categorized as being macro-economic. The first, and probably most widely held, is that small business has a major role to play in the reduction, and perhaps even the elimination, of unemployment. In addition, this solution is seen to be virtually cost-free, and minimally disruptive to the *status quo*.

The modern business sector cannot meet the current demand for jobs and this gap will most certainly grow over time. The increasing population in rural areas makes subsistence agriculture impossible. Smaller undertakings have the advantage that they require less capital, are subject to low entry barriers, and often employ unskilled or semi-skilled labour.

We need to be absolutely clear here, however, that what is happening is that agricultural subsistence, for which there is no land, is being replaced by a pavement subsistence, for which there is space (of sorts) and a market (of sorts). While spared the farmer's hazards of drought and pestilence, the subsistence enterprise is subject to competition, swings in demand for and availability of stock, as well as various bureaucratic hazards. Clearly, many of the people occupied in this sector, particularly at the level of the micro-enterprise, would otherwise be without any means of subsistence, but it is neither a comfortable nor a secure existence. The term micro-enterprise has a high-tech zip to it which makes it sound a lot more comfortable than the reality.

The issue becomes more problematic when we examine whether or not wealth is actually being created — another intangible almost impossible to measure. If we define employment simply as the independent provision of the barest necessities for survival, or at a slightly higher level, the provision of the wherewithal to feed, clothe, and possibly educate a family, then there is no problem. It is essential to acknowledge that many, perhaps even most, small businesses will remain at the pavement or single-employee-in-basic-premises level. These small undertakings will undoubtedly improve the lot of the individuals working there. Whether they are adequate vehicles for larger social goals remains debatable.

Still on the subject of employment, the employment of young people is a particularly burning issue. It is a social and humanitarian issue, as the plight of school-leavers, unable to use this hard-won and passionately believed-in education to obtain employment, is a sorry one. The future of both skilled and unskilled youths who may never find steady employment is bleak, and the chances of their turning to crime makes it even bleaker. The problem is also political as groups of angry unemployed youths, with a high level of expectation, pose a ready source of anti-government demonstrators, and of social unrest. It should be possible to look at this group as a resource as well as a problem. Young people have the energy and drive to start businesses for themselves and others, and unemployment may provide the spark to set them going. If small business is perceived by them as a way of buying them off or shutting them up as a group, the results will be counter-productive, and the status of small business will have been further lowered. Again, presenting small business as a group solution is likely to be hazardous, but presented to individuals in the group as a potential means, first, of survival and, second, of betterment and well-being, it might be more successful.

While it is important to emphasize that the majority of people involved in small business are there for survival, to some, small business does provide a better quality of employment than that offered by poorly-paid or otherwise restricted jobs in commerce and industry. Independence, and scope, are offered to the proprietors of even the most modest businesses, while the more successful ones offer a better income as well.

This independence is obtained at a price to both individual and community. The limitations of both public and private sector do carry with them the advantages of security and fringe benefits, of protection by employment code or union action. The more sophisticated and well-off small operators will provide themselves with health insurance and pension plans. For the others, this burden will fall all on the state, or on no-one at all.

If we are to move from a nation of employees to a nation of entrepreneurs, the social costs as well as the economic benefits are likely to be high. We will move away from the group safety-nets provided by medical aid, provident and pension funds. We will then have to come to terms with either an increased state provision of facilities, with concomitant cost increases, or the idea that no-one is to take responsibility for those outside the modern sector's structured provisions.

Increased GNP

It is expected that small business, and particularly the informal sector, will improve the growth of the South African GNP, again with a minimum of cost or disruption. By definition, the measurement of the unrecorded sector is difficult.

This may provide an explanation for the gap many people perceive between a low official growth rate, and other evidence of a vibrant economy. There has certainly been significant growth in the added value of the unrecorded sector. We can measure taxi sales and petrol sales, but we cannot, as yet, measure taxi fares.

Increasing the tax base must be recognized as a political goal which may or may not be beneficial to small business as a whole. Increased State interest in, and funding for, small business, may have unwelcome bureaucratic repercussions. From the State point of view, subsidized loans to small business make sense if they create businesses which generate additional tax. (In fact, in Canada, the success of small business development schemes is measured by additional tax dollars generated.) Small business owners may be less sanguine about this long term cost. A further complicating factor, in South Africa, is the idea of no taxation without representation, with some small business associations investing the act of tax evasion with moral and political significance.

Diversity and flexibility are small business virtues which also carry their own cost. The expectation is that small business should be able to stimulate the economy through a higher level of diversified activity. This expectation rests on the assumption that consumption demand increases if a wider range of products and services are available and/or accessible. The informal sector makes goods available in locations and in small quantities which larger businesses cannot. Small businesses might also be a vehicle for switching consumption from imported to local products, and to save foreign exchange.

Small firms provide flexibility in supply during the highs and lows of economic cycles. Small firms come into existence during demand booms and disappear during recessions. Larger firms are usually capital intensive and inflexible, and either want or need to produce at capacity. Small firms play a useful role in coming into existence to provide for increased demand during upswings, and then go out of business or become marginal during downswings. The clothing industry and its use of cut-make-trim is an example of this. Major manufacturers can maintain their own production capacity, but vary with demand. This emphasizes the essential instability of a large part of the small business sector. Insecurity is the cost of flexibility, and ability to exploit a gap. Smaller firms are also more vulnerable to variations in the economic cycle.

Empowerment/co-option

Perhaps the highest expectations of what small business might be able to achieve lie in the socio-political area. Two conflicting expectations are, firstly, that the development of small business will create, or assist in creating, a black middle class which will be politically conservative or at the very least capitalist and, secondly, that the development of small business will lead to black economic empowerment which in turn will lead to political emancipation. The first consequence of both these expectations is that only progress by a whole group of people in the desired direction will be regarded as a sign of success. Individual success stories are irrelevant, and the individual entrepreneur must take a back seat. Further, even business success of a sizeable number of people will be regarded as irrelevant if it does not lead to the desired social or political goal.

Additional consequences would appear to be directly contradictory to the successful development of small business. In 1984, small businesses were the target of a great deal of township violence. The suspicion towards, and low status of, traders is a major obstacle in the development of an enterprise-friendly climate in the townships. If small businesses are perceived as State allies, or even as targets of State attempts at co-option, this climate is unlikely to improve, and individual businessmen are put at considerable personal risk.

Regarding small business primarily as the route to black economic empowerment/political emancipation once again places black small business in opposition to white business, to big business — perhaps to real business? This isolation is likely to impede rather than to assist growth. The individual needs, and gains, of the businessman or businesswoman take second place. It may be possible to measure the economic progress of individuals, but how is general black economic empowerment to be measured? And how is the success of such a scheme to be judged? If the political kingdom does not automatically follow, is the entire scheme of small business development to be discarded?

Somewhere, too, there is a paradox in the belief that black empowerment is to be achieved via schemes which simply funnel money to blacks who are automatically defined as victims, charity cases, or, at best, passive recipients.

Philanthropy

There is no doubt that in some programmes, small business development is simply a conduit for philanthropy. Does this matter? Yes. Making the grade in small business is hard. Interventions which distort reality are, in the long run, not only not helpful, but are positively harmful. Lending money in the half expectation that it will not be repaid is such a distortion. Of course the Western system of banks and interest is not the only way of financing a business, and many a successful businessman may not go near a formal lending institution. But alternative financing arrangements also have rules — whether they involve immediate remuneration, or payment in kind, or appropriate reciprocity two generations later. Philanthropy is the opposite of reciprocity, and must be clearly identified as such.

There is nothing to prevent either individual or corporate philanthropists giving a portion of their money to small businesses as well as to needy children. But such giving must be carefully demarcated from the business transactions, the financial causes and effects, which must be mastered by anyone whose business is going to survive.

Black entrepreneurs

Both the above expectations deal specifically with black small business as a separate entity. This linkage is probably inevitable, given the legislation which discriminates specifically against black business people. It does have some particularly negative consequences. Firstly, small business may be seen, most particularly by blacks, as a dead-end street reserved especially for blacks, while endless corporate or professional vistas are open to whites. This reinforces the already existing negative attitude towards small business as an acceptable career. Secondly, the temptation is particularly strong to define aspirant black businessmen as victims in need of pity and charity, and offer help in a way which increases rather than reduces their dependence. A good business start cannot be made by somebody who believes he is entitled to small business assistance on the basis of skin colour rather than a marketable idea or product.

The argument about black advancement rages in many circles other than that of small business development: the argument as to whether extra concessions must be made to blacks to ensure fair competition, and whether other groups should now be shackled to make up for years of black disadvantage.

The central thrust of a successful small business policy must be non-racial. If small business is to be regarded as a first class career option, it cannot be guided by a second class policy. Involvement in the open market brings difficult cut-and-thrust, but it brings trust as well, for proven competence. A racially based or biased small business policy perpetuates the isolation of black small business. Thus isolated, it will become the repository first for all our hopes and then, inevitably, for all our disappointments. Integrated into the fabric of business life, some businesses will fail which might otherwise have been kept alive, and others will expand which might otherwise have been limited.

Integration should be not only the means but also the end of a policy, so that pavement enterprises, small, medium, static and expanding businesses, all with different needs, fill their different places in the market, and stand in different relations to one another. There is nothing to prevent (and a great deal to encourage) specialized community support groups developing to assist blacks or women or adherents of a particular religion. Certainly neither government nor institutional policy should hinder the development of such groups. It is virtually impossible, however, for an outside agency to emulate the internal balances, rewards and sanctions of such a group.

Redistribution of wealth

The next complex issue in relation to small business is whether or not it is a reliable conduit for the redistribution of wealth. The first difficulty here is that different groups mean different things by redistribution of wealth. For some groups, a relative redistribution is meant, with blacks earning an increasing share of the national wealth. If this occurs at a time when the national wealth is expanding, this will be less painful for whites; more painful in a time of depression or recession. For other groups, however, redistribution of wealth means just that — the impoverishment of one group in order to enrich another.

This makes a great deal of sense if one accepts the hosepipe theory of economics, whereby central government simply points a conduit of funds in one direction or the other. The small business reality may be more complex. Many small businesses are in the service industry, and dependent on consumers who have money to spend. Then again, the issue arises whether pavement enterprises and very small enterprises actually create wealth. Very small businesses have a high mortality rate — the very vigour of this sector is costly, and the cost of a failed business is psychological as well as financial.

Socialization

Social expectations of small business are often directed towards what will be achieved or believed by people who have become small businessmen. Often overlooked is what occurs during the process of small business involvement and development. Involvement in all levels of business is in itself a form of industrial and urban socialization. An understanding of the cash economy, of changed social relationships, of new urban needs and ways of fulfilling them, must develop. This is not a passive or one-way process; the new entrepreneur shapes the urban economic landscape as much as he or she absorbs or internalizes it.

Policy

If public resources are to be committed to the promotion of small business, a public policy is needed to explain both ends and means. At the moment what we have from the State is a benevolent aura, and a degree of goodwill. This is no substitute for clear policy. A clearly stated public policy can be debated, modified, and improved. There is an urgent need for a public debate to at least clarify conflicts of interest around small business, although it is probably too early to resolve these conflicts. A policy with clearly stated goals can also provide a yardstick for measuring progress. The general climate can be influenced by a well-stated and publicized policy.

What is needed in South Africa is a first-class small business development policy. Such a policy would put the individual entrepreneur first, rather than regarding him or her as a means to an end. It would not be oriented towards any exclusive group, such as women or blacks, but would aim at the promotion of all entrepreneurs. The aims would be broad, such as the promotion of an enterprise-friendly climate, and the development of entrepreneurial values, as well as the elimination of barriers to entrepreneurial practice.

Of course, there are pitfalls inherent in the development of such a policy. It may generate a false sense of achievement, and the illusion that policy formulation equals progress. Policy-makers may be isolated from the circumstances within which their policy must be implemented — only the involvement of a large range of contributors can avoid this. Policy may be inflexible, and may remain unadapted for years; small business is an area in which change is rapid, and response to changing circumstances must be equally rapid. A government bureaucracy may simply be unable to change or respond fast enough. Because of the political situation in South Africa, the simple fact that government is backing a particular policy may call forth resistance to it.

Choices

One of the first reasons specific policies need to be articulated is the paradox contained in the fact that, as well as being involved in business, all entrepreneurs are also citizens, consumers, occupants of dwellings, some are employers, some are parents, some are even taxpayers. How are the rights and obligations of one group to be weighed up against another?

For example, an article in The Sowetan of 30 August 1989 cites small businesses which have illegally built shacks as business premises on vacant ground in Zamdela, and are being harassed by local authorities, and fined for lack of permits. The readers' sympathies are all with the shack owners: the sooner nonsensical permits are dispensed with, the better. But what if that ground had been earmarked for the building of a much-needed school, or a clinic? Do businesses' needs, and the services they offer, take priority over the other needs of the community? Does this only hold for small businesses? For very small businesses? At what stage does a medium-sized business cease to receive preferential treatment? What if that ground is to be occupied by a manufacturing concern which will provide few jobs but a high rates income for Zamdela Council? Or if it has been demarcated by planners as a future green lung in a high-density dwelling area? If small business is to be effectively assisted, other needs will remain unmet. Exactly where are we prepared to place small business in a list of priorities?

There are other reasons, too, why small business does not exist in a vacuum and should not be treated as if it did. It is interesting to note that, at the 1986 White House Conference on Small Business,[1] the fourth-ranked proposal (out of a rather breathtaking 2 232 recommendations) was "reduction of the federal deficit". In a similar vein, recommendation 17 read "work with federal government and federal administrators to achieve a drug-free school system and work-force". Good national housekeeping benefits large and small businesses. In South Africa, people who emerge from the education system literate and numerate (at the very least), will be better entrepreneurs and better employees. The small business lobby should not, therefore, be in favour of just, say, specific business education, and entrepreneurially-oriented career guidance, but also better general education.

Policies and actions which improve the general economic climate benefit small business as well. Big businesses are sometimes portrayed as being the mortal enemies of small businesses, snatching at their contracts by means of corruption, and their profit margins by unreproducable economies of scale. It should be borne in mind that both operate in the same economic climate, and in South Africa in particular are subject to the same damaging political legislation. Large businesses often compete with small businesses, but they are not only competitors, but also consumers, suppliers, and potential partners and financiers.

This point leads almost automatically to the next interesting question: why should small businesses in particular be privileged above other sections of the community? And should some small businesses be more privileged than others? Is the general good better served by a small business which provides employment, or one which pays high taxes? Is an expanding business more deserving of support than one which feeds, houses, clothes and educates a family?

Malcolm Harper writes scathingly "New businesses are often started in people's homes; if they prosper they can expand into additions or outbuildings, which can be environmentally substandard and are almost always untidy, disorderly, and an offence to the planner's eye".[2] The implication is clear: let justice be done, and the planner's eye offended. But what if it is not only the planners sensibilities, but the neighbours' peace which is impinged on? The neighbours' health? The health of the community? If "environmentally substandard" means a building which may fall down upon the heads of its unfortunate occupants, what then? Are we saying that if you shop in town, you are entitled to a level of physical safety which will then be (as far as possible) policed by building standards and health regulations, but if you shop elsewhere you had better take what's coming to you?

In our efforts to assist black entrepreneurs in particular, by lifting as many restrictions as possible, are we going to turn those black consumers and black employees who cannot move out of the townships into a sort of second-class consumer or employee, not deserving of the same sort of protection as consumers and employees elsewhere?

There is no perfect solution. But if we can abandon the idea of small business being a not-to-be questioned greater good, perhaps we can deal more honestly with out choices between lesser evils.

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Small business: Another view — It is the economic structure which is wrong

Ian Hetherington, Managing Director, Job Creation SA (Pty) Ltd takes issue with the standpoint taken by the previous two authors, and argues that deregulation constitutes an important part of the solution to the dilemma faced by small businesses in South Africa.

A strong small business sector gives a country strong economic growth.

But is economic growth a valid goal? There are always a few in any society who place a low priority on it and who denigrate business in general. Often these critics, themselves, have steady jobs and comfortable incomes from the non-wealth producing sectors of society. Millions are not so lucky. Millions have no job at all.

Most of us would feel quite pleased if we could look forward to a steadily improving standard of living. And we would rather enjoy it if we were free to create our own rising wealth — by our own efforts — and to dispose of it how we wish.

Apart from a handful with a temporary mineral bonanza, I do not know of any countries which enjoyed rapidly growing wealth in the absence of a strong small enterprise sector. The small enterprise sector was extremely strong when the citizens of the UK and the USA were making rapid advances in their living standards. The sector is today extremely strong in countries such as West Germany, Switzerland, Japan and the little dragons around the Pacific rim.

It is not strong in South Africa. Not because there is anything wrong with the citizens of South Africa, but because there is, and for many years has been, a lot wrong with the government-imposed structuring of the South African economy. Small enterprises are constrained by miles and miles of red tape. They are registered, recorded, taxed, licensed, regulated, surveyed, zoned, researched, inspected, exempted, interviewed, fined, confiscated, bent, mutilated and stapled to death.

The government has recognized that its biggest contribution to wealth generation is simply to get out of the way of wealth generators — especially those starting and running small enterprises. There are vague promises of lowered taxation, of small enterprise oriented privatization and of deregulation. The tortoise is on the move, but one has to live a long time to notice the movement. A much more dramatic approach is needed and has been proposed by the small-enterprise coalition lobbying group — the Sunnyside Group.

While we wait for this more dramatic approach, government subsidies for small enterprise promotion and private sector philanthropic efforts can be regarded as types of compensatory or affirmative action programmes. They would not be necessary and in fact would be undesirable if we enjoyed a free-enterprise economic structure. Unfortunately we do not enjoy any such thing.

Not that free enterprise is the best of all theoretical worlds. It is merely the best of all possible worlds.

As Thomas Hobbes put it 300 years ago: "A free man is he that, in those things which by his strength and wit he is able to do, is not hindered to do what he has a will to do". If we want economic growth we must have economic freedom. If we have economic freedom, we will have a strong small enterprise sector — without subsidy or patronage; and without any special policy.

The constraints on small businesses in Swaziland

Sylvie K Kamalkhani, Department of Business Administration, University of Canterbury, Christchurch, New Zealand, provides a case study illustrating the difficulties of launching a small business development policy.

Introduction

When Swaziland gained its independence from Britain in 1968, its commercial and industrial sectors were mainly in the hands of foreigners.[1] Swazi business activity was confined to trading, transport and handicraft industries established on Swazi Nation Land. Estimates of the numbers of small businesses owned by Swazi nationals in 1968 varied from 200 to 500.[2] Foreign domination persists: most commercial and industrial ventures are still owned by expatriates or are subsidiaries of international companies. As Smith and Tippett state:

> The double problem of a customs union with South Africa and only recently becoming independent from Britain implies that Swazis are economically dominated by foreign companies or expatriates running local ones. People see the promotion of Swazi controlled small businesses as the first step towards a more balanced economy.[3]

In several other African countries, especially those with a large expatriate population, the promotion of small business has been regarded as an important way to Africanize the economy.[4] The Swazi government too has made a concerted effort since independence to promote indigenous small business as part of its social and economic development programme. In 1970 it established the Small Enterprises Development Corporation (Sedco) to develop small scale enterprise, and in 1975 the Commercial Board, to promote indigenous commercial enterprises. These two small business development agencies have the following objectives:[5]

- to provide training and financial and technical assistance to eligible Swazi entrepreneurs;
- to promote growth in the small industry sector, with emphasis on labour-intensive industry;
- to achieve greater Swazi control over the small business sector through the provision of short and medium-to-long term loans; and
- to employ local resources as far as possible.

A further measure taken by the Swazi government in its attempt to eradicate the financial constraints experienced by Swazi small businesses and commercial farmers was the establishment of the Swaziland Development and Savings Bank. When the bank was established in 1965 its chief purpose was to channel local savings into local investment — and thus into the promotion of small businesses owned by Swazis.[6]

Despite the Swazi government's intervention through the establishment and operation of these three institutions, however, many small local businesses have failed to "take off". The main aim of the present enquiry was, therefore, to study the constraints on small businesses in Swaziland in the context of both the micro- and macro-environment, for, as small businesses do not operate in isolation, any study of them should incorporate the social, economic and political interaction that they and their entrepreneurs have with their environment. Only in this way can we arrive at the broad understanding necessary to illuminate the problem of fostering Swazi small business.

The impact of Swaziland's economic integration with South Africa on the development of small businesses in Swaziland must be considered. Swaziland is economically linked to South Africa through the Southern African Customs Union (Sacu) and the Rand Monetary Area (RMA). Swaziland (together with Botswana, Lesotho and South Africa) have been members of Sacu since 1969. In fact, a Southern African Customs agreement has been in existence since 1910 when Botswana, Lesotho and Swaziland were still High Commission Territories. Sacu is a free trade area protected by a common external tariff.[7] It has certain disadvantages for small countries such as Botswana, Lesotho and Swaziland (the BLS countries). These disadvantages include the loss of fiscal discretion, the core-periphery effects on development, and a limitation on the BLS countries' freedom to purchase goods from any source they choose. And as South Africa progresses towards import substitution the BLS countries face higher cost imports from that source.[8]

Following Selwyn and Maasdorp, Wallerstein's notion of core and periphery is used in this study to analyse macro-constraints.[9] Selwyn argues that a study of small developing countries such as Swaziland should include the core-periphery model, which is based on a dominance-dependence relationship.[10] Maasdorp professes that if the problems of small developing countries are studied as though the latter had self-contained economies, misleading conclusions result.[11] In this study, therefore, Swaziland is examined within the core-periphery paradigm.

The core-periphery or spatial disequilibrium model has been defined by Friedmann as:

> A conceptual model that divides the space economy into a dynamic, rapidly growing central region and its periphery. The growth of the centre is viewed as being subsidized in part by the periphery.

And again:

> A powerful central region reduces the rest of the space economy to the role of a tributary area that is drained of its resources, manpower and capital.[12]

In the case under consideration, the core country — the more advanced industrialized economy, South Africa — dominates its peripheral neighbours such as Swaziland.

Definition of the term "small business" as used in this study

This study concentrates on formal small businesses located in the urban and peri-urban areas of Swaziland. These areas include the two main urban centres, Mbabane and Manzini, and four peri-urban areas lying between these two towns — Kwaluseni, Malkerns, Ezulwini and Lobamba. In order to exclude petty traders and producers of the informal sector the following definition of a small business, incorporating both qualitative and quantitative criteria, was used. The quantitative criterion was that the number of employees working in the business must range from 1 to 30; and the qualitative criteria of the businesses were:

- autonomous management — usually the managers are also owners;
- the owner has supplied the capital by venturing his own funds or credit — he is not an agent.

Structure of the sample of entrepreneurs used in the study

For the purposes of this study the small business environment in Swaziland was stratified into three groups:

- expatriate owned businesses (9 respondents);
- Swazi owned businesses assisted by the development agencies — sponsored, (9 respondents);
- Swazi owned businesses that were not assisted by the development agencies — non-sponsored (21 respondents).

Significantly, it is mainly Swazis who are sponsored, since only they are perceived as requiring special support. This provides an immediate insight into a fundamental feature of the social environment of Swazi entrepreneurs: the entrenched position of the expatriate entrepreneur. The principal reason for including expatriate small businesses in the sample was to compare the constraints experienced by expatriate and Swazi owned businesses. This facilitates the identification of the strengths and weaknesses of both types of entrepreneur. Expatriates, for example, come from a different cultural background, so the problems they experience may not be the same as those faced by Swazi entrepreneurs.

A variety of issues at both micro and macro level were considered in an effort to identify the barriers that impede indigenous entrepreneurship in Swaziland. An attempt was made to identify, first, whether the origins of the entrepreneurs and their educational background and work experiences prepared them for business. Second, the study examined the policy environment in Swaziland, the regulation and aid matrix, which included financial institutions, development agencies, and government policy positions as they affected small business operations. Third, to understand the influence that geopolitical reality exercised over small business ventures in Swaziland, the study considered the sociogeographic location of Swaziland and its economic relationships with South Africa. These relationships were deemed crucial to an understanding of small business operations and their ability to grow, adapt and survive in the Swaziland socio-economic context.

Each of these three issues is examined below.

Origins of entrepreneurs, educational background and work experience

Swazi entrepreneurs, perhaps because they are the first generation in commerce, have not as yet wholeheartedly committed themselves to building up single businesses. They tend to diversify rather than specialize, engaging in traditional income-generating activities such as investing in cattle and cultivating land. Swazi entrepreneurs often have difficulty in deciding when to stop such expansion and diversification and thus exceed a wise limit.

Entrepreneurship among Swazis is highly individualized: they tend to run their business as a "one man show". This should be understood in the context of traditional Swazi society, in which joint ownership of the means of production with outsiders, or with relatives other than wives, is rare. Joint economic activity is avoided in the modern commercial sector too because of complications that result, such as those arising in the distribution of profits.

All this is new to Swazi entrepreneurs. They are therefore relatively unfamiliar with shareholding and the trust necessary for such arrangements. In order to avoid conflict and misunderstanding, Swazi entrepreneurs are generally reluctant to involve their relatives (other than conjugal family) in their business either as employees or business partners.

In general, such Swazi entrepreneurs fail to make the transition from entrepreneurs to managers. In the early stages of establishing their business they must be entrepreneurs: they have to take risks and make strategic choices. Once the business has been established, however, they have to assume the role of manager: they must organize, maintain and control the business so that it becomes and remains a viable operation. Their failing to become managers, but remaining entrepreneurs, can be attributed to their lack of earlybusiness exposure and inadequate business education and training.

Swazi entrepreneurs are usually reluctant to delegate. This can be attributed to the lack of trust in money matters endemic in Swazi culture. Three main reasons can be identified for this reluctance to delegate or train. First, most Swazi entrepreneurs do not have the managerial capabilities necessary to delegate and train employees. Second, they believe that if they train their subordinates the latter will leave and establish a similar business, thus creating undesirable competition. Third, these Swazi entrepreneurs believe that their employees are incompetent and cannot be trusted with minor responsibilities and decision making. Since Swazi entrepreneurs tend in this way to run their businesses single-handedly, management and control become a problem as they acquire more business interests. Both expatriate and Swazi entrepreneurs reported that theft by employees was a serious problem which compounded as their business grew in size.

Swazi entrepreneurs are typically first generation and therefore have had to absorb many concepts novel to them. One example is the business entity concept, which sees the business and the person as distinct, separate entities. And since Swazi entrepreneurs in this and other respects are usually ill-prepared for business they have to acquire their business skills through trial and error.

The economic and social spheres of Swazi entrepreneurs tend not to overlap; in general they do not join business associations or social clubs. Swazi entrepreneurs, therefore, do not benefit as expatriates do from the social networks that develop from such membership. Expatriates can interact with their bank manager, supplier and customers at social clubs, business association meetings and other gatherings, so enabling them to maintain both social and economic ties with their business associates. It is not hard to imagine just how much business is done on the golf courses of Swaziland — it happens routinely in other parts of the world. Swazi entrepreneurs are depriving themselves of this potential. A further point: if Swazi entrepreneurs were to participate in business associations and chambers of industry then it would be easier for the small business development agencies, financial institutions and government to liaise with them than it is at present.

As a result of the limited proprietorship mentioned above, Swazi entrepreneurs are heavily dependent on financing their business themselves, especially when they cannot obtain bank loans and suppliers' credit. This drawback could be accommodated if they concentrated their capital on expanding one single business with its growth their sole objective. But although Swazi entrepreneurs generally believe that lack of finance is their major problem, closer investigation reveals that it is their overcommitment of available finance which creates difficulties -- they tend to diversify, own multiple businesses, and engage in other income generating activities too.

Swazi entrepreneurs also tend to expand and diversify their businesses too quickly. It is a fact that certain products and services may be profitable at one level, but unprofitable when the business expands beyond a certain level because the market is too small to sustain a big business. In other cases entrepreneurs lack the managerial skills to handle a bigger business. In some cases, admittedly, Swazi entrepreneurs are compelled to open two or three small branches rather than one larger enterprise because their markets are fragmented; the population is to be found principally in scattered homesteads, there being only two towns in the true sense of the word. Certain Swazi entrepreneurs have expanded their businesses wisely by opening appropriate branches of the same business in different locations to tap three or four small markets rather than having one over-large business in a place where the market is small.

Coefficient of business success

Entrepreneurs interviewed for the purpose of this study were generally reluctant to disclose their profits. This difficulty was overcome by questioning entrepreneurs as to their initial capital, sales turnover, and current value of their businesses. The information was then used to compute the coefficient of business success, using the formula devised by Zondi which is as follows:[13]

$$\text{Coefficient of Business Success} = \sqrt{\frac{3(\text{Turnover-IC}) + 2(\text{NW-IC})}{\text{Average Turnover x Duration}}} \times 10$$

Turnover = Annual turnover
IC = Initial capital
NW = Net worth of the business
Duration = Duration of the business in years
Average Turnover = Average annual turnover for all the businesses in the survey. This was E210 264 per annum (range E995 550 which was from E450 to E100 000).

The object of calculating this coefficient is to compare an entrepreneur's initial investment with the current value of his business, taking into account the length of the operation.[14] According to Zondi the formula has inherent weaknesses: first, the choice of weighting 3:2 is arbitrary; second, inflation is not accounted for in the comparison between current value and initial capital; and third, the computation excludes drawings from the business.[15] Despite these weaknesses it was felt that it would be useful to calculate the coefficient of business success in order to be able to compare the performance of the various groups in this study.

The mean coefficient of business success for the various groups was as follows: expatriates 10,95; non-sponsored Swazi 4,30; and sponsored Swazi 2,75. Expatriate owned enterprises had the highest coefficient of business success. Entrepreneurs assisted by the development agencies performed poorly, even though concentrating their resources on one business. The average coefficient of business success for Swazis in this study (3,59) is lower than Zondi's study of indigenous entrepreneurs in South Africa, where the average was 6,58.[16]

The policy environment in Swaziland

The policy environment in Swaziland includes the following: financial support from commercial banks and suppliers; institutional support from the small business agencies; and the extent of Swazi government support in fostering small businesses in Swaziland.

Financial support from commercial banks and suppliers

Informal moneylenders, a common source of finance for small businesses in other developing countries, are rarely used by small businesses in Swaziland as they usually operate outside the law and charge exorbitant interest rates, about 30 per cent per month compared to commercial banks charging about 18 per cent per annum. None of the entrepreneurs in this study had used loans from informal moneylenders. The Swazi government, instead of discouraging the practice of private moneylending, should realize that private moneylending in itself is a small business activity! Although in this study a significant proportion (19 out of 21 — 90 per cent) of Swazi entrepreneurs obtained bank loans, they claimed that it was generally difficult for them to acquire such loans. This difficulty in obtaining loans can be attributed to the "default mentality" generally associated with Swazi entrepreneurs by the commercial banks and other financial institutions. The commercial banks and small business development agencies for their part can try to eradicate this "default mentality" by convincing Swazi entrepreneurs that if they do not repay their loans then funds for any further loans are diminished. The issue here seems to be that banks are simply not following up defaulters to enforce payment of debts. One way of setting about this problem might be through following traditional channels — asking the chiefs of such defaulters to bring pressure to bear upon them for the repayment of commercial debts.

Swazi entrepreneurs often have difficulty understanding the principles of banking and the commercial banks' criteria in granting loans. They generally expect commercial banks to assume the role of development agencies. To avoid this misconception, bank personnel handling small business loans should be encouraged to explain to entrepreneurs the commercial banks' criteria for granting loans. Furthermore, a valid and clear explanation should be given to entrepreneurs whose requests for loans have been refused. Commercial banks in Swaziland should also consider setting up small business consultancy departments to assist small businesses. And they should enlighten Swazi entrepreneurs on loan procedures by stating clearly the bank's requirements. This will enable the Swazi entrepreneur to make relevant preparations when he approaches the bank for a loan.

Institutional support from the small business development agencies

In its attempt to assist small business development in Swaziland, Sedco is involved in five different activities. First, Sedco identifies suitable projects that the agency could finance. Second, Sedco provides financial assistance to Swazi entrepreneurs. Third, Sedco provides business and technical training to these entrepreneurs. Fourth, Sedco provides workshops for entrepreneurs through its estates programmes. Fifth, Sedco runs a building construction programme which provides interest-free loans to builders to finance contracts approved by Sedco on a fee service basis. The Commercial Board, on the other hand, has other functions. Basically it provides financial assistance and training to Swazi entrepreneurs engaged in the retail sector.

Because of a shortage of finance and internal organizational problems relating to communication, motivation and clear organizational goals, both Sedco and the Commercial Board are currently experiencing a crisis.

One striking feature that emerged from this study was that Swazi entrepreneurs assisted by the development agencies are less successful in business than *non*-sponsored Swazis. They may have the technical skills; but they lack managerial skills. They therefore expect Sedco to provide them with management training or actually manage their businesses for them. Swazis assisted by the development agencies seem, in general, to be too dependent on the development agencies and so cannot get off the ground. This has partly resulted from poor selection of entrepreneurs — in its early stages Sedco was not very careful about whom it selected for its entrepreneurship assistance programme. Since Sedco's current policy is to concentrate on supporting existing businesses rather than creating new ones, it seems reasonable to surmise that Sedco has taken on the role of a welfare organization propping up ailing concerns.

One problem with small business development agencies such as Sedco and the Commercial Board is that their management teams are trained and experienced in bureaucratic rather than industrial management. The internal problems of Sedco and the Commercial Board must thus be solved before these agencies can effectively assist small businesses. They need to have clear policies and goals and communicate these to other institutions so that the latter can see where they in turn could be most useful. When designing assistance programmes the small business development agencies should consider what is useful for the business rather than official preconceptions of the problems of small businesses or the convenience of the donor. Small scale entrepreneurs should themselves participate at all levels of the small business development agencies and government in the formulation of strategy and policy for small business promotion.

Sedco should also revive its training programmes. There seems to be a genuine need among Swazi entrepreneurs for basic management training. Sedco should also introduce on-site managerial training on its industrial estates. This is more relevant to entrepreneurs' needs than classroom training at some distant location. Mobile training programmes might be introduced to train entrepreneurs located far from training centres. Sedco should also consider giving evening classes, which seem to be more convenient for entrepreneurs than the current management training programmes. And when granting loans the small business development agencies should adopt the policy of training before financing. Capital alone will not solve the problems of Swazi business. The agencies should realize that by choosing the wrong candidates, by giving only marginal financial assistance, and by ignoring marketing and training needs, they are setting the entrepreneur on course for almost inevitable business failure.

When designing such management training programmes the small business development agencies should be aware of the fact that some of the apparent management weaknesses of Swazi entrepreneurs are the result of social and cultural factors and may not necessarily be eradicated through training. During training sessions entrepreneurs should be encouraged to concentrate on building a single business rather than on diversifying and expanding beyond their limits. Swazi entrepreneurs, in a word, should be convinced that they can be "small but successful". Management training programmes should concentrate on relevant and practical issues rather than theoretical management concepts to which entrepreneurs have difficulty relating. These training programmes should teach entrepreneurs how to take calculated risks.

The extent of Swazi government support in fostering small business in Swaziland

Although the government publicly proclaims in the media, public speeches and national development plans its support for the development of small business in Swaziland, this is merely empty rhetoric. The Swazi government itself has been responsible, in fact, for some of the problems experienced by the small business development agencies, hindering rather than supporting their efforts at small business promotion. Its errors have included curtailing funds to Sedco without prior warning, bypassing the Sedco's managing director by communicating directly with his subordinates, and creating a general atmosphere of uncertainty within both Sedco and the Commercial Board.

There are further difficulties. Swazi entrepreneurs in manufacturing have little incentive to produce as they have difficulty in competing with cheap mass-produced South African goods. Small scale manufacturing, therefore, is not to be found in Swaziland to the extent that it is in other parts of Africa — especially West Africa. The Swazi government purchasing department prefers to buy large quantities from one source rather than small quantities from many different sources since this makes administration easier for the purchasing department. The current purchasing policy of the Swazi government is, therefore, convenient for the civil servants who are involved in government purchasing but *not* beneficial to the small business sector.

The Swazi government needs to protect competent and efficient manufacturers by invoking the "infant industry" clause and its other rights in the Southern African Customs Union Agreement. The "infant industry" clause protects local industry by prohibiting imports of goods produced by a new but growing industry. Protection has an important role to play in the development of small business in Swaziland, but needs to be implemented wisely, due consideration being given to both its long and short term ramifications. As South Africa becomes increasingly more isolated economically, Swaziland may gain a stronger bargaining position with South Africa, for the latter will seek stable trading partners and less hostile governments. The Swaziland government should realize that as South Africa experiences crisis Swaziland can benefit, economically, by attracting foreign investors who would normally invest in South Africa.

Prospects for indigenous businesses in a small peripheral country such as Swaziland

The issue raised here is this: how has integration with South Africa affected the development of small business in Swaziland? If the assumptions of the core-periphery model are applied, then Swaziland's proximity to South Africa would retard her small business development. The benefits experienced by Swazi entrepreneurs through Swaziland's proximity to South Africa and its membership of the Southern African Customs Union and the Rand Monetary Area should not be understated, however.

First, because Swaziland is considered to suffer certain hardships through its proximity to South Africa, it enjoys preferential access to various markets outside Africa. These include the European Community, the United States of America, Canada, Japan, New Zealand and Australia.

Second, Swazi entrepreneurs do not experience foreign exchange shortages to the extent that their counterparts elsewhere in Africa do.

Third, Swazi entrepreneurs have easy access to efficient suppliers in South Africa who can be paid in a common currency, and do not have to wait for goods ordered to come from Europe or America. Neither do Swazi entrepreneurs need to tie up scarce capital by stockpiling goods to deal with shortages and import restriction problems. This shows that Swazi entrepreneurs benefit from the more efficient South African production and distribution system.

Fourth, if a machine breaks down, the agent or manufacturer of the machine is usually located nearby in South Africa — it can be repaired fairly quickly as spare parts and technical expertise are readily available. Here Swazi entrepreneurs benefit from the technical expertise to be found in South Africa.

Fifth, Swaziland can use its receipts from the South African Customs Union pool to develop its infrastructure and economy, thus fostering small business development.

Sixth, South Africa provides potential Swazi entrepreneurs with the opportunity of acquiring work experience and technical knowledge in an advanced economy and the chance to accumulate capital to set up a similar business in Swaziland.

Seventh, Swaziland is the recipient of aid from donor countries — provided in order to reduce her dependence on South Africa. And since this puts more money into circulation, the internal multiplier effect will foster small business development in Swaziland.

The problems, however, that emerge from of Swaziland's economic integration with South Africa may be summed up as follows. First, Swazi entrepreneurs have to compete with mass-produced, cheaper products of better quality from her more efficient and advanced neighbour.

Second, Swaziland is in a vulnerable position. South Africa can use its economic power to close down certain industries in Swaziland which it considers to be detrimental for South African business.

Third, in order to attract investors to Swaziland the Swazi government has to match the incentives given by the South African government and the South African "homeland" governments. In addition, wages and salaries in Swaziland have to match those in South Africa and the "homelands".

Although the Swazi government disapproves of sanctions against South Africa as it believes that the Swazi economy will suffer, sanctions do have positive effects on the development of small business in Swaziland: certain large industries are moving from South Africa to Swaziland and new industries are being established in Swaziland rather than in South Africa. The creation of such considerable industries will generate both direct and indirect demand for goods produced by the small-scale sector in Swaziland.

Conclusion

This article has attempted to show that a Swazi entrepreneur's performance in business is influenced by an array of interrelating factors rather than by any one single factor. These factors encompass Swazi traditional culture, the social, political and economic environment within which an entrepreneur operates, the organizational framework of the business, and the entrepreneur's competency in business. It seems reasonable to surmise that because the Swazi entrepreneur generally lacks early business exposure, because expatriates are already established in the business sector, and because Swaziland is a small peripheral country almost surrounded by an advanced economy it is more difficult for Swazis (especially manufacturers) to proliferate in the business sector than it is for indigenous entrepreneurs elsewhere in Africa. Despite the fact that there are certain benefits for Swazi entrepreneurs in their being located close to South Africa, the disadvantages outweigh the benefits: Swazi entrepreneurs have always to compete with sophisticated and more efficient entrepreneurs than themselves. Furthermore, the Swazi entrepreneur's failure to concentrate on building a really successful single business, his poor managerial capabilities and his lack of aggressive marketing worsen his situation.

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The Kenyan economy: An overview

In October Dr Simon Baynham, Senior Researcher at the Africa Institute, visited Kenya. In this article he provides a comprehensive survey of the Kenyan economy.

Introduction

Kenya achieved Independence under Jomo Kenyatta's leadership on 12 December 1963, after a bitter and protracted struggle against the British colonial and settler authorities. Kenyatta's presidency lasted until his death in August 1978; he was succeeded by his vice president, Daniel Arap Moi. President Moi has since been elected unopposed on three occasions, most recently in 1988 when the last general election to the National Assembly was held. Kenya has a parliamentary system of government but only one legal party, the Kenya African National Union (Kanu).

At Independence the country inherited a major reliance on the United Kingdom, a state of affairs which was emphasized in January 1964 when an armed revolution in Zanzibar triggered a wave of military mutinies across East Africa. Kenyatta immediately called on British troops to smother the uprising in Kenya and in March of that year he signed a formal defence treaty with London. In February 1980 — two years prior to the abortive but bloody coup attempt by air force personnel — Moi signed an agreement with Washington providing for the USA's military use of port and air base facilities.[1] Although Kenya's official ideology goes under the nomenclature of "African Socialism", most sectors of the economy are dominated by market forces and Kenya's foreign policy is closely aligned with that of the West.

Nairobi is the commercial hub not only of Kenya but of the entire East African region. The port of Mombasa and Kenya's transportation infrastructure serve as the trade arteries for Uganda, Rwanda, Burundi and eastern Zaire. Because of historic trading patterns, many Kenyan distributors also serve the Tanzanian market. Important development assistance organizations such as the World Bank, the United Nations, the United States Agency for International Development (USAID) and the African Development Bank have offices in Nairobi to cover the entire region. Kenya is a member of the Preferential Trade Area for East and Southern Africa (PTA). It is also a signatory of the Lomé Convention, which links 66 African, Caribbean and Pacific countries with the European Community.

Past performance

Kenya's economic growth since 1963 has been rapid but has also been characterized by sizeable fluctuations. In general terms, this performance can be broken down into four distinct phases:[2]

* 1963-73: a decade of rapid growth — the "Kenyan miracle" — with an annual average real growth rate of 6,7 per cent, fuelled by favourable weather, rising agricultural incomes, the establishment of industries for import-substitution and the formation of the East African Community;
* 1974-79: a period of decelerating growth, characterized by falling GDP per capita, two oil price rises and a coffee and tea boom;
* 1980-85: an era of macro-economic imbalance and stabilization, with low growth;
* 1985-89: a period of renewed growth, augmented by a coffee boom in 1986. Real GDP averaged an increase of 5,3 per cent annually during the first half of this period.

Thus, during the first decade following Independence, GDP grew rapidly (at an annual average rate of 6,7 per cent, as noted above) whilst the average rate of inflation was kept below 4 per cent. An impressive expansion of agricultural and manufacturing output was stimulated by increased smallholder cultivation, the implementation of improved production techniques, the adoption of an import-substitution strategy for industrial development, a liberal foreign investment policy and continued access to East African Community markets.

In the wake of the first oil crisis, however, economic growth decelerated to some 5 per cent per annum. By the early 1980s, severe internal and external imbalances had developed and stabilization became necessary. In 1981, the current account deficit amounted to 11,1 per cent of GDP, inflation reached 13 per cent and the budget deficit had climbed to 9,5 per cent of GDP and was financed largely by government borrowing from the banking sector. The political uncertainty following the attempted coup of 1982 exacerbated these imbalances, leading to a significant flight of capital and financial turbulence. In order to restore macro-economic stability, in 1982 the government embarked on a programme supported by a stand-by arrangement with the IMF. As a consequence of this and other measures (such as permitting real wages to fall), in 1984 the budget deficit declined to 3.9 per cent of GDP, the current account deficit fell to 2 per cent of GDP and inflation dropped to 9 percent. Nevertheless, growth decelerated further in the early 1980s, averaging less than 3 per cent annually during 1980-85. This resulted in a sustained fall in real per capita incomes.

During the 1985-87 years, a combination of favorable weather, improved agricultural policies and a short-lived coffee boom contributed to a marked recovery in economic performance. Real GDP averaged growth of 5.3 per cent annually in these years.

Current economic trends

Kenya's economic performance is among the best in sub-Saharan Africa. In 1988, real GDP growth was 5,2 per cent. This figure is attributable primarily to good weather, which contributed to a bumper harvest, to higher coffee and tea prices and to strong tourism earnings. Additionally, donor support increased, with nearly $1 billion in foreign assistance transferred to Kenya during the year. Unfortunately, the country's rapid population growth has the effect of reducing the per capita impact of the otherwise impressive growth statistics. In 1989, coffee prices broke sharply when the pricing provisions of the International Coffee Agreement were not renewed. However, tea prices remain strong and tourism has continued to be buoyant in spite of a rush of adverse publicity over tourist murders.[3]

The government's new five-year development plan targets an annual 5,4 per cent real growth in GDP.[4] But achievement of this goal largely depends on the state's commitment to strengthening the private sector, stability of coffee and tea prices, sustained donor financing and higher earnings from tourism and non-traditional exports. To combat population pressure, the government, with assistance from donors, is taking measures to increase productivity, raise employment and develop arid and semi-arid lands. The government has initiated economic reform measures to encourage private sector industrial growth. These measures include expenditure rationalization, import licensing, price decontrol, export promotion and capital market development.

After falling to 5,7 per cent in 1986, inflation rose to 10,7 per cent in 1988, much lower than 1983's historical high of 22 per cent. The government is committed to curbing inflation by controlling the money supply and govemment expenditure. However, although Nairobi predicts that 1989 inflation will be approximately 10 per cent, most observers expect that it will be around 16 per cent mainly because of recent price increases for basic foodstuffs. Industrial relations have deteriorated somewhat as workers seek higher wages to keep up with the rising prices of essentials, as consumer subsidies are reduced.[5] The

Table 1
COUNTRY PROFILE

Land Area	:	582 644 km2 (including area of inland water).
Population	:	23,5 million (mid-1989).
Religion	:	Approximately 60 per cent Christian, 30 per cent indigenous religions, 10 per cent Muslim.
Independence	:	12 December 1963. Formerly British colony.
Government	:	Republic with centralized form of government Elected President and Parliament. Single legal political party, Kenya African National Union (Kanu).
Capital	:	Nairobi (1,2 million).
Main port	:	Mombasa (500 000).
Leader	:	Daniel Arap Moi, born 1924. President since 1978.
Languages	:	Official: English and Swahili. Almost all business conducted in English.
School attendance	:	Primary: 94 per cent; Secondary: 20 per cent; Higher: 1 per cent (1985).
Adult literacy	:	59 per cent (1985).
Currency	:	$1 = Kenya shillings 21 (December 1989).
Trade	:	Imports $1 765 million; Exports $952 million (1988).
Budget	:	$3 306 million (1988).
GDP (current)	:	$8 577 million (1988).
GDP/capita	:	$378 (1988).
Major exports	:	Coffee, tea, tourist receipts, petroleum products.

Financial Year (FY) 1988/89 budget deficit is about 4,6 per cent of GDP and is projected to decline in subsequent years.

Kenya's debt burden is onerous but not unmanageable. External debt reached $5,4 billion in June 1989, well within the country's ability to service its obligations. Commercial debt is only 15 per cent of overall debt. As a percentage of exports of goods and services, Kenya's 1988 debt service ratio was 32 per cent, down from 1987's 36 per cent. To some extent this reflects debt forgiveness by West Germany and Canada.

The East African state's weak balance of payments position improved in 1988 because of higher than 1987 world coffee and tea prices and increased horticulture and tourism earnings. If budget targets are exceeded, increased domestic financing of the deficit could fuel inflation, crowd out possible private sector investments and increase interest payments. Both IMF and World Bank loans are to some extent conditional upon a reduction of the deficit, a further incentive for the government to hold the line. On the other hand, increased foreign assistance should improve Kenya's foreign exchange position and lower the deficit.

The June 1989 budget speech announced elimination of coffee and tea export duties. Consumption taxes were raised and a 17 per cent value added tax (VAT) is to be introduced on 1 January 1990. The VAT will replace all sales taxes and will cover business services in addition to manufactured goods. A zero rate will be applied to exported goods. In sum, these moves are seen as an attempt to raise government revenues while at the same time providing export incentives.

Kenya is one of the most open economies on the continent, with an active private sector accounting for over 70 per cent of GDP and contributing approximately 60 per cent of gross investment, one third from foreign sources. The country is dependent on foreign assistance to cover about 28 per cent of the government budget deficit. Over the past decade or so, following the collapse of the East African Community in 1977, the industrial growth rate has been modest. The poor performance of subsidized public sector enterprises has restricted the government's ability to mobilize greater resources for the private sector. Despite government attempts to reduce its lending to the domestic economy, public sector borrowing currently comprises about 40 per cent of total domestic credit. Some 230 parastatal companies, many of which are unprofitable, constitute a severe drain on the Treasury. Government efforts at divestiture of some of these companies are proceeding slowly.

Having highlighted some of the most notable characteristics and trends of the Kenyan economy — past and present — the bulk of this brief overview will now focus on the current situation in a number of key sectors: the commercial environment; agriculture; industry and manufacturing; energy; and tourism and conservation. The conclusion will comment on the country's future plans, prospects and problems.

Table 2
KENYA'S DOMESTIC ECONOMY[1]

	1986	1987	1988
GDP (current)	7 156mn	8 018mn	8 577,5mn
GDP growth rate[2]	5,7	4,8	5,2
GDP per capita	340	368	377,9
Government spending	2 576,0	2 611,0	3 171,0
as percentage of GDP[3]	36	33	37
Inflation	5,7	6,8	10,7

Notes
1 Millions of US dollars unless otherwise stated.
2 Growth rate calculated at constant (1982) prices.
3 Kenyan government fiscal year ends 30 June. Thus government spending figure listed under 1988 is for period July 1988 through 30 June 1989, etc.

Source: Kenya government statistics (various).

The commercial environment[6]

As with many Third World states, Kenya licenses all its imports. The Central Bank of Kenya allocates foreign exchange as part of the import licensing process. Once an import licence is issued, however, a Kenyan buyer can go immediately to his commercial bank to open a letter of credit. Consequently, and unlike many other African countries, an outside supplier can obtain a confirmed, irrevocable, letter of credit from a recognized international bank. There is no long foreign exchange "pipeline", nor has the government established any countertrade or offset requirements.

The Kenyan government is gradually liberalizing its import regime. The import licensing procedure was streamlined in early 1989 and firms importing raw materials and industrial inputs report that the process is now, in the words of one interviewee, "faster and more transparent". There are still frequent allegations — some of them substantiated — of irregularities in the licensing process, especially where consumer or luxury goods are involved.[7] Import duties on some raw materials and industrial inputs were reduced recently; and duties on products that compete with local manufacturers, while still high, were also lowered in 1988. Many exports to Kenya require pre-shipment inspection for quality and price comparison by the Swiss firm Cotecna Inspection SA.

The government officially welcomes direct foreign investment. The constitution prohibits the nationalization of private property without prompt and full compensation. Kenya's Foreign Investment Protection Act provides repatriation guarantees for approved investments. There are no formal requirements on minimum local participation in either equity or management. In practice, however, the government encourages both. Investment disincentives include price controls on some items, excessive government regulation, cumbersome trade rules and work permit requirements for non-Kenyan managers. Dividend and capital repatriation can be slow. However, it is important to stress that the authorities are aware of these problems and are working to resolve at least some of them.

The most attractive investment opportunities appear to exist for schemes that use locally available raw materials, are labour intensive and are export oriented. Agribusiness projects fit this profile best. When the government implements its stated goal of establishing an export processing zone, additional investment opportunities will be created.

The Kenyan market presents no unique marketing problems for outside suppliers. Price remains the major consideration in private purchase decisions. As noted, Kenya is a former colony of the United Kingdom and British companies are entrenched in some sectors and active in most other areas of business. West German, Japanese, French and Italian firms are also forces in the market. Sales of "big ticket" items are frequently tied to the source country of official development finance. Major project award decisions, however, are not always based on commercial factors. For this and other reasons, as a number of businessmen put it to this writer, the identification of a qualified local representative/distributor is the most realistic market penetration strategy for most foreign exporters.

Finally in this section it is pertinent to note that, in mid-1989, the government established a Cabinet sub-committee to improve the investment environment and in particular to ensure that speedy decisions are made on investment applications. The outcome of the sub-committee's deliberations are unlikely to be known until early in 1990.

Agriculture

Agricultural production, the backbone of Kenya's economy, contributes approximately 30 per cent of total GDP, employs 75 per cent of the workforce and generates over 60 per cent of foreign exchange earnings. The sector produces nearly all of Kenya's food and raw materials for the mainly resource-based industrial sector. Small-scale farmers account for more than three-quarters of total agricultural production and for over half of its marketed output. Farm production rebounded from the 1984 drought to a 4,2 per cent average growth during the years 1985-88. Kenya's recent good performance may be attributed to the government's policy of setting relatively high producer prices for selected commodities and improving input supply/extension services. However, due to the shortage of arable land, the government's strategy is to improve yields per hectare. Priority is placed on high-value and employment-intensive farm activities. More than half of agricultural output is for subsistence.

As noted already, agricultural products continue to dominate Kenya's exports. Earnings from coffee, tea, sisal, cashew and macadamia nuts, pyrethrum and horticultural products are the mainstay of Kenya's export efforts. Together, coffee and tea accounted for 48 per cent of Kenya's 1988 export earnings.

Coffee receipts rose from $244 million in FY 1987 to $283 in FY 1988. Kenya's 1988 record coffee production of 129 000 metric tons and exports of 91 000 metric tons left large unsold stocks. The suspension of the economic provisions of the International Coffee Agreement should benefit Kenya, allowing it to liquidate these stocks and at least temporarily boost coffee export earnings. The government's stated (but rather over-optimistic) objective is to increase coffee exports to 350 000 metric tons by the year 2000.

High-quality tea has been a rapidly expanding cash crop since the early 1970s and Kenya today ranks as the world's third largest exporter of black tea. In 1988, tea earned Kenya $184 million. The industry reported a record harvest of 164 000 metric tons, representing a 5,2 per cent increase on 1987. Tea cultivation is still expanding, particularly among smallholders and in new farms being developed along the forest zones. Tea prices firmed after Pakistan — the second largest market after the United Kingdom (which takes almost half of Kenya's exported crop) — eliminated import restrictions on Kenyan tea.

Kenya's principal food crop is maize. Of the marketed output, most is delivered for sale in towns and, in good years, the surplus is exported. Even in good years, however, Kenya is not self-sufficient in wheat, normally having to import about a third of its requirements.

Kenya has a large, economically important livestock and dairy production sector. Embracing both traditional cattle herding and commercial ranch farming, these sectors are important for both domestic consumption and for export. Output projections for Kenya's principal agricultural/dairy products are set out in Table 3.

Table 3
OUTPUT PROJECTIONS

Commodity	(Thousand Tonnes) 1987 Actual	1988 Projected	1993 Targeted	Rate of growth %
Maize	2 583	2 540	3 090	1,04
Wheat	257	231	255	1,02
Sorghum & millet	176	181	210	1,03
Rice	26	28	41	1,08
Beans	294	309	394	1,05
Potatoes	782	21	1 048	1,05
Sugar	413	426	525	1,05
Beef	171	172	181	1,01
Milk	1 503	1 534	1 693	1,02
Tea	156	160	204	1,05
Coffee	105	123	150	1,04
Sisal	43	44	51	1,03
Pyrethrum	6,4	6,7	7,8	1,03
Cotton	42	45	67	1,08
Tobacco	6	6	8	1,04
Horticulture	40	44	70	1,10

Source: Development Plan 1989-1993

Industry and manufacturing

Although the industrial sector, both public and private, accounted for only 13,4 per cent of 1988 GDP, Kenya is the most industrialized country in East Africa. Since Independence, the expansion and diversification of industry have been very rapid. Value added in manufacturing expanded by 5,7 per cent in 1987, very near to the 5,9 per cent increase in 1986 — the highest rate for the sector in the 1980s. In 1988, the growth rate in manufacturing production is estimated to have risen by just under 6 per cent.

Overall, the manufacturing sector has not been too adversely affected either by rising petroleum prices or by the shortage of foreign exchange. The most important manufacturing activities in terms of their contribution to GDP are beverage production and tobacco, textiles and clothing, miscellaneous food products, petroleum products, cement, metal products, vehicle assembly, paper and electrical equipment. Other important industries include the manufacture of machinery, ceramics, rubber products and the production of non-metallic minerals.

Table 4
QUANTUM INDEX OF MANUFACTURING PRODUCTION, 1986-1988

Industry	1976=100			Percentage change
	1986	1987*	1988**	1988/1987
Meat and dairy products	97,0	115,3	127,9	10,9
Canned vegetables, fish, oils and fats	228,2	268,1	267,7	-0,1
Grain mills products	192,2	198,3	224,7	13,3
Bakery products	134,6	151,5	155,4	2,6
Sugar and confectionery	180,1	189,5	201,5	6,3
Miscellaneous foods	169,0	189,7	224,7	18,5
Food manufacturing	144,9	157,8	167,5	6,1
Beverages	166,8	196,9	207,9	5,6
Tobacco	156,2	170,8	178,1	4,3
Beverages and tobacco	166,0	194,3	201,9	3,9
Textiles	186,5	192,5	197,2	2,4
Clothing	354,8	359,8	368,3	2,4
Leather and footwear	81,9	83,5	88,1	5,5
Wood and cork products	67,1	68,1	66,4	-2,5
Furniture and fixtures	72,7	73,5	72,7	-1,1
Paper and paper products	157,1	170,0	189,3	11,4
Printing and publishing	350,4	372,2	389,1	4,5
Basic industrial chemicals	166,5	170,0	182,1	7,1
Petroleum and other chemicals	279,0	303,5	342,9	13,0
Rubber products	262,3	277,0	286,3	3,4
Plastic products	205,7	212,3	202,8	-4,5
Clay and glass products	289,7	291,7	306,5	5,1
Non-metallic mineral products	135,0	142,7	140,7	-1,4
Metal products	104,4	116,2	133,1	14,5
Non-electrical machinery	118,4	127,9	138,7	8,4
Electrical equipments	162,9	168,4	189,3	12,4
Transport equipments	593,7	547,4	612,4	11,9
Miscellaneous manufactures	260,1	336,0	405,1	20,6
Total manufacturing	188,7	199,4	211,3	6,0

* Revised
** Provisional
Source: Republic of Kenya, *Economic survey* 1989, Nairobi: Central Bureau of Statistics/ Ministry of Planning and National Development, 1989.

Foreign capital has played an important role in Kenya's industrialization. About half of all investment in the industrial sector is foreign-owned. Of this, the United Kingdom accounts for some 50 per cent. The USA is the most important foreign investor after the UK. There has also been considerable state investment in manufacturing, especially in companies in which overseas firms also have an interest. As one report notes:

> Reflecting these trends and the heavy protection offered to industry, Kenya's industrial structure is unusually strongly skewed towards large scale units and towards products that are relatively capital intensive. However, since 1980, industrial policy has been shifting from protected import substitution towards trade liberalisation and export promotion.[8]

With regard to the parastatals — and in the wake of the 1986 State Corporations Act — the Kenyan government has made substantial progress in restructuring the operations and strengthening the financial situation of these bodies. In the course of 1989-90, measures were implemented by the government to restructure, divest and improve monitoring and supervision of the public enterprises in the industrial sector. Drawing from the experience of other countries that have implemented comprehensive public enterprise reform programmes, the government has begun formulating a coherent parastatal policy which will address issues such as:

* the general objectives of state corporations;
* the circumstances under which state corporations would be the preferred vehicle for carrying out an activity instead of private sector entities or government departments;
* assignment of financial responsibility to the government for the financially non-viable activities undertaken by state corporations at the government's behest;
* and criteria and procedures for divestiture and liquidation.

Finally, in this respect, the government will continue to clarify its position as a creditor to parastatals. In those cases where the government has lent funds to parastatals without clear terms, the government will continue the process of entering retroactively into formal loan agreements with the parastatals. In addition, the government will begin the strict enforcement of loan payments collection. This combination of measures is seen as financially essential, not only for the rationalization of public enterprises but also as a much needed corrective and catalyst for the Kenyan economy's health as a whole.[9]

Energy

Kenya depends largely on wood, petroleum products and on hydroelectricity for its energy requirements. Wood is the single most important source of fuel in Kenya, accounting for nearly 72 per cent of total energy requirements. A significant proportion of the country's population continues to rely on firewood and charcoal for household cooking, heating and lighting. However, because the rate of fuelwood consumption exceeds replenishment, corrective measures need to be instituted to rectify the supply-demand imbalance via widespread afforestation programmes and through the introduction of more fuel-efficient but cost-effective jikos (cooking-stoves).[10]

Petroleum products account for over 80 per cent of the total commercial energy utilized in Kenya; and oil imports consume 40 per cent of the country's total export earnings. Oil is refined by the government-dominated Kenya Petroleum Refineries which, with a total output of 2,1 million metric tons, operates at about 70 per cent of plant capacity. Although minor oil discoveries have been found in Isiolo and Turkana Districts, exploration efforts have failed to locate commercially exploitable hydrocarbons. In the hope of altering this situation, six foreign oil exploration companies are drilling wells in northern and eastern Kenya.

In an effort to conserve foreign exchange and increase energy independence, Kenya has embarked on the rapid expansion of hydro-electric generation and supply to rural areas. Apart from small local stations, the bulk of electricity is supplied inland by hydro-electric plants in the Tana River Basin and by the geothermal power station at Olkaria. These sources are supplemented by imported electricity from Owen Falls in Uganda under a 50-year agreement signed in 1958. The share of imported electricity from Uganda has fallen from approximately 18 per cent in 1980 to under 8 per cent in 1988. The sharp increase in energy prices, and the imperative to develop substitutes for fuelwood, have aroused considerable interest in renewable energy resources such as solar energy, windmills and biogas. Indeed, as this writer recently saw for himself, solar water-heating systems are becoming an increasingly common sight in the urban areas of Kenya.

Tourism and conservation

Central Bank figures (which do not differentiate between tourists and other foreign visitors) show tourism to have been Kenya's leading foreign exchange earner in 1988, with income of $390 million from about 735 000 visitors. Before the late 1980s, however, tourism was consistently Kenya's third largest source of foreign exchange after tea and coffee revenues. The Federal Republic of Germany is the largest source of tourists, followed by the United Kingdom, Switzerland, the USA, Italy and France. The United Kingdom, Uganda and the USA account for the largest sources of visitors on business.

World recession and escalating air fares had a detrimental impact on the industry in the early 1980s, with the number of tourist arrivals dropping from 362 000 in 1980 to fewer than 350 000 in 1982. Since 1983, however, the number has been rising steadily. The government's flexible exchange rate policy, resulting in a 46 per cent depreciation of the Kenyan shilling against a basket of major currencies between 1983 and 1987, contributed to a record annual 24 per cent growth (in shilling terms) in tourism earnings during these years. In US dollar terms, earnings increased by 19 per cent per annum over the same period.

As hotel construction has accelerated, national occupancy rates have declined to about 55 per cent, an unimpressive figure barely above the break-even point. In the past, the Kenyan government has maintained a restrictive air charter policy, favouring Kenya Airways over other airlines and disregarding the benefits that a more flexible attitude might bring. Recently, however, the authorities have approved increased numbers of charter flights, unofficially relaxing the charters policy with regard to flights from Western Europe.

Other problems affecting tourism are the increasing incidents of elephant/rhino poaching; political instability in East Africa — including Kenya itself at the time of the abortive coup in 1982 — adverse publicity concerning tourist safety in the country's twenty or so parks and game reserves;[11] increasing competition from

Table 5
PROJECTED NUMBER OF TOURISTS AND EARNINGS

	(Thousands)					
	1988	1989	1990	1991	1992	1993
Tourists	735	808	889	978	1 076	1 183
Foreign exchange earnings (K£Mn)	326	375	431	472	543	623
Bed-nights						
Residents	1 131	1 216	1 336	1 467	1 615	1 705
Non-residents	272	294	323	349	357	378
Over 30 days foreigners	3 930	4 145	4 331	4 534	4 759	5 062
Total bed-nights	5 333	5 655	5 990	6 350	6 731	7 135

Source: Republic of Kenya: *Development plan 1989-1993*, Nairobi: Government Printer, 1989.

Tanzania; the failure to capitalize on conference tourism; and, especially since the mid-1980s, fears about Aids. For these reasons, and because the West European market for East African holidays may be reaching saturation levels, the government's projected target of over one million visitors by 1992 (see Table 5) seems over-optimistic.

With regard to the future of tourism, wildlife development and the environment, the government has articulated a clear philosophy and strategy:

> ...in certain ecological zones of the country, wildlife conservation and management offers the only ideal balance between human economic activity through tourism and environmental conservation. Apart from these considerations, wildlife conservation is an important factor in preserving the ecological balance, and a natural heritage we must preserve for posterity and for sheer aesthetics. There is, therefore, need to establish the optimal balance between devoting such lands to wildlife and demand for human settlement.[12]

With these thoughts in mind, the Kenyan government has committed itself to promoting wildlife protection and conservation through:

* vigorous suppression of recently increased poaching activities through the development of more, better-trained and properly equipped anti-poaching units;
* carrying out research aimed at enhancing conservation and management of wildlife populations;
* possible translocation of certain species from threatened dispersal areas to parks and reserves;
* special protection of endangered species such as rhino, leopard and cheetah;
* better training of wildlife conservation personnel; and
* educating the public on the continuing importance of wildlife conservation.

These and other measures to attract more tourists and to conserve the environment are seen as essential if the industry is to continue to play a key role in the development of the country's economy. The government also hopes to boost tourist revenues by maximizing the number of "upper bracket" high-spending visitors whilst providing less encouragement to the "package tourists" who generally spend relatively little money during their stay in Kenya.[13]

Conclusions

Kenya's terms of trade have fluctuated widely since the mid-1970s but overall the picture has been one of steady decline. Both exports and imports rose steadily in the late 1980s, with the annual current account trade deficit remaining in the $400-500 million range. Foreign debt has climbed from $3,6 billion in 1986 to the current figure of almost $5,5 billion. However, and as noted at the beginning of this article, as a percentage of exports of goods and services, Kenya's debt service ratio last year (1988) was 32 per cent. Whilst burdensome, this ratio compares well with those of most African states. Provided the government limits external borrowing from non-concessionary sources, Kenya can continue to meet its anticipated external debt obligations with a gradual reduction in its debt service ratio — perhaps to 25 per cent by early 1993.

Meanwhile, the country has received substantial sums of development aid since Independence in 1963 and its receipts of official development assistance (the sources of which have become considerably diversified of late)[14] have held up well, in the region of $450 million per annum. The proportion of aid in the form of grants has remained fairly constant, at about 60 per cent.[15]

The government embarked on a budget rationalization programme in 1985, followed in late 1987 by a major stabilization and structural adjustment programme. The overall objectives of these measures are to maintain high economic growth, make more cost-effective government investments, reduce budget and balance of payments deficits, control inflation, restrain public debt and provide liquidity to private investors. The programme was supported by World Bank sectoral adjustment lending with co-financing from other donors. It includes a phased introduction of agricultural, industrial, financial and parastatal structural reforms.

On the whole, performance under the 1988 budget rationalization programme has been encouraging. Growth, expenditure and government financial targets were met; and in 1988, the real exchange rate depreciated by almost 12 per cent in an orderly, managed decline. The planned adjustment measures are expected to have an incremental rather than a dramatic impact on economic structure and performance over the next few years.

Kenya's development strategy for the remainder of this century is contained in the government's 1986 Sessional Paper on Economic Management for Renewed Growth.[16] This document highlights policies to be followed to provide accelerated growth to ensure productive employment for a rapidly growing labour force. Emphasis is being focussed on the dominant role of the private sector in revitalizing the economy, increased productivity in agriculture and the restructuring of industry to improve its export competitiveness.

However, Kenya's continued rate of population growth — just below 4 per cent — is the highest in the world, representing a serious long-term economic and social problem. About 90 per cent of Kenya's population live on 20 per cent of the land area with an average density of about 480 persons per square mile. In the mid-1980s, over 15 per cent of the population lived in urban areas; this proportion is increasing as rural poverty and landlessness accelerates the process of urbanization.

More than half of the country's population of 23,5 million is under the age of fifteen. Data recently released in Nairobi shows a substantial increase in the use of contraceptives and a significant decline in fertility. Family planning strategies are beginning to find broader acceptance in most areas of the country. Nonetheless, although the population growth rate is now expected to decline gradually, the problem of feeding, sheltering, educating and employing an anticipated 35 to 37 million people by the year 2000 is Kenya's greatest development challenge.

In short, high unemployment and underemployment, rapid population growth and insufficient job creation may have abiding social and political consequences for Kenya. The magnitude of these challenges is underlined by the fact that in 1988, for instance, job creation lagged behind Kenya's rapidly expanding work force, which grew by over 5 per cent to 8,56 million that year. The government estimates that the labour pool will exceed 14 million at the turn of the century. More than 500 000 Kenyans will enter the work force in 1990 and Kenya needs to create over 1 600 jobs per day just to keep up. Yet for the moment at least, real GDP growth is likely to remain above 5 percent, just ahead of the annual percentage increase in population. But in the longer term, pressure on land — together with inadequate employment opportunities —

represent a potential political time-bomb for President Moi's Kenya.

Notes and references

1 For a more thorough analysis of these agreements — together with details of the country's internal and regional security concerns — see my article on Kenya's armed forces in a forthcoming (1990) issue of *Africa Insight.*
2 This periodization coincides, roughly, with the five-phase economic synopsis outlined in Economist Intelligence Unit, *Kenya: Country profile, 1988-89,* London: EIU, 1988, p 8.
3 Since early July 1989, three tourists have been murdered in or near game-parks. In August, George Adamson, a famous naturalist whose life among the lions was the subject of a feature film, was murdered when his vehicle interrupted a band of armed Somali bandits. To end the killing, and to staunch the poaching of big game, the Kenyan government has launched a military-style campaign in the parks, with extra foot patrols, air surveillance and automatic weapons for the game-wardens.
4 Republic of Kenya, *Development plan, 1989-1993,* Nairobi: Government Printer, 1989.
5 Kenyan consumers pay more than the import international parity price for a variety of basic commodities such as sugar, corn meal, rice and wheat. This is primarily due to government pricing policies and the costs of inefficient parastatal marketing and distribution boards.
6 Much of the data for this and subsequent sections of the article are derived from information supplied confidentially by Nairobi-based Western and African commercial attachés and businessmen during my research visit to Kenya in October 1989.
7 For instance, one local Indian entrepreneur was recently charged 20 per cent — $400,000 — on a $2 million import licence. Confidential interview, October 1989.
8 Economist Intelligence Unit, *op cit,* p 26.
9 Details from a private bank report made available to the author.
10 Republic of Kenya, *Economic survey 1989,* Nairobi: Central Bureau of Statistics/Ministry of Planning and National Development, 1989, p 116.
11 See note 3 above.
12 Republic of Kenya, *Development plan 1989-1993, op cit,* p 184.
13 Ibid, pp 184-185.
14 The proportion provided by the United Kingdom has fallen, while multilateral agencies, such as the World Bank and the European Development Fund, have increased their share. For further details of the aid profile since 1963, see W T W Morgan, "Kenya", in *Africa south of the Sahara 1989,* London: Europa Publications, 1989, p 557.
15 Economist Intelligence Unit, *op cit,* p 35.
16 Republic of Kenya, *Sessional Paper No 1 of 1986.*

Economic empowerment in sub-Saharan Africa during and after the colonial era

*Professor W L Nkuhlu, Principal and Vice-Chancellor of the University of Transkei, analyses the problems of economic empowerment in Africa and suggests a framework within which this elusive goal may be achieved.**

Introduction

The major economic objective of all nation-states is to increase the gross domestic product (GDP) as fast as possible while at the same time ensuring that the increase in wealth primarily benefits their own citizens. These objectives are pursued in different countries in different ways. In most Third World countries the economic empowerment of nationals is regarded as an important element of national strategy.

In this article I want to look at selected economic empowerment initiatives in sub-Saharan Africa (excluding the Republic of South Africa and Namibia). I will try to evaluate their impact and in the final section I will consider approaches that may revitalize the economic empowerment process.

The economies of sub-Saharan Africa under colonial rule

Trade between West Africa and Europe dates back to the fifteenth century. The exchange in minerals and merchandise developed gradually over many centuries without any serious attempt to subjugate the African communities to European rule. The slave trade, which later became big business between Africa and North America, can be traced back to the fifteenth century as well. Fage estimates that between 1451 and 1871, approximately 9,6 million Africans were sold as slaves to Europe and North America. He further makes the point that a slave trade between West Africa and various Middle East countries was carried on for over seventeen centuries, and that during this period between 17 and 34 million Africans were transported from Africa to various eastern countries as slaves.[1] While it is extremely difficult to quantify the economic retardation caused by this loss of manpower, it can be said with confidence that the slave trade was highly detrimental to Africa's socio-economic development. In addition to the loss of men and women sold as slaves, many other lives were lost in the process of catching slaves, as wars had often to be waged for the purpose of capturing young men for the trade. There was also the inevitable disruption of entire communities. The resultant unstable conditions without doubt delayed innovation and undermined social cohesion.

The systematic colonization of Africa occurred in the latter part of the nineteenth century. For both political and economic reasons the major European countries resolved to partition Africa among themselves. This resulted in an increased exploitation of raw materials in colonized countries for the benefit of Europe and North America. In countries such as Ghana, Senegal, Uganda and Zaire, colonization brought about rapid economic growth which (for reasons to be discussed later) benefited mainly the European settlers. Many other colonized sub-Saharan countries experienced impressive growth after the Second World War.[2]

This selective economic development by Western countries to supply the needs of their own consumers caused pockets of economic modernization to emerge in virtually all the African colonies. These islands of modernization, however, were not linked to the economic mainstream of their respective countries. They concentrated on the production of minerals and agricultural products required in Europe

* This article is based on the text of an address delivered at the Malimela & Associates Human Resources Seminar, held at the Sandton Holiday Inn - Johannesburg 28-29 August 1989

and North America. The involvement of Africans in these pockets of economic modernization was very restricted. To a very limited extent African farmers participated in the market economy, producing for the national and international markets in addition to their household needs. This was encouraged both by the desire to make profits and the need to meet certain obligations to the state. It is important to emphasize that because of the small scale of their operations, and their economic powerlessness, it would be incorrect to classify these farmers as emerging capitalists. According to Sandbrook "What emerged from the colonial experience more closely resembles peasant societies than capitalist ones".[3]

The minuscule involvement of Africans in the modern economy is further confirmed by the facts that during the 1950s over 70 per cent of land under cultivation in sub-Saharan Africa was devoted to subsistence crops and the total number of wage earners in the region was no more than 10 million. It was only in Southern Africa that at least 10 per cent of the population were engaged in wage employment in the modern economic sector.[4]

Mazrui & Tidy note that:

> The period from 1945 to 1960 was characterized by progress towards political independence. At the same time, however, as African colonies were weakening their political ties with Europe, they were increasing their economic and cultural dependence upon Europe and on the developed world generally — their economic resources continued to be exploited rather than developed by Western companies. Africa became more than ever before a provider of cheap raw materials for European and North American industry.[5]

Portugal and her colonies provide a good example of what Mazrui and Tidy are referring to. Exports from the Portuguese colonies in Africa to Europe and North America demonstrate how these colonies were used as sources of cheap raw materials and, in the case of Mozambique, as a reserve of cheap labour for South Africa. Angola for her part produced iron ore, diamonds, cotton and coffee for the West and, later on, oil. Mozambique provided cashew nuts, sugar, cotton, tea and sisal. Guinea exported groundnuts, palm kernels and vegetable oil. The colonies in turn also provided a reserved market and dumping ground for Portugal's cotton textile goods, refined sugar, wine and spirits.

Commenting on economic growth in sub-Saharan Africa between 1945 and 1960, Sandbrook highlights the exceptionally high economic growth rates attained by a number of African countries. He mentions that Kenya, the Rhodesias, Gabon and the Belgian Congo achieved growth rates of between 6 and 11 per cent per annum. The impetus for this extraordinary performance came from the high world demand for raw materials. Sandbrook goes on to stress that this rapid economic growth improved the standard of living in these countries, but benefited mainly the white settlers who constituted the apex of colonial societies in terms of wealth and power. Benefits to Africans were severely limited by restrictions imposed on African enterprise by colonial rulers. He observes that "African businessmen could accumulate capital only by moving into high risk or less profitable ventures — such as small-scale commerce, cash cropping or transport — that metropolitan capital shunned."[6]

In addition to deliberate discriminatory laws and practices which hampered the economic advancement of Africans, their lack of a Western-style education constituted another serious handicap. It is a fact that African societies have a long and rich history of educational traditions. Knowledge, skills and attitudes essential for preparing young people for their roles in society were imparted by word of mouth, formal lessons, rituals and models provided by elders.[7] This system of education coped very well with the demands of a comparatively slow socio-economic evolutionary process, but the arrival of white settlers with advanced production and organizational techniques caused a serious disequilibrium, which this educational system just could not manage. Unfortunately, it took a very long time for Africans to realize the need to do something radical in order to close the gap in knowledge and skills between themselves and European settlers. Whether Africa has at last come to grips with the challenge of being part of the integrated world economic system is open to question.

During the colonial era, colonial governments and the missions of the Roman Catholic and various Protestant churches were the main suppliers of Western-style education. With such a background the objectives of education were dubious to say the least. The interest of the churches was mainly to convert African peoples to the Christian faith and generally to inculcate Christian values among them. Governments were mainly interested in literacy and numeracy in order to be able to employ Africans as interpreters and clerks or undertake menial tasks which would not be performed by whites. Objectives of course improved over time as the principle of the equality of all human beings became more generally accepted and promoted in the West, especially after the Second World War.

Access to education remained severely restricted throughout the colonial era, mainly because the development of human resources in the colonies was not a priority of the metropolitan governments. By 1960 only 36 per cent of the primary school age group were attending school in sub-Saharan Africa — and only 3 per cent of the secondary school age group.[8] In many African countries, including Senegal, Tanzania and Somalia, more than 90 per cent of the adult population was illiterate at the time of independence.

In 1958 less than 10 000 African students were attending universities at home or abroad (that is, only one student for every per 20 000 of Africa's total population) and very few countries had more than 200 students undergoing any university training. This translates into less than 1 per cent of the relevant age group.[9] It is estimated that at the time of independence there were only 90 African university graduates in Ghana, 72 in Sierra Leone and 29 in Malawi.[10] Zambia became independent with 100 university graduates, 1 500 people who had completed secondary education, and another 6 000 with two years at secondary school, out of a population of 4 million.[11]

It is no wonder that the shortage of skilled manpower proved to be a major constraint to development after independence. Even those who were qualified had very little or no managerial experience, because during the colonial era most managerial and skilled positions had been reserved for persons of European origin. Expatriates held most positions requiring high levels of education and training, even in countries with advanced education systems. In Nigeria, as an instance, Africans held fewer than 700 of the 3 000 senior posts in the civil service in the mid-1950s. In Kenya and Tanzania less than 20 per cent of high level civil service posts were held by Africans in

1960. At independence, Zaire was left without a single African doctor, lawyer, engineer or senior army officer. In 1960, the whole sub-Saharan region had on average only one physician for every 50 000 people as compared to one for every 12 000 people in other low income countries.[12]

In conclusion it can be said that the economic empowerment of Africans was not a priority during the colonial era. The need to supply Europe with cheap agricultural raw materials and minerals necessitated the involvement of Africans in the production of these goods, but their participation remained limited and peripheral. Lack of relevant skills was another factor which constrained the meaningful participation of Africans in the islands of economic modernization that were emerging all over the continent. Relevant education and training, the key to the development of human productivity, remained limited and underdeveloped everywhere.

Economic empowerment at Independence

What was paramount in the minds of the majority of political leaders who fought for independence was to take control of their national resources. It was thought that once a country's resources were in the hands of nationals, it would be easy to improve the nation's standard of living through rapid socio-economic development. Motivated by the desire to reduce dependence on the metropolitan powers and their multinational corporations, the countries concerned adopted policies and strategies designed to promote self-reliance. This took various forms, ranging from essentially market economies in countries like Liberia, Kenya and Malawi, to African socialism in Guinea, Ghana, Tanzania and Zambia and to scientific socialism in Congo-Brazzaville (1969), Ethiopia (1976) and Mozambique (1977) — to list just a few examples. Countries more assertive in advocating self-reliance tended to adopt socialist-oriented policies.[13]

In addition to self-reliance, the other motivating factor was the desire to redress past injustice. The leaders of many political parties felt that the exclusion of Africans from senior positions in the public service must be redressed and that restrictions on African enterprise must end. Most countries adopted deliberate strategies to Africanize senior positions in the public service and create new corporations with the specific purpose of increasing the control of the economy by their nationals. In addition to producing goods and services, such corporations provided more jobs and economic power for the educated groups.

Attitudes towards foreign investment and the employment of expatriates were influenced by the desire to reduce dependence; this must be understood in the light of African experience of colonial rule. A number of countries indeed became highly distrustful of foreign investors and in states such as Tanzania direct foreign investment was prohibited. In virtually all Africa's newly-independent states foreign investors had to comply with stringent conditions. They had to use local raw materials, reinvest a significant percentage of their profits in the host countries, and train nationals for skilled and managerial positions. Restrictions were placed on the granting of work permits to expatriates, and the repatriation of dividends was subjected to a variety of regulations. The aim of these controls was to ensure that nationals were given an opportunity to acquire technological and managerial skills and to ensure that wealth generated within the country was used to benefit nationals.

Certain sectors of these African economies were reserved for nationals, and key industries (such as mining and banking) were nationalized either partially or completely. An address delivered by the President of the Republic of Zambia, Dr K D Kaunda, to the United National Independence Party National Council on 10 November 1970, entitled *This completes economic reforms; Now Zambia is ours,* could have been given by any one of the progressive leaders in Africa. In this address, Kaunda announced sweeping measures designed to give the people of Zambia a bigger stake in the economy and more control of major industries. He announced that as from 1 January 1972 "no expatriate, under any circumstances, will be allowed to obtain a retail trading licence". Wholesale trading was also to be confined to Zambian businessmen and state corporations, and the trading licences of a number of expatriate-controlled businesses which, in the opinion of the government, were not serving the national interests, were revoked. The government was to take 51 per cent of the equity in both Barclays Bank and the Standard Bank and all building societies were to be completely nationalized. Towards the end of his address, he remarked: "Comrades, this basically completes our economic reforms. I do not think that we shall need to resort to direct political or government action in this field in the future. Now Zambia is ours and more and more wealth is ours too." He concluded by imploring his people to work hard for a life which was more promising and more decent.

The development of human resources through increased investment in education is possibly the most outstanding success achieved in sub-Saharan Africa to date. Between 1960 and 1983 primary school enrolment in sub-Saharan countries increased from approximately 11,9 million pupils (1960) to 51,3 million pupils in 1983 or from 36 per cent to 75 per cent of the relevant population age group. Gross primary enrolment in twelve sub-Saharan African countries is equal to or greater than 100 per cent[14] (Appendix 1). Registration at the secondary school level increased from 3 per cent of the relevant population age group in 1960 to 20 per cent in 1983. In 1960 there were only 21 000 university students studying in Africa and a few thousand studying in foreign universities; by 1983, 437 000 were enrolled in African universities and a further 100 000 studying abroad.[15]

Unfortunately, African countries have not achieved the same level of success in the development of health-care facilities. Lack of clean water, unhygienic sanitary conditions and inadequate health-care services remain the main causes of disease and account for half their infant mortality figures.[16] In 1977 there were 25 000 persons for every one physician and 3 300 persons for every one nurse. The life expectancy of 46 years at birth was the lowest in the world.

To return to my main theme: on attainment of independence, the economic empowerment of nationals received high priority. Investment in education multiplied, resulting in an increased supply of educated people. Unfortunately, not enough attention was given to the adaptation of Western education to suit the development needs of Africa. As a result the increasing supply of educated people is not addressing the critical shortage of managerial and technically trained personnel in Africa.

Initiatives aimed at increasing the economic participation of nationals concentrated on enabling Africans to take over businesses owned by expatriates and on accelerating the Africanization of senior positions in government departments and state corporations. This had a tremendous impact in creating opportunities for nationals and enabling them to learn managerial skills "on the job". But these opportunities could not promote the spirit of innovation or risk-taking because employment practices offered no reward for competence and innovation. Even those who were allocated businesses were discouraged from achieving self-reliance or becoming entrepreneurs in the true sense of the word by their closeness to and dependence upon government.

The record of economic empowerment initiatives

The question that must now be answered is this: Are the people of Africa, after more than two decades of concerted efforts to bring about economic empowerment, healthier, wealthier, better educated and in better control of their economies than before 1960? And if not, what are the reasons for their lack of success?

In evaluating the current economic situation, it is imperative that the inherent economic potential of sub-Saharan Africa be borne in mind. It is a fact that economic potential in many African countries is extremely limited. The harsh tropical environment and terrain, prevalence of drought conditions, small local markets, dearth of local managerial and technical skills, and political instability make economic development difficult, to say the least.

It is also important to note that, although the region is richly endowed in mineral deposits, a significant number of African countries have *no* important mineral deposits within their borders. Another disadvantage African countries had and have to face is that of being late-comers in a world already dominated by Europe and North America. The scientific and technological superiority of the developed countries is overwhelming. Commenting on the dominant position of the developed countries the Nobel Prize winner Gunnar Myrdal remarked: "International trade will generally tend to breed inequality, and will do so more strongly when substantial inequalities are already established".[17] It is a fact that the weak economic power of sub-Saharan countries places them at a disadvantage, for instance, when bargaining with the developed countries on commodity prices.

The problems discussed above are, of course, not insurmountable. The Newly Industrialized Countries (NICs) of East Asia have managed to develop despite similar conditions. But having said this, it should be emphasized that it is unrealistic to imagine that African countries need only emulate the NICs for their own underdevelopment to be something of the past. The United States in particular, which has in the past absorbed unrestricted quantities of exports from the East, seems to be reconsidering its open policy to foreign imports. A number of European countries, too, have adopted various methods of curtailing the importation of manufactured goods from the developing countries. Even if the Western countries were to impose no such restrictions, the world economy is growing at a slower pace now than at the time when the Eastern NICs were penetrating international markets.

To answer the question posed earlier on, then, available empirical evidence clearly shows that socio-economic development in the countries of sub-Saharan Africa since the attainment of independence has in general been disappointing (Appendix 2). Mazrui and Tidy have this to say:

> (After) two decades of independence Africa's general economic situation is little different from what it was in the late colonial period.... If anything, Africa's neo-colonial dependency on the economies of the industrialized Western countries is now greater than it has ever been; most African states have become even more heavily dependent on foreign interests and foreign investment and on exports of raw materials and agricultural primary commodities to the West.[18]

Many studies, including the World Bank report *Accelerated development in sub-Saharan Africa*, published in 1983, make the point that Africa remains the least developed of the Third World continents. It is reported that in 1976, with 7,5 per cent of the World's population, Africa produced only 1,2 per cent of the global gross national product (GNP). In the same year, illiteracy in Africa was estimated at 74 per cent. Compare this with 47 per cent in Asia and 24 per cent in Latin America. The Physical Quality of Life Index gave a continental figure of only 32 compared with 57 in Asia and 71 in Latin America. Life expectancy figures, infant mortality and public health statistics also reflect the fact that Africa is behind other Third World countries.[19]

The economic deterioration in sub-Saharan Africa is a matter of great concern, especially to African governments. Faced with increasing international debt problems, a deteriorating quality of social services and persistent economic stagnation, many countries have accepted the need to review their fundamental economic policies and strategies.

Overcoming the crisis

Accepting the reduction of dependency on foreign interests and the attainment of self-reliance through economic empowerment of nationals as legitimate objectives, can it be said that the policies and strategies adopted by most African governments have been appropriate?

I would argue that the objectives set by governments were sound. They cannot be faulted for seeking to ensure that national resources are used mainly for the benefit of their nationals. But in the matter of *how* these objectives were pursued and in certain instances continue to be pursued, it needs to be stated categorically that it was a serious error to discourage foreign investment and adopt import-substitution industrialization strategies, and worse still to use the government as the main vehicle for making people rich. The simple truth is that it is individual persons and individual communities which bring about development, not governments. In the end, all persons and all peoples are responsible for their own development.[20] Therefore, governments and development agencies should not seek to direct and manage development on behalf of the people. Instead they should facilitate the development process by creating the right socio-economic conditions, eliminating structural constraints, and ensuring the availability of resources to individuals or communities wishing to initiate development activities. The most important resources for economic development — as demonstrated in the NICs — Japan, Taiwan and South Korea — are the level and quality of skills and technological know-how possessed by the people. Governments in developing countries should therefore ensure that both the content and process of education and training are geared to equip their people with appropriate skills, technological know-how and a spirit of creativity.

It is high time that political leaders and intellectuals accept that they know very little about what motivates certain communities to initiate and sustain a process of socio-economic development. If they had this knowledge and expertise socialist countries in particular would have long since solved the problems of unemployment and poverty, for the political leadership in these countries claims to have the moral commitment to eliminate poverty and to improve the quality of life for everyone.[21]

The decisive advantages resulting from an outward economic orientation during the development phase are demonstrated by Harris in his comparison of Brazil, Mexico, Taiwan, South Korea and Hong Kong.[22] His analysis clearly shows that economic problems in Brazil and Mexico during the 1970s were exacerbated by these countries' import-substitution industrialization strategies. These policies made it difficult to increase exports in order to pay for their imports. As a result they are now more indebted and dependent on developed countries than those countries — such as South Korea, Taiwan and Hong Kong — which adopted export-promotion strategies. We should also note that Harris stresses the fact that for an export oriented policy to succeed in reducing dependency and in sustaining economic growth, the country must have a highly sophisticated manufacturing sector. Harris goes on to emphasize that a high level of education is a prerequisite in developing such a manufacturing base. Addressing the determinants of successful development, Baum and Tolbert have this to say:

> The best economic performance has come neither in countries with comprehensive central planning ... nor in countries where both the planning effort and economic management were weak.... Instead, it has come in countries that chose to concentrate their efforts on devising a framework of price and other incentives to guide both the public and private activity and on designing an appropriate public investment programme.[23]

Baum and Tolbert arrived at this conclusion after analysing the experiences of the World Bank in supporting developing countries over forty years. Their finding highlights the fact that the behaviour of people is influenced by the signals they receive from government policies and decisions. Governments demanding that all development initiatives be centrally planned and directed cannot, therefore, expect entrepreneurial and creative behaviour to develop among their people.

It can, therefore, be said that experience in successful developing countries indicates that the key to a meaningful and self-sustaining economic empowerment process is that both policy and strategy should focus on creating conducive social, economic and political conditions and on enhancing the potential of the population by supporting activities that upgrade the level of skills and extend access to resources. Direct government intervention in the economy by, for instance, cancelling the trading licences of all expatriates, in the hope of thereby enabling nationals to become instant businessmen, has no positive development impact. Such businesses are taken over by an elite who, in most cases, are senior members of the ruling party. The ordinary citizen obtains no benefit from such policies. Instant businessmen with no entrepreneurial spirit and no training see the businesses as cash cows. They milk all the cash and, when the businesses fail, use their political affiliations to escape the consequences of their negligence and dishonesty. The nationalization of industry and business is also inimical to economic development. Most nationalized industries in developing countries fail through poor management and political interference. The only exceptions are those granted complete operational autonomy and subject to market conditions in the same way as their private sector counterparts. Unfortunately, such arrangements in developing countries are very rare.

The need is understandable for a newly elected representative national government to demonstrate in a tangible way, within a very short time, that real power is now vested in the people. There must be a visible difference between the colonial situation and the new era. The people must feel and experience "Uhuru". The urgency is even greater in Africa because of tribal and ideological rivalry — as well as the fact that the tradition of loyalty to a system or process of government rather than the person who happens at any one moment to be in power has not, yet, developed strong roots.

How national leaders respond to this challenge depends on their appreciation of and sensitivity to the needs of the ordinary people on one hand, and the needs of the educated articulate few on the other. Unfortunately, the aspirations of the two groups do not always coincide. The needs of the ordinary people in less developed regions are less likely to be met by direct government action. They stand to benefit meaningfully principally from measures which extend their economic freedom to organize themselves in whatever manner they consider appropriate and engage in whatever productive activities they may choose — providing always that they do not endanger the lives of others. In addition to such economic freedom, they require opportunities and appropriate support to enhance their capability to do productive work. Lastly, they require a legal framework which guarantees basic human rights and ensures both the enforcement of contracts and fair bargaining between employers and employees.

A commitment to the above policy framework is a prerequisite in formulating appropriate policies and strategies for economic empowerment. It is only in a socio-political environment in which the creativity and productivity of ordinary people are not constrained that each individual person or group of people are encouraged to be self-reliant and not averse to the taking of commercial risks. Up to now, the tendency in sub-Saharan countries has been to encourage the belief that for any activity to be legitimate it must have the approval and tangible support of government or the ruling party. This predominant role played by government and ruling party has destroyed initiative and entrepreneurship in Africa. There is a need to demystify and reduce the role of government and ruling party in all spheres of life. This will restore the confidence of the people in their innate ability to do things for themselves.

Some of the measures which would satisfy the framework I am suggesting are:

- The adoption of a constitution which guarantees individual freedom, including the right of an individual person, either alone or as a member of a group, to engage in any business or career of his/her choice without the need to obtain a special permit from the state, except in cases where the product or service to be produced has been classified by the community as potentially harmful.
- Channelling resources directly to

communities, with the purpose of promoting productivity and enabling basic needs to be met. Such resources should mainly consist of subsidized loans or grants as well as technical assistance, and should be used to address the provision of water, adequate food, housing and jobs. Developing communities should be fully involved as participants in the process of meeting their basic needs.

- Termination of government intervention in the determination of prices. Market forces should be allowed to determine prices; but in cases where a price increase is likely to have a devastating effect on destitute families, such families should be identified and be given direct assistance in a manner which does not distort prices.
- Provision of appropriate support (subsidized loans, training and advisory services) to emerging businesses and other business ventures, aimed at upgrading the economic participation of nationals in all sectors — agriculture, commerce, manufacturing services and so forth. This will promote entrepreneurship and reduce unemployment.
- Adapting laws and other conventions to enable communities to mobilize their own resources and provide their own facilities such as houses, roads and so on without fear of prosecution for contravening some standard inherited from the colonial era.
- Facilitating the channelling of resources to people's organizations even if they do not comply with established Western structures. The emergence of the Grameen Bank in Bangladesh as a vehicle for lending to the poorest of the poor shows what can be done if the conventions of the West are not taken as sacrosanct.[24] It is of paramount importance to always bear in mind that institutions are a product of culture. They arise from people's experiences: one of the reasons for certain failures in developing countries is the tendency to transplant institutions from developed countries holus-bolus without adapting them to suit local conditions.
- Extension of appropriate infrastructure — electricity, roads, telecommunications — to less developed areas. This must be done with the direct involvement of the communities concerned.
- Enhancement of the potential of the country's human resources through better provision of health services and extension of high quality and relevant education and training focused on enabling people to harness and utilize science and technology for progress.
- Introduction of a code of employment practice to guide the advancement of nationals. This is necessary owing to the discriminatory policies of the past. The guidelines here should be clear, and should be applied in a consistent manner. The aim must be to discourage discrimination and ensure that Africans are given a fair chance of progressing to senior managerial positions on the basis of competence and responsibility. The overseeing of the code of employment practice must be the responsibility of an institution composed of representatives of the government, employers and employee organizations.
- Revision of labour laws to ensure that they provide an adequate basis for guiding the bargaining process between employers and employees.
- Promotion of employee share participation schemes. This would ensure economic stability and a more equitable distribution of wealth.
- Foreign investment should be encouraged. Capital and expertise are in very short supply in developing countries; so they need to be supplemented with imports. Of course, foreign investment must be subject to conditions laid down by the host country in the light of international experience. The laws and regulations governing foreign investment should be clear and their implementation consistent.
- Establishment and maintenance of a stable and predictable socio-economic environment. If the local environment is perceived as unstable and unpredictable, both local businessmen and foreign investors will be reluctant to make long-term investments.
- Commitment to ensuring competence and efficiency in the public service by providing appropriate incentives and refraining from interfering with public service disciplinary enquiries.
- Extending co-operation with neighbouring countries. Economic co-operation among sub-Saharan countries is a necessity if meaningful development is to take place. Most countries have very small internal markets and, for reasons already discussed, cannot hope to develop merely by expanding exports to Western countries. They must extend their markets in Africa by entering into mutually beneficial economic arrangements with neighbouring countries.

Without doubt, the adoption of these recommendations will bring sub-Saharan Africa back on to its original path. For a change, policies and strategies will be compatible with the vision of democracy, prosperity and self-reliance so vociferously advocated during the early 1960s. Governments will be doing the things they are best equipped to do — and the business of creating wealth will be left to the people. This does not mean that the role of government in promoting socio-economic development will be less. It will only be *different*. As explained above, government will concentrate on creating and maintaining a socio-economic environment conducive to development, and on investing in activities aimed at improving the productive capacity of the people. Empirical evidence reveals that governments have an important role to play in development. Successes in Japan, South Korea and Taiwan clearly show that governments do indeed play a very important role in promoting socio-economic development, even in market oriented economies.[25]

The question of eliminating inequality caused by many years of economic injustice in newly independent countries is a sensitive one. Quite definitely steps must be taken to ensure immediate equality of opportunity. At the same time steps must be taken to ensure that those who have been disadvantaged in the past are put into a position to compete on equal terms. This requires investment and other support to enable disadvantaged groups to gain access to skills and resources that are a prerequisite to any meaningful participation in a free economy. This is the justification for giving a high priority to improving access to education and training, support to emerging businesses and other business ventures aimed at upgrading the economic participation of nationals, adopting codes of fair employment practice, and strengthening the bargaining position of labour unions.

The nationalization of foreign interests has doubtful economic merit, even as a measure for redressing the injustices of the past. The profits earned in the past and repatriated to the head offices of multinational companies are lost for good. If the government does decide to nationalize, all that it can hope for are the profits derived from the continued productive use of the facilities of the foreign investor. These assets, these facilities, however, are of little use to the country if the business is not competently managed. The approach that makes sense, therefore, is to ensure that the business continues to be competently managed and that a reasonable percentage of its future profits remain in the country. Nationalization is not the way to achieve this. Experience shows that allowing foreign investors to continue independently with little interference from the government ensures higher profits. The government can then, through taxation laws and other regulatory procedures, ensure that the benefits to the country are optimized. Arrangements for ensuring that foreign investors in the country are effectively monitored are not that difficult to formulate and manage. The objective must be to introduce the least number of regulations that will enable the country to be assured of a reasonable return from the exploitation of its resources. Of course it must be accepted that at all times the overseas investor must also be satisfied that it is possible to do good business and earn an acceptable profit.

Conclusion

There is no doubt about the fact that colonialism had a very powerful impact on Africa. Contact with Europe facilitated the incorporation of the continent into the world economy and international capitalist system and introduced Africa to modern science and technology. In as much as development is concerned it should be emphasized that integrated socio-economic development did not materialize. Instead, isolated islands of modernization emerged in every colony. As a consequence, the involvement of Africans in modern economic activities remained extremely limited. A few peasants produced agricultural products for national and international markets, but these constituted a tiny percentage of the population. The bulk of the people remained dependent on subsistence farming. The lack of Western-style education was another factor which hindered Africans from taking full advantage of the economic opportunities brought about by colonialism.

On attaining independence, African governments gave high priority to the economic empowerment of nationals. The most publicized initiatives entailed restrictions on foreign investment and on the economic activities of expatriates, the direct involvement of governments in business activities, and the rapid Africanization of senior positions in government departments, state corporations and nationalized businesses. Increased attention was also given to education as a means of enhancing the level of scientific knowledge and skills. This resulted in exceptionally high growth in school enrolment at all levels.

In analysing the results of these economic empowerment initiatives, the evidence leads us to the conclusion that very little success has been achieved. The dependence of Africa on developed countries has increased; in terms of many indicators Africa is still the least developed Third World continent.

To reverse Africa's economic deterioration and revitalize its socio-economic development, it is suggested that governments should concentrate on creating encouraging and favourable economic, social and political conditions and on investing in activities which will enhance the creativity and productivity of the people. They should not endeavour to enrich the people directly, but do everything possible to enable the people to enrich themselves. In other words, they should accept that it is individual persons and individual communities that bring about self-sustaining development — not governments.

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APPENDIX 1

Summary Table

ENROLLMENT LEVELS, RATIOS, AND GROWTH RATES, SELECTED YEARS, 1960-83

	1960	1970	1975	1980	1983
Primary education					
Number of students	11 853	20 971	30 117	47 068	51 345
Index (1960 = 100)	100	177	254	397	433
Average annual growth rate					
from 1960 to:	•	5,9	6,4	7,1	6,6
from 1970 to:	•	•	7,5	8,4	7,1
from 1975 to:	•	•	•	9,3	6,9
from 1980 to:	•	•	•	•	2,9
Gross enrollment ratio	36	48	58	76	75
Secondary education					
Number of students	793	2 597	4 284	8 146	11 119
Index (1960 = 100)	100	327	540	1 027	1 402
Average annual growth rate					
from 1960 to:	•	12,6	11,9	12,4	12,2
from 1970 to:	•	•	10,5	12,1	18,4
from 1975 to:	•	•	•	13,7	12,7
from 1980 to:	•	•	•	•	10,9
Gross enrollment ratio	3	7	10	16	20
Tertiary education					
Number of students	21	116	216	337	437
Index (1960 = 100)	100	552	1 029	1 605	2 081
Average annual growth rate					
from 1960 to:	•	18,6	16,8	14,9	14,1
from 1970 to:	•	•	13,3	11,3	10,8
from 1975 to:	•	•	•	9,3	9,2
from 1980 to:	•	•	•	•	9,1
Gross enrollment ratio	0,2	0,6	0,8	1,2	1,4
All levels					
Number of students	12 667	23 684	34 617	55 551	62 901
Index (1960 = 100)	100	187	273	439	497
Average annual growth rate					
from 1960 to:	•	6,5	6,9	7,7	7,2
from 1970 to:	•	•	7,9	8,9	7,8
from 1975 to:	•	•	•	9,9	7,8
from 1980 to:	•	•	•	•	4,2

Note: Numbers of students in thousands.

APPENDIX 2

Sub-Saharan Africa and the World: Basic Data

Countries	Population (millions) mid-1979	GNP per capita average annual growth rate (per cent) 1960-70	1970-79	Per capita growth 1970-79 per cent Agri-culture	Vol. of exports	Adult literacy rate (per cent) 1976	Life expectancy at birth (years) 1979	Death rate of children aged 1-4 (per thousand) 1979
Sub-Saharan Africa	343,9	1,3	0,8	-0,9	-3,5	28	47	25
Low-income	187,1	1,6	-0,3	-1,1	-4,5	26	46	27
Nigeria	82,6	0,1	4,2	-2,8	-2,8	••	49	22
Other middle-income	74,2	1,9	-0,5	-0,4	-3,5	34	50	22
[a]South Asia	890,5	1,5	1,5	0,0	0,6	36	52	15
All developing	3 245,2	3,5	2,7[b]	0,1	-1,5	57	58	11
Low-income	2 260,2	1,8	1,6[b]	0,1	-3,1	50	57	11
Middle-income	985,0	3,9	2,8[b]	0,6	1,9	72	61	10
All industrialized	671,2	4,1	2,5[b]	0,2	5,2	99	74	1

•• not available
a. Bhutan, Bangladesh, Nepal, Burma, India, Sri Lanka and Pakistan
b. 1970-80
Source: World Bank data files

The ports of West Africa — Benin, Togo, Ghana and Côte d'Ivoire

Denis Fair, Senior Research Fellow at the Africa Institute, continues his series on the ports, harbours and oil terminals of Africa with the second of three articles on the ports of West Africa

The coastline

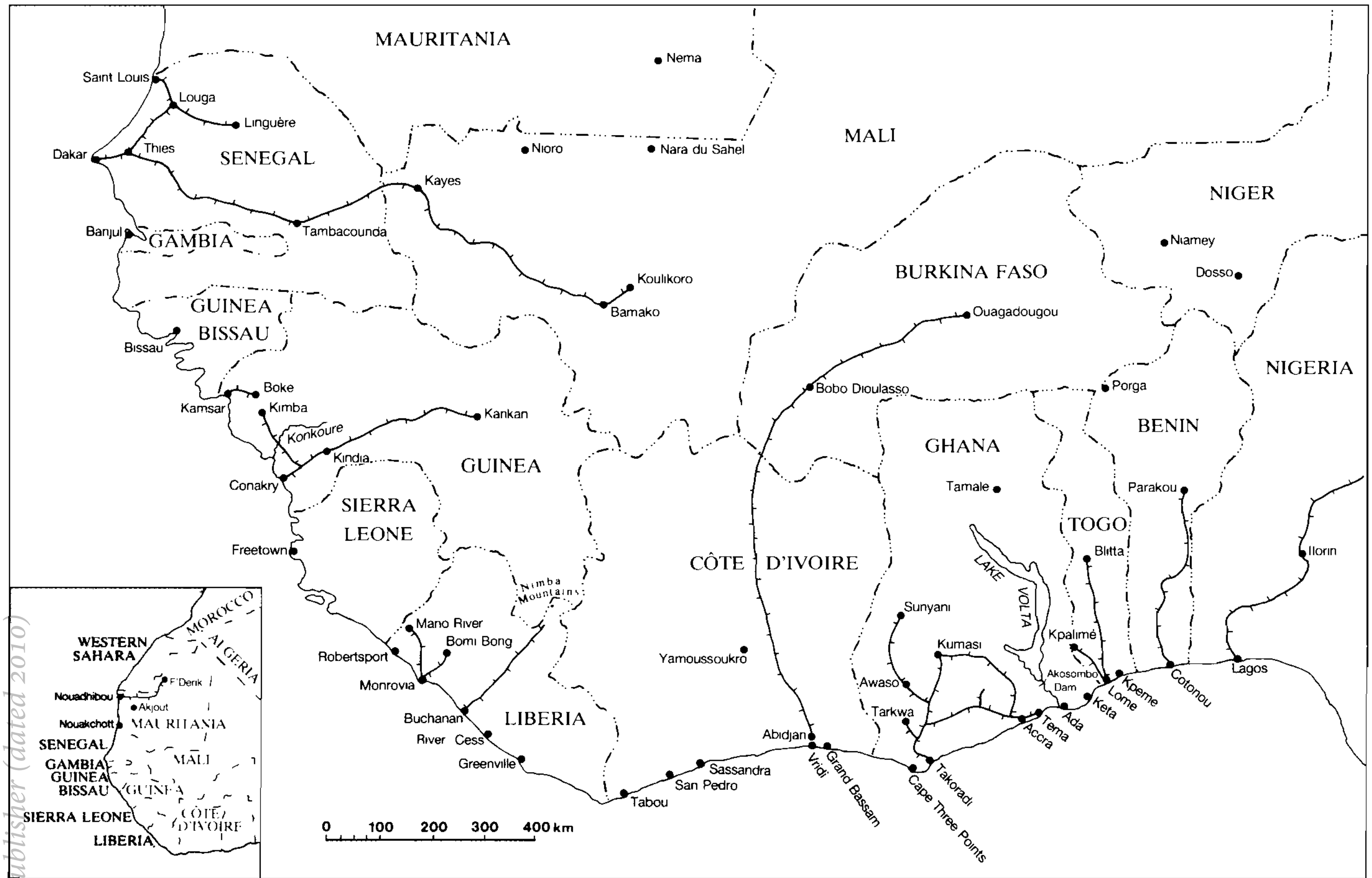
The natural features of the West African coastline, some 5 000 km in length from Nouadhibou in Mauritania to Douala in Cameroon, have had a profound effect upon the evolution and the pattern of port development in this region. As pointed out in Hilling and Hoyle's book, West Africa has two major types of coastline: some 1 700 km is estuarine and indented, another 3 300 km is smooth, fairly straight and sandy. The former occurs between Gambia and the Sierra Leone-Liberia border, with river estuaries penetrating deep inland. Much further east the estuaries are associated with the rivers, or distributaries, of the Niger delta and the Cross river (Calabar). On the face of it, these estuaries should provide excellent sites for harbours. Instead, with few exceptions, their entrances are blocked by sand-bars and they are bordered by swampy mangrove marshes which make the building of ports and the access to them, from both the sea and the land, difficult and costly. Only Freetown on the Sierra Leone river, and one of the finest natural harbours in Africa, has an entrance from the sea kept open by tidal scour. Moreover, firm rock foundations have favoured the building of the port, the town and the roads and railway leading to them. Other estuarine ports are Banjul (Gambia), Bissau (Guinea-Bissau), Kamsar and Conakry (Guinea), Pepel (Sierra Leone) and Sapele, Warri, Burutu, Bonny, Port Harcourt and Calabar (Nigeria).

In sharp contrast, the coasts of Mauritania, Senegal, Liberia, Côte d'Ivoire, Ghana, Togo, Benin and western Nigeria are for the most part featureless and sandy, pounded by the heavy Atlantic surf and swept by longshore currents. Some very extensive lagoons have been enclosed behind offshore bars built by these waves and currents. The ports of Lagos and Abidjan were established in these lagoons but only after access to them was made by openings through the bars, the deepening of a shallow gap in the case of Lagos and the cutting of a new canal at Abidjan. Most of the ports along this type of coast were originally surf ports, which is to say, they were no more than open roadsteads with surf boats or barges operating from beaches or from jetties to ships standing in deeper water offshore. Until about 1920 there were more than 100 ports of this type. Dakar (Senegal) and Nouadhibou (Mauritania) are special cases along this type of coastline. They lie in the lee of the peninsulas of Cape Verde and Cape Blanc, respectively, which shelter them from the strong Atlantic swell.

With the expansion of West African trade a few favoured localities became sites for the establishment of new modern ports. These were developed particularly at those points where railways, most of them originally built between 1897 and 1911, extended inland from the coast. These new ports — Monrovia and Buchanan (Liberia), Takoradi and Tema (Ghana), Lomé (Togo) and Cotonou (Benin) — are artificial. They are enclosed within breakwaters and moles extending directly outwards from the shore. In 1962 the last of the major surf ports was abandoned and by 1967 all the maritime countries of West Africa enjoyed the facilities of at least one modern deepwater seaport.

Growth of the ports

The economic growth of West African ports, and more recently the contraction of some of them, reflect the economic health of the countries they serve. After World War II and particularly after independence in the 1960s the international maritime trade of West African countries expanded substantially, including that of the landlocked states of Mali, Burkina Faso, Niger and Chad. These four depend on outlets to the sea in neighbouring countries to their south and west. At the same


MAURITANIA
Nema
Saint Louis
Louga
Linguère
Dakar
Thies
SENEGAL
Nioro
Nara du Sahel
MALI
Kayes
Tambacounda
Banjul
GAMBIA
Koulikoro
Bamako
GUINEA
BISSAU
Bissau
NIGER
Niamey
Dosso
BURKINA FASO
Ouagadougou
NIGERIA
Boke
Kamsar
Kimba
Konkoure
Kankan
Kindia
GUINEA
Conakry
SIERRA
LEONE
Freetown
Bobo Dioulasso
Porga
BENIN
GHANA
Tamale
Parakou
TOGO
Blitta
Ilorin
CÔTE D'IVOIRE
LAKE
VOLTA
Nimba
Mountains
Mano River
Bomi Bong
Robertsport
Monrovia
Buchanan
River Cess
LIBERIA
Greenville
Yamoussoukro
Sunyani
Kumasi
Kpalimé
Akosombo
Dam
Awaso
Tarkwa
Abidjan
Vridi
Grand Bassam
Sassandra
San Pedro
Tabou
Cape Three Points
Takoradi
Accra
Tema
Ada
Keta
Lome
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0 100 200 300 400 km
WESTERN
SAHARA
MOROCCO
ALGERIA
F'Derik
Nouadhibou
Akjout
Nouakchott
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MALI
GAMBIA
GUINEA
BISSAU
GUINEA
SIERRA LEONE
CÔTE
D'IVOIRE
LIBERIA

time marine technology was moving towards the use of large bulk carriers, larger oil tankers and container ships. West African ports had to expand to meet these changes; if they could not, new ports had to be built.

It was not so much the export of West Africa's traditional products — cocoa, coffee, palm oil, cotton and timber — that demanded these improvements but rather the rapid growth in imports of capital and consumer goods, building materials, food, oil and fuel and the remarkable growth in the export of iron ore, manganese, bauxite and phosphates. For Nigeria in particular the exploitation of its vast oil resources since the 1960s meant a new orientation to its economy, a vastly increased inflow of imports and the construction of ocean oil terminals and their connecting pipelines.

Apart from the port of Dakar, commenced in 1863, and Takoradi, built in 1928, today's larger general purpose ports in West Africa were established only since World War II. Entirely new ports were Monrovia, opened in 1948, Abidjan in 1950, Nouadhibou in 1960, Tema in 1962, Cotonou in 1965 and Lomé in 1967. Freetown's port dates from 1875 but only in 1954 with the building of a new quay did it rank as a modern deepwater port. The same applies to Conakry. Similarly, the port of Lagos was established in 1907 but was substantially expanded only in the past 20 years. So great was the pressure on Lagos after the oil boom that in the 1980s the government considered building a new harbour at the Lekki peninsula, 85 km east of Lagos. The project, however, has been abandoned in view of the country's straitened economic circumstances following the fall in the world price of oil.

The construction of new specialist ports has also been impressive. Monrovia was established in the first instance primarily for the export of iron ore, followed by Nouadhibou in 1960 and Buchanan in 1963. Iron ore was being exported through Pepel in Sierra Leone as long ago as the 1930s, but in 1964 the deepening of the access channel and the opening of a new pier enabled ships of much larger size to be accommodated. A loading facility for the export of phosphate was built at Kpeme in Togo in 1961, while the port of Kamsar was developed in Guinea in 1973 for the export of bauxite. Greenville (1963) in Liberia and San Pedro (1972) in Côte d'Ivoire handle mainly the export of timber and logs.

Clearly, the largest ports in terms of overall tonnage handled per year are those in which mineral exports predominate. Thus, the Nigerian oil terminals, which are mostly offshore loading points, lead the way with over 50 million tons, while Nouadhibou, Kamsar, Monrovia and Buchanan each handle between 9 million and 12 million tons of minerals and other cargo. Of those ports handling a more diversified traffic including general cargo, agricultural products and some minerals, Dakar, Conakry, Abidjan and Lagos are the largest, each with tonnages of between 4 million and 10 million. For the rest, Cotonou, Lomé, Tema, Takoradi, Freetown and Banjul handle between 0,5 million and 2 million tons.

An article in the previous issue of *Africa Insight* dealt with the ports and oil terminals of Nigeria, Cameroon and Gabon. This article traces the development of the next set of ports westwards to San Pedro in Côte d'Ivoire. The mineral ports of Liberia, Guinea and Mauritania will be dealt with in the next issue.

Benin

Benin's population in 1987 was 4,3 million, placing it, with Togo (3,15 million), among the smallest of African countries. Benin's main exports are cocoa and cotton. It has no minerals of any consequence and manufacturing activity is minimal. It does, however, possess a small offshore oilfield (Sémé) which produced about 300 000 tons of crude oil in 1987. Under a new contract with an American company, investigations are under way into the possibility of raising the output of the field. Both Benin and Togo place considerable emphasis on their position vis-à-vis the landlocked states of Mali, Burkina Faso and Niger and their role as export and import channels for these three countries. In 1966, 35 per cent of the traffic through the port of Cotonou was in transit, varying since then at between 30 and 40 per cent.

Cotonou (population 400 000) was previously a lighterage port and was inadequate to meet the growing traffic demand. In 1952 an investigation began into the construction of an entirely new artificial port and this was opened to ocean-going vessels in 1965. Cargo through the port increased rapidly from 351 000 tons in 1965 to 1,5 million in 1979. As a result, in 1983 further improvements were made to the port, including new general cargo berths, container and roll-on roll-off terminals and an oil jetty. These improvements increased the port's capacity to 2 million tons per year. Since 1980, however, traffic through the port has stagnated, averaging 1,1 million tons per year. Imports accounted for 88 per cent of Cotonou's traffic in 1986, and of these 32 per cent were bound for Benin's neighbouring landlocked countries. In 1987 loans from the Islamic Development Bank, the World Bank and French aid agencies were obtained to improve the port's handling equipment and its operational efficiency.

The planned 500-km extension to Dosse in Niger of the 440-km Cotonou-Parokou railway was aimed at improving earnings from Benin's transit trade. In 1987, for example, no less than 74 per cent of the traffic carried on the Benin railway was for Niger's account and comprised mainly imports. In 1981 the proportion had been as high as 81 per cent. However, internal economic stringencies and the World Bank's preference for granting loans for roads rather than for uneconomic railways has meant that the project has been shelved, although improvements to the existing railway are being made with French financial aid.

Attention is also being given to road construction and upgrading. Thus, in 1986 the building of a new bridges across the Niger river linking the two countries was commenced, thus overcoming the restricted capacity of the existing bridge. Moreover, with the aim of improving links between Benin and Burkina Faso a joint commission has discussed ways of upgrading the road between Porga on the Benin/Burkina Faso boundary and the railhead at Parakou. These improvements reflect the continuing competition between Benin and Togo for the transit traffic of their landlocked neighbours. Benin's tolls and customs duties on its route to Niger are also lower and less formal than on the route from the port of Lomé in Togo through Burkina Faso to Niger. As a result Niger has recently shifted its commerce quite sharply to the Benin route.

Togo

Togo's economy, like that of Benin, is not strong. It depends heavily on the export of phosphate and less so on that of cocoa and coffee. But world demand for phosphate has slackened recently and prices for the mineral and for cocoa have fallen. There seems little likelihood of a substantial improvement in the economy in the near future, coupled as it is to a very high external debt. Until 1967 Lomé was no more than a lighterage port. In that year a new artificial deepwater harbour was completed and further improvements were made in 1981. It now possesses four general cargo berths, two container berths with roll-on roll-off facilities, and a tanker terminal for imported oil and petroleum products. Lomé was particularly important as a point of entry for food aid destined for the Sahel countries (Mali, Burkina Faso and Niger) during the drought of 1984-85. Arising out of this a new grain terminal was completed at the port in 1986. It accommodates vessels of up to 50 000 dwt and has facilities for discharging grain at a rate of 20 000 tons per day. The terminal has certainly improved Togo's attractiveness as an entrepôt and has increased its transit trade in this commodity both to inland countries and to others along the coast.

Traffic through the port grew rapidly from 530 000 tons in 1976 to 2,7 million in 1980, when some of Nigeria's imports, at the height of its oil boom, came through Lomé. Since then those imports have dwindled as Nigeria's economy has weakened. By 1984 traffic through the port had fallen to 1,3 million tons, but by 1987 had recovered to 1,85 million tons. The port's transit trade accounts for about 24 per cent of the total. In 1985, of that traffic, 42 per cent was for Niger, 34 per cent for Burkina Faso, 13,5 per cent for Mali and 10,5 per cent for other areas. However, competition not only from Benin but also from Côte d'Ivoire has resulted in some decline, a fall of 50 per cent in traffic to and from Niger via Burkina Faso, for example, having been registered between 1985 and 1987.

Phosphate has accounted for 32 per cent by value of Togo's total export earnings in recent years. The main loading facility for the mineral is at Kpeme, 35 km east of Lomé. It was built in 1961 and comprises a 1 000 m metal pier projecting into deeper water and two mechanical loaders capable of filling ships at the rate of 2 500 tons per hour. The fall in sales in recent years has not only been the result of falling demand but also because Togo's phosphate has a high poisonous cadmium content which is increasingly unacceptable in European Economic Community (EEC) markets. Funds are being made available, however, to develop processes to remove the cadmium and to open up other areas with a lower cadmium occurrence. In time a phosphate fertilizer and acid plant may be built at Kpeme.

The main railway from Lomé runs 277 km inland to Blitta. Two shorter lines run eastwards to Aného and north-westwards to Kpalimé. Hance reported in 1975 that the last two lines were "obsolete and uneconomic and may well be abandoned as trucks and busses take over an increasing share of cargo and passenger traffic". This forecast has proved correct. In addition, the World Bank is persuading the Togolese government to lessen its dependence on its railway system. Instead, the Bank's assistance is being used to fund a substantial road building and improvement programme.

Ghana

Takoradi

Since independence in 1957 Ghana's economy has moved from health and prosperity to decline and distress, and since 1983 into a more encouraging period of recovery. These trends are exemplified in changing levels of performance and activity at its two chief ports, Takoradi and Tema. Takoradi was completed in 1928. Until then the country had been served by a number of surf ports, as described earlier. Takoradi was a modern artificial port enclosed within a breakwater and pier extending into the bay. It was located in western Ghana in order to handle the export of manganese, mined not far inland near Tarkwa. After World War II bauxite was mined at Awaso also in the western region and railed to Takoradi for export. Meanwhile cocoa and timber exports had increased considerably, as had the handling of general cargo and the use of coaling and oil tanker facilities.

Takoradi and the four surf ports were unable to cope with the growing tonnages associated with Ghana's healthy post-war export trade. For this reason in 1955 Takoradi's facilities were improved and extended and the country's overall port capacity was raised to 3 million tons per year. By 1960, however, the total cargo handled had reached 3,9 million tons, 75 per cent of which was accounted for by Takoradi. But the port's location was becoming more and more anomalous, for the economic centre of gravity was shifting to the eastern region, where the bulk of Ghana's 13,4 million people live, where are found the main areas producing cocoa, the chief export crop, and where the rapidly growing capital, Accra, is located. Moreover, Accra was connected to Takoradi only by a circuitous railway route via Kumasi until a more direct line was built in 1956.

Tema

These factors, together with a proposal to harness the hydro-electric power resources of the Volta river at the Akosombo dam and to create and industrial complex in the eastern region, determined that a new port be built at Tema not far from Accra. Construction of the port began in 1954 and was completed in 1962, five years after independence. Through it passed much of the equipment and materials required for building the dam and hydro-electric installation completed in 1965, as well as for the Volta Aluminium Company's (Valco) smelter located 2½ km from the port. The plant uses imported alumina and power from Akosombo.

Tema is an artificial port enclosed within two breakwaters. It had an original design capacity of 5 million tons of cargo, 12 general cargo berths, an oil (tanker) berth, a berth for Valco's imports and exports and a fishing harbour. A dry dock, with a capacity of 100 000 dwt, regarded then as an extravagance by some, was also constructed during the Nkrumah era. Once the hectic activity associated with the construction phase at Akosombo and Valco in 1964 and 1965 was over, Tema settled down to those activities concerned with the normal functioning of the country's economy. By 1967 a definite pattern had emerged regarding the functions of Takoradi and Tema, which together in that year handled 4 million tons of cargo, including oil and petroleum products. Takoradi handled 85 per cent of the country's maritime export trade (by volume), mainly minerals, cocoa and timber, while Tema handled 71 per cent of the import trade as well as 57 per cent of Ghana's exported cocoa.

Recession

Armed now with a port capacity and facilities capable of meeting an expanding economy, the country should have faced a rosy future. Instead, commencing in the late 1960s after Nkrumah's overthrow in 1966, political instability, falling prices for raw material exports, rising costs of imported fuel and governmental mismanagement set the economy on a downhill path. Between independence and 1981 Ghana had no less than nine political leaders and five coups. Cocoa production, the main source of foreign earnings, declined, as did the world price of cocoa. In addition inflation was rampant, the currency was overvalued, skilled workers were emigrating and there was maladministration. A World Bank commission reported in 1984 that between 1970 and 1982 income per head fell by 30 per cent and real wages by 80 per cent, import volume declined by 66 per cent and real export earnings by 50 per cent.

The consequences were obvious and were reflected in trade volumes through the ports. In 1983, the lowest point of the economic decline, cargo handled by both ports, including oil and petroleum products, had fallen to 3,6 million tons, less than the tonnage passing through them 14 years earlier. Moreover, the whole transport system had deteriorated — ports, railways and roads.

Recovery

In 1983 the World Bank and the International Monetary Fund initiated a recovery programme. These agencies as well as other international donors pledged financial aid, on which Ghana had increasingly come to depend in order to restore its economy and infrastructure. The recovery programme allocated no less than 36 per cent of the total budget to physical infrastructure, since its deterioration had been identified as a major cause for the fall in exports and for the failure to distribute inputs to productive enterprises where they were vitally needed. Some $80 million will be spent on rehabilitating the ports of Tema and Takoradi. The work commenced in March 1988 and is to be completed by 1990-91. A British firm has contracted to undertake the operations at Tema and a West German firm those at Takoradi. They will involve at one or both ports, the removal of wrecks, dredging, the rehabilitation of wharves and handling facilities, the upgrading of mechanical and electrical equipment and the provision of roll-on roll-off facilities. At Tema a new timber terminal has been opened and the oil refinery is being rehabilitated, where a $36 million second phase has now commenced.

These improvements should speed up the turn-around times of ships to three days, thus avoiding long periods when cocoa, timber, coffee, bauxite and manganese had to be stockpiled, plaguing both the port authorities and the shipping lines. The programme envisages that upon completion the increase of dry cargo through Tema will have risen from 1,8 million tons in 1986 to 2,7 million tons by 1990 and through Takoradi from 0,7 million tons to 1,6 million, an improvement through both ports of over 70 per cent in three years. A proposal to rehabilitate the dry dock was prepared in 1984 by the government but apparently the project has yet to receive the necessary financial backing. It was reported in 1987 that the dock was not in use. When the site for a new port was investigated in the 1950s a strong proposal was made for it to be located at the mouth of the Volta river at Ada but this was rejected in favour of Tema. Interestingly, in July 1986 *African Business* reported that long-term plans existed to build a third deepwater port at Ada.

Ghana's 990-km railway system suffered heavily during the years of economic recession and neglect. The system covers only the southern cocoa and timber region and forms a triangle with Takoradi, Kumasi and Accra/Tema at the apices and with branch lines to mining areas. Phase One under the recovery programme, costing $240 million and covering the western or Kumasi-Takoradi line, was completed in 1986, the bulk of the finance coming from the World Bank. Some 912 km of rails were replaced, signalling and telecommunications equipment were updated and new locomotives and goods wagons were purchased. The programme raises the capacity of this line to 2 million tons per year.

The second phase commenced in late 1988 with funding from Italy and the World Bank. It covers the 496-km central line, Accra/Tema to the junction with the western line at Huni Valley and the eastern line, Accra/Tema to Kumasi. The same rehabilitation procedure is being followed as for the western line. The effect on the carrying capacity of that line has already been felt, enabling greater tonnages to reach Takoradi and easing pressure on road transport. Thus, freight handled by the railways has increased from 61 million ton-km in 1983 to some 105 in 1987. A third phase will again involve the western line, where new sleepers will be laid, track realigned and other improvements made. In the past proposals were made from time to time to extend the railway system northwards from Kumasi to Tamale and on to Ouagadougou in Burkina Faso. However, the low traffic generating capacity of such a lengthy extension does not make it a feasible proposition. In any case a rail connection already exists from Abidjan in neighbouring Côte d'Ivoire to Ouagadougou.

The recovery programme includes a massive rehabilitation of Ghana's 32 000-km road system following its serious deterioration in the 1970s owing to lack of maintenance and conflicting responsibilities on the part of government road agencies. Much work has already been completed and has been concerned with the more efficient linking of agricultural producing areas with urban centres. However, the plan also includes the rehabilitation of trunk roads, particularly between Kumasi and the ports of Tema and Takoradi as a complement to rail transport and as a critical factor in the improvement of the country's export performance. By the end of 1988 twenty per cent of the national road system had been asphalted. The programme continues to receive high priority and financial assistance is coming from the EEC, Italy, Canada and Japan. When completed, over $800 million will probably have been spent since 1983, when the programme commenced.

Ghana is clearly on the road to recovery and has already come a long way from the economic nadir reached in 1983. A major key to this recovery has been the rehabilitation of its ports and their internal and external links by rail and road. Some measure of this recovery is that the total value of exports has risen from $493 million in 1983 to $787 million in 1987. Cocoa remains the principal export, accounting for 67 per cent of total export earnings in 1987. An added boon could result from the exploration for oil now being undertaken by Ghana in collaboration with American, European and Japanese interests offshore of Keta, Accra and Cape Three Points.

Côte d'Ivoire

At mid-century two events had a profound effect upon the economic fortunes of Côte d'Ivoire. The first was the establishment in 1960 of the independent state of Côte d'Ivoire, previously a part of that vast colonial possession called French West Africa. Today the country has a population of 10,4 million and its economy depends heavily on agricultural exports, of which cocoa and coffee account for 55 per cent of the total value. The second event was the cutting ten years earlier of the Vridi canal, giving access to the Ebrié lagoon on which the new port of Abidjan was to arise. The prosperity which followed came to be known as "an economic miracle" and these two events had much to do with it.

The phenomenal rate of growth of Côte d'Ivoire's economy over its first twenty years could not be sustained indefinitely, however, and since 1981 recession and economic austerity programmes have characterized the country's more recent history, as in the case of many other African states. The prices for its export crops have fallen and the devastating drought that hit all of West Africa in 1982-84 added to the country's economic difficulties. Some relief came with the return of the rains in 1985-86 and good harvests, but a growing deficit in the balance of payments and the external debt problem remain matters of concern.

Abidjan

Nevertheless, the role of the port of Abidjan after 40 years continues to have deep and lasting effects locally, regionally and internationally. Ninety per cent of Côte d'Ivoire's maritime trade passes through Abidjan. The remainder is handled by the small port of San Pedro further west. Abidjan serves also as a transit port for part of the trade of land-locked Mali, Burkina Faso and Niger. In addition, it has for some time been the dispersal point for container traffic bound for neighbouring ports in West Africa. Today it is described as the busiest port in francophone West Africa.

Until the Vridi canal was cut through the barrier of the coastal sand-bar the country's maritime trade was conducted through four small lighterage ports. These were Port Bouet, Grand Bassam, Sassandra and Tabou, all typical of the lighterage and surf ports that characterized the featureless, sandy coastline of much of West Africa before the advent of modern deep-water harbours, as described earlier. A first attempt, as early as the turn of the century, to cut a canal through the coastline bar failed, as the problem of keeping its entrance free of sand-bars thrown up by longshore currents and the Atlantic surf could not be solved. But a railway to the interior was commenced from Abidjan in 1904 and this was to give the port and the city a tremendous locational advantage when the successful Vridi canal project was completed 50 years later. Moreover, Abidjan had the additional advantage of commanding some 300 km of an almost continuous lagoon system joined by canals, providing a remarkably well protected coastal waterway.

Very large ships cannot negotiate the Vridi canal, since the maximum depth at the entrance is 10 m, but behind it lies what Bouthier calls "a splendid stretch of sheltered water" with depths exceeding 10 m over an area far larger than that available at, say, Dakar, another of francophone West Africa's major ports. Thus the harbour can accommodate most ships used in the West African trade, though the larger oil tankers of today have to stand offshore with connections to the port facilities by pipeline. Over the years the port has been steadily improved and the facilities enlarged so that it now possesses 25 berths included in the main quay 3 130 m, a banana loading quay, quays for loading logs and sawn timber, manganese and chemical products. A well equipped fishing quay and facilities meet Abidjan's requirements as Africa's largest tuna fishing port, accounting for almost one-quarter of the Atlantic tuna catch.

Most recently, a new programme of port improvement in 1986 saw the expansion of container facilities in order to maintain its position as the leading West African container port. This traffic is expected to increase from 3,5 million tons in 1985 to 5,6 million in 1990. Further improvements, partly funded by the World Bank and commenced in 1988, include a new terminal for sawn timber, a further fishing quay, new internal road connections and an extension to the breakwater at the entrance to the canal.

The growth of the port and the city after the opening of the canal in 1950 was phenomenal. The port's original planned capacity was 850 000 tons of freight per year but by 1957 the volume handled had already reached 1,1 million tons. By 1967 it was 4,1 million and by 1980 had more than doubled again to 9,4 million tons. Since then, as the economic recession took effect, the tonnage handled (including oil and petroleum products) declined, recovering to 9,5 million tons only in 1986 and maintaining much the same level in 1987. The growth of the city has been equally spectacular. Its population in 1948 numbered only 48 000. By 1961 it had increased fourfold to 190 000, then trebled to 650 000 in 1971. In 1989 it stands at some 2 million and is growing by 200 000 a year. Nor will the new capital city of Yamoussoukro, 250 km to the north-west, challenge unduly the port city's economic dominance and continued growth. Côte d'Ivoire's population is rapidly urbanizing, with some 48 per cent of its people living in towns. Of this urban population 40 per cent alone live in Abidjan. Moreover, the city accounts for over two-thirds of the country's manufacturing industry while 35 000 people are employed in the port sector of the economy.

San Pedro, opened in 1972, is situated 300 km west of Abidjan. The port was built mainly to handle the export of logs, palm oil, cocoa and coffee. It has two quays for this purpose and can accommodate ships of up to 25 000 dwt. During the 1980s the volume of cargo handled remained static, but in 1987 a fall in log exports saw a substantial decline in overall traffic handled. In 1987 the total traffic through the port amounted to 914 000 tons or one-tenth of that passing through Abidjan.

Abidjan's hinterland

The development of the port of Abidjan in the 1950s was part of a wider plan by the French to improve the infrastructure of their West African possessions as a basis for post-war economic growth. This development concentrated heavily on joining the new port to its productive hinterland. Thus, Côte d'Ivoire's only railway, from the port to Bobo Dioulasso in Burkina Faso, commenced in 1904, was substantially upgraded in the 1950s and extended deeper inland to Ouagadougou in 1955, a total length of 1 140 km of which 625 are in Côte d'Ivoire. At the same time the growth of classified roads trebled between 1947 and 1958 to 10 570 km. Together, the railway, the road network and the lagoon system brought virtually the whole of the country as well as large parts of Burkina Faso and the southern areas of Mali within the hinterland of Abidjan.

Three-quarters of the tonnage of Burkina Faso's imports and exports goes through Abidjan. Road haulage to and from the port is now competing vigorously with that by rail. The railway has suffered technical and financial difficulties for many years and its traffic has steadily declined from over 800 000 tons in 1980 to less than 500 000 tons in 1986. Over the same period the number of passengers has fallen from 4 million to 1,5 million. Until recently the line was operated by a single authority, but after a split in management between the two countries in 1987 the way has been cleared for Côte d'Ivoire to seek funds for the upgrading of its section of the line. Meanwhile a substantial road building and improvement programme was commenced in 1986. This has now been extended at least to 1991 and will add considerably to the present 55 000 km of classified roads. Much of Mali's export of livestock via Abidjan will be greatly assisted when the route from the border to the port is fully rehabilitated. Current plans to build a new international airport at the city will add further to its role as the country's prime economic focus. Financial assistance for many of the projects now under way has been provided by the World Bank, the African Development Bank and other donors.

These developments are vital to the health of Côte d'Ivoire's export economy. The bulk of the main export crops, cocoa and coffee, are produced within a radius of 300 km of Abidjan. Cocoa and coffee produced in 1986 totalled 834 000 tons, virtually all of which was exported. Log exports have declined from a total of 1,9 million tons in 1981 to 0,97 million tons in 1986. A major reason is that Ivorians are concerned about the rate at which their forests are being depleted. Thus, the country is turning to the less wasteful and more profitable export of semi-processed sawn timber and the new terminal at Abidjan for handling this product is part of the 1988 port improvement programme. Similarly, a plant to refine palm oil, instead of exporting it unprocessed, has been opened at the Vridi industrial estate adjoining the harbour.

Oil

Côte d'Ivoire is not an oil producer of note. In 1987 total output of crude oil amounted to only 927 000 tons compared with Cameroon's 8,4 million and Nigeria's 63 million tons. Two small offshore oilfields, not far from Abidjan, came on stream in 1980 and 1982. From a peak of 1,1 million tons in 1984 output has fallen and production at both fields could possibly come to an end within a year or two. There are two refineries at Abidjan, a large one at Vridi and a smaller one. In the mid-1980s 75 per cent of their supply of crude came from Côte d'Ivoire's two fields. This proportion, however, has now fallen to 25 per cent and the balance has to be imported, mainly from Nigeria. In 1981 oil and petroleum products constituted only 23 per cent of a total cargo of 8,3 million tons moving in and out of the port of Abidjan. By 1986, as economic conditions began to improve and more crude was imported and more refined products were exported, they formed 46 per cent out of total cargo of 9,5 million tons. Over this recessionary period non-oil imports and exports through Abidjan fell by 1,3 million tons, but 0,64 million tons was accounted for by a decline in the export of logs as a result of the depletion of the country's forest reserves.

Conclusion

Both Abidjan and San Pedro have the potential to be expanded to meet the longer term increase in maritime traffic. Abidjan has ample room for expansion within the Ebrié lagoon although in the longer term the Vridi canal may require attention in order to improve further the access to the harbour. At San Pedro there is room for the expansion of quayage and the construction of some specialist terminals. Since the 1970s plans have existed for the mining of iron ore deposits near the Liberia-Guinea border with a view to their processing and export at San Pedro. The project remains undeveloped, however, while world demand for steel continues to remain unattractive.

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BOOKSHELF

Title to territory in Africa: International legal issues *by Malcolm Shaw. Oxford: Oxford University Press, 1986, 428pp. ISBN 0 19 825379 6.*

Malcolm Shaw looks at territory in Africa since the colonization of Africa and the modes of acquisition in that time, the establishment of the legal right to self-determination and the subsequent decolonization. He then discusses statehood, territory and title, with special emphasis on the effects of self-determination on territory. Shaw also looks at the principle of territorial integrity and how it affects the conflicting claims of states. Finally he considers boundary treaties and the delimitation and demarcation of African boundaries.

The practical guide to South African economic indicators *by P J Mohr, C van der Merwe, Z C Botha and E J Inggs. Johannesburg: Lexicon Publishers, 1988, 149pp. ISBN 1 86813 044 4.*

In this book, which is designed as a manual or reference work, typical queries on economic data and economic indicators are answered. The fact that most of the important definitions and data sources have been brought together in a single, fairly slim volume should make it particularly useful to anyone interested in, or involved with, economic data. The book is aimed at a wide range of potential users, including politicians, businessmen, students, economists and the interested man-in-the-street.

The Save study: Relationships between the environment and basic needs satisfaction in the Save catchment, Zimbabwe *edited by B M Campbell, R F du Toit and C A M Atwell. Harare: University of Zimbabwe, 1989, 119pp. ISBN 0 908307 08 X.*

The Save catchment area in south-eastern Zimbabwe is of national importance in Zimbabwe's agricultural development; it also typifies many of Zimbabwe's socio-economic and environmental problems. The researchers propose eleven general areas in which policies and programmes must be developed in order to raise agricultural productivity, improve needs satisfaction and halt environmental degradation. The United Nations Environment Programme sponsored the most part of this interdisciplinary project.

Industrialization and investment incentives in Southern Africa *edited by Alan W. Whiteside. Pietermaritzburg: University of Natal Press, 1989, 244pp. ISBN 0 86980 649 1.*

The book is based on a project carried out by the Economic Research Unit of the University of Natal. The contributors found that every country in the region regards the industrial section as being vital to its economic development. Deonatus Mbilima looks at the interrelationships between the Southern Africa states and deals with various organizations such as the Southern African Customs Union (Sacu) and the Southern African Development Coordination Conference (SADCC). Despite wide diversity in both political ideology and economic policies in the countries studied, a number of trends emerged and these are highlighted by Gavin Maasdorp. Among the trends is a general decrease in industrial activity throughout the region. The importance of the industrial sector is further increased by problems in agriculture and a summary of incentives available in the Southern African states is provided. The contributors also look at each Southern African country individually.

Black economic empowerment: Shaping South African business for the 21st century *by Paul Browning. Parklands: Fontein, 1989, 183pp. ISBN 0 620 14124 7.*

During 1988 the term "black economic empowerment" became widely used in the context of South Africa's search for a new political dispensation and the taxi industry was frequently quoted as an example of the process of economic empowerment. Paul Browning, a transport consultant, provides a definition to this term and explains the objectives of black economic empowerment, the role of South Africa's public policy, the private practice and the semi-formal business sector. He also predicts that a third wave of business movement will emerge in the 1990s, namely that of South Africa's black businessmen. (The first was that of the English-speaking Randlords and the second wave that of the Afrikaans-speaking business community.)

AFRICA MONITOR

Africa Monitor
July to September 1989

Richard Cornwell and Marita Snyman

AFRICA

Organization of African Unity

On 20 July, at its meeting preparatory to the 25th OAU heads of state summit, the OAU's Council of Ministers adopted a resolution agreeing in principle to the establishment of a **joint defence force,** providing that this was financially feasible. The role of such a force would be to assist the Frontline States in the event of South African aggression, to work closely with national liberation movements and to carry out peacekeeping and observer duties. Many of the foreign ministers participating in the discussion were lukewarm towards the project, which they considered impractical, both logistically and financially. A six-member committee, consisting of representatives from Zimbabwe, Libya, Ethiopia, Ghana, Senegal and Zaire was set up to examine the financial implications (C 21/7; BD 21/7; SWB 24/7).

At the OAU's 25th annual summit **Pres Mubarak** of Egypt was elected the organization's new chairman. **Salim Ahmed Salim**, Tanzania's deputy prime minister and minister of defence, was elected secretary-general, ousting the incumbent, Niger's Ide Oumarou. In his address to the summit Pres Mubarak emphasized four main themes: the need to reinforce African solidarity; the urgency of finding a solution to Africa's debt problem; the continuing fight against apartheid; and the reinforcing of Afro-Arab solidarity.

Although events in Southern Africa dominated the OAU's deliberations, another important issue was the need to strengthen Africa economically. On 26 July the heads of state approved a draft plan presented by a steering committee for the introduction of an African common market over a period of ten years from 1998. The intention would be to form an African economic community over the next 20 years (S 25/7; SWB 26/7; JA 9/8; AC 11/8; ARB 15/8, 31/8; TWR 16/8).

From 20-23 August the OAU's ad hoc committee on Southern Africa met in Harare, charged by the OAU summit to devise **a new pan-African strategy on Southern Africa.** The 16-member committee, chaired by Pres Mubarak, consisted of the heads of state or representatives of Egypt, Zimbabwe, Zambia, Angola, Mozambique, Tanzania, Botswana, Congo, Nigeria, Algeria, Ethiopia, Cape Verde and Mali. The African National Congress (ANC), Pan-Africanist Congress (PAC) and South West Africa People's Organization (Swapo) also took part. On 21 August the committee gave its approval to a programme drawn up by the ANC, which outlined preconditions for talks with the South African government and proposed the setting up of an **interim administration** which would formulate a new constitution for South Africa. The PAC continued to rule out the possibility of negotiations with Pretoria (C 21/8, 22/8; SWB 23/8; ARB 15/9).

(OAU subcommittee on Chad and Libya — see Chad; OAU Council of Ministers on Mayotte — see Comoros; OAU and the Senegal-Mauritania dispute — see Mauritania.)

NORTH AFRICA

Algeria

On 2 July Algeria's National Assembly adopted a law allowing for the **creation of political parties** other than the ruling *Front de Libération Nationale* (FLN). Under the new regulations permission to form a political party must be obtained from the Interior Ministry. No party may be based exclusively on religion, language, region, sex, race or profession or may advocate violence, extremism or fanaticism. Official assurances have been given, however, that the law will not obstruct political associations inspired by Islamic values. Almost 30 political groups immediately gave notice of their intention of applying for registration.

On 19 July an electoral code was approved allowing new parties to compete in free elections. The **multi-party system** adopted is similar to that in operation in Egypt and Tunisia. Any party winning more than half the vote in a given constituency wins all the seats for that constituency — a system which tends to favour the ruling party and which could effectively exclude opposition parties. It is not yet clear when the first elections under the new dispensation will be held.

Certain measures aimed at **economic libera-lization** were adopted in tandem with these political reforms. On 2 July a law was passed deregulating the prices of a number of goods and providing for the reduction of the state's role in the economy. These moves may have political costs, however, as price increases, accompanied by shortages of basic commodities, fuel existing **social discontent**. Grievances about the large housing deficit and favouritism in allocating accommodation led to serious demonstrations in two coastal towns on 14 August.

On 9 September a brief **political crisis** ensued when Pres Chadli Bendjedid dismissed Kasdi Merbah from the prime ministership, replacing him with Mouloud Hamrouche, hitherto secretary-general to the presidency and a former head of military security. Merbah initially refused to relinquish his post, complaining that the president's action was unconstitutional, as the National Assembly had not passed a motion of no confidence in his government. He also denied that he had been responsible for delaying the implementation of reforms, as was being implied. On 10 September, still complaining, he accepted his dismissal. The new government made vague promises of further political, social and economic reforms, but will have to try to regain public confidence against the background of opposition calls for "real change" (AP 7/89; S 4/7, 11/9; KT 4/7; AED 10/7; AA 4/8; ARB 15/8, 15/9, 15/10; SWB 12/9; E 16/9; TWR 27/9; JA 2/10).

Algeria and **Morocco** have signed an agreement on the free circulation of people and goods. The agreement, signed on 5 August, covers a number of elements and foresees the setting up of frontier zones and co-operation at the level of local collectives and central administration (ARB 15/9).

Maj-Gen Abdallah Belhouchet, one of the military leaders in the Algerian war of independence and the highest ranking officer in the armed forces, retired from his post as military adviser to Pres Chadli Bendjedid. The retirement is seen as a step towards the **depoliticization of the Algerian army** (ARB 15/9).

The World Bank has approved a $63 mn loan to back the **port modernization** programme. The credit will cover the estimated foreign exchange costs of the $127,8m project to upgrade Algiers, Oran and Annaba ports (WBN 6/7; AED 17/7; ARB 31/8).

Japan's Export-Import Bank has agreed to extend a loan of up to $95.2 mn to Algeria's foreign trade bank. The loan is to be used for buying Japanese equipment for the construction of petrol-producing facilities (AA 1/9).

Chad

The build-up of Pres Habré's opponents in neighbouring **Sudan** continued to create problems, with fighting on the Sudanese border between the Chadian opposition *Conseil Democratique Revolutionnaire* (CDR) in Sudan's Darfur province and troops loyal to Pres Habré threatening to escalate into a major regional conflict. This is a sequel to the failed coup attempt of 1 April (AP 7/89; AC 7/7).

A six-nation summit under the auspices of the OAU was held in Bamako, Mali from 20 to 22 July in an attempt to find a solution to the conflict between Chad and **Libya**. The meetings were chaired by Pres Bongo of Gabon and were also attended by Pres Habré, Col Gaddafi, Pres Bendjedid of Algeria, Pres Babangida of Nigeria, and Pres Traoré of Mali, who was then also chairman of the OAU. Despite considérable optimism the talks failed to achieve a settlement, with Libya demanding the return of its captured troops and the withdrawal of French forces and Chad wanting recognition of its claims to the Aouzou Strip and a Libyan undertaking to end support for the Chadian opposition. Commentators argued that the summit failed because it attempted to address too many questions too quickly.

Talks were resumed on 3 August, when a Chadian delegation visited Libya, and on 31 August it was announced that the two sides had reached an **outline agreement.** Chad and Libya agreed that if they failed to decide the ownership of the 114 000 km^2 **Aouzou Strip** within a year then the issue would be referred to the International Court of Justice at the Hague. The agreement also made provision for the withdrawal of forces from the disputed region, the release of all POWs, an end to hostile media campaigns, non-interference in each other's internal affairs and the signing of a treaty of friendship and good neighbourliness. France subsequently began to reduce its military presence in Chad (C 21/7, 24/7, 1/9; SWB 24/7, 3/8, 4/8, 1/9, 4/9, 9/9; DT 24/7; E 29/7; AP 8/89; DN 3/8; ARB 15/8, 15/9; JA 11/9, 15/9).

Pres Habré approved a **draft constitution** to be submitted to a national referendum. It provides for a US-style presidency in which the judiciary will be able to overrule the head of state in certain defined situations. The ruling *Union National pour l'Independence et la Revolution* (UNIR) remains the sole political party, however, leading observers to ask whether the new dispensation would defuse certain **ethnic tensions and rivalries** manifested in the April coup attempt (NA 1/8; ARB 15/8).

Egypt

On 20 August the attorney-general announced the detention of a large number of **Islamic militants** suspected of plotting coups and sabotaging the interests of Iraq, Israel, Kuwait, Saudi Arabia and the USA. He accused them of plotting an Iranian-style revolution. Twenty-six of those arrested received long jail sentences in early September. The government continues to be sensitive to the possibility of militants exploiting the incipient unrest created by rapidly rising prices and unemployment (ARB 15/9, 15/10).

Pres Mubarak visited Algiers and Tunis 7-8 September; talks there centred on his proposals for a Middle Eastern peace settlement (SWB 9/9, 11/9, 15/9).

(Pres Mubarak elected president of the OAU — see Organization of African Unity; Egypt and the coup in Sudan — see Sudan.)

Libya

The **20th anniversary of the revolution** which brought Colonel Gaddafi to power on 1 September 1969 provided the occasion for celebrations attended by a number of heads of state, including those of Tunisia, Algeria, Morocco, Sudan, Syria, Yemen and Nicaragua. Col Gaddafi took advantage of the opportunity to announce the abolition of the armed forces; in future, Libyan soldiers, sailors and airmen were to be known as "armed people" (SWB 30/8, 31/8, 2/9, 4/9; C 2/9; KT 2/9; JA 6/9).

On 5 September Col Gaddafi attended the summit of the **Non-Aligned Movement** in Belgrade. In his speech he suggested alternative homelands for the Jewish people might be established in Alaska, Alsace-Lorraine or the Soviet Baltic republics. He also argued that Italy should pay reparations to Libya, its ex-colony, and said that other colonial powers should follow suit in respect of their ex-colonies (SWB 5/9, 7/9; E 9/9).

(Conflict with Chad — see Chad.)

Morocco

On 9 August Morocco scored a massive propaganda success with the defection from **Polisario** of Omar Hadrami, a founder-member of the movement. Observers attribute this, and other **defections,** to long-standing internal tensions within Polisario, both ideological and ethnic, and to the continued delays in implementing the peace plan agreed in principle in Geneva in August 1988 (AC 25/8; ARB 15/9; JA 18/9).

On 14 September it was announced that Morocco's private creditors had agreed in principle to reduce the country's external debt. Of a total external debt of over $20 bn, $3,7 bn is owed to commercial banks (ARB 31/10).

Late in September King Hassan paid his first official visit to **Spain**, Morocco's second most important trading partner. Agreements were signed establishing guarantees for Spanish investments in Morocco, on military co-operation, and for a feasibility study of a bridge or tunnel across the Straits of Gibraltar (ARB 15/10).
(Agreement with Algeria — see Algeria; King Hassan's mediation of the Belgium-Zaire dispute — see Zaire.)

Sudan

Brig Omar Hassan Ahmed el-Beshir, the 45-year-old paratroop officer who led the **coup** which overthrew the civilian government of Sadiq el-Mahdi, declared that this had been a revolution for the salvation of Sudan, and for its deliverance from the corrupt and mercenary activities of the politicians. He dissolved the Constituent Assembly, the Head of State Council and the Council of Ministers and suspended the 1986 constitution. The Revolutionary Command Council, with (now Lt-Gen) el-Beshir as its president, established itself as the highest constitutional, legislative and executive authority. All political parties and associations, local and regional administrations and trades unions were dissolved. Over the next few days the leading politicians of the old regime were arrested and detained. A state of emergency was declared throughout Sudan and all demonstrations against the revolution of national salvation were prohibited, as were unauthorized work stoppages and the holding of political meetings.

Observers struggled to identify the principal characteristics of the new regime. It described itself as non-tribalist and non-racial, yet proclaimed its **pan-Arabist orientation.** While emphasizing the need to strengthen the armed forces, El-Beshir also stressed the need to find a negotiated settlement for the civil war, and said that if the issue of the **Shari'a** law could not be resolved in any other way it would have to be submitted to a referendum. The new government declared a unilateral one-month ceasefire and offered a general amnesty to rebels.

On 9 July a civilian cabinet was appointed, consisting largely of technocrats, politicians formerly associated with the government of ex-Pres Nimieri, and sympathizers of the National Islamic Front, which gave rise to some scepticism about the government's seriousness in tackling the Shari'a problem. On 12 July a government delegation returned from Addis Ababa, having failed to make contact with the rebel **Sudan People's Liberation Movement** (SPLM). On the same day Lt-Genl el-Beshir was in Cairo for talks, again publicly stating the need for a negotiated settlement, though speculation that Khartoum might even countenance the secession of the southern provinces, a step particularly alarming to **Egypt** because of its dependence on the Nile, was later officially denied.

On 23 July Egypt's Pres Mubarak visited Khartoum en route to the OAU summit. Two days later El-Beshir decided to extend the government's ceasefire for another month and shortly afterwards announced that talks with the SPLM would start in August.

On 29 July Lt-Genl el-Beshir arrived in **Saudi Arabia** on an official visit.

Talks began in Addis Ababa on 19 August between a Sudanese government delegation and representatives of the SPLM. These broke down the following day, however, in the face of SPLM demands for the immediate abolition of Shari'a law. The rebels expressed doubts about the government's desire for peace and were reported to be moving reinforcements to their troops **besieging the garrison of Juba.**

On 28 August Lt-Genl el-Beshir began a three-day visit to **Iraq**, where he received promises of substantial supplies of weapons.

On 9 September El-Beshir inaugurated a 77-member committee charged with planning a peace conference to end the civil war. Col John Garang, leader of the SPLM dismissed the conference as a hoax, but 27 southerners, including Abel Alier, Joseph Lago and Joseph Tombura, took part. On 13 September the government cancelled a peace conference scheduled for the end of the month in the light of the SPLM's preconditions, including the immediate abolition of Shari'a (SWB 1/7, 3/7, 4/7, 6/7, 10/7, 14/7, 15/7, 27/7, 29/7, 31/7, 21/8, 23/8, 30/8, 1/9; TS 3/7; S 3/7; TWR 5/7, 12/7, 19/7, 2/8, 4/10; DN 5/7; C 7/7, 24/7; AA 7/7, 4/8, 15/9; ION 8/7, 15/7, 22/7, 23/9; E 8/7, 22/7, 16/9; AED 10/7, 17/7, 31/7; JA 12/7, 9/8; KT 13/7, 23/8; AC 28/7; ARB 31/7, 15/8, 15/9, 15/10).

In the meantime the new regime's war on **corruption and profiteering** severely disrupted the operations of the country's business sector. Soldiers forcibly reduced tagged prices in shops and markets, with the result that merchants simply withheld goods. Severe penalties were then announced for those guilty of hoarding. Stringent foreign currency regulations brought imports to a virtual halt, leading to severe food shortages in Khartoum (ARB 31/7, 15/10; AB 9/89; AA 15/9).

On 19 September Sudan and the **Central African Republic** restored diplomatic relations (ARB 15/10).

Tunisia

The World Bank agreed to provide a $84 mn credit for the second phase of Tunisia's seven-year **agricultural reform programme,** launched in 1986. This phase will increase the private sector's share of production, and strengthen support services and reforms in marketing and pricing (ARB 31/7).

On 12 August the government announced substantial **price rises** for several essential commodities. This is a very sensitive area, with the economy under pressure from drought, a widening trade deficit, total foreign debt of $6 bn and debt service this year of $1 bn, and unemployment already at 500 000. On 21 August **France** signed accords with Tunisia offering a grant of $161 mn, substantial food aid and credit lines to provide balance of payments support. French enterprise will also attempt to increase its investment in joint ventures (ARB 31/7, 30/9; DT 14/8).

On 27 September Pres Ben Ali dismissed the prime minister, Mr Hedi Baccouche, following a fundamental disagreement over **economic policy.** Pres Ben Ali reaffirmed his commitment to the three-year structural adjustment programme agreed with the World Bank in 1988, despite the **social and political risks** this entailed (ARB 15/10).

WEST AFRICA

Benin

On 24 July the Supreme Court ordered the indefinite postponement of the trial in absentia of Lt Col Francois Kouyami who was facing charges that he had attempted to organize a coup. The defence had questioned the competence of the seven judges hearing the case, three of whom are members of the central committee of the ruling party (SWB 27/7).

In July officials of the Finance Ministry joined teachers on **strike** in protest at the protracted non-payment of civil service salaries (ARB 31/8).

On 2 August **Mathieu Kérékou was reelected** as head of state for another five-year term by the Revolutionary National Assembly. He was the sole candidate and obtained 198 out of the 200 votes. In the subsequent cabinet reshuffle, lawyer Robert Dossou, President of the Bar Association and Dean of the Law Faculty at the local university, an outspoken critic of the ruling party's monopoly on power in Benin, was appointed minister of planning, statistics and economic analysis. Apparently somewhat taken aback by his appointment, on 6 August Dossou nevertheless precipitated a fierce debate in the Assembly about the country's current political and social crisis, and called for the release of a number of political prisoners. The eventual vote in the chamber, however, showed that there was little support there for further political liberalization.

Nevertheless, on 29 August the ruling party's politburo announced measures of general amnesty and clemency for those involved in the coup attempts of 1975 and 1977 and the mercenary invasion of 1977. Voluntary exiles were also invited to return to Benin. Some 192 people were said to be directly affected by this step. Pres Kérékou subsequently dismissed the idea of a multi-party system as Utopian in the light of Benin's state of development, saying it would give rise to a re-awakening of tribalism and regionalism. His opponents in exile dismissed the amnesty offer as a crude response to external pressure and the country's domestic crisis (SWB 5/9; WA 11/9; JA 2/10).

Following the amnesty measures Benin's principal **aid donors** announced a new financial package to help ensure that teachers returned to work in time for the new school term in October. Some CFAFr3 bn would be made available to cover a month's salary arrears (ARB 30/9).

Burkina Faso

On 17-18 July Pres Campaoré visited Libya for talks with Col Gaddafi and on 27 July he paid a brief working visit to Chad for private discussions with Pres Habré, whom he urged to hold direct discussions with Libya in an effort to solve their dispute (SWB 20/7, 31/7).

On 3 August Campaoré announced an amnesty for all political detainees; 196 people were said to benefit from this (ARB 15/9).

Early in September Pres Campaoré paid a six-day visit to **China,** the first head of state to do so since the imposition of martial law there. He was quoted in local newspapers as expressing his full support for the crackdown on the student-led democracy movement in June (DN 8/9).

Security agents claimed on 18 September to have uncovered a **plot** to shoot down Pres Campaoré's aircraft on its return from China. Four leaders of the alleged coup attempt were executed after interrogation, among them Campaoré's two deputies, Maj Jean-Baptiste Boukary Lingani and Capt Henri Zongo, his associates in the coup which overthrew Sankara in 1983. Informed sources, however, were sceptical about the existence of any plot, and interpreted the latest executions as reflecting a **power struggle** within the ranks of the Popular Military Front (C 20/9; SWB 21/9, 22/9, 25/9; JA 2/10; WA 2/10, AC 6/10).

Dr Bernard Ledea Ouedraogo of Burkina Faso and Pres Quett Masire of Botswana were named co-winners this year of the Africa Prize for leadership for the Sustainable End of Hunger, a prize that goes to leaders in government and non-governmental organizations whose contribution to end hunger in Africa is recognized annually by the New York-based Hunger Project (WR 11/8; AB 9/89).

Côte d'Ivoire

Financial sources in Washington said that tentative agreement had been reached between Côte d'Ivoire and the IMF on the broad outlines of a new **economic reform programme**, to begin on 1 July with an 18-month stabilization programme. However, there is little hope that the policy concessions made by the government in the form of tax increases and expenditure cuts will do much to narrow Côte d'Ivoire's budget deficit or enable the country to resume repayments to its creditors, to whom it owes some $8-9 bn. By the end of June the government was over $2,5 bn in **arrears** in interest and principal repayments to its external and domestic creditors. Pres Houphouët-Boigny has let it be known that as things stood only IMF and World Bank debt will be serviced. Other creditors would therefore have to seek rescheduling agreements. Nevertheless even comprehensive rescheduling would be insufficient to solve the country's financial difficulties. The World Bank has therefore shown an interest in financing a broader **recovery plan** which will help diversify the economy away from its heavy dependence on cocoa and coffee. In addition the IMF envisages a series of measures which it hopes will help Côte d'Ivoire achieve external viability by the year 2000.

On 3 July the government announced a drastic **reduction in the producer price of cocoa,** despite long-standing and repeated promises that it would not do so. This step was expected to facilitate co-operation with the IMF and World Bank. One encouraging sign was that Côte d'Ivoire has now become Africa's third largest cotton producer, after Egypt and Sudan. Last year's crop was a record 300 000 tonnes (AED 31/7: ARB 31/7: AB 8/89, 9/89; AA 1/9).

On 18 July the **Vatican** announced that Pope John Paul II had accepted "in principle" Pres Houphouët-Boigny's gift of the **Yamoussoukro Basilica,** on condition that Côte d'Ivoire spends more on health care and youth schemes (So 9/89).

Pres Houphouët-Boigny summoned some 2 000 members of the Ivorian elite to the Presidency in Abidjan in the last week in September to hear their views on the political, economic and social problems afflicting the country. Wide-ranging criticism was expressed and Pres Houphouët-Boigny promised to set up a national committee to address the grievances, especially the question of recognition of alternative political parties (WA 9/10).

The Gambia

(Break-up of the Senegambia Confederation — see Senegal.)

Ghana

Nigeria and Ghana have signed a $2,5 mn contract for **oil exploration** in Ghana. Under the agreement Nigeria is to conduct a seismic survey in the on-shore Tano Basin in the western region of Ghana (DT 16/8).

Guinea-Bissau

President Vieira has been confirmed as head of state for a second five-year term by the ruling council of state (AED 3/7).

On 31 July an international arbitration panel in Geneva ruled in favour of **Senegal** and against Guinea-Bissau in their **maritime boundary dispute,** which dates back to the 1970s, when oil was discovered in the area in question. Since then exploration of these oil finds had been blocked by Guinea-Bissau's claims. The arbitration panel deliberated for a year before finding in favour of Senegal, in accordance with agreements reached between the erstwhile colonial powers France and Portugal.

On 3 August Guinea-Bissau rejected the panel's decision, on the grounds that agreements by colonial powers could not be regarded as binding on a state which had not then been independent. Following this development Pres Abdou Diouf of Senegal postponed a two-day working visit he was to have made to Guinea-Bissau. Portugal subsequently issued statements in favour of Guinea-Bissau's position, while French sources deplored the rejection of the decision as constituting a threat to the entire principle of arbitration.

On 4 September Pres Vieira made a one-hour stopover in Dakar, where he met Pres Diouf. On 9 September Pres Vieira paid a three-day official visit to Egypt, where he asked Pres Mubarak to help settle the dispute (SWB 4/8, 7/8, 15/8, 19/8, 29/8, 5/9, 11/9, 13/9; DT 16/8; JA 16/8; WA 21/8, 28/8; ARB 15/9; AC 22/9).

Liberia

On 18 August **Maj-Gen Gray Allison,** until recently minister of defence and the second most powerful man in the country was sentenced to death by court martial, having been found guilty of a **ritual murder** aimed at providing "medicine" strong enough to enable him to overthrow Pres Doe (SWB 18/7; S 21/7, 8/8, 20/8; DT 8/8; WA 21/8; E 26/8; ARB 15/9).

Mali

A $56 mn education project — whose major aim is to reverse a decline in primary school enrolment — has been launched with wide donor support. The programme will last for six years (ARB 15/8).

Gold mining in the south and east of Mali, hitherto small-scale and local, has attracted international industrial interest. US companies have followed the Soviets into co-operation agreements with local concerns. Mali's gold production is expected to amount to 3,5 tonnes in 1990, generating revenue of CFAFr12 bn (AE&M 3/8).

Mauritania

The war of words between Mauritania and **Senegal** continued into July with Mauritania accusing Senegal of sending armed groups into its territory in preparation for a military offensive. On 21 August Senegal broke off diplomatic relations with Mauritania, whose government subsequently called for the headquarters of the three-member Senegal River Development Organization (OMVS) to be moved from Dakar to Bamako, Mali. Malian Pres Traoré urged both sides to exercise tolerance and moderation.

At the end of August Pres Campaoré of Burkina Faso, the Ecowas chairman, visited both Mauritania and Senegal in an attempt to persuade them to accept OAU mediation. A week later Pres Mubarak, president of the OAU, arrived to try to achieve some degree of reconciliation.

Against the background of reports that both sides were preparing for hostilities, on 20 August diplomatic sources claimed that Mauritania and Senegal would attempt to settle their differences at the UN General Assembly meeting in October. Discussions then were expected to focus on the proposals formulated by the OAU's ten-member committee established to defuse the issue (SWB 18/7, 26/7, 29/7, 25/8, 29/8, 4/9, 5/9, 19/9, 22/9; ARB 15/9, 15/10).

Niger

On 24 September a **referendum** was held on the new **draft constitution** for the Second Republic. Official results indicated that 95,08 per cent of the electorate voted, of whom 99,28 per cent approved the new constitution (SWB 12/9; JA 9/10; ARB 15/10).

Nigeria

On 24 July Pres Babangida announced that the federal government was **planning a training programme for political careerists** and party bureaucrats in order to professionalize the organization of political parties. Election candidates would be required to pass a test, to include demonstrating their knowledge of the Nigerian constitution, before being allowed to stand for office. The government has also made clear its interest in devising programmes of political education aimed at correcting "anti-democratic values" among the population.

Under the new dispensation party constitutions are also to be laid down by statute, so that any amendments will have to be gazetted. This regulation seeks to prevent the manipulation of party constitutions during times of political crisis.

By 19 July, the deadline laid down by the National Electoral Commission (NEC) for the submission of applications for **registration as a political party,** only 13 political associations out of an expected 35 had filed the required papers. The NEC then began the process of scrutinizing the credentials of the 13, emphasizing that the two parties eventually selected for registration would have to have demonstrated widespread grassroots support traversing ethnic, religious and other sectional interests.

The NEC's investigations revealed several attempts at fraud by those associations seeking registration, and by the time its report was presented to Pres Babangida on 26 September, the number of applications forwarded for his consideration had been reduced to six. The NEC noted, however, that even these six scarcely met the criteria laid down for registration: claims of widespread national support had proved impossible to verify; most of the associations were poorly organized and riven by factionalism and internal power struggles; all were financially weak; and almost all traced their roots back to the politics of the First and Second Republics. (SWB 27/7, 16/8, 28/9; WA 31/7, 14/8, 21/8, 11/9; NA 9/89).

Some 22 500 youths from all parts of Nigeria are to undergo para-military training in Lagos to combat possible political thuggery during the period of transition to civil rule (KT 18/8).

At the end of July West Germany agreed to reschedule Nigeria's official debt of DM1,2 bn (ARB 31/8).

(Oil contract — see Ghana.)

Senegal

On 19 August Gambian radio announced that Senegal had decided to withdraw, without notice, its troops and gendarmes in the Senegambian confederal forces stationed in Gambia. These Senegalese troops had been prominent in the Presidential Guard and in airport security since the attempted coup of July 1981. Senegal's decision was evidently prompted by a letter received by Pres Diouf from Gambia's Pres Jawara, in which the latter urged a review of the 1982 pact which had established the **Senegambia confederation.** Jawara apparently wanted the confederal presidency to alternate annually, instead of being held permanently by the Senegalese head of state. He was also said to have asked for a reduction in the Senegalese military presence in Gambia.

On 23 August Pres Diouf responded publicly by suggesting that the confederation be suspended, since it had failed to achieve its goals of integration of the security forces, economic and monetary union or co-ordination of communications and foreign policy. He argued that simpler structures could be employed to promote such co-operation as was likely to be achieved. On 1 September Pres Jawara accepted Pres Diouf's proposals but on 18 September, after further official discussions, a protocol was signed **dissolving the confederation** as from 30 September.

Commentators suggested that Gambia's reluctance to proceed towards closer union with Senegal stemmed from an awareness that this would bring increases in the cost of living, an end to the lucrative re-export and/or smuggling businesses, francophone dominance, and would also deprive Gambia's rulers of the perks of independent statehood (SWB 21/8, 4/9, 19/9; DN 25/8; E 26/8; JA 6/9; AC 8/9; AA 29/9; WA 9/10; ARB 15/10).

(Conflict with Mauritania — see Mauritania; Territorial waters dispute — see Guinea-Bissau.)

CENTRAL AFRICA

Cameroon

It was announced on 21 August that the US Overseas Private Investment Corporation and USAID were launching a study into the creation of a **free industrial zone** in the vicinity of Douala. The government hopes that such a development will attract valuable foreign investment, create employment and improve the balance of payments (ARB 30/9).

Central African Republic

On 16 July Pres Kolingba began a four-day visit to **Israel**, to ratify a co-operation agreement (ARB 15/8).

The CAR's opposition in exile have claimed that in July 12 of its members, including Gen Francois Bozize, were arrested in Benin and subsequently extradited to the CAR (SWB 3/10; AC 6/10).

(Restoration of diplomatic relations with Sudan — see Sudan.)

Congo

The congress of the ruling *Parti congolais du travail* (PCT) was held from 26-30 July. In his opening speech Pres Sassou-Nguesso issued warnings against corruption, the trend towards a bourgeois way of life, quick and illicit wealth and the mushrooming of religious sects. He also announced that an **Economic and Social Action Plan** would be implemented 1990-1994 which would involve the reorganization of the state's finances and the fostering of private enterprise. At the conclusion to the congress Pres Sassou-Nguesso was re-elected by a show of hands to his third term as president. Changes to the membership of the PCT's central committee were said to represent a victory for "moderates" over "hardliners". Six new members were also introduced to the party's politburo (C 31/7; SWB 1/8, 2/8).

A **general election** was held on 24 September, in which a single list of candidates selected by the PCT central committee was approved by 99,19 per cent of the voters. The PCT's formal domination of parliament has been curtailed, however, as 66 of the 133 seats were returned by a front made up of youth, womens', welfare and disabled peoples' organizations, 8 were reserved for businessmen and only 55 for representatives of the PCT (ARB 15/9, 15/11).

Equatorial Guinea

On 25 June Pres Obiang Nguema Mbasogo obtained 99,96 per cent of the vote in Equatorial Guinea's first **national elections** since independence. He was the sole candidate even though this election was supposed to familiarize the population with electoral procedures and to begin the process of democratization. During his investiture as president on 2 August Pres Obiang Nguema said that his election marked the end of his uncle's 11-year dictatorship 1968-1979. He also announced a general pardon which would benefit 14 prisoners held since a coup attempt in 1983. The president emphasized the economic aspects of his programme and his intention to promote private enterprise, to privatize the public sector and to restructure the financial and banking sectors (ARB 15/8, 15/9; AED 3/7).

The education ministry announced plans to introduce the teaching of **French** as a compulsory subject in schools in this former Spanish colony. The French government is supporting the programme with economic aid and scholarships (SWB 18/9).

Gabon

On 16 August Pres Bongo announced that he would soon be introducing a series of **economic austerity measures,** including a reduction in the number of civil service posts and the curtailment of certain "privileges" enjoyed by senior officials. Employees of the national railways had their salaries cut by 15 per cent at the beginning of the month. A cabinet reshuffle on 29 August reduced the number of ministers and advanced some relatively young politicians, including 30-year old Ali Ben Bongo, the president's son, who became Minister of Foreign Affairs (ARB 30/9, 15/10).

The IMF approved Gabon's structural adjustment programme for September 1989 to March 1991, opening the way for Gabon to approach the Paris Club for a debt-rescheduling agreement (ARB 31/10).

Sao Tomé and Principe

On 28 July the **trial** began of 43 members of the Sao Tomé Resistance Front, accused of invading the islands in March 1988 during a coup attempt (SWB 1/8).

The IMF is to back Sao Tomé and Principe's structural adjustment programme to the tune of $2,8 mn over a three-year period. Hit by the slump in cocoa and cereal prices, the island state is looking to obtain an annual economic growth rate of 4 per cent between 1989 and 1991, largely as the result of an **economic modernization programme** (ARB 31/7).

Zaire

On 16 July the Belgian foreign minister announced that **Belgium** and Zaire had settled their differences after a meeting between Pres Mobutu and the Belgian prime minister. A formal **treaty of reconciliation** was signed on 26 July, bringing to an end a rift of some 18 months. **King Hassan** of Morocco played a mediating role in the negotiations leading up to the settlement. Belgium has agreed to cancel $151,7 mn of Zaire's commercial debt, about a third of Zaire's publicly-guaranteed debt. In addition, as part of Brussels' cancellation of the state-to-state debts owed by African countries, another $126 mn of Zaire's debt has been written off. Zaire's remaining commercial debt to Belgium, $296,7 mn is to be rescheduled over 25 years, with 14 years' grace, though current interest will continue to be paid into a fund earmarked for development spending. Zairean companies will now be able to resume operations in Belgium and Belgian companies and banks in Zaire (C 17/7, 27/7; SWB 17/7; AED 17/7, 24/7; JA 16/8).

On 11 August the **Angolan** and Zairean governments signed an agreement providing for the opening of their 2 600 km common border. Initially local people will be able to trade across the border twice a week (SWB 4/9).

On 7 September Uganda and Zaire restored diplomatic relations at ambassadorial level and Pres Mobutu received Pres Museveni in Gbadolite (SWB 9/9).

(Pres Mobutu's role in Angolan peace negotiations — see Angola.)

EAST AFRICA

Burundi

On 1 July, in a speech to mark the 27th anniversary of Burundi's independence, Pres Buyoya once again condemned tribalism and called for national unity. His efforts to achieve **national reconciliation** since the ethnic massacres in the north in 1988 have been highly commended by the EEC (SWB 4/7, 6/9; DN 14/8).

Comoros

On 23 July the OAU's Council of Ministers passed a resolution strongly condemning France's "intransigence" over the island of **Mayotte,** and reaffirming Comorian sovereignty. The tone of the resolution was a great deal sharper than that associated with Pres Abdallah (ION 29/7).

Pres Abdallah visited **Iraq** 16-19 September to sign an economic co-operation agreement (ION 2/9, 23/9).

Djibouti

Italy has decided to donate $22,04 mn and the World Bank's IDA is to provide a credit of $9,2 mn for the development of the Lake Assal geothermic field in the east of the country. It is hoped that this project will reduce Djibouti's 90 per cent dependence on imported fuels (WBN 6/7; ION 15/7; AE&M 20/7; ARB 31/8).

Ethiopia

By the beginning of July the Ethiopian government, the **Eritrean Peoples' Liberation Front** (EPLF) and the **Tigrean Peoples' Liberation Front** (TPLF) were all publicly declaring their willingness to enter into direct **peace negotiations.** On 13 July the Soviet government revealed that since early in the month its representatives had been in direct touch with the EPLF, which still held three Soviet military advisors captured at Afabet in March 1988. While encouraging the initiation of peace talks, Moscow's statement emphasized the importance of maintaining Ethiopia's territorial integrity.

On 27 July ex-Pres **Jimmy Carter** of the USA and ex-Pres **Nyerere** of Tanzania held separate talks with Pres Mengistu in Addis Ababa, where they were requested by the Ethiopian government to mediate between it and the Eritrean rebels. On 18 August it was announced that on 7 September talks between representatives of the Ethiopian government and the EPLF would begin in **Atlanta, Georgia,** under the mediation of ex-Pres Carter, to discuss procedural matters as a preliminary to full-scale peace negotiations. This development elicited strong protests from other Eritrean rebel groups, which resented their exclusion from the discussions. The Eritrean Liberation Front (ELF) also subsequently accused the EPLF of having assassinated a senior ELF commander in Kassala on 3 September. Despite the pending negotiations heavy fighting recommenced on the Eritrean front at the end of August after four months of relative calm.

Almost simultaneously the Tigrean front witnessed a number of large-scale military engagements, as the TPLF's offer of talks similar to those planned in Atlanta were apparently ignored by Pres Mengistu, who was compelled by the deteriorating military situation to cancel his intended trip to Belgrade for the ninth annual summit of the Non-Aligned Movement. Between 8 and 17 September the **Cubans** withdrew their remaining 3 000 troops from Ethiopia.

The Atlanta talks began as planned, the fighting notwithstanding. In a major public speech on 12 September, however, Mengistu suddenly announced that the peace talks were on the verge of collapse and that the EPLF was not committed to the ending of the war. This caused some consternation in Atlanta, where the negotiations seemed to be progressing remarkably well. The following day a government spokesman claimed that the president had been misquoted, and issued a "corrected" version of his speech in which he expressed simply his fears of the consequences should the talks break down. Mengistu's intervention could easily have wrecked the peace process, but in the event, on 20 September the Ethiopian government and the EPLF announced that formal negotiations would begin in Nairobi on 18 November (ION 1/7, 8/7, 22/7, 2/9, 9/9, 16/9, 23/9, 30/9; SWB 1/7, 6/7, 29/7, 21/8, 22/8, 23/8, 26/8, 2/9, 5/9, 9/9, 12/9, 13/9, 15/9; TWR 5/7, 19/7, 9/8; C 14/8; ARB 15/8, 15/10; BD 11/9; DN 13/9; AC 22/9).

Kenya

On 6 August the Kenyan government issued a warning to the twenty students at Kenya's embassy in Peking, China, who were striking in demand for higher allowances. The students have been directed to return to their respective universities unconditionally or face disciplinary action. After refusing to comply, the students were ordered to leave China. The students complained of poverty and inadequate protection during the anti-African unrest in China early this year. They also expressed fear of reprisals when they arrived back in Kenya after the Kenyan embassy gave a political connotation to their protest (SWB 11/8; ARB 15/9).

Violence against **tourists** has become a growing concern in Kenya, where tourism has replaced coffee as the main source of foreign currency. In July alone, five tourists were killed and on 20 August the famous nature conservationist **George Adamson** and two assistants were murdered by bandits in Kora National Reserve in the Tana River District (KT 5/8; C 7/8; WR 25/8; B 28/8).

On 25 August Israel's foreign minister visited Pres Moi to sign a co-operation pact providing for **Israeli assistance** in water conservation, desert reclamation and soil preservation. There has been speculation that Kenya is also to receive military assistance (TS 28/8).

On 20 September there was a serious incident at Liboi, near the border with **Somalia,** when Somali troops evidently crossed the frontier in pursuit of fleeing rebels. Four Kenyan policemen were killed and a number of people wounded in subsequent fighting. Sharp diplomatic exchanges followed, but on 30 September Kenyan and Somalian representatives signed an agreement in which each government promised to keep the other informed about the activities of "bandits, poachers and other criminal elements" operating along the border (SWB 25/9; WR 29/9; ION 30/9, 7/10).

(Pres Moi hosts Mozambican talks — see Mozambique.)

Madagascar

On the morning of 24 July a small group of armed men entered the state radio station and forced the staff to announce that a **coup** had taken place and that a "Republican Council" had assumed power. Two hours later a government minister broadcast a **denial.** Pres Ratsiraka did not consider the situation warranted his returning early from the OAU summit in Addis Ababa (C 25/7; ION 29/7; ARB 15/8).

On 17 August Pres Ratsiraka appointed a number of technocrats to his cabinet in a major reshuffle. He also announced that he was in favour of the **removal of restrictions on political parties.** The constitution stipulates that all seven legally permitted parties, including those opposed to the ruling Avant-Garde of the Malagasy Revolution (Arema) must belong to the National Front for the Defence of the Malagasy Socialist Revolution (FNDR). Opposition leaders have long protested against this regulation (ARB 15/9).

August saw the conclusion in Washington of a deal whereby Madagascar became Africa's first country to enter into a **debt-for-nature swap.** The World Wildlife Fund has bought $2,1mn of Madagascar's debt from Western banks, at 45 per cent of its face value. Madagascar will repay the debt by spending local currency on conservation projects (E 19/8).

Mauritius

On 5 July the Mauritian **stock exchange** was opened; business began slowly as only five companies were listed. On 25 July Mauritius became **Africa's first off-shore banking centre,** offering a range of tax and duty incentives to attract foreign institutions (MSE 25/7, 16/10; ARB 31/8, 31/9).

Prime Minister Anerood Jugnauth paid his first official visit to Seychelles 21-24 September (ION 30/9).

Seychelles

Pres René paid his first official visit to the USA in July; he was warmly received by Pres Bush. In September he visited Czechoslovakia, to sign co-operation agreements (ION 29/7, 16/9).

Somalia

On 3 July the central committee of the ruling Somali Revolutionary Socialist Party (SRSP) rejected Pres Siad Barre's proposal for the introduction of a **multi-party system.** Sceptics were inclined to conclude that Barre had hoped to mute some of the increasingly widespread opposition to his rule by appearing to support the end to the SRSP's official political monopoly (ION 8/7).

On 9 July the Roman Catholic bishop of Mogadishu was fatally wounded by an unknown gunman. He was the 20th Catholic cleric killed in Somalia since the beginning of 1988 (S 11/7; DT 12/7).

Serious riots broke out in Mogadishu on 14 July following the arrest of four Islamic religious leaders. The security forces reacted ferociously, and Pres Barre ultimately had to appeal to them not to open fire indiscriminately. Official reports put the death toll at 24, while other sources said between 300 and 400 people had died, including 46 who had been taken to the beach and summarily executed (SWB 17/7, 19/7; AA 21/7; C 22/7; ION 22/7; AED 24/7, 31/7; AC 28/7; E 29/7; ARB 15/8).

The government's situation continued to deteriorate between July and September, with **rebel activities** in the south complementing those of the Somali National Movement in the north. Pres Barre made approaches to the USSR, Cuba and Libya in an attempt to secure military supplies to bolster his position (ION 26/8; AC 8/9).

On 29 August the central committee of the SRSP rescinded its earlier decision and agreed to the introduction of a **multi-party system, with restrictions.** The most striking limitation is that the event is scheduled for 16 months' time, after the end of the present People's Assembly. The SNM was dismissive of this development and said it would continue its struggle against Barre (SWB 31/8, 1/9, 2/9, 28/9; ION 2/9, 9/9; ARB 15/9).

(Border clash with Kenya — see Kenya.)

Tanzania

On 3 July Pres Mwinyi began a five-day state visit to **Malawi,** the first Tanzanian head of state to do so (DT 4/7).

Dissidents on the island of Pemba formed an Islamic fundamentalist party called Bismillah ("in the name of God"). The party seeks to break the 25-year-old union of the Indian Ocean Island and mainland Tanganyika which created Tanzania in 1964. Former **Zanzibari leaders** have mounted an international campaign for a referendum to determine whether Zanzibaris still favour the Tanzanian union. According to them, the union was formed without adequate consultation of the 600 000 inhabitants of Zanzibar. Zanzibar controls its own affairs except defence, foreign affairs, internal affairs, customs duties and higher education. The feud with Tanzania came into the open in January 1988, when Tanzania sacked and detained the powerful Zanzibar chief minister Seif Shariff Hamad, accusing him of fomenting rebellion (SWB 14/8; DT 16/8; AA 18/8; 15/9; C 28/8; AE 9/89; 10/89; ARB 15/9).

On 11 September Pres Mwinyi began an official visit to France, heralding an improvement in relations with that country (SWB 12/9; ION 16/9).

In a cabinet reshuffle on 19 September Pres Mwinyi took over the defence portfolio from Salim Ahmed Salim, who assumed duty as Secretary-General of the OAU on 9 September (SWB 21/9; ARB 15/10).

At the end of August Tanzania and Uganda renewed their three-year military training pact, according to which Tanzania will train cadets in Uganda, sponsor advanced training courses and hold joint military exercises (DN 29/8).

Uganda

On 3 July the **budget** for 1989/90 was announced. The government proclaimed its intention of continuing the gradual process of economic recovery, strengthening the balance of payments and reducing inflation. Despite this undertaking the budget made provision for a 40 per cent salary increase for civil servants, which most commentators saw as highly inflationary. The new budget allows for expenditure of USh212 555 mn and revenue of USh118 899 mn, leaving USh 107 942 mn to be financed largely by external borrowing. Although Uganda's GDP grew by 7,2 per cent in 1988/89, with sizeable increases in manufacturing and agricultural production, the country's external debt already stands at around $1,6 bn and debt servicing equals about 70 per cent of export earnings. Shortly after the announcement of the budget the sudden fall in the world **coffee price** effectively undermined the whole basis of the government's financial calculations (AED 10/7, 17/7; AB 8/89; ARB 31/8).

In July Pres Museveni visited Britain and France (SWB 18/7; AB 8/89).

The leader of the anti-government **Holy Spirit Movement,** Severino Lukoya, surrendered together with 250 followers in late July. He is the father of the "priestess" Alice Lakwena who founded the movement and drove her fanatical supporters to suicidal attacks against government troops. She fled to Kenya in December 1987 after her movement suffered heavy losses. Pres Museveni is confident that any serious rebellion has been put down, save for sporadic clashes between his National Resistance Army (NRA) and various bands of rebels in the north. His claims to hold human rights in high regard, however, suffered a severe setback in mid-July when a large number of teenagers — officially said to number about 70, while independent observers put the number at about 200 — were suffocated in a disused railway wagon during a military crackdown in Kumi district in eastern Uganda (SWB 31/7; DT 1/8; WR 4/8; ARB 15/8).

(Military training pact — see Tanzania.)

SOUTHERN AFRICA

Angola

By the beginning of July the MPLA had **suspended talks with Unita** which had followed the peace accord concluded at Gbadolite between Pres Dos Santos and Jonas Savimbi on 22 June. Each side accused the other of numerous **ceasefire violations** and denied responsibility for the breakdown in negotiations. There were also disputes about the terms of the Gbadolite accord. Talks resumed in Kinshasa on 19-22 July, but the process seemed in grave danger after the shooting down of a transport aircraft on 25 July with the loss of 42 lives; Unita denied responsibility. On 8 August the parties met again at N'Sele in Zaire, to try to find a way of monitoring the abortive ceasefire.

On 22 August the presidents of Zaire, Zambia, Angola, Mozambique, Zimbabwe, Gabon, Congo and Sao Tome and Principe assigned by the OAU to monitor the peace process met in Harare. Pres Kaunda, who chaired the meeting announced that the main points verbally agreed in **Gbadolite** had been: respect for the existing laws and constitution of Angola; an end to foreign interference in the civil war; the integration of Unita elements into existing Angolan institutions; a ceasefire from 24 June; Savimbi's temporary and voluntary political retirement; and the establishment of a commission to work out the details of Pres Mobutu's mediation. Unita promptly rejected the **Harare declaration** and resumed hostilities in protest.

On 25 August South Africa's Acting-Pres F W de Klerk and foreign minister Pik Botha flew to Zaire to consult Pres Mobutu in an attempt to rescue the peace initiative. Two days later Savimbi was in Pretoria for consultations with the **South African government,** and on 28 August F W de Klerk and Pik Botha flew to Livingstone for talks with Pres Kaunda, Angola featuring prominently on the agenda.

Meanwhile there were reports, denied by Luanda, that MPLA forces had launched a new offensive against Unita positions at **Mavinga.** As heavy fighting continued, the OAU's eight-man commission again convened, in N'Sele, with a draft peace plan encorporating what it claimed had been agreed in Gbadolite in June. Savimbi failed to appear, however, a move which Luanda attributed to the continued support he was alleged to be receiving from the USA and South Africa (SWB 3/7, 10/7, 21/7, 24/7, 14/8, 25/8, 4/9, 5/9, 14/9, 19/9, 26/9, 29/9; DT 4/7; C 4/7, 7/7, 28/8, 13/9; S 5/7, 6/7, 17/7, 9/8, 23/8, 25/8, 28/8; BD 13/7, 23/8, 25/8, 19/9; SS 30/7; AED 31/7; ARB 15/9, 15/10; FM 22/9; E 23/9).

On 19 July Angola was admitted as the 152nd member of the **IMF**, only the USA opposing; the formal admission took place on 19 September (AED 24/7; TS 22/9).

(Opening of common border — see Zaire.)

Botswana

Botswana increased its **foreign reserves** by a record $102 mn in the first quarter of 1989, according to a report released by the Bank of Botswana early in July. Total figures for the three principal exports — diamonds, beef and copper-nickel — were almost 80 per cent higher than for the first quarter of 1988 (ARB 31/8).

(Pres Masire wins Hunger Project Prize — see Burkina Faso.)

Lesotho

Maj-Gen Metsing Lekhanya, Chairman of the ruling Military Council came under heavy pressure from colleagues following his implication in the **fatal shooting** of a student in December 1988. An inquest and judicial enquiry finally accepted Lekhanya's version of events, in which he admitted firing the shot that killed 20-year-old student, George Ramone at the Lesotho Agricultural College, but alleged that he had done so to prevent an attempted rape. The victim's family and friends maintain that an elaborate cover-up had taken place in an attempt to end a **political crisis** (SS 2/7; WM 7/7, 8/9; FM 21/7, 22/9; BD 30/8; S 18/9).

Malawi

In July the USAID announced that it would grant $15 mn to reduce Malawi's **infant mortality**, currently running at 276 deaths per thousand — the sixth highest rate in the world. The money would also be used to improve rural health facilities. With only one doctor for every 75 000 people Malawi has **one of the worst doctor-patient ratios** in Africa. Today, more Malawian doctors practise in the city of Manchester in England than in the whole of Malawi. The Malawian government has now announced its intention of building its own **medical school** to remedy the situation, which has arisen chiefly because most Malawian medical students training overseas do not return home, where professional opportunities are limited. At present three out of every four doctors in Malawi are expatriates (AED 31/7; TS 21/9).

Mozambique

By early July a document dated April 1989, outlining the government's position on talks with **Renamo** had become public. While refusing to deal with Renamo as an organization the government offered dialogue on condition that the rebels renounced violence and participated in discussions as individuals. The government expressed its commitment to the opening up of the political system. For his part, Afonso Dhlakama, the Renamo leader, called on the government to agree to the formation of a **transitional government,** to last for two years and to prepare for elections. He also called for genuine negotiations leading to reconciliation and constitutional reform. Meanwhile the **fighting continued** unabated.

On 9 July Pres Mugabe and Zimbabwe's service chiefs visited Pres Chissano for discussions. A week later Pres Chissano announced that with government approval Mozambican church leaders had been in contact with Renamo for some months and were currently in Nairobi for further consultations. On 19 July F W de Klerk, leader of South Africa's National Party, and Pik Botha, the foreign minister, held talks with Pres Chissano in Maputo, and appealed to Renamo to halt its violence. Two days later Kenya's Pres Moi was in Maputo for a two-day visit, during which the government announced that he had been appointed as a mediator in the tentative negotiating process (SS 1/7; ION 1/7; DT 4/7; S 6/7, 20/7; C 10/7, 14/7, 20/7; SWB 11/7, 19/7, 24/7; BD 20/7; B 21/7; AED 24/7; WR 28/7).

Frelimo's Fifth Party Congress was held 24-31 July. All mention of **Marxism-Leninism** was dropped from the party's manifesto, being replaced by a more general commitment to socialism. The party also announced the intention of broadening its membership to embrace all sections and classes of society. Frelimo expressed its support for the **economic recovery programme** launched in 1987 with IMF backing, and stated its intention of ending centralized state control of the economy in favour of a mixed economic system (SWB 27/7, 28/7, 29/7, 31/7, 1/8, 2/8, 3/8, 4/8, 7/8, 8/8, 9/8, 10/8, 11/8, 12/8, 14/8; ARB 15/8, 15/9).

From 10-14 August exploratory and indirect talks began in Nairobi, with Pres Moi mediating between Renamo and the Mozambican government. Pres Mugabe also paid flying visits to Mozambique and Kenya at this time, and on 18 August the South African foreign minister was once more in Maputo.

On 25 August Pres Chissano told a meeting of SADCC in Harare that he was willing to negotiate with Renamo excepting only the issues of power-sharing or a change in the constitution. He dismissed the proposals submitted by Renamo in Nairobi as meaningless. This position he reiterated at the Non-Aligned Movement summit in Belgrade in September. By mid-September Chissano's position was apparently hardening as the savagery and **atrocities** in the bush war persisted; he now said that an end to Renamo's terrorism and banditry was a precondition for talks. Despite a flurry of activity involving meetings between Pres Mugabe and Pres Chissano and Pres Moi respectively on 20 September, by the end of the month the peace process appeared to be stalled (C 2/8, 8/8, 9/8, 26/8, 15/9; BD 2/8, 8/8, 17/8, 30/8; WR 4/8, 11/8; S 7/8, 28/8, 4/9, 6/9, 21/9; KT 8/8, 21/9; ARB 15/9; SWB 21/8, 28/8; B 21/9; ION 7/10).

At the beginning of July the Mozambican government appealed to the international community for massive amounts of **food aid,** since only 62 per cent of the country's emergency needs for 1989/90 had been met. At present an estimated 7,7 mn Mozambicans are wholly or partly dependent on such assistance (S 4/7).

On 7 July a **preferential trade agreement** between Mozambique and **South Africa** came into effect (MSE 25/7; AA 4/8).

In August Mozambique appealed to its Western creditors to write off or grant easier terms on some of its $4,3 bn **debt**. Rescheduling agreements were subsequently reached with South Africa ($14 mn) and Sweden ($4 mn) (BD 7/8; S 14/9; MSE 16/10; ARB 31/10).

On 7 September the metical was **devalued** from M756=US$1 to M800=US$1 (ION 16/9).

South Africa

On 5 July Pres Botha had a 45-minute meeting with jailed ANC leader **Nelson Mandela** at the presidential residence Tuynhuys. It was reported that both leaders pledged their support for peaceful development. The meeting took observers by surprise, since Pres Botha had been playing a subdued role in the national political arena. The official explanation of the meeting was that it was part of the groundwork for later negotiations, but others interpreted as a move on the president's part to upstage his successor as National Party leader, Mr F W de Klerk, with whom relations were evidently strained.

Rumours of growing tension between Pres Botha and Mr de Klerk continued to flourish, and on 11 August matters came to a head when Pres Botha reacted angrily to the news that Mr de Klerk had been invited by Pres Kaunda to visit **Zambia.** Pres Botha claimed that he had not been consulted about the trip, and indicated that he regarded this as an unacceptable breach of protocol. Mr de Klerk denied this interpretation of events, and called a meeting of the cabinet. When it became apparent that Mr de Klerk enjoyed the support of his fellow ministers, on 14 August the ailing president submitted his **resignation.** Mr de Klerk was subsequently sworn in as acting state president. The meeting between Acting Pres de Klerk and Pres Kaunda took place on 28 August.

In the **general election** held on 6 September the ruling National Party (NP) lost support to both right and left in the contest for seats in the 178-seat white House of Assembly, but still remained in power with an overall majority of 21 seats. After the nomination of additional MPs the NP held 102 seats, the Conservative Party remained the official opposition with 41 seats and the Democratic Party took 34 seats. One seat remained vacant as the result of a dead-heat. In the coloureds' House of Representatives Rev Alan Hendrikse's Labour Party continued its dominance, but in the Indians' House of Delegates no single party could muster an overall majority.

On 14 September Mr de Klerk was elected **president** by the electoral college, his nomination being unopposed. His inaugural speech was generally well received, indicating as it did that he interpreted the election result as providing the government with a mandate for **constitutional reform** and the creation of a system of **power-sharing** which would include the black population (FF 7/89, 9/89; ST 9/7, 13/8; R 9/7, 13/8; SS 9/7, 13/8; BD 10/7, 21/9; S 11/7, 12/8, 29/8, 21/9; TWR 12/7, 13/9; FM 14/7; E 15/7; C 12/8; ARB 15/8, 15/9, 15/10; SWB 16/8; AC 22/9).

(South Africa's role in negotiations on peace in Mozambique and Angola — see Mozambique and Angola; OAU endorsement of preconditions for negotiating a political settlement in South Africa — see OAU.)

TBVC States

Transkei — On 31 July Maj-Gen Bantu Holomisa, head of the military government, announced that ten days previously a squad of six armed men from South Africa had been arrested; it was claimed that they had intended to **assassinate** Holomisa. Speculation was rife that either the Matanzimas, whose political fall had been precipitated by the general, or South African businessmen, whose deals had been frustrated by his coup and subsequent investigations into corruption, might be behind the attempt. The Transkeian leader accused **South Africa** of allowing its territory to be used for launching violence against Transkei, an allegation which was hotly denied by the South African foreign minister (BD 1/8, 2/8; WM 4/8).

Bophuthatswana — On 1 July a community meeting of some 15 000 people at the village of **Leeuwfontein,** protesting against the incorporation into Bophuthatswana at the beginning of the year of this settlement and the neighbouring one at **Braklaagte**, erupted into violence in which two civilians and nine policemen were killed. Several people were subsequently arrested. Government sources claimed that the attack on the police was premeditated, while community sources maintained that the police had begun the fighting. On 17 July the government banned the Black Sash, the Transvaal Rural Action Committee and all related organizations (ST 2/7; SS 2/7, 9/7; BD 3/7, 6/7; S 5/7; SWB 6/7, 20/7; WM 21/7).

Venda — Public **discontent**, focussed on the failure of the police to solve a spate of **ritual killings** in which government officials are believed to be implicated, led to a school and university stayaway and a boycott of Venda's 10th anniversary independence celebrations from 5 to 12 September. The government blamed the political turmoil on the ANC, United Democratic Front (UDF), South African Communist Party (SACP) and South African Council of Churches (SACC) (WM 1/9, 15/9).

South West Africa/Namibia

On 2 July the **South West Africa People's Organization (Swapo)** published its manifesto for the forthcoming elections to a constituent assembly. Among the principal points were a commitment to a **mixed economy**, and a campaign to close the economic gap between the black and white communities. The moderate tone of the manifesto gave some reassurance to the business sector. Arguments continued about the process designed by South Africa's Administrator-General to regulate the November elections, about the continued activities of the **Koevoet** counter-insurgency police in the north of the territory, and accusations of intimidation by a number of parties. Nevertheless, at the end of his visit to Namibia on 21 July, Mr Perez de Cuellar, the UN Secretary-General, pronounced his satisfaction with the progress being made.

While exiles began to return to the territory to register as voters Swapo's release of 200 **detainees** led to allegations that the party was continuing to detain large numbers of dissidents under harrowing conditions. Swapo's opponents made the most of these embarrassing accusations, which were hotly denied (ARB 31/7, 15/8; WA 14/8; TWR 16/8; FM 25/8; NA 9/89; WM 1/9; AC 8/9; S 12/9).

As the voter registration campaign drew to a close the murder of **Adv Anton Lubowski**, a member of Swapo's politburo dominated the headlines. Swapo president **Sam Nujoma** returned to Namibia on 14 September despite fears that his own life might be in danger from extremists. On 26 September it was announced that ten parties would be contesting the November elections (S 13/9, 14/9, 15/9, 27/9; WM 15/9).

On 20 July Administrator-General Louis Pienaar presented the last pre-independence **budget** for the territory, to carry it through to the end of the financial year, 31 March 1990. State expenditure was put at R2 238,9 mn against estimated revenue of R1 971,7 mn. South Africa's contribution was reduced from R305,8 mn in 1988 to R80 mn, though an additional R78,2 mn had been made available to cover expenses during the implementation of UNSCR 435 (ARB 31/8).

Swaziland

King Mswati III dismissed Prime Minister **Sotsha Dlamini** on 12 July, expressing his dissatisfaction with the premier, who had been on a collision course with the trades union movement. Mr **Obed Dlamini** has been appointed Acting Prime Minister. His experience in labour relations was expected to help in resolving the disputes plaguing the banking, railways and manufacturing sectors (S 13/7, 14/7; TS 13/7; AED 24/7, 31/7; NA 9/89).

Zambia

At the beginning of July the government announced a 37,5 per cent **devaluation** of the kwacha from K10=$1 to K16=$1. Pres Kaunda also said that all price controls except those on maize meal would be abolished. Pension and wage increases were also announced. These moves brought policy closer to the stipulations of the economic recovery programme proposed by the IMF, but led to a measure of **unrest on the Copperbelt.** Later in the month the IMF and World Bank agreed to support Zambia's Fourth National Development Plan (C 3/7, 10/7; AED 10/7, 17/7; DT 21/7; WM 21/7).

On 28 July the World Bank organized a donors' meeting in Paris to discuss ways of assisting Zambia to pay off its **arrears** of $180 mn to the bank. $46 mn was pledged to help with short-term financing needs pending a longer-term agreement with the IMF (AED 31/7; DT 7/8).

The Zambian government announced that on 4 August **new banknotes** would be issued to replace those in circulation. The step was intended to frustrate counterfeiters, to curb tax evasion, black marketeering and currency smuggling. Individuals would be allowed to change only K2 000, any excess to be banked. The limit for businesses would be K10 000 in notes, any surplus to be taxed at 50 per cent. The immediate effect of the announcement was inflationary, as people rushed to spend their surplus cash (BD 24/7; S 27/7, 28/7; ARB 31/7).

On 9 August Zambia introduced its first **minimum wage law.** Simultaneously pay rises of 25-33 per cent were announced for judges, officials of the ruling party and political leaders, including Pres Kaunda, to cushion the effects of the recent devaluation of the kwacha. Miners on the Copperbelt protested violently about a wage increase of only 12 per cent offered by ZCCM, which had registered a 400 per cent increase in net profits for the year ended 31 March. On 24 August the price of maize meal rose by 60 per cent, the third price hike this year (ARB 31/7; AED 31/7; BD 10/8; C 25/8).

Late in September it was announced that Zambia and the IMF had re-established relations after a two-year break, and that the **IMF** had approved the economic reform blueprint drawn up by Lusaka (ARB 31/10).

On 30 August Lt-Gen Christone Tembo, a former army commander and sometime ambassador to West Germany, and three other officers were charged with **treason** for plotting against Pres Kaunda. They were arrested in October 1988 (S 31/8).

(Meeting with Mr F W de Klerk — see Angola.).

Zimbabwe

On 4-5 July the **Zimbabwe Unity Movement** (ZUM) of **Edgar Tekere** and the ruling Zanu-PF contested a by-election in the Harare constituency of Dzivaresekwa, for the parliamentary seat left vacant by the suicide of Maurice Nyagumbo, a leading Zanu-PF politician implicated in the **"Willowgate"** profiteering scandal. Zanu-PF had some cause to be concerned about their showing in the election, which took place against a background of growing voter disillusionment with abuses of public and party office, rising unemployment, falling real wages, a doctor's strike and a pervasive and deepening transport crisis. In the event Zanu-PF retained the seat, but with a majority much reduced from Nyagumbo's 44 000. Zanu-PF secured 7 254 votes against ZUM's 3 125, only 10 879 out of 64 000 registered voters casting their ballots. Tekere later accused the government of vote-rigging. On 18 July police and students clashed on the campus of the University of Zimbabwe after a rally in support of ZUM and against **corruption** in government (FM 30/6, 14/7; S 7/7; C 7/7; SWB 11/7; WM 21/7; ARB 15/8).

On 4 July ex-minister Frederick Shava was jailed for nine months and fined Z$150 000 for his part in the "Willowgate" scandal. Two days later he was pardoned by Pres Mugabe, but subsequently resigned his party and parliamentary posts. The attorney-general then announced that he was dropping similar charges against a number of other people, including two ex-ministers, Dzingai Mutumbuka and Enos Nkala since the state would be wasting funds on prosecuting those who might later be pardoned (S 5/7, 13/7; B 7/7; C 14/7; BD 14/7; DT 19/7).

On 25 July the **state of emergency,** in force since 1965, was renewed for another six months. The South African threat was cited as the reason for this step (C 26/7).

Towards the end of July there was renewed government pressure on white commercial farmers to sell some of their land for black resettlement. Some 4 500 **white commercial farmers** own about a third of the land in Zimbabwe, and grow 80 per cent of marketed produce. Under the provisions of the Lancaster House constitution, such sales may only be on a "willing-seller" basis. Pres Mugabe warned that in 1990 the government would be able to dispose of the constitutional constraints preventing the taking over of white-owned farmland. He indicated that he was aiming at a **revolutionary land reform programme,** in which the main thrust would be the redistribution of uninhabited land.

Pres Mugabe's statements, together with his emphasis on the government's commitment to Marxist-Leninist principles adapted to Zimbabwe's circumstances, led some commentators to conclude that Zanu-PF was trying to exploit the land issue to regain popularity before the **general election** due in 1990. In 1980 the government pledged to resettle 162 000 families from the overcrowded communal farmlands by 1985. By 1989 only 52 000 families had been resettled. Yet over 1 mn ha already purchased from the white farming community remains unallocated, suggesting that the cause of delays in the **resettlement programme** should be sought elsewhere (S 29/7, 30/7, 3/8, 4/8; AB 8/89; WM 4/8, 18/8; BD 14/8, 7/9; MSE 30/8; ARB 15/9, 30/9; AC 22/9).

The Zimbabwe **budget** for 1989/90 was announced on 27 July. Although the deficit is reduced to an optimistic Z$989 mn the government has little room for manoeuvre, for the four areas accounting for 56 per cent of expenditure are all politically sensitive — education (19 per cent), debt-service (15 per cent), defence (13,5 per cent) and subsidies (9 per cent). The budget showed no evidence of any fundamental review of economic policy. No new measures were adopted to tackle unemployment, to boost exports or encourage investment (ARB 31/8, 30/9; AB 9/89).

(Pres Mugabe's role in negotiations — see Mozambique.)

Sources

A — *Afrika;* AA — *Africa Analysis;* AB — *African Business;* AC — *Africa Confidential;* A Con — *Africa Concord;* AED — *Africa Economic Digest;* AE&M — *Africa Energy & Mining;* AIB — *Africa Institute Bulletin;* AN — *Africa Newsfile;* AP — *African Preview;* ARB — *Africa Research Bulletin;* B — *Beeld;* BD — *Business Day;* BDN — *Botswana Daily News;* C — *Citizen;* Cr — *Crescent;* D — *Drum;* DN — *Daily News;* DT — *Daily Times;* E — *The Economist;* FF — *Frontfile;* FM — *Financial Mail;* F&T — Finansies & Tegniek; G — *The Guardian;* H — *The Herald;* IMF S — *IMF Survey;* I — *The Independent;* ION — *Indian Ocean Newsletter;* JA — *Jeune Afrique;* KT — *Kenya Times;* LT — *Lesotho Today;* M — *The Mail;* MF — *Mozambiquefile;* MIO — *Mozambique Information Office;* MNR — *Mozambique News Review;* MSE — *Market South East;* N — *Namibian;* NA — *New African;* NN — *New Nation;* R — *Rapport;* S — *Star;* SAB — *SA Barometer;* SAD — *South African Digest;* SAE — *Southern African Economist;* SAT — *Southern Africa Today;* So — *South;* SN — *Swazi News;* SS — *Sunday Star;* ST — *Sunday Times;* SWB — *BBC Summary of World Broadcasts;* TS — *Times of Swaziland;* TWR — *Third World Reports;* U — *Uniform;* WA — *West Africa;* WBN — *World Bank News;* WM — *Weekly Mail;* WR — *Weekly Review;* ZN — *Zimbabwe News.*

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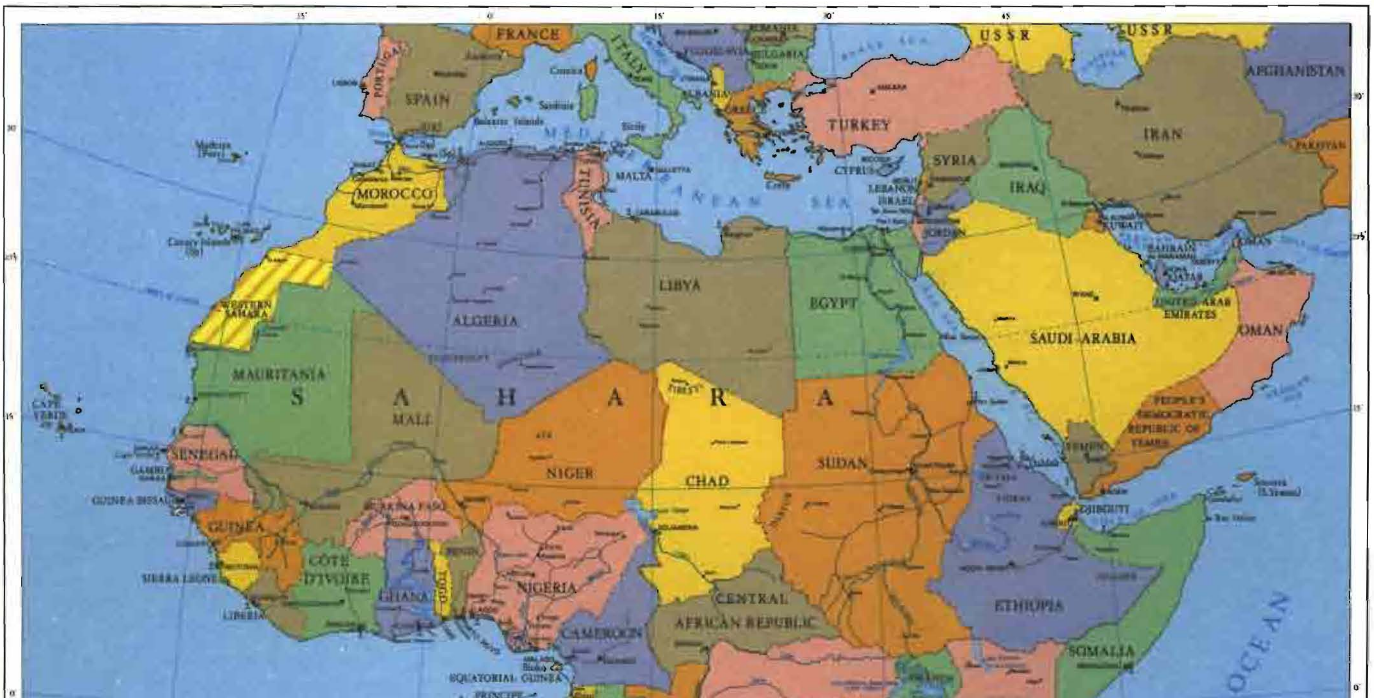

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