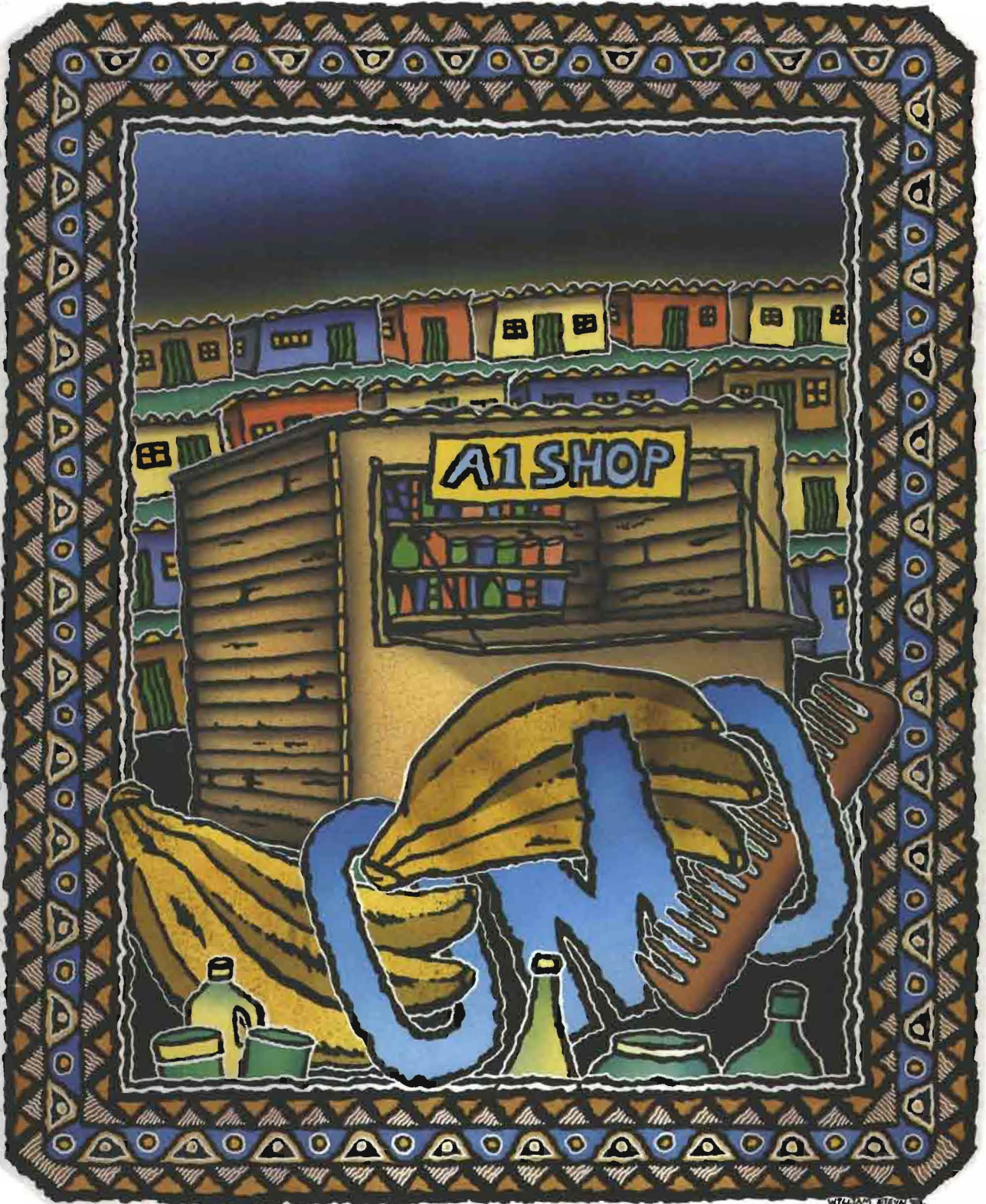


# INSIGHT

an independent publication which promotes insight into the process of change in Africa. R15.00 (VAT included)



WILLIAM STEVENSON

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ISSN 0256 2804

**Africa Insight** is published quarterly by the Africa Institute of South Africa, an independent study centre concerned with African affairs.

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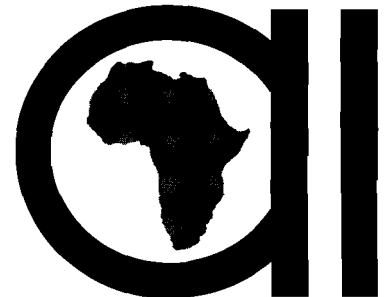
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Cover by William Steyn

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## Comment

Human-centred development: The key to social stability in South Africa — *Johan van Zyl and Elwil Beukes* 122

## Politics

Towards a new African Order? — *Edmond J Keller* 124

Some reflections on the post-colonial state in Portuguese-speaking Africa — *Patrick Chabal* 129

Civil society and democracy in South Africa — *M J van Wyk* 136

## Economics

West Africa's economic islands of development: Thirty years on — *Denis Fair* 141

Rethinking regional integration structures and strategies in Eastern and Southern Africa — *Peter Nanyenya Takirambudde* 149

Looking to Angola's future: Rebuilding the economy — *Tony Hodges* 159

## Informal sector

The informal sector in Mamelodi and Kwazakhele — *G S Horn, M Levin and T N Sofisa* 168

## Urbanization

Urbanization in pre-colonial Africa — *James D Tarver and H Max Miller* 176

# Human-centred development: The key to social stability in South Africa

*Dr Johan van Zyl and Professor Elwil Beukes, Development Bank of Southern Africa\**

Earlier this year, a set of proposals to accelerate economic growth in South Africa was released by the Minister of Finance, Mr Derek Keys. It was based on a Normative Economic Model which set out the relations among a number of key variables in the South African growth scenario.

The so-called "Keys Plan" is a good professional document. Yet it has run into much opposition. Why is this? Is it just another example of partisan political propaganda or is there perhaps something deeper at stake?

Sober reflection would tend to support the latter view.

In fact, in many ways the controversy over the Normative Economic Model proposals reflects serious differences over "appropriate policy" not only in South Africa but in most developing countries in the world today.

The central issue is whether an emphasis on stimulating economic growth (often based on expanding exports) is likely to produce timeous and effective societal development, especially of the poor.

For a long time many economists saw growth in the gross domestic product (GDP) as "a rising tide that will lift all boats". The fruits of economic growth would automatically spread and "trickle down" to even the poorest of the poor.

Not so these days. International development experience over more than four decades, supported by much empirical research, has cast grave doubts over the efficiency of the "trickle down" approach. Once so promising, this "grand simplification" currently stands seriously discredited, if not fatally flawed, in practice.

The overall conclusion is that "going for (GDP) growth" on its own does little to defuse the social time bomb of widespread human suffering. Although economic growth must fit into the picture somewhere, the key issue is to find the most appropriate way of doing so.

In the evolution of post-World War II development thinking, the first pertinent signal to shift from the idea of "devel-

opment" being related mainly to economic growth in the modern sector of an economy towards a broader society-wide concept, is often attributed to Dudley Seers. His much publicized 1969 lecture to the Society for International Development in New Delhi is still well worth quoting from, particularly in a deeply divided society such as South Africa:

The questions to ask about a country's development are therefore: What has been happening to poverty? What has been happening to unemployment? What has been happening to inequality? If all three of these have become less severe, then beyond doubt there has been a period of development for the country concerned. If one or two of these central problems have been growing worse and especially if all three have, it would be strange to call the result 'development', even if per capita income had soared.

This is particularly relevant for policy-making in this apartheid-ridden society. The early nationalization debate and, more recently, the trauma of Chris Hani's death demonstrated clearly the two very different worlds, often seen largely in racial terms, talking (and feeling) past each other.

The core of such discordance and mistrust surely lies in the widely divergent basic interests and aspirations pursued by these separate worlds. In effect, each has its own conception of what "development" means and therefore what "appropriate policy" should aim at.

For the so-called establishment, and especially the business community in the modern sector, development is still predominantly a matter of promoting rapid economic growth based on private initiative. As indicated above, such a "go for growth" approach has been seriously questioned from a broader societal perspective. Nevertheless, this is clearly in line with the basic interests of the establishment.

On the other hand, the interests and aspirations of the world that has been marginalized by apartheid oppression (in practice the majority of the population) are very different. In consequence, their perception of development is also different, viz

one that concentrates on promoting social justice through redistribution (or retribution, although this is not often stated).

What is required is the perspective that faster economic growth and more equal access for all to its benefits, can actually be mutually supportive rather than mutually exclusive. This can be achieved by sub-ordinating both growth and redistribution (including alternative patterns of growth as well as of government social spending) to a broader, more encompassing development objective, for which both then become necessary but not sufficient conditions.

A broad human-centred development perspective implies that bridging the gap between “going for growth” or “going for more equal distribution” does not entail simply adding both as separate, independent elements to a wider policy agenda and then negotiating trade-offs. It means effectively integrating both into a programme that has as its goal society-wide advancement.

A society-wide development objective, explicitly stated, would also make it clear that economic growth *per se* ought not to be a goal. Rather economic growth should provide the means to pursue the larger end of human growth.

If the above ideas should be accepted, it would follow that the Normative Economic Model contains at best only half the story. In particular, if greater stability in a democratic South Africa is to become a sustainable reality, the social dimensions of development and the appropriate development-enabling role of government need to be thoroughly addressed and integrated into the thrust towards economic growth.

This implies much more than adding higher government expenditure, for example, on education and health services to an otherwise unaltered growth push. It means rather that “people must be enabled to grow with their economy”.

To operationalize such a national objective of human-centred development at large, considered attention will have to be given *inter alia* to the following interrelated elements:

- Quantifying a macro framework for development, starting with an assessment of economic as well as social needs and aspirations, especially of the less privileged communities. Such an aggregated estimate of demand considerations should then be related to the supply side of the economy (formal as well as informal) in order to determine realistic time frames and possibly intermediate targets and priorities

for meeting the needs involved. It seems essential to cut through the qualitative and often emotional arguments that have so far dominated the development debate, by objectively quantifying at least the “basic needs” picture.

- Exploring various economic growth patterns that have significant positive redistributive implications, together with the time frames involved in each case.
- Stimulating the generation of employment opportunities in the urban informal and rural traditional sectors, to link synergistically to orthodox employment creation through economic growth in the modern sector.
- Empowering the poor *inter alia* by enabling a broad expansion of income-generating opportunities from micro enterprises.
- Promoting more self-reliant rural and agricultural development, including judicious land reform.
- Quantifying as far as possible the financial and other resource costs involved in various policy options and/or development programmes.
- Exploring in-depth what needs to be done to modernize governance away from the traditional approach of regulation and control towards concretely enabling the greater self-reliance of citizens in the public, private and voluntary sectors.

To summarize, it is widely agreed that South Africa is not only a deeply divided society but is likely to remain so for many years to come. Thus it seems only common sense to explore and debate much more fully and widely than at present, a macro policy framework based explicitly on the human-centred development of all its citizens rather than on economic (GDP) growth alone.

As a bonus, such deliberations can only be enriched by the unorthodox insistence of the human development approach to look upon economics as if people matter.

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\* The views expressed are those of the authors and do not necessarily reflect those of the Development Bank.

# Towards a New African Order?

*Professor Edmond J Keller, who is Director of the James S Coleman African Studies Center, University of California, Los Angeles, and a Research Fellow of the Africa Institute of South Africa, is optimistic that Africa's position within the New World Order and its consequent marginalization is forcing African civil society to find African solutions to African problems. This article is based on a lecture delivered at a seminar held at the Africa Institute.*

For the past three years or so, the world has been witnessing momentous changes. The world watched as the Berlin Wall came crashing to the ground; as the Solidarity Movement in Poland completed its methodical, relentless dismantling of Polish communism; and as the people of Czechoslovakia fashioned their velvet revolution. Even as this was happening, no one thought that the entire Soviet bloc would be in pieces in just a matter of months. We were unprepared for such dramatic social changes. We had come to assume unquestioningly that the Cold War, East and West, communism and capitalism in ominous tension would always be with us. But, today, we live in what is being called a unipolar world, as the United States and what is left of the former Soviet bloc have decided to co-operate rather than compete on the world stage.<sup>1</sup> President George Bush once dubbed this the "Era of the New World Order".

One of the primary defining features of the "New World Order" is the resurgence of nationalism among large ethnic groups heretofore incorporated into multi-ethnic states. Moreover, the conflicts which grow from such developments have a high propensity to be internationalized. Take, for example, the rebellion of the Baltic states against the former Soviet Union, or the breakup of Yugoslavia, and even the collapse of the Soviet Union itself. In Africa, domestic conflicts in Sudan, Somalia and Mozambique, to name only a few places, have created refugee flows, and the flow of armed rebels across national borders, thus internationalizing what were domestic conflicts.<sup>2</sup>

The implications of such developments are that the international state system is now being forced to rethink the notion of state sovereignty, and it is being challenged to establish new rules to govern when and how international and regional organizations intervene in domestic conflicts with international implications. This challenge is also part and parcel of the New African Order. Can Africa avert a future Somalia or Liberia? When ethnic and other forms of

domestic conflict spill over borders, will Africa have the capacity and the mechanisms with which to restore peace and order?

The changing world order, then, presents particular challenges for the leaders and the people of Africa, and it also presents challenges for the rest of the world, including the United States. Over the past decade, changes taking place in the world at large have dovetailed with events taking place in Africa to create the conditions we are now witnessing on the continent. At the very moment when Africa is on the verge of being marginalized in the world community, it faces its most serious challenge since the age of imperialism. However even amid the most bleak of circumstances, there is still hope for Africa, and that hope, I would submit, lies in the African people themselves; it lies in civil society.<sup>3</sup>

At the same time, the efforts of civil society to liberalize politics must be complemented by the efforts of enlightened political leadership in both political and economic spheres. The road will not be easy. The World Bank, for example, frankly admits that although there are hopeful signs of economic recovery in some parts of Africa, Africa will be the only region of the world where poverty will be on the rise by the turn of the century.<sup>4</sup> The road will not be easy, but, Africans must successfully negotiate it in order to shape their own destinies.

Many African leaders have come to admit errors of the past, and recognize that serious obstacles must be breached in the coming decades if a new, progressive African order is to emerge; an order characterized by inter-regional co-operation, self-reliant development and democracy rather than conflict, dependency and authoritarianism. There is now frank talk in the corridors of power about the need to fight the trend toward the marginalization of Africa. In large measure, this looming marginalization is attributed to the New World Order, and many African leaders are extremely worried about the implications of these developments.

## The New World Order and implications for Africa

The current African predicament parallels and in many ways is influenced by the dramatic shifts in the larger world order. The first signs of the demise of the Soviet bloc and the beginnings of the so-called New World Order became evident in the mid-1980s, when the Soviet Union began to send signals that it was prepared to abandon the Brezhnev doctrine in foreign affairs and also to abandon at home its communist economic development strategy.<sup>5</sup> From this point dialogue between the two superpowers grew into a commitment to reduce ideological competition and military confrontation throughout the world, particularly in the Third World. It was co-operation between the Soviets and the US, for example, which led to a resolution of the conflicts in Namibia, Angola and Ethiopia.

These developments occurred at about the same time that the full dimensions of Africa's economic crisis were becoming apparent, both in the US and abroad. In 1986 there was an historic special session on Africa at the United Nations. At the time, Ethiopia, Sudan, Somalia, the Sahel and parts of southern Africa were struggling to recover from the effects of devastating drought and famine. In other African countries there were food shortages, depressed commodity prices, and a consequent lack of foreign exchange with which to purchase such needed items as medicine, spare parts, materials for schools and for building developmental infrastructure. Africa, then, was indeed a continent that seemed to be in "economic free-fall". The outcome of this historic meeting was a decision of the World Bank and IMF to demand the implementation of economic reform programmes as a precondition for development assistance. Poor governance was seen to be at the root of Africa's predicament and aid was now to be tied to the establishment of good governance in African countries.<sup>6</sup>

By 1990 African leaders, particularly those in regional organizations such as the OAU and the UN Economic Commission for Africa (ECA), realized that the interests and aspirations of popular society in Africa had converged with international organizations like the Fund and the Bank, and that it was up to them as leaders to provide the statesmanlike leadership needed to lay the foundation for sustained development and democracy. The watchword has now become *co-operation*: co-operation between the state and the people; between donors and host countries, all with the same goals in mind.<sup>7</sup>

A consensus has emerged among the people in many parts of Africa (some of their leaders who now realize that they had been part of the problem) and the international donor community. That consensus is around a commitment to economic, social and political reform. It is assumed that good governance is the key to sustained economic growth and prosperity. This good governance is seen as the means to an end, and that end is a better quality of life for all citizens and not just a few. The measure of good governance is identified by a governmental leadership that is accountable for how it manages public funds; transparent in terms of how it awards contracts, makes appointments, and invests public funds; predictable in

terms of how it behaves in its relations with society at large; open rather than closed in terms of its communications channels; and abiding by the rule of law rather than operating above the law.<sup>8</sup>

One might ask: "What was the inspiration for this great transformation in the thinking of some African leaders as well as large segments of the African people?" One answer might be: As the Cold War began its melt-down, the donor community, itself in economic crisis, began to rethink how and why it dispensed aid. At the same time, the African people had reached a point of desperation. Many decided they could no longer stand oppressive African leadership, and they were ripe for taking their causes to the streets or to mountains and forests – whichever seemed most productive at the time. Over the approximately three decades of African independence, civil society had grown in size, it had become more sophisticated, and indeed in many places, by the mid- to late-1980s it had become emboldened. It was a popular uprising that brought down the oppressive regime of Jaffar Nimeri in Sudan in 1985. Popular movements were also at the root of the demise of autocratic regimes in such places as Benin, Congo, Zambia and Madagascar.

Developments in the world at large, no doubt, at least in part had an effect on the timing of the rise of civil society in Africa. Africans were not unaware of the fate of dictators in Haiti, the Philippines, Romania and elsewhere. Many of them were watching the collapse of the Berlin Wall just like you and I through the miracle of that third superpower, CNN.<sup>9</sup> They also saw Nelson Mandela released from prison; something very few believed would ever happen. If they did not see these events, they read or heard about them, and no doubt their hopes were lifted that they too could, as never before, shape the course of their own futures.

A recognition of the important place that African civil society has created for itself could be seen by the proliferation of international conferences on the continent on democracy and popular participation. One of the most important of such conferences was held in Arusha, Tanzania in February 1990. The conference was jointly sponsored by African people's organizations, African governments and United Nations agencies, and it resulted in the adoption of *The African Charter for Popular Participation in Development and Transformation*.<sup>10</sup> This Charter declares: "It is manifestly unacceptable that popular participation be seen as anything less than the centerpiece in the struggle to achieve economic and social justice for all."<sup>11</sup>

The participants had no illusions that the Charter would be embraced overnight by many of the dictators who continued to hold desperately on to power, but it was meant to be a clarion call in the struggle for Africa's second independence. In his closing remarks, the then Executive Secretary of the ECA, Adebayo Adedeji, asserted:

Africa needs fundamental change and transformation, not just adjustment. ... That new Africa must be born today not tomorrow. The world has witnessed in the past four months momentous developments in Eastern Europe where people are asserting their rights. A new revolution is in process – a democratic revolution, that will give full reign to popular participation.<sup>12</sup>

## The search for a New African Order

What is clear is that the African people yearn for peace, justice and development. This yearning is represented in the proliferation of democracy movements on the continent. Democratic forces on the continent have received support from many international quarters including donor agencies and individual donor countries. In the process there has been the tendency in the donor community to confuse the pursuit of democracy with the pursuit of good governance. Good governance refers to government that is efficient, effective and characterized by reciprocity between the rulers and the ruled.<sup>13</sup> Governments make policies, but they must be responsive to the feedback they get from society at large as to the adequacy or inadequacy of these policies. Good governance is government that works without oppressing and exploiting a nation's citizens.

Good governance and democracy should be valued in their respective rights. The two concepts are often interrelated, but they are not the same. You can have good governance without actually having democracy, but the cause of democracy is greatly enhanced by good governance and *vica versa*. A government that respects and protects fundamental human and political rights, that is open and transparent, that is not corrupt, that is not guilty of mismanagement, that operates by the rules of law, and that possesses the political will to serve in the public interest necessarily contributes to conditions conducive to democracy.

In contrast to this view, there are those such as the European Bank for Reconstruction and Development, individual countries like France, Britain, and some would say the United States, which tend to confuse Western-style democracy with good governance, and this has caused some uneasiness among democratic forces in Africa. They fear that political conditionalities that translate into insisting on specific types of democratic institutions and specific timetables for the achievement of full democracy could do more harm than good. For example, Salim Salim, the Secretary-General of the OAU, has remarked that:

Any effort to superimpose a specific narrow formula of democracy could lead to mere formal compliance, such as allowing several parties without 'real democracy' .... What is fundamental, and what friends should insist upon, is the creation of firm foundations for democratic institutions in accordance with local circumstances.<sup>14</sup>

What I have found is that Africans do not have a knee-jerk negative response to donor conditionalities, but only to those conditionalities intended to manipulate and control Africa and its people. Conditionalities should be attached to policy performance and not to a particular ideological orientation or to a particular blueprint for democracy. In each place, the route to democracy will be different. Moreover, the pace at which it proceeds, and the form that it takes, cannot be dictated from outside. Successful democratization will spring only from the African people themselves. It will happen only if African civil society forces the issue, and presses for more and more liberalization, more and more democratization.

At the same time, it is fair to ask: "Should Africans be expected to travel this road without some help from outsiders

who have already been down the road?" "If there is help, what kind of help should it be, and how much?" "Even with help, is it reasonable to expect that the democratic revolution can be sustained in Africa without substantial expenditures of financial resources?"

African democrats want and need help from supporters from outside. But, they rightfully fear "re-colonization", and the promotion of a democracy that despite the end of the Cold War is ideologically driven.<sup>15</sup> Outsiders, particularly the donors of foreign assistance, could help by letting Africans themselves set the agenda, and by providing, on invitation, the kind of material, moral and technical assistance they can provide; but, only by invitation. It does not help for a donor to cast himself in the image of a latter-day saint, dedicated to the mission of "saving Africa with the message of Western-style democracy". Referring to the efforts of the United States to promote democracy in Africa, Michael Clough, then the Senior Fellow for Africa at the Council on Foreign Relations, cautioned:

The belief that American ideas about democracy, economics and world order can be retailed cheaply abroad is dangerous. Transforming undemocratic political systems, reforming collapsed economies, and ending civil wars are extremely difficult tasks, especially in Africa. If Washington were to take on these challenges, it would have to commit extraordinarily large amounts of money and manpower. The only precedents for such an effort are the postwar reconstruction of Europe and Japan. Yet "saving" Africa would be far more expensive and difficult .... The cost of reconstructing war-devastated Angola, Ethiopia, Liberia, Mozambique and Somalia would be even greater, and with far less prospect for short-term payoffs.<sup>16</sup>

Despite the truth in this message, it is clear that democratic forces in Africa need outside support. But, they need that support on their own terms.

There is no indication that the United States, or any European country, or Japan, for that matter, is prepared to sponsor a "Marshall Plan for Africa". What is more, it seems clear that Africa is not seeking such assistance. Outsiders can best help by keeping Africa on the international public agenda, using moral persuasion to pressure African leaders to remain committed to allowing and encouraging the development of social conditions that are conducive to the development of democracy. For example, donor countries and agencies should continue to sponsor the development of civic education programmes in Africa, independent civic organizations and democratic institutions. Over the past two years or so, international observers, for example, have provided a tremendous service to the cause of democracy in Africa by being present to help democratic forces organize for free and fair elections, and by making sure the electoral process remained open.

Continuing in the spirit of the Arusha Conference of 1990, the African Leadership Forum, the OAU, and ECA co-sponsored another historic conference at Kampala, Uganda, in 1991 to discuss the continent's problems. The five hundred conferees agreed that in order for democracy to have a real chance, African leaders would have to come to the realization that, although their countries are sovereign, they are interdependent. Therefore, the security stability and development of every African country affects every other African country.<sup>17</sup> In other



words, Africa could not hope to make significant progress toward development or democracy without creating the conditions and institutions necessary for lasting solutions to the problems of security and instability. The final report of the gathering proposed the establishment of a permanent Conference on Security, Stability, Development and Cooperation (CSSDCA).

The term security refers to more than military matters. It is a broad generic term that encompasses the right to individual peace and freedom, the right to basic human needs, and social justice. The Kampala conference made it clear that the denial of democratic rights and fundamental human rights, and the emphasis by African governments on oppression and militarization, greatly contributed to insecurity in Africa. Military insecurity, then, had a ripple effect, causing insecurity in other social areas.

What has been made abundantly clear by the continuing armed conflicts in Somalia, Sudan and Liberia, as well as renewed conflicts in Angola and Ethiopia, is that Africa will have to find new ways of addressing both domestic and regional conflicts. The continent cannot afford additional protracted domestic and regional conflicts such as those that punctuated the 1980s. New institutions have to be developed in order to avert such debilitating conflicts, and to resolve them once they erupt.

The Kampala Document called for the establishment of a continental peace-keeping machinery, and for the drastic lowering of military expenditures by African states. This theme was picked up by the OAU's Salim, and for the first time African leaders are confronting global security issues and seriously considering how they might co-operate to reduce interstate as well as domestic conflicts and, in the process, create conditions conducive to democracy and sustained development.

At the 1992 OAU Summit in Dakar, Senegal, Salim proposed an "OAU Mechanism for Conflict Prevention and Resolution".<sup>18</sup> If adopted, this change would significantly redefine the mission of the OAU, and commit that regional organization, as never before, to monitoring, managing and resolving a wide variety of conflicts on the continent. The powers of the secretary-general's office would be expanded, and African states would be required to surrender some of their sovereignty in the interest of regional and continental security.

## Conclusion

Despite continuing severe economic problems; despite the fact that African people continue to suffer from the ravages of drought, famine, war and disease, there is today an air of hope and optimism throughout the continent. Much of this hope is attributable to the fact that many African people feel that the "second wind of change" has reached gale proportions, and that the tide of democracy cannot be denied.<sup>19</sup> African leaders admit that their countries could be marginalized as a consequence of the shift toward a unipolar world, but they are not immobilized. Take for example the words of Babacar N'Diaye, President of the African Development Bank, who remarked, "even if marginalization is true, it is not my concern. What I have to do is to create my self-respect. To

create my self-respect is to put my house in order ... we must pay attention to ourselves".<sup>20</sup>

This sense of introspection and resolve to find African solutions to African problems seems to be contagious. Africa's impending marginalization is seen by some leaders as an opportunity for Africa to become more integrated, more self-reliant, and less dependent on outside assistance. Ugandan President Yoweri Museveni, for example, recently remarked, "A little neglect would not be bad. ... The more orphaned we are, the better for Africa. We will have to rely on ourselves."<sup>21</sup>

The New African Order is founded on co-operation and realism. Thus, there is real cause for hope. There is also cause for hope because "civil society" in Africa has come of age. Autonomous civic organizations, focused on changing national politics and building a democratic society, are proliferating in all parts of the continent. To be sure, authoritarianism is not yet completely dead, but it does appear to be in its twilight years. The movement to build more democratic societies could still be derailed, but if the consensus among civil society, enlightened leadership, and the international community holds, the prospects for democratic consolidation are good. The keys to this consolidation are good governance, peace, security, stability and development.

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# Some reflections on the post-colonial state in Portuguese-speaking Africa

*Professor Patrick Chabal, who is with the Department of Portuguese and Brazilian Studies, King's College, University of London and a Research Fellow of the Africa Institute of South Africa, argues for a different approach to the study of Portuguese-speaking Africa. This article is based on a paper delivered at a seminar held at the Africa Institute.*

In this article I want to raise two distinct but interrelated questions, questions which I believe lie at the heart of the analysis of the contemporary politics of Portuguese-speaking Africa. First, what is the analytical relationship between understanding the post-colonial African state and understanding post-colonial politics in Africa? Second, how historically different is the post-colonial state in Portuguese-speaking Africa from the post-colonial African state generally?

This article is divided in four parts. In the first two sections I reflect on why the history of Portuguese Africa and of Portuguese decolonization has so often been confined to a discussion of its Lusophone specificate.<sup>1</sup> In the third part, I reconsider the question of how best to study the state in post-colonial Portuguese-speaking Africa. The last section is a more general argument in favour of the reinterpretation of post-colonial politics in Africa.

## The history of Portuguese Africa

For reasons having largely to do with the history of Portugal in Africa, Africanists have tended to view Portuguese-speaking Africa differently from the rest of the continent.<sup>2</sup> This has had serious consequences for the study of Lusophone Africa, consequences which, in my view, have had a profound effect on the interpretation of the post-colonial state in Portuguese-speaking Africa.

The reasons that have led historians to focus on the singularity of Portuguese-speaking Africa come under three broad headings. The first has to do with the history of Portugal itself; the second with the history of Portuguese colonial rule; and the third with the history of Portuguese decolonization.

Ever since the mid-nineteenth century, and certainly from the time of the Berlin Conference, the Portuguese have considered both that their "mission" in Africa was different from that of the other imperial powers and that the rest of Europe failed to understand how different that "mission" was. From the Portuguese viewpoint, this severe misunderstanding is perhaps best symbolized in the early years of colonial rule by the 1890 British Ultimatum and in the later years by the UN's refusal to admit Portugal because of its stance on its "overseas provinces".<sup>3</sup>

From the perspective of the other European powers, this sense of Portuguese differences is revealed in, for example, the history of the "scandals" of forced labour in Lusophone Africa and a widespread perception that the Portuguese colonial administration was utterly deficient.<sup>4</sup> Finally, both the Portuguese and their European rivals considered (from opposite moral perspectives) that the scale of miscegenation in Portuguese Africa was a symbol of the differences between the nature of their colonial rule.<sup>5</sup>

Of course, the history of Portugal since the nineteenth century, but particularly since the end of the Republic in 1926, provides good reasons for viewing the Portuguese colonial rule differently. Portugal's economic backwardness, its reliance on mercantilism, its extremely slow industrial development, etc, all made it inevitable that Portugal would have neither the inclination nor the resources to "exploit" its African empire like the other colonial powers.<sup>6</sup> Portugal, which dated its presence in Africa to the fifteenth century, could never accept that the criteria for "effective" colonial occupation agreed at the Berlin Conference could in and of themselves reflect the realities of the Portuguese presence in

Africa.<sup>7</sup> Conversely, Portugal's colonial rivals viewed the Portuguese claim of its "special" relationship with Africa as a smokescreen for excessive colonial ambitions and deficient colonial achievements.

While during the Republican era (1910–1926), Portugal had sought to manage its colonial empire broadly on the lines followed by the other colonial powers,<sup>8</sup> from 1926 it isolated itself from the rest of the world and devised a colonial policy strictly in keeping with the *Estado Novo's* narrow vision of its imperial mission.<sup>9</sup> After World War II and especially after the beginning of African decolonization (from the mid-1950s onwards), Salazar's colonial policies seemed to set the course of Portuguese Africa completely at odds with the rest of the continent.<sup>10</sup> Not surprisingly, therefore, the history of Portuguese Africa since the 1920s has often been distinct from that of the rest of colonial Africa.

But, perhaps the apparent singularity of Portuguese Africa was made most manifest in the years of decolonization. If from the 1950s, Britain and France (although not yet Belgium and Spain) were preparing for the transfer of power to their African subjects, Portugal deemed its African colonies to be and forever to remain overseas "provinces", integral parts of the motherland. This policy, dictated by the views of an ageing tyrant, was swayed neither by the French experience in Algeria nor by that of the Belgians in the Congo. It took over a decade of colonial war, the collapse of the dictatorship and the return to democracy in Lisbon, before Portuguese Africa was set free. Here again, this singularly violent process of decolonization marked out the Portuguese colonies from the rest of Africa.

Furthermore, the intellectual and repressive climate of the *Estado Novo* made the development of any serious Portuguese history of (both metropolitan and overseas) Portugal impossible.<sup>11</sup> It also made it impossible for non-Portuguese scholars to have access to the kind of historical sources which they were able to use for the study of the British and French empires. Not only was it difficult for historians to study Portuguese Africa *per se*, but the absence of any reasonable history of metropolitan Portugal meant that those who wanted to understand Lusophone Africa had first to write such a history themselves.<sup>12</sup>

As a result, historians of Portuguese Africa tended to be Lusophone specialists, perforce more inclined to concentrate on the singularities of their area of study than of comparing Portuguese Africa with the rest of colonial Africa. Furthermore, few historians of colonial (British, French or Belgian) Africa had any serious knowledge of Portuguese Africa, thus reducing even further the probability of comparative colonial history. Add to this the fact that colonial history generally focused more on the history of the colonial power in Africa than on the history of Africans under colonial rule and it becomes clear why our knowledge of Portuguese "Africa" has been severely curtailed.

Whatever their training, approach or ideological perspective, analysts of the five African Lusophone countries have had largely to rely on the histories of colonial Portuguese Africa extant. They too have felt the need to re-examine the history of Portugal in order to assess the relevance of

Portuguese colonial history for the analysis of post-colonial Portuguese-speaking Africa. They too, therefore, have been inclined to view these countries from the perspective of their differences from the rest of independent Africa.<sup>13</sup>

My argument here is not that Portuguese Africa was not in many ways singular nor that a study of these singularities is not important. It is rather that the focus on these singularities has often been at the expense of the understanding of the realities of the post-colonial Portuguese African experience. Before I develop this argument further, however, I want to touch briefly on why the analysis of Portuguese decolonization has tended further to remove the study of Lusophone Africa away from a comparative African perspective.

### The study of the decolonization of Portuguese Africa

There are a number of historical and conceptual reasons why Portuguese decolonization has tended to be viewed through particularistic eyes. The first, and perhaps most important, is that it took place a good 15 years after French and British decolonization. By then, Africans and Africanists alike had a different perception of the realities of African independences. Portuguese decolonization took place against the background of an attempt to understand the growing problems of post-colonial Africa. This influenced the analysis of Portuguese decolonization as well as the expectations of what post-colonial Lusophone Africa might or might not be like.

Second, decolonization was achieved by means of a struggle of national liberation – taking the form of a guerrilla war in three of the five Portuguese colonies.<sup>14</sup> Although there had been in Algeria one precedent for such a nationalist war and although there had been in black Africa instances of nationalist violence (eg, Cameroon, Kenya, Congo), the Lusophone experience of armed struggle was essentially new.<sup>15</sup> As such it called forth a different analysis of the process of decolonization. It thus attracted the attention of a number of observers with greater interest in the process of the armed struggle than in African history.

Third, the decolonization of the Portuguese territories went hand in hand with the nationalists' apparently unanimous commitment to post-colonial "socialism". Indeed, the five Lusophone regimes set about establishing what they considered to be a "socialist" state immediately after independence. This policy of "transition to socialism" took place against the background of an Africa where the first wave of "socialist" experiments was recognized to have failed.<sup>16</sup> It also occurred at a time when socialism world wide was entering a crisis which, we now know, it was not to survive. Because of this, and because Portuguese-speaking Africa had achieved independence through "people's wars", it was seen as the last great hope of "socialism".<sup>17</sup> As such, its post-colonial development attracted the attention of some analysts more interested in the fate of socialism than in that of Africa.

Finally, the decolonization of Portuguese Africa came intimately to be linked with the demise of the dictatorship in metropolitan Portugal. Quite clearly, the impetus for, and the

political orientation of, the coup which eventually toppled the Salazar-Caetano regime owed much to the involvement of the military in the African nationalist wars.<sup>18</sup> Hence, the history of Portugal's march to democracy is inextricably connected with that of the decolonization of its African empire.<sup>19</sup> As a result, Portuguese decolonization has attracted attention from historians more interested in Portuguese than African history.

For all these reasons, the history of the decolonization of the Portuguese colonies has often been written from a perspective which has less to do with Africa than with extraneous historical, political, intellectual or ideological factors. This, I think, to a much greater extent than was true of the history of the decolonization of the rest of black Africa. So here again, we see that a strong combination of historical factors has led us to look at these five countries from the premise of their singularities, rather than from their shared history as African colonies experiencing a difficult post-colonial transition.

While all the factors mentioned above are important, I want here particularly to discuss the import of the "socialist" conceptual perspective on Lusophone Africa for it seems to me to be the one analytical factor which has most influenced the analysis of its post-colonial state.<sup>20</sup> The apparently *socialisist* effect of the nationalist wars in Angola, Guinea and Mozambique combined with the fact that all five Lusophone countries seemed to make good their intention to establish "socialism" after independence, strongly over-determined the interpretation of the complexion and evolution of their post-colonial fate. Indeed, it virtually imposed an analytical approach which not only took for granted the reality of "socialism", but assumed the feasibility of a "transition to socialism" in Portuguese-speaking Africa.<sup>21</sup>

Such an approach had two constituent parts. The first considered the Portuguese-speaking countries from the perspective of those other countries (Russia, China, Vietnam, Cuba, etc) where nationalist struggle and revolution had combined to bring about a new "socialist" order. The second deduced the viability of the "transition to socialism" from the nature of the nationalist war. That is, it established an historical causation between the development of people's wars proclaiming a "socialist" ideology in the former Portuguese colonies and the construction of a "socialist" post-colonial order.<sup>22</sup>

While both approaches had powerful historical and ideological roots, they both failed to ground their respective analyses in the realities of twentieth-century colonial and post-colonial Africa. Instead of studying the process by which these people's wars were adapted (more or less successfully) to an African setting, they read into them a necessary revolutionary causal significance. Because the nationalist wars in Portuguese Africa had, as people's wars, strong resonances with those of China, Vietnam, etc, they were also taken to be necessarily pregnant with a "socialist" future. They were seen to presage a "transition to socialism" not just in Angola, Guinea and Mozambique, but also in Cape Verde and São Tomé and Príncipe, two countries otherwise totally different historically, socially, economically, politically and culturally.

It is true that the process of the Lusophone people's wars was largely new to black Africa and that it did echo people's

wars elsewhere. Yet, the context within which they took place made it improbable that they would engender full-fledged (as opposed to "mere" nationalist) revolutions. As I have written elsewhere, there were no historical, structural or socio-economic reasons to expect in black Africa (except perhaps in "feudal" Ethiopia) revolutions in the mould of the "classical" revolutions (France, Russia, China or even Vietnam).<sup>23</sup> Thus, it was always highly unlikely that the Lusophone nationalist wars would bring about any "transition to socialism", least of all on the Russian, Chinese, Vietnamese or even Cuban model.

To conclude, then, the study of Portuguese decolonization reinforced further, if for different reasons, the analysis of Portuguese-speaking Africa from the viewpoint of its specificities. The fact that, on the whole, historians of Portuguese Africa, students of the Lusophone people's wars and analysts of the post-colonial "transition to socialism" worked within totally different perspectives, reduced the opportunities for meaningful analytical dialogue and led to excessive compartmentalization. Indeed, it is striking how little continuity there is in the study of colonial and post-colonial Lusophone Africa. It is also striking how little analytical dialogue there has been between students of Lusophone and Francophone/Anglophone Africa.

### The post-colonial state in Portuguese-speaking Africa

I should now like to argue for a different approach to the study of Portuguese-speaking Africa. Instead of looking at the post-colonial Lusophone state from a Lusophone perspective, we must look at the evolution of politics in Portuguese-speaking Africa from the perspective of the evolution of politics in post-colonial Africa generally. From this viewpoint, what are the characteristics of the post-colonial state in Lusophone Africa in relation to those of the rest of Africa? Are there any grounds for thinking that the state in Portuguese-speaking Africa is in any fundamental way different from the post-colonial state elsewhere? What, finally, is the analytical relationship between understanding the post-colonial state and explaining post-colonial politics in Portuguese-speaking Africa?<sup>24</sup>

If we accept that it is analytically fruitful to consider the post-colonial state in black Africa from a comparative perspective, we must find a way of linking the development of the Lusophone post-colonial experience to that of the rest of Africa.<sup>25</sup> Although in the years immediately following the independence of the Portuguese colonies it seemed that they were to follow a different path, enough time has now elapsed to see that this is not so. Today, a good 15 years after Portuguese decolonization, it is clear that, whatever the colonial specificities of Lusophone Africa, the evolution of their post-colonial politics is following an identifiable pattern.

We must also begin to recognize that, despite a common colonial past, there are seriously important differences between the post-colonial history of the five Lusophone African countries – differences which are analytically significant. It is most useful to divide these countries into three groups. The first is that of Cape Verde and São Tomé and

Príncipe, countries which in many crucial respects are better understood as creole societies (like the Caribbean) than as African ones.<sup>26</sup> The second consists of Guinea-Bissau, a small West African country, whose history is best compared to that of neighbouring societies (in Senegal, Guinea and The Gambia).<sup>27</sup> There is finally Angola and Mozambique, the Southern African giants, the political evolution of which has followed somewhat parallel routes<sup>28</sup> but, countries which are in fact most profitably compared with their immediate neighbours: Zaire, Zambia, Zimbabwe or Tanzania.<sup>29</sup>

Even at this level of generality, it is immediately apparent how artificial the analysis is which consists in lumping these five Lusophone countries together. The fact that they all share a Portuguese colonial heritage and that they all marched into independence committed to some form of “socialism” is much too feeble a basis on which to generalize.<sup>30</sup> But there is more, for even the colonial history of these five societies is so different as to invalidate any generalization about the similarities in the consequences of colonial rule.

Cape Verde was always apart, seen by the Portuguese as a special case and ruled accordingly. São Tomé and Príncipe was somewhat of a closed society, evolving as it did according to the rise and fall of its plantation economy. Guinea, always a Portuguese backwater, is best seen as the *parent pauvre* of the West African (French and British) colonies. Only Angola and Mozambique share many of the same features: from creole and mestiço communities to settler colonies. Even here, however, it is not difficult to show that in many fundamental ways (eg, concession companies, labour policies, presence of Indians) Mozambique is a case apart. It seems to me plain, therefore, that given these differences there is little point in looking too hard for commonalities in the post-colonial development of the state in the five Lusophone countries.<sup>31</sup>

Furthermore, I believe there is a more fundamental historical reason why it is more profitable to study the evolution of the post-colonial state from an “African” rather than colonial perspective. Let me be clear. One of the most significant lessons we can now draw from the analysis of post-colonial African politics is the importance of the process which I call (deliberately controversially) political Africanization.<sup>32</sup> By political Africanization I mean the “all important process whereby the political legacy – the ideas, practices and institutions – of colonial rule and colonization was assimilated, transformed and re-appropriated by Africa”.<sup>33</sup> However significant the differences between various forms of colonial rule may have been, the outcome of political Africanization is a process by which the sedimentation of post-colonial politics occurs along relatively similar lines in the various parts of Africa.<sup>34</sup>

If this is so, then it follows that the nature of the colonial legacy is less important than the ways in which it is Africanized after independence. It also follows that in order to understand Africa’s post-colonial politics we need to understand the nature of the links between its pre-colonial, colonial and post-colonial political history.<sup>35</sup> Hence, it is more important to study the evolution of post-colonial African politics from the perspective of the evolution of the African societies which form these independent countries, rather than simply

from that of the post-colonial state as it was erected at independence on the foundations of (and in reaction against) the colonial state.

As time elapses, as the post-colonial period lengthens, as African societies recover their past and evolve according to continuities which link them back with their roots in the pre-colonial period, the significance of the colonial legacy is put into perspective. Over time, the process of political Africanization shapes and re-shapes the political structures established at independence according to the vagaries and rhythms of the relationship between state and society. Constitutional arrangements and ideological pronouncements are adapted to and converted by the realities of post-colonial politics and economics. As this happens, the apparent similarities between the post-colonial politics of the five Lusophone countries evaporate, revealing underneath divergences in their political evolution which are best explained in terms of their (colonial, pre-colonial and post-colonial) history.

Perhaps a couple of examples will best show what I mean. First, comparing the post-colonial state in Guinea-Bissau and Cape Verde, one would expect major similarities. The two countries shared the same movement of national liberation, the PAIGC,<sup>36</sup> in which both Cape Verdeans and Guineans nationalists struggled together. At independence, they established a bicephalous single-party state in which the two countries were closely linked politically and even economically.<sup>37</sup> The two countries shared the same colonial and nationalist past and the same ideological outlook. The common party, the PAIGC, was committed to closer integration between the two countries. Yet, within a few years, the links between the two were broken, each country went its separate way.<sup>38</sup> Very quickly, it became apparent that Cape Verde’s (relative) success in managing its colonial inheritance and in overcoming very serious post-colonial disadvantages was not to be repeated in Guinea-Bissau. Why?

With the benefit of hindsight it is easy to say that Cape Verde and Guinea-Bissau were very different, that their union was not viable and that there was very little chance that their respective post-colonial development would be similar. And yet, a narrow focus on the post-colonial state provides very little basis for explaining why the divergences were so wide. Indeed, it detracts from the analysis of the factors which most plausibly account for those political divergences. I would argue instead that understanding the evolution of state politics in Cape Verde and Guinea-Bissau presupposes first an understanding of the relation between the post colonial politics of these two countries and their respective colonial and even pre-colonial history.

Second, an analysis of the political significance of Unita and Renamo in, respectively, Angola and Mozambique from a state perspective would suggest important similarities.<sup>39</sup> Both movements are “anti-socialist”, “anti-mestiço”, “black-oriented” and grounded in “traditional” socio-political structures. Both have used violence on a massive scale, both have contributed to the collapse of the economy of their respective countries and both have single-mindedly sought to destroy the infrastructure and the trappings of state power. Both, finally, have been

supported by South Africa, the designs of which in the Southern African region they have amply served. Yet, I would argue that an analysis along these lines would obscure rather than reveal the genesis and importance of Unita and Renamo in the post-colonial politics of Angola and Mozambique.

Today, when negotiations for peace in the two countries are about to bear fruit, it might seem obvious how different Unita and Renamo are. Yet, it is not so long ago that there was near-unanimity in the political analysis of these two movements as consisting of *bandidos armados*, bent on the mindless destruction of the post-colonial state. In fact, I would argue that, above and beyond the obvious similarities in some of the means employed by Unita and Renamo, these two movements have had little in common. Again, in order meaningfully to understand them it is necessary to relate the evolution of the post-colonial politics of Angola and Mozambique to their very different colonial and pre-colonial antecedents.

I cannot here discuss Unita and Renamo in any serious detail but Geffray's *La cause des armes au Mozambique*<sup>40</sup> provides what I consider to be the most convincing analysis of a movement like Renamo. It also provides one of the best examples extant of the new approach to the analysis of post-colonial politics which I advocate in *Power in Africa*. Finally, it shows concretely why an understanding of the post-colonial state in (Lusophone) Africa is best achieved by an analysis of its relationship with (civil) society. I now turn to a more general discussion of contemporary politics in Africa.

### The state in post-colonial Africa

It is today not difficult to see that what has for the past 20 to 30 years passed for an analysis of African politics has largely been an analysis of the state in post-colonial Africa. There are, of course, good historical reasons why this has been so. First, decolonization was largely about the construction of a post-colonial state to take over at independence. Second, the post-colonial state replaced the colonial state, a visibly strong and interventionist state which had clearly been the paramount actor in colonial politics.

Third, the state was recognized to have been central to the construction of the modern European nation-state and the realities of independent Africa dictated that it would be the post-colonial state which would create the African nation-state.<sup>41</sup> Finally, the European state after World War II was conceived to be dominant politically and economically, reinforcing the then fairly popular "socialist" notion of the command state.

If it is easy to see why Africanists were at first prone to studying state politics,<sup>42</sup> it is more difficult to understand why they persisted for so long in believing that the post-colonial African state should evolve like states in other parts of the world. The post-colonial state, it is true, was usually constructed on the model of one or the other of the European states. Yet, the very divergent evolution of the various European states should have warned Africanists that the African post-colonial state was unlikely to follow any recognizable precedent. Furthermore, the causes of such divergence

in Europe were such as to suggest that it was the relation between state and society, not constitutional frameworks, which determined the fate of the modern nation-state.

In retrospect it can be seen that Africanists were for too long fooled into believing that the vagaries of the African post-colonial state "explained" African politics. In this respect it is strange that students of the Portuguese-speaking African countries – which only became independent some 15 years after the French and British colonies – should so readily have repeated the mistakes of those who had examined the political fate of French- and English-speaking Africa in the early years of their independence. Strange indeed, for it was precisely in the late 1970s that the latter began to suggest other interpretations of the post-colonial African state.<sup>43</sup>

I have explained elsewhere why I believe that the African post-colonial state, although overdeveloped, hegemonic and omnipresent, is in fact both soft and over-extended.<sup>44</sup> Its violent and repressive nature is more properly the reflection of its political weakness than of its strength.<sup>45</sup> More importantly, I have argued at some length that in order to understand the post-colonial African state it is necessary to understand the complex and multiple ways in which the post-colonial political order has been (politically) Africanized since independence.<sup>46</sup> By which I mean that it is more profitable to conceptualize the African state today as an African(ized) state than to continue to view its evolution from a notional European state as deliquescent or pathological.

Echoing what I have written in *Power in Africa*, I would argue here that Africanists have hitherto largely inverted the political causalities between state and society in post-colonial Africa. The evolution of the post-colonial state is better understood as the process by which (civil) society has re-asserted control over the political order *via* the state rather than simply as the process by which the holders of state power have asserted their hegemonic powers.<sup>47</sup>

The interpretation of the relationship between state and society in post-colonial Africa has gone through at least three phases. The first consisted in believing that the post-colonial state was all powerful and held the keys to the "development" of the new African nation-states. The second viewed the political and economic "crisis" which engulfed post-colonial Africa as the consequence of the collapse of the post-colonial state – by which was meant both its repressive excesses and dereliction in the discharge of its duties. The latest interpretation of the state's manifest failure is seen as the "revenge" of Africa's (civil) society.<sup>48</sup>

This last interpretation is an important analytical advance on the other two in that it suggests that the evolution of the state can be understood only in its relation with society. The African post-colonial state has indeed been shaped and transformed in the endlessly changing process by which it has sought to assert political and economic hegemony over (civil) society. But the dichotomies between state and (civil) society and the sharpness of the political competition between the two can be, and have been, overdrawn.

I argue in *Power in Africa* that the resilience as well as the deficiencies of the post-colonial state are best explained by the

nature of the very complex links which tie, rather than simply oppose, state and (civil) society.<sup>49</sup> While at the macro-analytical level it makes some sense to view state and civil society as driven by competing hegemonic drives, at the micro-level there are strong complicities between individuals within the state and civil society. That is, the clientelist, patrimonial and prebendal networks which link individuals from state and (civil) society are so numerous and so extensive that they guarantee the maintenance of a political system in which the state is only paramount over, in so far as it is colonized by, (civil) society.

Once the relation between (civil) society and the state is recast in this way, it becomes easier to understand the endurance of the contemporary African state. In post-colonial Africa, then, the state is indeed at the centre of politics for it is at once the main agent in the construction and maintenance of the nation-state and the primary locus for the hegemonic drive. Nevertheless, however central and however hegemonically successful (for those who have access to its various networks) the post-colonial state may be, its power to act upon society is severely circumscribed. Because the state survives only insofar as it is colonized, appropriated, by (civil) society, its capacity to change that self-same society by means of social and economic "engineering" is extremely limited.

In post-colonial Africa, therefore, it is largely an illusion to view the state as the agent for (socialist or capitalist) economic development. While in Southeast Asia and the Far East, for instance, the modern state has indeed often been responsible for impressive rates of economic growth, in Africa the post-colonial state has been the chief instrument of (individual and collective) hegemonic drive.

It has enabled the holders of state power and all those connected to them through the state's multifarious networks to have access to the resources appropriated by and through the state. These resources have been utilized for purposes which on the whole have been detrimental to Africa's economic growth and development: exchange, consumption or accumulation rather than investment and production.<sup>50</sup> The notion that the Lusophone post-colonial state could bring about a "transition to socialism" was thus never seriously plausible.

## Conclusion

If this argument is right, it follows that our understanding of the state in post-colonial Portuguese-speaking Africa is still in its infancy. We have insisted in viewing it as a specific "Lusophone" African state with similarities between the five countries which are largely figments of our imagination. We have been blinded by the notion of the putative supremacy of the powerful, voluntarist, "socialist" post-colonial state able to act upon and reform society in ways which have failed to materialize anywhere else in post-colonial Africa. We have, consequently, tended to attribute the manifest failures of the post-colonial state in Portuguese-speaking Africa to extraneous factors (eg, South Africa, IMF, drought) largely beyond state control.

We need to rethink our approach and accept that, however different the history of Portuguese-speaking Africa may have

been, the trajectory of its post-colonial states is not significantly different from the trajectory of other African post-colonial states. Or rather, the differences which exist are no more (and no less) significant than the differences which may be found between any group of post-colonial African states. These differences are best explained by an historical analysis of the sedimentation of Africa's post-colonial politics. We need, finally, to accept that a better understanding of the post-colonial state in the five Portuguese-speaking countries in Africa will depend on a sharper analysis of the relationship between these individual states and the (civil) societies with which they are so inter-linked.

## Notes and references

- 1 In this paper I use Lusophone as a strict equivalent to Portuguese-speaking. I am, however, aware that some (Africans and Africanists) object to the use of Lusophone on political or historical grounds.
- 2 The best general introduction to Portuguese Africa is still M Newitt, *Portugal in Africa*, London: C Hurst, 1981.
- 3 It is here instructive to read what Oliveira Martins had to say about Portugal's African colonies in *Brasil e as Colonias Portuguesas*.
- 4 See H Nevinson, *A modern slavery*, (new ed) New York: Schocken, 1968.
- 5 For a discussion of the ideology and realities of miscegenation in one colony, see G Bender, *Angola under the Portuguese*, London: Heinemann, 1978.
- 6 On the nature of Portuguese imperialism, see G Clarence-Smith, *The Third Portuguese Empire*, Manchester: MUP, 1985; and A Castro, *A Economia Portuguesa do Século XX*, Lisbon, 1973.
- 7 See here, for example, Marquês do Lavradio, *Portugal em Africa depois de 1851*, Lisbon, 1936.
- 8 That is, the establishment of a modern infrastructure and colonial administration, the rational economic "exploitation" of the colonies, etc.
- 9 Extreme centralization of decision-making, the establishment of a Portuguese economic zone, the use of the colonies as labour reserves, etc. See here G Clarence-Smith, *op cit*.
- 10 On Salazar's colonial economic policies, see G Clarence-Smith, *op cit*. On Salazar see H Kay, *Salazar and modern Portugal*, London: Eyre & Spottiswoode, 1970, a less than satisfactory book.
- 11 For the best of these histories before 1974, see A H Oliveira Marques, *History of Portugal*, New York: Columbia University Press, 1972.
- 12 See here, for example, J Duffy, *Portuguese Africa*, Cambridge, Mass: Harvard University Press, 1959.
- 13 Although to be fair, Newitt (who in this respect is somewhat of an exception) implicitly calls for a more comparative perspective.
- 14 See P Chabal, "People's war, state formation and revolution in Africa: A comparative analysis of Angola, Guinea-Bissau and Mozambique", in N Kasfir (ed), *State and class in Africa*, London: Cass, 1984.
- 15 For one particularly good book on one of these cases, see R Josphe, *Radical nationalism in Cameroun*, Oxford: Clarendon Press, 1977.
- 16 On the first wave of "socialism", see C Rosberg and T Callaghy (eds), *Socialism in sub-Saharan Africa*, Berkeley: Institute of International Studies, University of California, 1979.
- 17 For an analysis of the concept of people's war, see P Chabal, *Amilcar Cabral*, Cambridge: Cambridge University Press, 1983.
- 18 For one history of the Portugal of that period, see R Robinson, *Contemporary Portugal*, London: Allen Unwin, 1979.
- 19 Much as the Algerian war of national liberation is linked with the transition from the Fourth to the Fifth Republic in France.



- 20 I analyse this conceptual approach in some detail in P Chabal, *Power in Africa*, London: St Martin's Press, 1992, chapter 1, section 4.
- 21 See, as one example of this approach, J Mittelman, *Underdevelopment and the transition to socialism*, New York: Academic Press, 1981.
- 22 See here P Chabal, "People's war, state formation and revolution in Africa", *op cit*.
- 23 *Ibidem*.
- 24 I draw here from my general discussion on the post-colonial state in *Power in Africa*, *op cit*, chapter 4.
- 25 One of the most useful comparative analyses of the post-colonial state to date is J-F Bayart, *L'Etat en Afrique*, Paris: Librairie Arthème Fayard, 1989.
- 26 On Cape Verde see, *inter alia*, C Foy, *Cape Verde* London: Pinter, 1988; on São Tomé and Príncipe, M Newitt and T Hodges, *São Tomé & Príncipe*, London: Westview, 1990.
- 27 See, *inter alia*, R Galli and J Jones, *Guinea-Bissau*, London: Frances Pinter, 1987.
- 28 If only because of their involvements in civil conflicts fuelled, wholly or in part, by South Africa.
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# Civil society and democracy in South Africa

*Dr M J van Wyk, of the Department of Sociology at the University of Port Elizabeth, looks at the renewed emphasis that is being placed on civil society and the prospects for establishing a successful civil society in South Africa.*

The concept of civil society, together with democracy and the process of democratization, is currently experiencing an intellectual renaissance. This can probably be attributed to the collapse of authoritarian regimes in East European countries as well as the renewed movement towards democracy in Africa. Also in South Africa, as we struggle through our transition, arguments in favour of the strengthening of civil society abound.

In this article an attempt is made to clarify the meaning of "civil society", to outline the nature thereof and to confirm the importance of "civil society" for the democratic project. In the first part of the article I look at the resurgence of the idea of civil society. This is followed by a section in which an attempt is made to provide clarification as regards the concept "civil society". Thereafter a brief argument regarding the relation between state and civil society is put forward. In the last section the focus is on the prospects for successfully maintaining "civil society" in South Africa.

## The resurgence of civil society

It can be argued that the resurgence of civil society can be linked to a rejection not only of totalitarian state socialism but also of social democracy. Both of these socio-political systems, with their concomitant market arrangements, have impacted negatively on the ability of people to direct their own lives. Furthermore, they have not performed as well, economically, as was expected. Inequality was not redressed, in fact the situation worsened.<sup>1</sup> This amounted to agency failure since the role of the ruling party in the former Soviet Union and other centrally planned Eastern European states has now been totally discredited. At the same time, governments in the West have failed to satisfy demands based on typical socialist aspirations. In these societies the failure of agency is reflected in the crisis of representation, which manifests itself in a combination of apathy with respect to conventional party politics and the

growth of movements focusing on pertinent issues such as: ecology, anti-racism, feminism, community politics, etc.

It can be argued that elections are no more than a Roman circus in contemporary democratic societies. In other words, the ruling élite give the people an opportunity to vote from time to time. This then confirms the myth among voters that they are participants in a process the outcome of which they believe they can determine. As Walzer<sup>2</sup> puts it:

... politics in the contemporary democratic state does not offer many people a chance for Rousseauian self-determination. Citizenship, taken by itself, is today mostly a passive role: citizens are spectators who vote. Between elections they are served, well or badly, by the civil service.

A solution to this problem is the development of civil society as a "mechanism" to exercise control over the economy and the state by means of establishing participatory political and economic democracy.<sup>3</sup> In the interest of the democratic project, politics cannot be allowed to become the "domain only of clashing and vigorously quarrelling élites which differ from one another neither in programmes, because they have none, nor in terms of any other sociological characteristics".<sup>4</sup>

In addition to this, Wolfe<sup>5</sup> is of the opinion that modern liberal democracy has weakened our sense of social obligation and our awareness of our responsibility towards our fellow beings. It would appear that there is a tendency among people in liberal democracies to rely less and less on themselves, their friends, families and communities, and more and more on the impersonal structures of the market and the state in order to meet their needs. According to Walzer<sup>6</sup> associational life is increasingly under threat in the advanced capitalist and social democratic countries. In this regard he states the following:

Our cities really are noisier and nastier than they once were. Familial solidarity, mutual assistance, political likemindedness – all these are less certain and less substantial than they once were. Other people, strangers on the street, seem less trustworthy than they once did. The Hobbesian account of society is more persuasive than it once was.<sup>7</sup>

What must also be pointed out is that the strength of civil society is not only dependent upon the relation with the state but also upon the nature and level of aggression inherent in the market. The emergence and indeed the continuity of a strong and meaningful civil society, may therefore require new efforts to curtail not only the incursions of the state but those of the market as well.

## Meaning of “civil society”

Historically speaking civil society refers to an entity that exists in opposition to the Church or the state or even savagery and/or anarchy.<sup>8</sup> Its origins can be traced back to the struggle for religious freedom<sup>9</sup> and to both French and English liberals that favoured the protection of “the right of the citizen against the absolute state”.<sup>10</sup> However, the more recent meaning of civil society indicates that the concept has been adopted by groups who actively oppose statism.<sup>11</sup> The concept is furthermore intimately connected with a democratic social and political order, denoting democracy where participatory and accountable governance is emphasized.<sup>12</sup>

It is hard to track down a definition of civil society in the literature and it would seem that no formal definition of civil society has been put forward as yet. However, the following description by Dahrendorf<sup>13</sup> does provide some illumination:

Civil society is about substantial sources of power outside the state, and more often than not, against the state. It means the creation of a tight network of autonomous institutions and organizations which has not one but a thousand centres and can therefore not easily be destroyed by a monopolist in the guise of a government or party. Civil society in a certain sense sustains itself. It does not seem to need the state. One thinks of Italian society, mafia and all, though this codicil indicates the risk which a civil society runs if there are not at the same time certain rules and procedures binding on everyone. This is why I prefer to think of civil society as providing the anchorage for the constitution of liberty, including its economic ingredients. Both are needed, civil society and the state, but they each have their own *raison d'être* and their own autonomous reality.

However, the use of the term civil society is diverse. Kligman<sup>14</sup> identifies three basic ways in which the concept is used by scholars. It is seen as

an autonomous sphere comprised of myriad associations which contribute to democratic public life; or to the Hegelian-influenced specification of entrepreneurial activities within this sphere, that is, the market; or to the more Gramscian variants which are themselves replete with ambiguities, but which emphasize a sphere where individuals functioning in public institutions act, not necessarily intentionally, as mediators of the state's interests.... Since the referent is usually western liberal democracies, there is also an implicit assumption that a free market is requisite.

What seems to be consistent in most discussions about the meaning of the concept is the idea that civil society denotes a collection of associations that operate in the public sphere.

Based on the above, the term civil society, it can be argued, is descriptive of the space where free human association and the building of supportive networks are possible. It refers to activities and social formations that are outside and autonomous of the state, relatively independent, and distinctly

different. It is thus a sphere of activities where people participate voluntarily and free from direct party-political or government control. The following can be cited as examples of constituent parts of civil society, labour unions, churches, voluntary associations in churches, political parties and movements, co-operatives, neighbourhoods, schools of thought, cultural organizations, women's organizations, farmers' associations, professional bodies, civic organizations, ratepayers' associations, environmental groups, and societies for promoting or preventing this and that, etc.

A further important point is that the concept of civil society also represents an approach to democratization. According to Friedman<sup>15</sup> this implies a

... guaranteed right to organise, act and speak as a limit to the power of governments. It also entails pluralism, the right of all interests and values to organise ... [it further implies that there is no] ... 'general will', but many particular ones, whose right to associate must be recognised and protected by the state. It implies also that the state derives its legitimacy partly by defending this diversity.

The latter part of Friedman's argument here as well as the distinction of the different ways in which the concept is utilized, as explained above by Kligman, highlights the point that civil society depends on a particular type of relation between state and civil society to exist and function properly.

## The state and civil society

That a democratic civil society is imperative for the project of societal democratization is obvious in terms of the argument advanced so far. However, in the interest of the democratic project it is imperative for civil society not to become too self-centered. It should not become a protective shield for the interests of “comrades” only, but it should also be protective of the broader polity that nurtures and protects civil society. It therefore must be stated that, theoretically, civil society in South Africa cannot be reserved for organizations on the political left only or so-called “struggle organizations”. Furthermore, civil society left to itself, can result in severely unequal power relations, which can only be changed and rectified by a strong and wilful state. Cognizance must be taken of the fact that although “greater democracy provides the means for social tensions and national conflicts to be expressed” it is imperative that it should also provide the means to contain these very conflicts.<sup>16</sup>

Given the complex nature of modern industrialized societies, societal democratization will not be guaranteed by simply creating and nurturing a civil society. This applies to South Africa as well. The situation is much more complex.

A democratic state that will create and guarantee space in which civil society can operate and pursue its interests by challenging the very state that guarantees its existence seems to be a contradiction. However, this is a prerequisite for the existence of a competent civil society. By means of an arrangement where the state is strong and democratic, but not overbearing, the independence and autonomy of civil society could be guaranteed. This view is supported by Walzer<sup>17</sup> when he argues as follows:

... only a democratic state can create a democratic civil society; only a democratic civil society can sustain a democratic state. The civility that makes democratic politics possible can only be learned in the associational networks. ... Confronted with an overbearing state, citizens ... will struggle to make room for autonomous associations and market relationships and also for local governments and decentralized bureaucracies.

So, for the project of societal democratization, which includes an assertive civil society, a strong state is necessary. It is therefore a case of a free and strong civil society needing a free state, and a free state, as liberals like Hegel argued, must be based upon and be protective of the freedom of its citizens to freely associate and organize. In other words, civil society is a pre-requisite for a free state.<sup>18</sup>

Establishing a democracy is meaningless if the state apparatus is not controlled by and accessible to civil society. So what is needed is a balance between the freedom to express and pursue sectional interest without destroying the "common good".<sup>19</sup> In this regard the words of Walzer<sup>20</sup> are illuminating:

Citizenship is one of many roles that members play, but the state itself is unlike all the other associations. It both frames civil society and occupies space within it. It fixes the boundary conditions and the basic rules of all associational activity including political activity. It compels association members to think about a common good, beyond their own conceptions of the good life.

## Prospects for civil society in South Africa

As far as South Africa is concerned, Shubane<sup>21</sup> is of the opinion that the successful establishment of civil society will contribute to enhancing the quality of democracy in a post-apartheid society. According to him this will be a democracy that "... goes beyond a multi-party form of government into [a] multiplicity of institutions of power both within and without government institutions". Mufson<sup>22</sup> also stresses the importance of the nature of civil society for the post-apartheid state by saying that "... just as important as the nature of the post-apartheid state will be the nature of society outside the state. This society – 'civil society' – has been both a base for overthrowing oppression and an embryo for a new nation".

The above implies that even after liberation, the fight for maintaining liberation will have to continue if the view is that liberation must also have as a result a democratic civil society. In concrete terms this would mean that workers will for example still have the right to strike, that farmers' associations can take action to ensure profitable prices for their crops, professionals can embark on action to protect their "clan" and that the average consumer can demand action from the state to curtail profiteering by food suppliers.

It is civil society that creates the space for people to organize, plan, and strategize in order to protect and promote their interests. Civil society is the arena where people can operate without the shackles of an all-encompassing state or a powerful, domineering, and intimidating market. The following statement by Walzer<sup>23</sup> highlights the value of civil society for ordinary citizens:

Dominated and deprived individuals are likely to be disorganized as well as impoverished, whereas poor people with strong families,

churches, unions, political parties, and ethnic alliances [in other words linked into civil society] are not likely to be dominated or deprived for long.

Although the importance of civil society for the democratic project in our society is obvious, and propagated by many scholars, the successful establishment of a strong and independent civil society is not regarded as a forgone conclusion. Also,

... what intellectuals think and want are not necessarily what develops (or should) in experience. In this regard, it is important to avoid hypostatizing civil society' just as 'the state' has generally been objectified in the literature about it.<sup>24</sup>

The notion of civil society as a guarantor of democracy cannot be based on the assumption that the "people" or the "citizens" is one homogeneous monolithic entity as propagated by populist nationalism. To see civil society as being homogeneous is anathema to the very notion of civil society and "clinging to the political myth of its homogeneity fostered by the experience of opposition will probably do the opposite of what is intended, that is, accelerate the conflict between certain interest groups and the state."<sup>25</sup> The conception of civil society as a homogeneous entity is furthermore at variance with the realities of modern pluralist representative democracies which are characterized by a wide ranging set of interest groups lobbying for special "deals" in politics.

A key question, therefore, posed by Friedman<sup>26</sup> regarding a democratic post-apartheid South Africa is "whether it is likely to enjoy voluntary associations diverse enough to express the full range of interests and values and strong enough to influence events?" The road to a strong civil society is therefore to be found in the existence of a diversity of associations that possess the will and means to ensure that they are taken seriously and that those in power listen to them. The stronger they are, and the more articulate they are, the better the chances of achieving gains within a democratic political framework and of defending their interests when under threat. For this to occur, citizens must have the space within which they can organize "independently around their specific interests. One illustration is the union movement which does represent a constituency with a clearly defined interest which will persist regardless of the nature of a political settlement".<sup>27</sup>

What are the prospects for successfully establishing a free civil society in South Africa? On the one hand they look good since the disenfranchised are quite organized and display far greater diversity than is commonly believed. This is remarkable given the corruption, disorganization, community-destruction and dehumanization caused by apartheid. On the other hand, the prospects for a strong civil society are undermined by the unevenness of organization: urban residents are far better organized and have access to more resources than marginal groups such as shack dwellers and rural people. The concern here is that although such a situation can result in a strong civil society, it will be one that is not inclusive of the majority.<sup>28</sup>

Another concern has to do with the link between the emergence of civil society and the anti-apartheid struggle. For Friedman<sup>29</sup> the obvious danger is the partisan nature of civil

society, which by its nature must be non-partisan. At the same time it must be kept in mind that the history of the liberation struggle indicates that civil society was central to it. The fact that people were excluded from the franchise and that national movements, formed to champion their cause, were banned, left people with little choice other than mobilizing and utilizing civil society in the struggle for national liberation. For Friedman<sup>30</sup> this has resulted in a situation where, during the 1980s, “resistance activity was led by social movements, professional groups, churches and unions operating within the country, many of whom coalesced in the United Democratic Front”. The route to power was seen to lie in “establishing a broad multi-class liberation alliance under the hegemony of the ANC [and] extending [its] influence into many spheres, such as sport, culture and education”.<sup>31</sup>

The legacy of the struggle for liberation in South Africa and the apartheid state’s strategy to counter this is therefore making the development of a free civil society more difficult. With regard to the former, Friedman<sup>32</sup> argues that given the domination of the struggle for liberation by the Congress social movements

... the boundaries of civil society may stretch no further than the settled home owners and tenants who enjoy most influence within them. And power within civil society may remain the preserve of those with access to resistance symbolism.

On the other hand, a look at our recent history reveals that in the authoritarian apartheid society, civil society was politically managed, casting serious doubt on the prospect for an autonomous civil society. During February 1990 the process of formally dismantling apartheid started and since then the brittle and splintered nature of our civil society has become obvious. Hopefully we will see the development of an autonomous civil society and not only a change of “guard”.

This is a crucial matter because it has a direct bearing on the development of democracy, since it is in civil society that values such as tolerance, compromise and limitations on individual and bureaucratic power flourish. Without such values in civil society, even the most perfect democratic constitution cannot be sustained. At the moment civil society in South Africa is ravaged by violence, internecine strife, crime and political intolerance. Add to this the hegemonic threat from the Congress movement, the racial divisions and suspicions caused by apartheid, and the unequal distribution of resources, together with the resultant massive poverty, and the prospects for a free and strong civil society no longer look so good.

What is to be avoided at all costs, is what happened in Eastern European societies where civil society was destroyed by parties that came to power through revolution and monopolized bureaucracies under the supervision of the Party.

## Concluding remarks

The argument in favour of building a strong civil society represents a revitalization of the ideas of social obligation and limited power. It is in civil society where people can experience the trust, empathy, altruism and solidarity that make for social obligations. It is here where we learn how to care for

ourselves through caring for one another. In the case of South Africa the post-apartheid society must be reconstructed so as to create space for the restoration of social bonds outside official institutions. What must be achieved through democratization is the creation of a “range of institutions outside the direct control of the state which supports a lively critical culture about topics of political significance”.<sup>33</sup>

An essential part of the democratization project is to establish limits of power. In the South African context this is often seen as a disguised plan to frustrate the aspirations of the majority. However, civil society is a tool with which it is possible to curtail the power of the state. A strong and independent civil society can ensure that freeing South Africa from apartheid will result in liberation, and not merely in a change of guard. It is important to realize that “the granting of formal liberties without the conditions necessary for their realization is unlikely to contribute to regime liberation, and may even have the opposite effect”.<sup>34</sup>

There is no historical guarantee or secret formula that can underwrite the success of civil society. The success of civil society “requires many organizing strategies and new forms of state action. It requires a new sensitivity for what is local, specific, contingent – and, above all, a new recognition ... that the good life is in the details”.<sup>35</sup> Let us hope that we will not end up with an omnipotent state that does not allow space for civil society, but rather one which will allow civil society to blossom. In these ideal conditions civil society will have to be organized and equipped to act and participate with enthusiasm in undertakings which could considerably speed up the process of reconstruction. Let us hope that it will indeed be the case and that we do not find ourselves in a situation where we all wait on the messianic state to do wonders. Let us hope that we will not be left without enthusiasm and a lack of interest and energy such as is the case in, for instance, Poland.<sup>36</sup>

It can be stated with a fair amount of certainty that apartheid has probably eroded the will for social participation of many South Africans and has replaced that will with apathy and passivity. When the repressive and undemocratic regime has been ousted our social landscape may be marked by passivity, by an attitude that nothing further need be done because we have achieved our victory. That will be a dangerous attitude since the building of democracy and the process of social reconstruction will then only start. The process of political and social reconstruction will require, more than anything else, the active participation of civil society.

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# West Africa's economic islands of development: Thirty years on

*In the third article in this series, Denis Fair, Resident Fellow at the Africa Institute, examines the major source areas of West Africa's exports, ie, its economic "islands", after thirty years of independence.*

Around 1960, when independence came to most tropical African countries (those between the Sahara and South Africa/Namibia), William Hance showed that 85 per cent of their exports came from a few economic "islands" covering only 5 per cent of the region's area.<sup>1</sup> These resulted from the penetration in colonial times of the West's modern market economy into a region whose population was still engaged largely in subsistence production. This penetration took different forms – mineral exploitation by large companies as in Zambia and Zaire, European-run plantations as in Cameroon, European settler farming as in Kenya and in some areas, notably West Africa, the stimulation of a flourishing peasant agricultural export economy.

There are conflicting views about the impact of the colonial period, but whether it contributed to development in the fullest sense of the word or to underdevelopment, Leslie Green and myself, in 1960, noted nevertheless that "one firm and fundamental fact" was that in all probability development in a material sense would continue to take place within the framework of social and economic "islands" and their urban centres spawned during the colonial period.<sup>2</sup> In Southern and Central Africa this has certainly proved to be the case as two previous articles in this journal have shown.<sup>3</sup>

The same conclusion is applicable to West Africa. Colonial penetration reoriented the traditional trading economy of the region away from the old centres in the interior to the coastal areas and their new cities such as Lagos, Accra, Abidjan, Freetown and Dakar.

At the time when most West African countries gained independence there were five major resource-rich clusters or economic "islands" from which 90 per cent of the region's exports originated – cocoa and oil palm products from southern Nigeria, cotton and groundnuts from northern Nigeria, cocoa and coffee from Ghana/Côte d'Ivoire, minerals from Guinea/Sierra Leone/Liberia and groundnuts from Senegambia (Fig 1, Table 1). Today 90 per cent of the region's exports still come

from these clusters although some important changes have taken place in the meantime.

In 1981 the World Bank took cognisance of this islandic pattern and noted that at the time of independence in West Africa "where peasant production of export crops was the primary motor of development, modern economic activity took place mainly in the forest and coastal zones extending 200 km inland from the sea. In the vast interior, where most of the population was, evidence of economic change was barely visible, with the exception of the groundnut production in Nigeria and Senegal".<sup>4</sup>

Tropical Africa's economic "islands" are its lifeblood for, as Rimmer points out, although the region accounts for only 1,3 per cent of the world's exports, this contribution has "been and will continue to be [its] only important medium of economic growth".<sup>5</sup>

West African countries reflect the classic trading pattern of developing countries, their exports being dominated by primary commodities and imports by manufactured goods, equipment and food. Moreover, the pattern is characterized by very high dependence on a limited range of exports, in some cases on only one or two, leaving national economies vulnerable to world price changes, currency exchange variations and to vagaries of the weather. Since independence the structure of exports has changed in many instances and there has been a lessening dependence on trade with the former metropolises. Greater roles are now being played by other countries, notably the United States and Japan and especially members of the European Community. With the last-mentioned, 46 African states enjoy trade and aid advantages in terms of the Lomé conventions. Intra-regional trade between West African countries is still relatively limited, however, despite the efforts of the economic community of West African States (Ecowas), established in 1975, and other regional organizations.

The expansive mood that came with political independence created new opportunities for enlarging the volume of

**Table 1**  
**West Africa exports 1961 and 1990**

	Millions US\$ 1961	%	Major exports % 1961	Millions US\$ 1990	%	Major exports % 1990
Nigeria	486	34	Groundnuts 22,5 Cocoa 19,4 Palm products 18,9 Cotton 7,8 Rubber 6,5 Oil 6,4 Timber 4,6	13 590	60	Oil 97,0 Cocoa 2,5
Ghana	323	22	Cocoa 63,1 Timber 13,4 Gold 9,2 Diamonds 6,4 Manganese 5,0	900	4	Cocoa 40,1 Gold 22,4 Timber 13,1
Côte d'Ivoire	191	13	Coffee 47,0 Cocoa 21,7 Timber 19,4 Bananas 6,4	3 120	14	Cocoa 41,0 Coffee 10,7 Petroleum products 9,6 Timber 6,6
Liberia	62	4	Iron ore 47,4 Rubber 40,6	883	4	Iron ore 25,0 Rubber 12,6 Timber 3,8 Diamonds 1,0 Coffee 1,0
Sierra Leone	82	6	Diamonds 54,3 Iron ore 15,9 Palm products 8,3	144	1	Rutile 46,7 Bauxite 18,1 Diamonds 14,7 Cocoa 6,5 Coffee 5,7
Guinea	61	4	Alumina 47,0 Diamonds 12,4 Coffee 10,6 Bananas 10,6	785	3,5	Bauxite & alumina 77,0 Diamonds 9,0 Gold 6,0 Coffee 2,8 Fish 1,8
Senegal	124	8	Groundnuts 82,5 Phosphates 5,0	912	4	Fish 22,0 Groundnuts 17,4 Chemicals & petroleum products 12,5 Phosphates 7,7
The Gambia	9	1	Groundnuts 90,3	110	0,5	Groundnuts 60,0 Fish 19,5 Cotton 9,8
Togo	19	1	Cocoa 29,0 Coffee 27,0 Palm products 7,4 Cotton 6,5	502	2	Phosphates 19,7 Cotton 11,4 Coffee 3,6 Cocoa 3,4
Benin	14	1	Palm products 55,3 Groundnuts 17,1 Coffee 8,7	265	1	Cotton 32,0
Mauritania	50	4	Fish 61,3	430	2	Fish 50,0 Iron ore 47,7
Niger	15	1	Groundnuts 65,9 Livestock 18,0	435	2	Uranium 77,0
Burkina Faso	3	...	Livestock 64,5 Groundnuts 6,0	160	0,5	Cotton 39 Gold 15 Livestock 10
Mali	10	1	Groundnuts 52,0 Fish 15,7 Livestock 7,4	338	1,5	Cotton 45,0 Livestock & products 26,0 Gold 12,7 Groundnuts 0,5
<b>Total</b>	<b>1 449</b>	<b>100</b>		<b>22 574</b>	<b>100</b>	

Sources: UN Yearbook of International Trade Statistics 1963; W A Hance, *The Geography of Modern Africa*, 1964 & 1975; Economist Intelligence Unit, *Country Profiles and Country Reports*.

merchandise trade. Volume of exports in tropical Africa grew by 6 per cent a year in the 1960s and transport infrastructure by road, rail, sea and air was much improved. New ports were built in Benin, Togo, Ghana, Côte d'Ivoire, Liberia, Guinea and Mauritania, and the port of Lagos was greatly enlarged. More shipping lines were established.<sup>6</sup> The urban populations of the larger cities soared as migrants from all over West Africa took advantage of the new opportunities, real or perceived, opening up in the economic "islands" along the coast.

## Nigeria

Nigeria's political, economic and cultural life at independence in 1960 was organized around three regional clusters – the Yoruba-dominated southwest, the Ibo-dominated southeast and the Hausa-Fulani north, differences that came to the boil in the civil war of 1967–1970. The first two embraced the southern forest zone, separated from the northern grassland cluster by the less developed and relatively sparsely populated "middle belt". Forty-seven per cent of the country's population



of 88,5 million now lives in the southern region, covering about 20 per cent of the land area, and 16 per cent in the northern region.

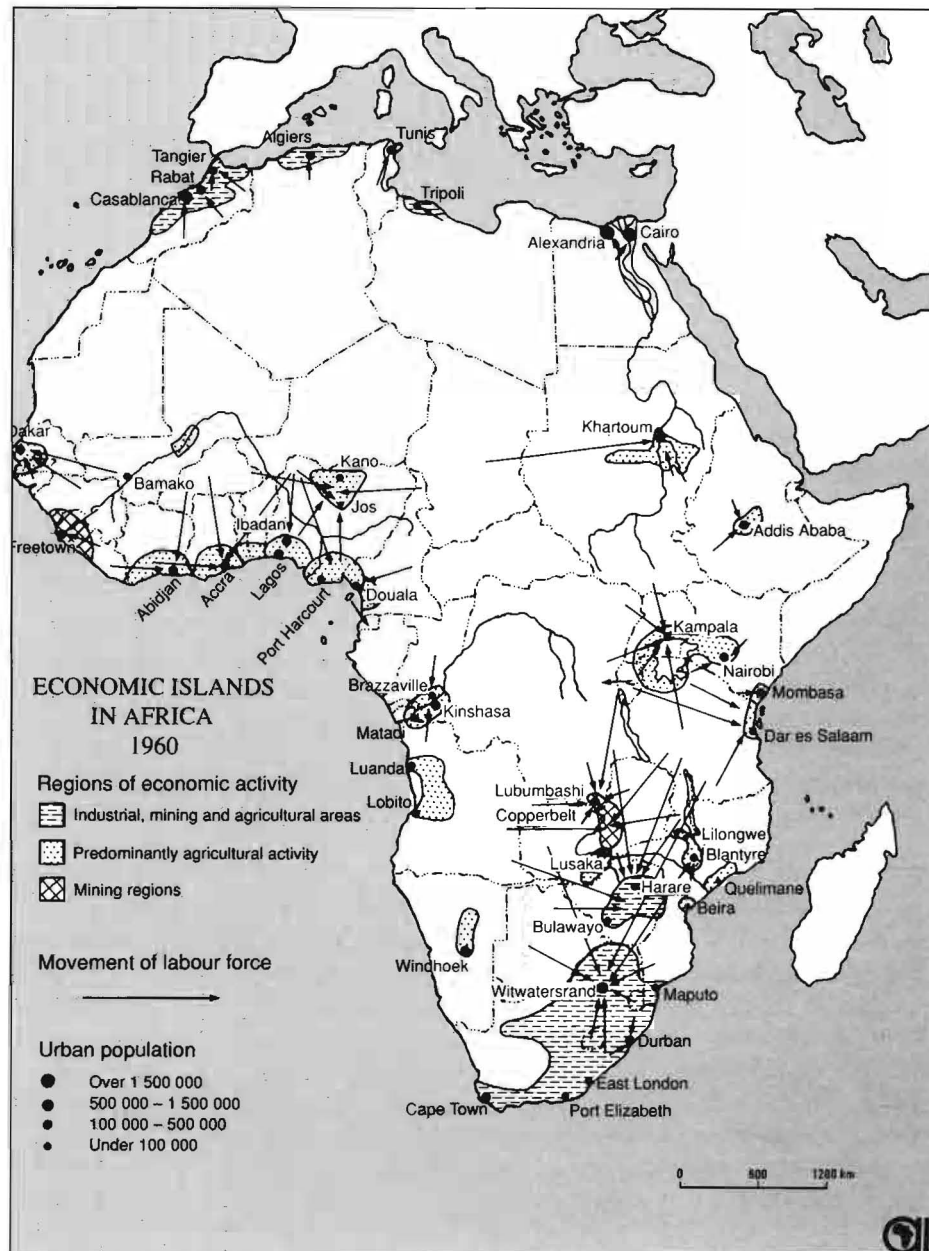
In 1961 the southern and northern economic "islands" accounted for nearly 90 per cent of Nigeria's export earnings, almost all from cocoa, palm kernels and palm oil, rubber and timber from the south and groundnuts and cotton from the north. The start of mineral oil production in and around the Niger delta and offshore in 1958 changed the pattern dramatically. The boom of 1974–1978 saw oil's share of exports rise from 6,4 per cent in 1961 to 96 per cent, output increase from 2,3 million tonnes a year to a record 115 million, its contribution to federally collected revenue reach 80 per cent of the total and a new wave of migration to the employment opportunities that the bonanza created. The population of metropolitan Lagos rose from 1 million in 1960 to 3 million in 1980 and is now believed to be nearer 6 million.

The slump in the oil price in 1981, however, saw oil output nearly halved to 62 million tonnes in 1987 and government revenue squeezed. The price has since recovered modestly, output reaching 96 million tonnes in 1991–1992. Thanks to oil, Nigeria's contribution to West Africa's total exports has risen from 34 per cent in 1961 to 60 per cent in 1990 (Table 1).

Meanwhile, in the 1970s, owing to policy bias and neglect, Nigeria's agricultural exports halved while imports of wheat and rice quadrupled. Substantial declines occurred in the output of oil palm products, Nigeria previously having been the world's leading exporter, in cocoa, once the country's chief export, while cotton and groundnuts once exported, now meet only the demands of the domestic textile and vegetable oil industries. Government is attempting to revive its non-oil exports but the results have been limited, accounting for only 3,9 per cent of the total in 1991.

Spatially, Nigeria's southern economic "island" continues to be the main focus of its commercial and industrial activity and urban life. Government efforts over the years to disperse industry away from Lagos and to decentralize administration by the creation of new states and a new federal capital at Abuja, 500 km northeast of Lagos, have hardly redressed the imbalance although some return of people from the city to the rural areas has followed upon the recent economic recession.

The vulnerability of the country to its virtual one-commodity export pattern is all too obvious. Oil exports are almost the sole source of foreign exchange earnings needed to meet



Economic islands

imports and debt-servicing commitments. Its total exports collapsed from a record US\$26 billion in 1980 to only \$6 billion in 1986, with some recovery to \$12,3 billion in 1991. These erratic results, the Economist Intelligence Unit (EIU) points out, have played havoc with development planning and led to a severe foreign exchange crisis, which has contributed to the political and economic upheavals since 1982.<sup>8</sup> Most serious has been the external debt burden resulting from profligate spending in the good years. A visible trade balance, heavily into deficit in the early 1980s, turned to a surplus in recent years largely as the result of a drastic cut in imports. Nigeria, it is estimated, has oil reserves for another 30 years of production, enough time one surmises to revive its agricultural exports, increase the export of processed raw materials and diversify both the range and competitiveness of its exports generally.

## Ghana

Before independence in 1960, and up to 1970, Ghana possessed one of the strongest economies in Africa based solely on its coastal economic "island".<sup>9</sup> This covers one-third of the country and today is the home of two-thirds of its population of 15 million. Ghana was the world's leading producer of cocoa, which, in 1970, accounted for 65 per cent of exports, for more than 25 per cent of the country's employment, up to 23 per cent of government revenue and 10 per cent of gross national product (GNP). In addition, the export of gold, manganese, bauxite and timber, also from the southern zone, together with the completion in the mid-1960s of the Volta River dam and the associated hydro-electric plant, aluminium smelter and a new port at Tema, greatly strengthened this economic "island", to which came thousands of migrant workers from the undeveloped north and from neighbouring Mali and Burkina Faso.

After Nkrumah's overthrow in 1966, political instability, government mismanagement, falling world prices for cocoa and raw material exports, an overvalued currency, aging and diseased cocoa trees and poor transport and distribution services resulted in serious decline. Between 1970 and 1982 income per head fell by 30 per cent, real wages by 80 per cent and real export earnings by 50 per cent. By 1980 Ghana was overtaken by Côte d'Ivoire as the world's largest cocoa producer.

In the 1960s raw logs and sawn timber was Ghana's second most important export, doubling in value between 1966 and 1972. Commensurate with the economic decline which then set in, the value of timber exports decreased twelve-fold by 1982. Likewise, gold, bauxite and manganese output fell, the last in 1983 to one-quarter of its peak production eight years earlier.

An economic recovery programme initiated by the IMF and the World Bank in 1983 has seen a revival of international trade and the restoration of a measure of competitiveness to the export base. A major aspect of the programme has been the rehabilitation of the southern region's transport infrastructure, the deterioration of which was regarded as a main cause of the fall in exports. Consequently, substantial investment has been made in refurbishing Ghana's ports, the railway and trunk road systems leading to the ports and in feeder roads linking agricultural with urban areas.

The value of exports had improved by the mid-1980s, again dominated by cocoa, only to be offset by two falls of 20 per cent each in the overseas spot price between 1987 and 1990. The volume of cocoa exports in 1989/90 (227 000 tonnes) was still well below the record of 554 000 tonnes exported in 1965. Timber, more of it now in processed and semi-processed form, continues to be a significant export earner while some diversification is appearing in non-traditional exports such as furniture, cola nuts and pineapples. Gold is increasingly dominating Ghana's mineral exports, rising to 22,4 per cent of the total by 1990 with the promise of a greater share emanating from the currently improving gold price. Since the government instituted greater control in 1989 over the marketing of diamonds, much previously having been lost by smuggling, the value of

recorded sales has greatly improved. Some export earnings come from the supply of electricity to neighbouring Togo and Benin from the Volta River power plant.

The EIU finds it difficult to gauge accurately the trend in Ghana's foreign trade since 1983. "The overall trend, if it can be called such, is of wild swings in the trade balance, generally governed by movements in cocoa prices as well as those of gold."<sup>10</sup> Despite the recent revival, the economy is still weaker than it was at independence.

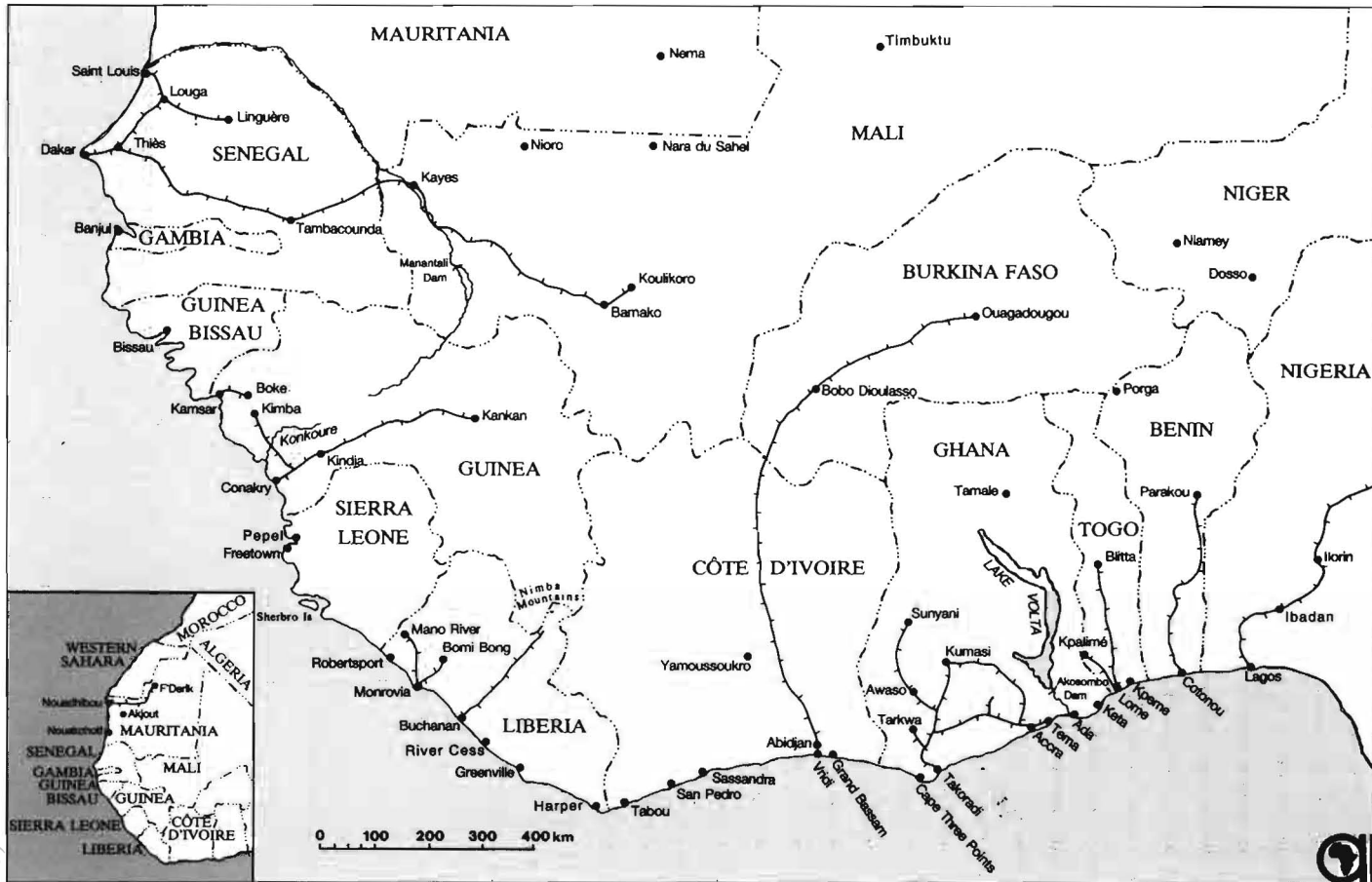
## Côte d'Ivoire

Côte d'Ivoire has a population of nearly 11 million. As in Ghana, the southern one-third of the country continues to dominate its agricultural, commercial and industrial life. For many years this economic "island" has been an attraction to hundreds of thousands of workers from neighbouring territories and from it came virtually all the country's exports in 1960. Coffee was the chief export at that time but the expansion of cocoa production was so great that it overtook coffee in 1980, output soaring to 823 000 tonnes in 1988/1989. In the following year, however, the price of both commodities plunged, bringing home to the government the country's dependence on so narrow an economic base. These two crops accounted for 60 per cent of the area under cultivation, for 50 per cent of export earnings and for 75 per cent of total agricultural cash earnings. Farmers are now being urged to diversify into oil palm, rubber, bananas and cotton. The last was a negligible contributor in the 1960s but is now the fourth largest export item. It is the only one of any consequence produced outside the southern forest zone.

At independence, timber was Côte d'Ivoire's third largest export, the rate of felling since the 1950s being such that exports reached 3,8 million cubic metres in 1980, when the country was Africa's leading exporter of logs and sawn timber. The value of these exports even surpassed that of coffee in 1969 and 1972. The alarming rate of forest depletion that this and other activities implied could not be sustained, the area of exploitable timber having been reduced from 15,6 million hectares at the beginning of the century to 1 million today. By 1990, exports had fallen to 1,1 million cubic metres, indicating a heavy decline in raw logs but a slight increase in sawn timber. To conserve its resources government has now imposed a limit on annual timber cutting and is encouraging local processing prior to export.

Hopes of offshore oil production from two fields discovered in 1972 and 1980 have not materialized but refined petroleum products from imported crude rank third in export earnings.

For 20 years Côte d'Ivoire's economic "island" stood the country in good stead, the very high rate of growth being described at the time as an "economic miracle". After deteriorating conditions set in during the early 1980s, however, the country's external debt rose steeply and a favourable trade balance was maintained only by a restraint on imports. Moreover, a high rate of population growth (3,8 per cent per year between 1975 and 1988) is exacerbated by on-going migration from



Ports of West Africa

less prosperous neighbours whose representatives account for 28 per cent of the total population and contribute to a rising unemployment problem. Abidjan is now a city of 2.5 million people, eight times larger than it was 25 years ago. The new capital of Yamoussoukro, 250 km inland, has had little diversionary impact. Responding to current economic conditions the government has adopted an IMF-sponsored structural adjustment programme aimed at economic recovery.

## Guinea

The mineral-rich region of Guinea, Sierra Leone and Liberia (total population 14 million in 1990) accounted for 14 per cent of West Africa's exports in 1961, 60 per cent of which came from bauxite, iron ore and diamonds. Today the proportion is still 60 per cent.

Sixty per cent of Guinea's exports at the time of independence in 1958 were agricultural products. However, after the opening in 1960 of a bauxite mine and refinery at Kimba by an international consortium, alumina exports immediately accounted for nearly 50 per cent of the total. Diamonds followed with 12.4 per cent. Agricultural exports, by contrast, virtually ceased when, following a break with France, the economy faded under the socialist government of Sekou Toure.

Government control over the mining sector was less severe, fortunately, and new bauxite mines were opened at Kindia and Boke in 1973, the latter connected by rail to a new port built at Kamsar. While export earnings benefited, spread effects from mining to the rest of the economy were minimal. Together with diamonds and gold, minerals now account for 92 per cent of exports. Moreover, in the Nimba mountains a valuable iron ore deposit would probably have been exploited by now had it not been for the Liberian civil war which broke out in late 1989, resulting in the closure of the railway link to the port of Buchanan.

After a new government came to power in 1984, economic reforms, agreed with the IMF and the World Bank, were introduced. Results were encouraging until progress was slowed by social and political unrest in 1990.

## Sierra Leone

Diamonds were Sierra Leone's chief export at independence in 1961, but recorded sales suffered from smuggling. Along with iron ore, shipped from Pepel, 70–80 per cent of exports were minerals. They still constitute 80 per cent of exports but rutile (titanium oxide), not diamonds, is now the major contributor, followed by bauxite. Iron ore production ceased in

1985 and official diamond and gold earnings are still affected by smuggling to neighbouring countries. The output of coffee, cocoa and oil palm products dwindled in post-independence years and exports remain minor. Encouragement is being given to the production of rubber. The economy remains weak, internal political disorders in 1991–1992 exacerbated balance of payment problems and hardly encouraged overseas investors and international loan agencies.

## Liberia

Iron ore mining was started at Bomi Hills in the 1950s and with the addition of a new mine on the Mano River in 1961, both connected by rail to the port of Monrovia, this mineral accounted for nearly 50 per cent of exports. Earlier, rubber had dominated, which, produced by smallholders and large companies (eg, Firestone), accounted for as much as 85 per cent of exports between 1926 and 1960.

The expansion of iron ore mining continued in the 1960s with the opening of a third mine at Bong in 1965, inland from Monrovia. Two years earlier the large Liberian American Swedish mining company (Lamco) began operations in the Nimba Mountains. A railway was built to the new port of Buchanan where a pelletizing plant was established. In 1976 Lamco produced nearly half of Liberia's total iron ore output when this mineral made up 67 per cent of the country's total exports. After 1985 recession in the steel industry cut demand for ore, prices fell and total output was halved by 1988.

With the outbreak of civil war in 1989 mines ceased or curtailed production, a mere 2 million tonnes being recorded in 1990, compared with 25 million in the mid-1970s. Rubber as an export earner was hit by a fall in price in 1981 but output held until the civil war saw the evacuation of foreign personnel and the near abandonment of plantations. A small percentage of exports comes from timber, the shipment of which was boosted by the building of a port at Greenville in 1963.

## Senegal

Senegal gained independence in 1960 and The Gambia in 1965. Together they were the world's leading producer of groundnuts, which were responsible for 90 per cent of their own exports and for more than 40 per cent of budget receipts. By 1990 only 17,4 per cent of Senegal's exports were groundnuts but they still represented at least 60 per cent of the Gambia's. The nuts are grown mainly in a zone stretching 250 km north and south of, and 450 km inland from, Dakar. Within this zone, 150 km from the port, calcium and alumina phosphates have been mined and exported for many years. In addition, the region around Dakar contains 80 per cent of the country's manufacturing industry and 20 per cent of its population, which totals 7,4 million.

During the colonial period Senegal had one of the more prosperous economies of French West Africa, with a market of 20 million people. Stagnation, however, resulted from the loss of markets to other newly independent states, from the abolition of the subsidized price for groundnuts and groundnut oil at French ports in 1968 and from the Sahelian drought.

Beginning in the early 1970s Senegal discontinued the shipment of nuts. Instead, they were processed to produce groundnut oil and cake, now Senegal's largest industry. However, in recent years, poor weather, damage by insects, disease and fluctuating prices have affected exports, which fell from \$159 million in 1990 to as little as \$73 million in 1992, now representing less than 17 per cent of exports. Cotton, rice and maize are vying with groundnut products as significant exports but even more important has been the growth of the fishing industry. Both fresh and canned exports are expanding and in 1988 surpassed groundnuts as the leading export commodity.

In line with the government's new policy of encouraging high value-added export industries, chemical products, fertilizers, refined petroleum products from imported crude, textiles and others now account for a growing proportion of exports. Phosphates have fallen off as a result of the high cadmium content of the ore but new occurrences are being investigated.

An industrial free-trade zone in Dakar (population 1,5 million) has not greatly stimulated exports and the port has had to face growing competition from Abidjan as the West African franc zone's main port of entry and exit. Since 1965, Senegal's GNP per capita has contracted at an annual average rate of 0,6 per cent per year. Its poor export performance results both from slow agricultural growth and an overvalued exchange rate, which makes non-agricultural exports uncompetitive outside the African franc zone. As a result it suffers a persistently adverse balance of trade. Like many other tropical African countries, the Senegalese government has resorted to economic reform via a structural adjustment programme in order to boost the economy. The completion of the Manantali Dam on the Sengal River in Mali and the Diama Barrage near the coast will raise the potential irrigated area along the river by an additional 240 000 hectares and may in time become a major source of crops for export.

## Minor economic "islands"

Benin and Togo, sandwiched between Nigeria and Ghana, have experienced some substantial changes in the pattern of their exports since independence. Both originally depended heavily on tropical agricultural products – cocoa, coffee and oil palm products. Meanwhile, cotton from the north has become Benin's main export after the drive to increase output accelerated in the 1960s. Togo started the production of calcium phosphates from its coastal belt in the early 1960s and built a special export loading facility at Kpeme. However, varying demand and fluctuations in world prices have seen large variations in export earnings, reaching 52 per cent of the total in the 1980s but falling to less than 20 per cent in 1990. The high cadmium content of the ore has been a deterrent to buyers.

Two countries in which minerals have become important export earners are Niger and Mauritania, both creating "islands" of mineral exploitation deep in the desert. Niger's uranium mines are at Arlit, 250 km north-northwest of Agadès, and now contribute the bulk of that country's exports. Iron ore became Mauritania's main foreign exchange earner after the start of exports from F'Derik in 1963. This necessitated the construction

of a loading facility and town at Nouadhibou, formerly Port Etienne, a small fishing harbour. After 1974, however, a decade of recession set in when iron ore prices fell, exacerbated by guerrilla action in the mining region. In 1983 fishing, previously the chief export earner, regained its first place, accounting for 64 per cent of the total, compared with iron ore's 32 per cent. A recent recovery in price for the latter and a strengthening of the US dollar against the Mauritanian currency now give fish and iron ore roughly equal ranking.

In Mali, what might have been a significant "island" of export development in the irrigated inland Niger River delta, between Bamako and Timbuktu, did not materialize.<sup>11</sup> Cotton was to have been cultivated on a level rivalling the Gezira scheme in Sudan but the crop proved too difficult to grow on a large scale under the prevailing conditions. Instead rice is the main crop cultivated there while cotton, the leading export crop of Mali and Burkina Faso, is grown in a number of other localities.

Outmigration, temporary and permanent, continues from the Sahelian zone, which is poor in natural resources and always under threat of drought. The attraction of the coastal economic "island" is such that large numbers of Malians migrate in the off-season to Côte d'Ivoire and Senegal, while 450 000 people from Burkina Faso (population 9 million) are believed to leave each year for Côte d'Ivoire and Ghana, a large proportion of whom do not return.

## Conclusion

West Africa's coastal clusters continue to be its major source of exports and the foci of its commercial, industrial and financial life. Performance, however, has fallen short of what was anticipated in 1960 when, at independence, expectations were high and the mood ambitious. Instead, the "islands" have failed to generate export and employment growth on a scale necessary for maintaining and improving the social and economic health of their respective countries.

The World Bank indicates that the annual rate of growth of exports from tropical Africa fell from 6,6 per cent during 1965–1980 to 0,8 per cent during 1980–1987, resulting in a decrease in its share of world markets from 2,4 per cent in 1970 to 1,3 per cent in 1987.<sup>12</sup> It comments that the expansion of world trade over the past 30 years seems to have passed Africa by.

The vulnerability of West African economies to a very narrow range of export commodities is all too apparent. Some countries are attempting to diversify their exports by promoting new primary products but most have not diversified seriously into labour-intensive light manufactures. The relatively few manufactured goods that are exported are mostly processed primary products with little value added. One of the causes of West Africa's "stalled development", states James, has been its "chronic failure to establish an industrial base".<sup>13</sup> The fact remains that manufactured goods are still a very small proportion of total exports.

If economies are to grow, emphasizes the World Bank, they must earn foreign exchange, primarily from exports, to

pay for essential imports.<sup>14</sup> Over the years, however, adverse trade balances, increasing balance of payments deficits and rising external debt have marked the economies of all West African countries. Falling volumes of output, declining world prices, mismanagement and internal political disorder have contributed to the declining economic health of the so-called "islands of development". Moreover, faced with rapid rates of population growth and continuing large-scale immigration, their cities have rather become centres of unemployment, overcrowding and social disorder.

Intensifying also is the spatial and economic imbalance between the "islands" and the less developed areas, as manifested in the weight of investment in infrastructure in the former and the substantial migration to them of workers from the latter, often at the cost of their agricultural development. Although some governments have made attempts at economic and administrative decentralization, there has been relatively little "trickle down". Rather, "trickle up" has been the dominant process.

If tropical African economies are to grow, states the World Bank, they must improve their share in world markets.<sup>15</sup> Since the prospects for significant increases in world prices for most primary commodities are poor, higher export earnings must come from increased output, diversification into new items and an aggressive export drive into the rapidly growing Asian markets.

An encouraging comment from the Bank is that tropical Africa's export performance indicates the continent's unrealized potential. How to unlock this potential? It requires, states the Bank, the creation of an enabling environment of infrastructure services and incentives to foster efficient production and private initiative.<sup>16</sup> It also requires enhanced capacities of people and institutions alike, from the village to the upper echelons of government and industry. Hopeful signs, the Bank maintains, are that during the reform period of the 1980s, when structural adjustment programmes were introduced in many tropical African countries, manufacturing exports, for example, have grown from negative to positive in Nigeria, Ghana and Côte d'Ivoire, albeit from a very low base.<sup>17</sup> "But there are no soft options," says the Bank, "Africa will succeed or fail on its ability to compete."<sup>18</sup> Others have different views. A speaker at the Institute for African Alternatives claims that in order for Africa to become independent of aid, Africa's economic concentration should be on food production and not on export commodities.<sup>19</sup>

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# Rethinking regional integration structures and strategies in Eastern and Southern Africa

*Professor Peter Nanyenya Takirambudde, of the Faculty of Law at the University of Botswana, identifies factors that have contributed to the PTA's lack of success and makes some recommendations for the future.\**

The Treaty for the Establishment of the Preferential Trade Area for Eastern and Southern Africa (PTA) was signed on 21 December 1981 and became operational on 20 September 1982.<sup>1</sup> The founding of the PTA took place against the background of persistent and crippling trade problems that plagued Africa in general and the region in particular.<sup>2</sup> In the face of the cruel and harrowing realities of increasingly worsening terms of trade, global recession resulting in a contraction of world trade and the endemic poor performance in world markets by Third World products, African leaders had earlier, in 1980, adopted a rescue plan styled the Lagos Plan of Action.<sup>3</sup> The Plan sought to provide

a conceptual planning framework for economic integration. It divided Africa into three subregions: West Africa, Central Africa and East and Southern Africa. Under the framework envisioned by the plan, each subregion was to pass through three stages: free trade area, customs union, and economic community.<sup>4</sup>

The Lagos Plan committed the OAU member states to the formation of an African Economic Community by the year 2000. To reach this target regional trade areas, such as the PTA, were to be created to serve as building blocks for the larger Economic Community for Africa.<sup>5</sup>

Upon its creation, the PTA stated that its principal aim was promotion of trade within the subregion by reducing tariffs and non-tariff barriers with the ultimate objective of cultivating collective self-reliance. Such collective self-reliance would be cemented by a re-orientation of trade relations resulting in a reduction of export and import dependence upon Northern markets.<sup>6</sup>

Among potential members from Eastern and Southern Africa, only 15 joined the PTA when the organization was formed.<sup>7</sup> The current position is that the total membership is 19. Botswana, Madagascar and Seychelles are still holding out. Zaire has applied to become a member.

At its establishment, intra-regional trade among the current members of the PTA was insignificant. Seven years before the signing of the treaty intra-regional trade amounted to \$791 million, or the equivalent of 6.1 per cent of total trade.<sup>8</sup> Two years before the PTA treaty was signed, intra-regional trade was estimated to have reached US\$851 million, but that represented a mere 4.1 per cent share of intra-regional trade in total trade.<sup>9</sup> The importance of intra-regional trade for the different PTA countries varied significantly but rarely exceeded 17 per cent for any single country. It is estimated that at the time that the treaty came into force, intra-regional trade "represented 5 per cent or less of total trade for 11 countries in the region".<sup>10</sup>

The low volume of intra-regional trade was attributed to the non-complementary production structures of the different economies, which were characterized by a reliance upon primary commodities consisting mainly of agricultural and mineral products and imports mainly of foodstuffs and manufactured goods.<sup>11</sup>

The degree of dependence on a single primary product ranged from 23 per cent of total exports in Kenya (coffee) to 88 per cent in Zambia (copper) and 98 per cent in Uganda (coffee).<sup>12</sup>

The import dependency on Northern markets reflected the limited manufacturing capacity within the region, its traditional economic ties with former metropolitan countries, and the availability of financing in the industrial centres.<sup>13</sup> In addition to being dependent on Europe, North America and Japan, these countries were also dependent on South Africa, which dominated the import business of the southern part of the region.<sup>14</sup>

The rationale for regional integration is that there are great economic benefits to be reaped from increased openness to

\* The author is greatly indebted to Professor Henry Rempel of the Department of Economics at the University of Botswana for his comments on an earlier draft of this article. Nonetheless, responsibility for the contents for this article rests exclusively upon the author.

**Table 1**  
**PTA external trade indicators**  
 (Items 1 to 12 in millions of US\$; items 13 to 21 in %)

Type of indicators	Amount and %									
	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989
1 Total world exports	1 985 500	1 853 600	1 720 200	1 676 100	1 781 400	1 802 500	1 973 600	2 341 700	2 683 800	2 912 200
2 Total world imports	1 946 400	1 923 400	1 793 400	1 734 300	1 844 300	1 886 200	2 052 900	2 410 000	2 762 400	3 002 000
3 Total world trade	3 931 900	3 777 000	3 513 600	3 410 400	3 625 700	3 688 700	4 026 500	4 751 700	5 446 200	5 914 200
4 Total PTA exports	8 460	8 254	7 894	7 389	7 857	7 165	7 557	8 729	10 130	11 019
5 Total PTA imports	11 874	13 222	11 732	10 249	10 035	10 125	10 330	12 266	12 754	14 222
6 Total PTA trade	20 334	21 476	19 626	17 638	17 892	17 290	17 887	20 995	22 884	25 241
7 Intra-PTA exports	641	644	554	478	459	404	482	492	558	579
8 Intra-PTA imports	641	644	554	478	459	404	482	492	558	579
9 Total intra-PTA trade	1 281	1 288	1 108	957	918	808	964	983	1 116	1 158
10 Total exports to 3rd countries	7 819	7 610	7 340	6 911	7 398	6 761	7 075	8 237	9 572	10 440
11 PTA imports from 3rd countries	11 233	12 578	11 178	9 771	9 576	9 721	9 848	11 774	12 196	13 643
12 Total PTA trade with 3rd countries	19 053	20 189	18 518	16 681	16 974	16 482	16 923	20 012	21 768	24 083
13 Intra-PTA export as a % of total PTA exports	7,57	7,80	7,02	6,47	5,84	5,64	6,38	5,63	5,51	5,26
14 Intra-PTA import as a % of total PTA imports	5,40	4,87	4,72	6,47	4,57	3,99	4,67	4,01	4,38	4,07
15 Total intra-PTA trade as a % of total PTA trade	6,30	6,00	5,65	5,42	5,13	4,67	5,39	4,68	4,88	4,59
16 Intra-PTA exports as a % of PTA export to 3rd countries	8,19	8,46	7,55	6,92	6,20	5,97	6,82	5,97	5,83	5,55
17 Intra-PTA import as a % of PTA import from 3rd countries	5,70	5,12	4,96	4,89	4,79	4,15	4,90	4,18	4,58	4,25
18 Total intra-PTA trade as % of total PTA trade with 3rd countries	6,72	6,38	5,98	5,73	5,41	4,90	5,70	4,91	5,13	4,81
19 Total PTA exports as a % of total PTA trade with 3rd countries	71,25	62,43	67,29	72,09	78,30	70,77	73,16	71,16	79,43	77,48
20 Total PTA trade with 3rd countries as a % of total PTA trade	93,70	94,00	94,35	94,58	94,87	95,33	94,61	95,32	95,12	95,41
21 Total PTA trade as a % of total world trade	0,52	0,57	0,56	0,52	0,49	0,47	0,44	0,44	0,42	0,43

Source: PTA, Lusaka

trade flow in goods and services among member countries. Such benefits are said to arise in respect of countries which trade on the basis of different comparative advantages.<sup>15</sup> It has, however, also been shown that great benefits can arise from trade integration among countries with similar production structures and the EEC is cited as a region in which benefits are reaped in the form of microeconomic efficiency. This generates lower prices for goods and services, higher quality, and a wider consumer choice.<sup>16</sup>

With special reference to developing countries, McCarthy recently formulated the rationale as follows:

... the *raison d'être* of integration among developing economies is to change ... structures of production through diversifying industrial growth. The focus shifts from the static effects of integration to the dynamic effects found in a larger market with its opportunities for the economies of scale and specialization that do not exist in a small, low-income domestic market. ...[T]he customs union becomes an instrument of industrial growth. Manufacturing is regarded as the driving force of economic development and regional integration and

the larger market thus created is seen as an opportunity to stimulate industrial growth....<sup>17</sup>

However, alongside the accumulation of the benefits of microeconomic efficiency, a larger market with larger firms and more specialization, there is also a build up of risks. Integration and the consequent liberalization impose transaction and adjustment costs represented by the problems of free riding, opportunistic protectionism and the uneven distribution of the gains from trade. In the face of these transaction adjustment costs, in general, and the risk of the uneven distribution of gains, in particular, the response by national economies is a shift to autarky in order to reduce or eliminate the losses, potential and actual. The implication is that the prospects for regional co-operation would be improved by governance or institutional structures and policies that eliminate the perceived risks or provide compensation for the costs and losses associated with regional integration.<sup>18</sup> In regional or international regimes created in a hegemonic environment,



**Table 2**  
Trend of total trade of PTA countries (in US\$ 000 000)

Country	FOB Exports										CIF Imports									
	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989
Angola	1 682	1 662	1 558	1 510	1 918	2 051	1 597	2 258	2 664	3 036	1 353	1 584	1 000	803	1 012	1 324	989	1 187	1 386	1 443
Burundi	64	71	88	77	99	112	169	87	154	78	167	161	214	188	186	190	205	129	204	181
Comoros	11	31	20	18	10	15	16	19	28	26	52	58	40	40	48	42	57	78	67	77
Djibouti	45	32	26	34	33	24	33	42	51	53	261	264	287	288	295	309	283	305	310	316
Ethiopia	425	392	406	404	417	338	455	373	429	499	722	738	786	879	929	989	1 102	1 227	1 129	1 246
Kenya	1 390	1 177	997	976	1 084	958	1 200	961	1 071	1 157	2 585	2 046	1 603	1 379	1 501	1 436	1 613	1 755	1 925	2 569
Lesotho	4	5	7	4	4	5	4	9	29	30	23	26	31	31	39	30	30	47	75	66
Malawi	295	277	235	229	308	227	222	277	289	267	439	348	291	312	271	281	247	295	406	503
Mauritius	435	324	365	366	372	433	662	882	1 001	986	614	554	463	440	472	522	676	993	1 299	1 324
Mozambique	478	372	311	223	125	121	106	216	303	359	683	860	807	628	478	401	458	696	778	780
Rwanda	73	109	102	120	143	130	173	129	101	121	243	256	279	271	278	298	358	355	368	311
Somalia	133	140	199	108	64	109	80	127	157	170	348	512	330	349	256	239	284	462	326	429
Sudan	542	641	507	624	685	399	335	543	510	652	1 576	1 551	1 275	1 355	1 312	936	939	1 163	1 164	1 453
Swaziland	233	224	238	143	173	155	198	215	248	230	26	47	40	34	25	28	30	44	62	55
Tanzania	511	568	446	371	377	284	360	266	317	312	1 227	1 176	1 131	797	847	1 028	930	919	893	717
Uganda	459	257	327	326	385	378	429	311	306	270	482	329	322	308	309	293	346	510	473	489
Zambia	1 299	651	958	836	650	471	517	877	1 179	1 322	829	1 026	1 199	928	697	751	648	807	835	1 067
Zimbabwe	382	1 321	1 073	1 023	1 011	956	1 001	1 137	1 293	1 451	243	1 685	1 635	1 221	1 098	1 028	1 135	1 204	1 004	1 196
<b>Total</b>	<b>8 460</b>	<b>8 254</b>	<b>7 894</b>	<b>7 389</b>	<b>7 857</b>	<b>7 165</b>	<b>7 557</b>	<b>8 729</b>	<b>10 130</b>	<b>11 019</b>	<b>11 874</b>	<b>13 222</b>	<b>11 732</b>	<b>10 249</b>	<b>10 035</b>	<b>10 125</b>	<b>10 330</b>	<b>12 266</b>	<b>12 754</b>	<b>14 222</b>

Source: PTA, Lusaka

a hegemon facilitates the allocation of the costs and benefits of liberalization and provides the policing resources to ensure enforcement of the obligations undertaken by the parties. In other words, the hegemon assumes the responsibility and costs of the necessary payments to induce compliance either under unilateral and multilateral liberalization.<sup>19</sup> But in circumstances of co-operation ventures that are conceived under a non-hegemonic environment wherein the trading system is not dominated by a hegemonic country, the problems of uneven distribution of benefits, opportunistic protectionism, free riding, inadequate monitoring and enforcement loom large. Liberalization is not possible since each member state

compares the discounted present value of the expected benefits from cooperation against the discounted present value of the expected benefits from opportunism; and cooperation occurs only when its expected benefits outweigh those of opportunism.<sup>20</sup>

Liberalization agreements within a multilateral framework among small countries in the absence of a hegemonic power are therefore unlikely to succeed. In the case of the PTA, the available evidence in the form of accumulated trade statistics suggests that by and large the direct achievements resulting from the PTA have been modest. Only in a few instances did the intra-regional exports in relation to total exports of the PTA member countries exceed 5 per cent. The predominant trend of the share of regional trade during the operation phase of the PTA, on the average, remained below 7 per cent (see Table 1).<sup>21</sup> Moreover, in only a handful of member countries has a significant upward trend been observed in the share of imports

sourced from the region under consideration. The most notable exceptions are Burundi, Rwanda and Uganda, where PTA-sourced imports recorded were high. But even in the case of Uganda, however, the momentum established in the early years of the PTA has plateaued and subsided (see Table 2).<sup>22</sup>

The rest of this article identifies and discusses the factors that appear to have influenced the rather dismal implementation of the treaty. This discussion is crucial in a review of the PTA since

the nature and strength of a regime cannot be understood from an analysis of legal texts and constitutional structures alone but requires examining how states ... use and operate within the formally specified norms and procedures; the real norms and procedures of a regime arise from the practices of its participants, which ... often ... is not exactly what is specified in the legal texts....<sup>23</sup>

The article concludes with a forward-looking approach that makes a call for a reconsideration of the treaty against the background of lessons that can be learned from the ten-year history of the PTA, and which should inform and govern a review of the PTA legal and institutional structure for trade liberalization.

## Limited implementation of the PTA treaty

### Political factors

A key critical factor in regional integration is political will. In practical terms, political will represents the willingness to exercise political power with a view to implementing treaty

commitments and agreed decisions. This critical factor has been in short supply since the PTA leaders have excelled more in “speech making about the beauties of co-operation” than “in implementing agreed decisions”.<sup>24</sup> And yet as Donnelly, albeit in a different context, has opined:<sup>25</sup>

...paper formalities are far less important to a regime's strength than the practical realities of its acceptance by states ... that is, the extent to which states in fact abide by and make use of the norms and procedures to which they have committed themselves....

Lack of political will has been reinforced and accentuated by the heterogeneity of the PTA membership and the effect of overlapping and competing memberships in other unions. The PTA membership, which is “defined by the territorial scope of the Economic Commission for Africa's (ECA) Eastern and Southern African subregion”,<sup>26</sup> consists of 19 countries from Sudan in the north, Djibouti in the east to Lesotho down south. Homogeneity in general and agreement as to political and economic philosophy, in particular, strongly favour regional integration; and yet the PTA is not characterized by such uniformity. Thus Leistner has observed:<sup>27</sup>

...the diversity of political ideologies and development strategies to be found in Eastern and Southern Africa exacerbates the problems of integration. Even though Zimbabwe, Angola and Mozambique and Ethiopia are no longer officially committed to Marxist-Leninist dogma, differences in approach remain.

According to Leistner these differences are

...accentuated by overlapping membership of the other regional groupings. Thus, eight countries also belong to SADC: two of them – Lesotho and Swaziland – are also members of the Southern African Customs Union; Mauritius, the Seychelles and the Comoros are also members of the Mauritius Ocean Commission; Rwanda and Burundi (together with Zaire) are members of the Economic Community of the Great Lakes States; the Comoros are linked to France via the Franc Zone and all PTA States also belong to the Lomé Convention.<sup>28</sup>

It would appear that PTA members place a higher premium on their membership of other unions. Take, for example, Lesotho and Swaziland. These two have, as stated above, had “two five-year periods of grace under a Special Protocol from the PTA treaty, and have until 1993 to make their choice”.<sup>29</sup> Given the concrete financial benefits, Lesotho and Swaziland (together with Botswana and Namibia derive from their membership from Southern African Customs Union (SACU), it is most unlikely that they will switch their allegiance and loyalty to the PTA, at least in the short term. Similar conflicts of allegiance and divided loyalty apply to those countries which also belong to the Southern African Development Community (SADC). SADC, unlike the PTA, has been able to provide evidence of concrete benefits from integration. In sum, the PTA has found it difficult to compete for members from other “valued unions”.<sup>30</sup>

A stronger political impulse might have been provided by the presence of hegemonic leadership.<sup>31</sup> The PTA treaty has sought to create an “open” trading system but none of the members, including the more industrially developed states such as Kenya, Mauritius and Zimbabwe, have been endowed with clear superiority over the other member states that would

have been required to generate the capability to create and maintain an open regional trading system. They all seem to want a more open system as envisioned by the treaty, but have not possessed the capacity to create and maintain it.

### Economic factors

The weak political impulses towards regional integration have not been compensated by strong economic forces. The impetus towards integration has been hamstrung by major constraints: existing macroeconomic disequilibria; high investments costs in the absence of compensating mechanisms; lack of complementarity in the extant production structures; and the non-existence of mutual trade dependence among the member states.

#### Macroeconomic disequilibria

Ideally, countries desirous of integrating their economies must have positive economic conditions in general and macroeconomic equilibria in particular. If integration is to succeed, those countries with severe macroeconomic disequilibria must undergo adjustments with a view to addressing such problems or at the very least, such problems must be taken into account when commitments to integration programmes are made.<sup>32</sup>

The ten-year existence of the PTA treaty has been marked by major macroeconomic disequilibria in virtually all the member states. Several aspects of the macroeconomic circumstances suggest that the member states would have been unable to fulfil treaty obligations prior to restoration of macroeconomic equilibria. These include: budget deficits; foreign debt service costs; low foreign reserves; overvalued currencies; lack of trade finance; and substantial dependence on customs duties as a source of revenue.

All PTA members have weak balances of payment and their foreign reserve positions largely account for the dismal performance to reduce and eliminate non-tariff barriers, especially in the form of restrictive licensing practices. In 1989, all PTA member states incurred current account deficits on their balance of payments. According to Chipeta, the “deficits ranged from US\$20 million in Angola to US\$793 million in Mozambique”<sup>33</sup> and, with the exception of Malawi, “gross foreign reserves amounted to less than two months' imports in 1989”.<sup>34</sup>

With foreign total debt constituting a high percentage of the value of total exports of goods and services, the meagre foreign exchange reserves are sharply eroded by foreign debt service costs.<sup>35</sup>

The total foreign debt ranges from US\$3,013 billion (or 50 per cent of GNP) in Ethiopia, US\$867 million (or 81,9 per cent of GNP in Burundi) to US\$4 737 (or 626,8 per cent of GNP) in Mozambique.<sup>36</sup>

The debt service ratio (repayments of principal and interest on foreign debts expressed as a percentage of total exports of goods and services) is particularly devastating to Uganda (77 per cent), Zimbabwe (53,9 per cent), Madagascar (52 per cent) and Ethiopia (38,7 per cent), Burundi (32,9 per cent) and Somalia (34,1 per cent).<sup>37</sup> The high debt service ratios drain away funds that would otherwise finance regional trade transactions.

On the domestic front, budget deficits have become the norm rather than the exception. For example, in the case of Zimbabwe the deficit was as high as 9,1 per cent of GNP in 1989.<sup>38</sup>

Given the budget deficit positions of PTA members, most are reluctant to reduce and eliminate customs duties since they provide a significant proportion of central government revenues. According to Chipeta, the degree of dependence is 55,7 per cent in Lesotho, 15,8 per cent in Malawi and Zambia and 17,1 per cent in Zimbabwe.<sup>39</sup>

Compounding the precarious foreign reserve positions of PTA states is the high degree of overvaluing of national currencies and the big exchange disparities between member states that would require major adjustments to bring them back to equilibrium. Chipeta calculates that between 1965 and 1982, Tanzanian, Zambian and Zimbabwean exchange rate performances resulted in overvaluations of 298,79 per cent, 128,57 per cent and 16,7 per cent respectively. Subsequent to devaluation exercises in Tanzania and Zambia, the degree of overvaluing (using 1965 as the base year) had dropped to 4,03 per cent and 13,41 respectively in 1990.<sup>40</sup> Chipeta<sup>41</sup> further calculates that the required adjustments to eliminate disparities and create equilibrium between PTA member states would be quite significant, especially for overvalued currencies.<sup>42</sup>

Faced with severe domestic and external economic problems and acting in response to external donor pressures, virtually all the PTA member states have concluded structural adjustment programmes with Bretton Woods institutions. The commitments made in the treaty and those made under SAPs conflict, making it difficult for some member states to fulfil their treaty obligations. For example, Rwanda informed the PTA Council of Ministers during its January 1992 meeting that

...the country was facing the problem of incompatibility between the principle of minimal levying of a 10 per cent duty on all imports as stipulated in the Structural Adjustment Programme ... and the fact that the PTA tariff consisted of rates ranging from zero to less than 10 per cent.<sup>43</sup>

Rwanda therefore requested that the application of the PTA tariffs be suspended until the end of its structural adjustment programme, in 1994.

#### *Investment costs and a compensation mechanism*

In common with integration ventures elsewhere, the PTA has been faced with the question of allocation of gains and losses among its members who are characterized by wide disparities in levels of economic and industrial sophistication. In the majority of member states, the degree of industrialization and manufacturing activity is insignificant. In consequence, the PTA has had to contend with tensions generated by the unequal distribution of gains. The small actors have "already voiced dissatisfaction over the sacrifices demanded of them, as well as over the dominant roles of Kenya and Zimbabwe".<sup>44</sup> This was inevitable. While integration generates greater output and real income flows as a result of improved resource allocation, it often than not increases the relative incomes of some participants more than others. More specifically, it imposes major economic costs in the form of trade

diversion and loss of revenue resulting from tariff reduction and elimination.

Trade diversion generates consumption costs in that preferential treatment for regional producers keep out some low cost imports and encourages high cost industries.<sup>45</sup> In the short term, such costs should be viewed as an investment since, if integration succeeds, regional producers will exploit the resulting economies and produce at competitive prices. In practice, the willingness to accept consumption costs as tolerable investment costs has remained an elusive and difficult task.<sup>46</sup>

Distributional inequities and polarization have been an almost universal outcome of integration in other regional integration experiments. Substantial polarization occurred in the East African Common Market (EACM), Latin American Free Trade Association (Lafta) and the Caribbean Common Market (CACM), with the majority of benefits accruing to the longer and more developed members of the respective schemes, ie Kenya in ECAM, Mexico, Argentina and Brazil in Lafta and El-Salvador and Guatemala in CACM.<sup>47</sup> Indeed, it was precisely because of these previous experiences that

... in virtually all subsequent arrangements considerable efforts were made to develop supplementary mechanisms for mitigating, offsetting or at least compensating for such polarization.<sup>48</sup>

Several mechanisms have been used, including: smaller tariff reductions for the less developed members; redistributive investment transfers; greater emphasis on trade arrangements that make provision for active preferential allocations of industries on the basis of non-market criteria; and, budgetary transfers.<sup>49</sup> For example, the Southern African Customs Union (consisting of South Africa, Botswana, Lesotho, Namibia and Swaziland) makes provision for the compensation of the less developed partners by South Africa from a common pool into which revenue collected from customs and excise duties are paid. The CEAO in West Africa has also successfully operated a compensation mechanism since 1976.<sup>50</sup>

Tax revenues from customs duties imposed upon imports have enabled Côte d'Ivoire and Senegal to compensate the other members for their losses from integration.<sup>51</sup>

What has been the PTA experience? Quite early in its operational phase, the PTA recognized the imperative of compensatory measures that would either take the form of a classical compensatory fund fed with member countries' contributions out of their current revenues or a compensatory fund based upon new sources of financing that would not affect existing revenues.<sup>52</sup> To date, no mechanism has been established to provide such compensation and given the acute foreign reserve positions and budgetary deficits of PTA members a compensatory scheme is unlikely to be established unless it is funded by external donors.

#### *Lack of complementarity and mutual trade dependence*

The goal of integration of PTA economies has been rendered doubly difficult by the absence of complementarity. In the main, member states produce raw materials and industrial products that are similar. They are, therefore, competitive rather than complementary. As a result, there has emerged no major mutual trade dependence and in the absence of large

mutual dependencies between PTA member states, the necessary "strong incentives to engage in reciprocal preferential tariff reductions"<sup>53</sup> cannot develop. Such incentives arise and are sustainable when participating states are "important for each other as markets for exports and sources of imports".<sup>54</sup> Wilkman and Lindstrom have argued that large mutual trade dependence characterized the major European economies:<sup>55</sup>

The pattern of trade dependency in Europe in 1958, at the start of Western European integration, reveals a core of several highly interdependent countries, and clusters of small nations with strong one-way dependence on the core economies and on each other. Britain, West Germany, France and Italy are the core of the Western European trade network, with West Germany as the pillar. The smaller European countries as dependent on either Britain or West Germany or both.

In the framework of the PTA, such a pattern of strong and symmetric dependence or small or asymmetric trade dependence has not emerged. None of the countries in the PTA is a core economy to the same degree, as for example, South Africa is in the context of the Southern African Customs Union. South Africa is a core economy because all other countries in the SACU, and, indeed in the whole region, are highly dependent on it. In contrast, all the PTA countries constitute minor markets for each other as destinations for exports or sources of imports. Non-PTA trade is by far more important even for comparatively industrialized countries such as Zimbabwe, Kenya and Mauritius than intra-PTA trade. Peripheral economies like Uganda, Rwanda and Burundi, though relatively dependent on Kenya, are nevertheless comparatively unimportant to it.

In the event, as Wilkman and Lindstrom conclude in the case of Asean, trade in the PTA "is characterized by a centre-periphery pattern with an outward looking centre that does not hold the area together".<sup>56</sup> Thus, the material basis for a motivation to establish and implement a genuine regional preferential arrangement, as envisioned by the treaty, is patently lacking.

### *Intractables*

Efforts to integrate economies are normally focused on matters relating to trade policies and institutions<sup>57</sup> and obstacles in the area of trade policies and institutions are amenable to legal change. Though, as the PTA experience has shown, it often entails slow progress obtained at considerable pain and cost. On the contrary, regional integration strategies often underestimate, or even worse, ignore intractables which are "issues that belong more to the sociocultural domain"<sup>58</sup> than the domain of economic policies and institutions.

But by their inherent nature intractables do not respond to "quick fixes".<sup>59</sup> They may not be unchangeable but require much longer time frames. Changes in intractables may occur as a result of modification of parameters, such as policies that facilitate change in sociocultural behaviour.<sup>60</sup> In the context of the PTA, intractables include the cultural assimilation and attachment to the economies of Europe, North America, Japan and South Africa, which poses a major constraint on efforts to effect reconfiguration of trade relations.<sup>61</sup> Products emanating from these markets are preferred because specifications are

believed to be more easily verifiable and quality control and reliability of delivery are also believed to be better than, for example, those of Rwanda or Lesotho.<sup>62</sup> Thus a World Bank study on regional integration cites the example of a

...Nigerian bicycle manufacturer whose products became more acceptable to customers in neighbouring African countries when sent to the United Kingdom for re-export than when exported directly.<sup>63</sup>

### **A call for reconsideration**

According to orthodox integration theory, a preferential trade arrangement, which includes a programme for the elimination of tariff and non-tariff barriers to regional trade, should generate an expansion in trade flows, accelerate the movement towards specialization of production and expand the regional market. The practical experience of the PTA has been a far cry from these theoretical propositions. Overall the PTA has been a failure. Upon its inauguration, the PTA raised great expectations and it appeared certain of success. But, whatever success occurred, was largely political rather than economic.

The PTA adopted a legal structure in the form of a multi-lateral, incremental product-by-product "Asean/Lafta" approach in the liberalization of intra-regional trade but this has, as the case was in Asean/Lafta, proved cumbersome and protracted. The results have been minimal and modest. The list of qualifying commodities has been minuscule, the preference margins insignificant and progress towards the reduction of non-tariff barriers has been minor and yet regional integration analysts consider them to be more crucial than tariffs.

Therefore, instead of developing into a powerful, consequential and effective instrument for regulating and liberalizing intra-regional trade, the PTA today stands the risk of being marginalized by the SADC and SACU, which may be viewed as more advantageous. The PTA programme for the implementation of treaty provisions grinds on at snail's pace. The slow progress can be attributed to the insistence upon a negotiated and limited reduction of tariffs and inclusion of commodities as opposed to comprehensive and across-the-board product coverage and tariff reductions. This can be interpreted as a lack of commitment to trade liberalization. As Wilkman and Lindstrom have suggested in connection with the Pacific Basin, an ideological preference for integrating plans rather than markets may lie behind this lack of commitment.<sup>64</sup>

But there have been other contributing factors. These have included: disparities in stages of industrialization; massive macroeconomic disequilibria in virtually all member countries; the risk worsening terms of trade in the event of exposure to international markets consequent upon liberalization measures; the absence of a governance structure to control non-performance and opportunistic protectionism; the lack of complementarity, which has in turn contributed to the absence of strong symmetric or asymmetric mutual trade dependencies in the region; the role and effect of intractables that are sustained and reinforced by previous colonial or hegemonic relationships; and, the inflexibility of treaty provisions and their

application which has frowned upon possibilities of partial and selective participation.

And yet, trade within the region would stimulate recovery and growth by increasing the efficiency of producers against alternative sources of supplies. A more competitive environment "would provide an incentive to productivity, lower costs and remove policy distortion".<sup>65</sup> However, internal markets are incapable of providing a competitive environment. The impulse must therefore come from regional imports.

But trade promotion provided by multilateral institutional forms such as the PTA has been shown to be ineffective. It merely provides timid tariff reductions on a limited product range. Besides, in the non-hegemonic environment of the PTA, no governance structure to enforce treaty commitments is likely to emerge.

In retrospect, it is clear that the PTA was a premature venture into multilateral integration. Because of the fallacious assumption of a high degree of common interest among African states there has been a tendency to embark upon high level integration ventures. These ambitious schemes that are often of short duration, are inaugurated without careful studies and designs to ensure efficiency, effectiveness and long-term sustainability.<sup>66</sup>

In view of the inoperability, complexity and cumbersome nature of the PTA and its inability to increase appreciably the comparative importance of regional trade, the search for solutions should focus on institutional forms that can address the fundamental weakness of the PTA: lack of concrete common interest, flexibility, breadth, activism, firm timetables and non-enforceability of commitments.

A reconsideration of the PTA treaty should be informed and governed by important lessons to be learned from the experience. Some of them might be clear, while others might require further inquiry, analysis and evaluation.

### Lesson one

First, bilateral or, when feasible, multilateral trade agreements among a smaller number of states in Eastern and Southern Africa are more likely to be successful as opposed to the ambitious and unwieldy multilateralism of the PTA treaty.

Bilateralism or multilateralism among a small group confers advantages with reference to the allocation of costs and benefits and enforcement of commitments.<sup>67</sup> The limited number of participants facilitates an easier determination and allocation of the benefits and costs.<sup>68</sup> For several years, the PTA has been seized with this issue and is yet to arrive at a mutually acceptable agreement on it. Further, the small size of the group enhances prospects for detection of non-compliance by lowering the costs of enforcement through monitoring.

### Lesson two

Integration should, in the main, be motivated and driven by economic rather than non-market issues and considerations. Integration must be based upon concrete common interests<sup>69</sup> as opposed to emotional invocations of shibboleths such as African brotherhood, unity and solidarity. These merely serve to cloud the concrete and real economic issues including costs

and benefits. Membership of a union must be based on a commitment to function on market principles. If actual practice of market economics is a condition precedent to membership, then the logic of integration is

...such that countries find it increasingly necessary to pursue convergent economic policies, including monetary and fiscal policies in order to remain within the system.<sup>70</sup>

The alternative to market economics is managed integration, but that would fly in the face of the fundamental free trade principles that underwrite the treaty. Increasingly, the lead role on the process of integration must be played by non-political agents. In the past, the public sector has been dominant and has substituted for private sector initiatives in what was viewed as being largely a political, as opposed to an economic, process.<sup>71</sup> Efforts have been made by the PTA to redress this imbalance by promoting the PTA Federation of Chambers of Commerce and Industry, and trade fairs. But these have not had much impact. However, in a more pronounced market oriented integration strategy, the private sector can play the critical role of mobilizing and investing substantial savings and promoting joint ventures. Such joint ventures should be distinguished from the multinational industrial enterprise concept discussed by Kumar.<sup>72</sup> Failure of market integration schemes such as the PTA has led to proposals for the abandonment of the market integration approach in favour of a<sup>73</sup>

...new approach that emphasizes the broadening of regional production bases. This production approach perceives the supply of goods as the major constraint to the expansion of trade in goods.

This approach was implicitly endorsed by Kumar, but no clear indication is given by Kumar and others on how a new state-led strategy would be capitalized and the sources mobilized for effective demand for the goods and services to be produced by the multinational enterprises, such as those which are mooted by the PTA Charter for Multinational Enterprises. Moreover, the multinational enterprise concept has fundamental defects such as the requirement that not less than 51 per cent of its equity should be contributed by two or more member state or their nationals.<sup>74</sup> Nationality requirements clearly belong to a bygone era and cannot therefore be part of the prognosis for the future.

### Lesson three

Overall trade liberalization needs to be undertaken as part of the domestic effort to restructure and liberalize the economy. To this end, trade liberalization agreements must take into account structural adjustment commitments.<sup>75</sup>

Economic restructuring would be designed to create an "integration friendly" environment characterized by growth conditions. PTA integration efforts have failed in part because they have been undertaken against diminishing rather than expanding economies, unlike the European experience of successful integration that occurred against a "background of generally rising prosperity".<sup>76</sup> Mulaisho has correctly stated:<sup>77</sup>

Economic growth provides resources that can be used to compensate those who lose from the integration process. It also creates confidence in the individual member states that the process is beneficial to them....

However, it is worth noting that the larger the group of participants, the more difficult it would prove to synchronize structural adjustment commitments and treaty obligations. In contrast, multilateralism would make the task of policy coordination much easier.

#### Lesson four

The treaty must set specific, but manageable, commitments. With reference to tariff reductions and the elimination of non-tariff restrictions, fixed time-tables for their reduction and elimination must be agreed upon at the onset of integration instead of leaving them to continuous negotiations.

However, treaty obligations should be matched with what is acceptable and practicable. A mismatch between what is appropriate and the treaty prescriptions will only serve to generate stresses and failure.<sup>78</sup>

The treaty should incorporate (in both letter and spirit) a greater degree of relative flexibility within a "variable geometry"<sup>79</sup> approach. To this end, free trade can be established in Eastern and Southern Africa without all countries accepting uniform rules. The least developed and advantaged states need not be subject to the same policies, especially in the transitional period. European integration serves as an example in this regard in that the "free trade zone in industrial goods in Europe encompasses both EFTA and the EEC, trading arrangements with quite different ambitions and rules".<sup>80</sup>

Within a variable geometry, as opposed to the PTA monolith, discrimination rather than the standard most-favoured nation principle would be a powerful antidote to disintegration since the

...costs of remaining an outsider can be high if a country's competitors gain preferential access to its major market. Discrimination prompts outsiders to try to join preferential arrangements. Once started, preferential trading areas tend to grow. Small beginnings can lead further than grand designs....<sup>81</sup>

Kenya, Zimbabwe and South Africa constitute the core of the economy of Eastern and Southern Africa. Taking advantage of the Gatt (General Agreement on Tariffs and Trade) Waiver Decision, they can therefore form the core of a nucleus of trading arrangements in the region. South Africa already serves as the core of the economy of the Southern African Customs Union. Kenya served a similar role in the defunct East African Common Market. Trading arrangements involving major economies would generate "considerable bargaining strength *vis-à-vis* other countries".<sup>82</sup> Such trading areas would most likely attract additional applicants for membership.

Emphasis would therefore be shifted to more limited, realistic and practical approaches. An incremental strategy based upon a preference for multilateralism that is underwritten by concrete common interests and a convergence of expectations regarding the benefits of integration, would be particularly promising.

As Leistner has suggested, a more flexible and incremental strategy would be converted into an organization for policy co-ordination, information exchange and promotion along the lines of the OECD.<sup>83</sup> Within the framework of a reformed PTA, multilateralism would be promoted.

In its original form, the General Agreement on Tariffs and Trade was rigid and did not provide for the multilateralism envisaged in this article. Article 1 of Gatt provided that each member state shall extend most-favoured nation treatment to all other member countries. If Kenya were to lower its duty on beer from Uganda, Kenya would have to extend that reduced rate to every other Gatt member. Article 24, however, provides an exception to this principle in the case of customs unions and free trade associations. Members of such groupings may reduce their tariffs without an obligation to extend such reductions to all other Gatt members. But, to qualify for such exception, the relevant group has to meet all the technical requirements of either a free trade association or a customs union.

However, in 1971 Gatt waived the article 1 most-favoured nation provision in respect of developing nations that offered tariff concessions to other developing nations. As a result, Kenya could now reduce its duty on beer from Uganda without having to offer the reduced rate to Tanzania or other members of Gatt.<sup>84</sup>

Therefore, the 1971 Gatt Decision on Waiver made it possible for developing countries to experiment with flexible integration schemes, without incorporating internal free trade as a legally binding obligation.<sup>85</sup> A reformed PTA as a forum for multilateralism could more profitably exploit the Waiver.

This would mark a major departure from the ECA-inspired inclusivity principle that all "must move in unison". It has led the PTA into what is clearly a legal *cul-de-sac*. It has become obvious that

...countries that do not find it possible to liberalize to a sufficient degree are not going to be able to play their part as full members of any free trade area. Since there is no likelihood for political and diplomatic reasons that such countries will be expelled, and since for the same reasons there is little prospect of the introduction of a formal two-speed arrangement under which countries are excluded from reciprocal concessions unless they meet certain minimum criteria in their own policies, it appears inescapable that if countries persist in applying restrictive policies they will slow down the movement of the whole group towards integration.<sup>86</sup>

However, even within a system of multilateralism there will still be the need to avoid ambitious targets that members are incapable of achieving. Inoperable and non-implementable programmes merely constitute unfortunate precedents for failure and harmful consequences for subsequent integration efforts.<sup>87</sup> Success in observance and implementation, however limited, builds confidence among participants that additional targets can be attained. In contrast, failure to meet targets generated "a sense of unreality"<sup>88</sup> and reinforces "the doomsday feeling that it is not worth trying".<sup>89</sup>

#### Lesson five

In view of the constant government fear of the short-term adjustment costs before new economic activities have picked up sufficiently to provide an offset, trade liberalization ought to be carefully programmed to allow a phased injection of competitiveness within the trading area.<sup>90</sup> This would be achieved by structuring the regional preferences in such a way as to ensure that "regional liberalization increases rather than diverts trade".<sup>91</sup> The strategic goal would, therefore, be to

“increase regional trade largely by replacing less efficient national production”<sup>92</sup> with imports.

### Lesson six

To assure the condition of sustainability, trading arrangements must seek to free the movement of labour and capital that “could compensate for chronic trade deficits”.<sup>93</sup> This would, however, need to be underwritten by “a realistic structure of exchange rates”.<sup>94</sup> Currency convertibility has contributed significantly to the expansion of trade among the CEAO which currently represents 10 per cent of their total trade, compared to less than 1 per cent of trade for the other members of Ecowas and 5 per cent for the PTA.<sup>95</sup> In addition to currency convertibility, capital mobility will need to be facilitated as a precondition for sustainable increases in intra-regional trade.<sup>96</sup>

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# Looking to Angola's future: Rebuilding the economy

*Tony Hodges, author of Angola to 2000: Prospects for Recovery, published by the Economist Intelligence Unit in February 1993, provides insight into the decline of Angola's economy and looks at its prospects for the future.*

It might seem rash to speculate about the economic future of a country like Angola, which has been at war for almost two decades, since its independence in 1975. The Angolan economy has been devastated during these destructive years, and peace still seems far off, following the bloody aftermath to the country's first-ever multiparty elections in September 1992. Yet, one day the war will end, opening up more favourable perspectives and arousing new hopes for the future.

Among Africa-watchers there is long-term optimism about Angola, which is rightly regarded as one of Africa's potentially most prosperous countries. This optimism is based, first of all, on awareness of Angola's unusually favourable resource endowment. It has substantial reserves of crude oil and natural gas, major deposits of diamonds and other minerals, plentiful agricultural land, some of the best fishing and livestock resources in Africa and major hydroelectric potential on its numerous rivers. A second reason for optimism is the country's outstanding pre-war economic performance: Angola's economy was one of the fastest growing in Africa during the 1960s and early 1970s. Given stable, peaceful politics and sound economic policies, it is not unreasonable to imagine Angola becoming an African success story.

This article is not about Angola's prospects for restoring peace, or about what would be needed to make a new peace agreement more durable than the Bicesse accords of May 1991, the ill-fated peace agreement that collapsed after the September 1992 elections. The focus here is on the factors that will determine the scope and pace of economic recovery and development when peaceful conditions finally return.

## Resources

Let us begin by returning to the checklist of Angola's resources, and then examining what has happened to the economy since 1975.

It is no exaggeration to state that very few African countries have such a favourable and varied resource endowment.

First and foremost, Angola has large oil deposits, as well as some natural gas. Despite the war, Angola's oil industry, which is mainly located offshore, has by and large escaped unscathed from the fighting – until Unita's occupation of oil industry installations in Soyo, on the north-western coast, in January 1993. The oil sector's rapid development during the 1980s made Angola the second largest oil producer in sub-Saharan Africa – behind Nigeria but far ahead of countries like Gabon, Congo and Cameroon.

At the current rate of extraction (540 000 barrels a day in 1992), Angola's recoverable reserves of about 3 billion barrels would last for 16 to 17 years, but heavy investment in exploration (\$571 million a year between 1987 and 1991) has resulted in new discoveries adding to reserves at a faster rate than existing reserves are depleted. This trend is likely to continue, as more and more oil companies are being attracted to Angola by the country's promising geology, the high rate of past drilling successes and pragmatic government policies in the oil sector. In addition, technological advances have made it possible to extend exploration into promising deepwater areas, where the government first began awarding exploration blocks to oil companies in 1992. While five companies (Chevron, Elf, Texaco, Agip and Petrofina) operate Angola's producing oil-fields, no less than thirty international oil companies now have stakes in exploration or production blocks in the country.

After oil, there is the country's mineral wealth, above all its diamonds. Though the mining industry has been seriously disrupted by the war, Angola has traditionally been one of the world's leading sources of gem diamonds. Mining has so far been restricted to alluvial deposits, but very large additional resources have been found in kimberlite formations, which have yet to be exploited. These kimberlites hold out the promise of greatly expanded diamond production and export earnings in the next decade or two, following large post-war investments. There are numerous other minerals, including gold, iron ore (a major export until 1975), manganese, copper, lead, zinc, tin, phosphates, quartz, kaolin and gypsum, as well

as rare granites and marble. Prospecting for most of these was rudimentary during the colonial period and has stopped entirely since then because of the war.

Turning to agriculture, there is an abundance of arable land, of which it is estimated that less than 5 per cent is currently under cultivation. Climatic conditions and soils are favourable for the cultivation of a wide range of crops, including coffee, cotton, sugar cane, oil palms, bananas, citrus fruits, sisal and several cereals and root crops. Besides feeding its own population (estimated to total 10,9 million), Angola could eventually return to its traditional position as a large net exporter of agricultural produce. It is worth remembering that until the mid-1970s Angola was the world's fourth largest producer of coffee (after Brazil, Colombia and Côte d'Ivoire) and the world's third leading sisal producer. In addition, Angola exported maize, bananas, cotton and palm products, as well as fish and meat. The relatively arid south-western provinces of Huíla, Namibe and Cunene, which are free of the tsetse fly, have excellent conditions for livestock rearing. Finally, a large fishing industry developed in the colonial period in the ports along the southern coast, from Benguela to the Namibian border, where the cold waters of the northwards-flowing Benguela current meet warm tropical waters, creating conditions favourable for plankton.

### Developments in the economy since 1975

Gross domestic product was growing in real terms by an average of 7,8 per cent a year between 1960 and 1974. The crisis that accompanied Angola's transition to independence in November 1975 brought this period of growth to a sudden halt, plunging the country into the political and economic turmoil that continues to the present day. The outbreak of the war in 1975 was accompanied by the mass exodus of the Portuguese settlers, who had monopolized skilled and semi-skilled jobs in the colonial economy. By 1976, over 90 per cent of the 350 000 Portuguese had fled, depriving the country of almost all its businessmen, commercial farmers, senior and mid-level civil servants, engineers, doctors, teachers and shopkeepers. This was as economically damaging as the war.

During the late 1970s, the MPLA government tried to restore production to the levels achieved before independence. Some modest headway was made at first, but when the war began to escalate in the early 1980s the economy went into renewed decline, except in the enclave oil industry. The decline continued into the early 1990s, by which time output in most industries was only a small fraction of its level two decades earlier. Furthermore, both government finances and the balance of payments slid heavily into deficit and the country accumulated a large external debt and substantial debt service arrears, despite the growth of foreign exchange earnings from oil.

Three inter-related factors contributed to this prolonged economic crisis and decline: the worsening war, an acute shortage of skilled manpower and government mismanagement. The war uprooted a large proportion of the rural population, accelerating migration into the cities, and drove those remaining in the countryside into a purely subsistence mode of farming. Road and rail

transport became progressively more dangerous, and urban-rural trade declined, stopping completely in many parts of the country. The swollen cities became totally dependent on imports – and increasingly on humanitarian aid – for their food. The cultivation and marketing of export crops like coffee virtually collapsed. Manufacturing industries, which had been heavily geared to the processing of agricultural products, lost their domestic sources of supply, accentuating the country's import dependence, and the mining industry was severely disrupted. Meanwhile, rising military expenditure weighed on the government budget and contributed to the growth of external debt.

The dearth of skilled manpower in all sectors of the non-oil economy and in all branches of the government, including the ministries responsible for economic management, made matters worse. And third, to compound these problems, the MPLA engaged in a disastrous experiment in centralized planning for more than a decade after independence, until embarking – tentatively and inconsistently – on economic reforms in the late 1980s. Pursued with insufficient managerial and technical personnel for such an ambitious undertaking, Soviet-style centralized planning became a bureaucratic nightmare, causing extreme price distortions, pervasive shortages of consumer goods, industrial inputs and spare parts, the emergence of parallel markets and corruption. By the time the government belatedly began a series of devaluations in March 1991, the black market value of the national currency, the new kwanza, had fallen to 1 per cent of its official value.

In the absence of reliable national accounts statistics, the production figures for a few key industries are the best measure of the scale of the country's economic decline – outside the enclave oil industry. Table 1 shows that production in most major industries in 1991 was not only far below the levels recorded before independence but was substantially lower than in 1980. In the agricultural sector, for example, coffee production declined precipitously after independence and by 1991 was only 2,4 per cent of its level in 1973 and 13,5 per cent of its level in 1980. Production of other cash crops, such as sisal, cotton and sugar, had virtually halted by the end of the 1970s and since then has never recovered. For most food grain crops, there was a pronounced decline in the mid to late 1970s, then stagnation (at about one-third of pre-independence harvest levels) during the 1980s, a sharp further fall in the drought years of 1989 and 1990, and a partial recovery in 1991 and 1992 before a further serious decline in 1993 owing to the resumption of the war. Overall, cereal production is estimated to have fallen from 1,06 million tonnes of maize grain equivalents (mge) in 1973 to 373 000 tonnes of mge in 1992. In per capita terms, the decline was even steeper, of course.

In the mining sector, officially recorded production of diamonds has oscillated since 1975–1976, but has never risen above two-thirds of its 1971 peak of 2,4 million carats.<sup>1</sup> Production of iron ore has not resumed since the closure of the mines at Cassinga in 1975. Manufacturing recovered slightly in the late 1970s but then went into renewed decline in the 1980s and the early 1990s. By 1991, many manufacturing industries were producing only about one-third of their level of output in 1973.

**Table 1**  
**The non-oil economy: Production indicators, 1973–1991**

	1973	1980	1985	1990	1991	1991 as % of	
						1973	1980
<b>Mining</b>							
Diamonds (m carats)	2,12	1,49	0,72	1,13	0,96	45,3	64,7
Iron ore (m tonnes)	5,2	–	–	–	–	–	–
<b>Agriculture</b>							
Food grain crops <sup>a</sup> ('000 tonnes)	1 056	350	347	248	373	35,3	106,6
Cassava (m tonnes)	1,4	1,3	1,3	1,6	1,6	117,0	126,2
Coffee ('000 tonnes)	210,0	37,1	14,2	4,0	5,0	2,4	13,5
Sisal ('000 tonnes)	60,2	3,4	0,7	1,0	1,0	1,7	29,4
Cotton ('000 tonnes)	114,3	1,5	0,3	0,1	3,0	2,6	2,0
<b>Fisheries</b>							
Fish catch ('000 tonnes)	467	171 <sup>b</sup>	191	226	171	36,6	100,2 <sup>b</sup>
<b>Manufacturing</b>							
Beer (m l)	119,6	71,5	65,3	40,7	48,4	40,5	67,8
Edible oils (m l)	13,3	4,8	4,9	2,4	2,3	17,2	47,2
Maize flour ('000 tonnes)	59,1	58,5	51,0	35,5	21,2	35,8	36,1
Wheat flour ('000 tonnes)	83,0	51,2	47,2	21,9	18,9	22,8	37,0
Bread (tonnes)	88,4	59,6	72,3	45,4	25,1	28,4	42,2
Soap ('000 tonnes)	18,2	8,8	11,1	7,6	4,7	26,1	54,1
Cloth (m square metres)	18,0	18,5	11,6	6,7	5,6	31,4	30,4
Tyres ('000)	191,2	87,1	47,8	43,9	20,3	10,6	23,3
Cement ('000 tonnes)	768	244 <sup>b</sup>	205	305	269	35,0	110,2 <sup>b</sup>
<b>Electricity</b>							
Production (m kwh)	984	693	705	778	935	95,0	134,9

<sup>a</sup> Maize, millet, sorghum, rice and wheat. <sup>b</sup> 1981.

Sources: Instituto Nacional de Estatística; State Secretariat for Geology and Mines; Ministry of Agriculture and Rural Development; Ministry of Industry; Ministry of Planning; Ministry of Energy.

The expansion of the oil industry has contrasted starkly with the decline of the rest of the economy. After a brief period of post-independence disorganization, which initially depressed investment and production, the oil industry expanded rapidly from the early 1980s. Production rose fourfold in a decade, reaching 540 000 barrels a day in 1992.<sup>2</sup> Along with the decline of the non-oil sectors of the economy, the growth of the oil industry left Angola exceptionally dependent on oil – and dangerously vulnerable to shifts in world oil prices. By 1992, the oil sector accounted for 92 per cent of total exports, almost 80 per cent of government revenue and around 40 per cent of GDP.

The growth of the oil industry did not prevent the emergence of serious deficits in government finances and the balance of payments. The recession in the non-oil economy and a weak taxation system eroded the government's non-oil revenue, while expenditure was swollen by heavy military spending (accounting for 37 per cent of total expenditure in 1991), the growth of civil service employment and large subsidies for prices and loss-making parastatal companies. Repeated deficits have been financed almost entirely by credit from the central bank, resulting in the rapid growth of money supply

**Table 2**  
**The growth of the oil industry, 1982–1992**

	Production ( <sup>'000</sup> b/d)	Average export price (\$/b)	Export volume (m barrels)	Export value (\$ m)
1982	130	31,4	39,3	1 234
1983	178	27,8	54,9	1 526
1984	204	27,2	64,2	1 748
1985	232	26,0	73,4	1 906
1986	282	12,6	92,2	1 164
1987	359	17,5	116,4	2 039
1988	451	14,1	154,5	2 173
1989	453	17,6	152,2	2 682
1990	474	22,3	160,7	3 588
1991	494	18,4	167,5	3 078
1992 (est)	540	17,5	184,0	3 220

Sources: Sonangol; Ministry of Petroleum; Instituto Nacional de Estatística.

**Table 3**  
**Macroeconomic performance, 1986–1991**

	1986	1987	1988	1989	1990	1991
<b>Average official exchange rate (NKz per \$)</b>	29,92	29,92	29,92	29,92	29,92	58,00
<b>Government finances (NKz bn)</b>						
Revenue	71,2	62,2	62,8	74,1	78,6	164,6
Current expenditure	72,6	68,1	80,8	82,3	122,5	362,3
Capital expenditure <sup>a</sup>	10,5	12,0	16,4	20,3	29,0	37,9
Total expenditure	83,1	80,1	97,2	102,7	151,5	400,2
Extrabudgetary operations <sup>b</sup>	...	...	22,3	26,3	...	...
Overall balance	11,9	-17,9	-56,6	-54,8	-72,9	-235,6
<b>Money and credit (NKz bn)</b>						
Money & quasi-money	...	263,7	317,1	370,8	289,6 <sup>c</sup>	540,1
Net domestic credit	...	274,0	318,7	389,4	418,3	495,3
<b>Balance of payments (\$ m)</b>						
Exports fob	1 346	2 322	2 492	3 014	3 884	3 427
Imports fob	-1 086	-1 303	-1 372	-1 338	-1 578	-1 347
Trade balance	260	1 019	1 120	1 676	2 306	2 080
Services: credit	116	93	128	150	119	186
Services: debit	-820	-717	-1 749	-1 954	-2 583	-2 939
Net transfers	141	52	32	-4	-77	28
Current account	-303	447	-469	-132	-235	-645
Direct investment	234	119	131	200	-335	664
Loans (net)	14	-64	-330	-320	-273	-1 353
Total medium- & long-term capital	248	55	-199	-120	-608	-688
Basic balance	-55	502	-668	-252	-843	-1 333
Short-term capital, errors & omissions	-205	-835	-255	-678	-407	-139
Overall balance	-260	-333	-923	-930	-1 250	-1 472
<b>Financing:</b>						
Decrease in reserves	41	-17	-49	6	-1	-48
Net additional arrears	218	149	967	-895	582	1 431
Debt rescheduling	-	200	7	1 819	669	89

<sup>a</sup> Excludes a major part of military expenditure and investment prior to 1990, and interest payments for domestic debt except in 1991.

<sup>b</sup> Includes some military expenditure and investment prior to 1990.

<sup>c</sup> A large proportion of currency was temporarily taken out of circulation at the end of 1991 during a currency changeover.

Sources: BNA; Ministry of Finance; IMF.

and high inflation, which was running at over 25 per cent a month by mid-1993.

Rising oil exports have resulted in large trade surpluses, but these have been offset by ever larger deficits for services, owing mainly to large payments abroad by the oil companies and the rising interest obligations on the external debt. The current account has been heavily in deficit since 1988, reaching a record \$645 million in 1991. In addition, the medium- and long-term capital account has been in deficit since 1988, despite substantial inward investment in the oil industry. This adverse development reflects the growth in principal repayment obligations on the external debt and a decline in loan

disbursements as a result of the erosion of the country's creditworthiness and the ending of the strategic alliance with the former USSR, the main external creditor. By 1991, the overall balance of payments deficit had widened to a record \$1,47 billion. The repeated balance of payments deficits have been financed mainly by accumulating payments arrears, and by January 1992 the stock of external arrears had risen to \$2,8 billion, according to the IMF. By the end of 1992, they were thought to have reached \$4,3 billion.

The capitalization of interest arrears has been one of several causes of the growth of Angola's external debt, which was close to \$9,45 billion, equivalent to 260 per cent of annual

exports of goods and services, by the end of 1991. Other factors have been high military expenditure (the military debt to the former USSR amounted to \$2,9 billion at the end of 1991), loans for grandiose investment projects (notably the 520 mw hydroelectric dam under construction on the Kwanza River) and costly short- to medium-term borrowing to finance imports. Because of Angola's large arrears, these trade credit arrangements invariably involve a form of oil pre-financing, whereby repayments are guaranteed from future oil sales.

**Table 4**  
**External debt, end 1991**

	(\$ m)
Medium- & long-term public debt <sup>a</sup>	6895
Western countries	2369
"Socialist" countries	4495
of which:	
commercial	1367
"special" <sup>b</sup>	2907
International organizations	
Interest arrears on medium- &	
long-term public debt	565
Other short-term debt	885 <sup>c</sup>
Private, non-guaranteed debt	1100 <sup>c</sup>
Total external debt	9445 <sup>c</sup>

<sup>a</sup> One year or over.

<sup>b</sup> Primarily debts contracted for military purchases, but also including some debts for technical assistance.

<sup>c</sup> EIU estimates.

Source: Banco Nacional de Angola

## Angola's future

Turning to the future, it is evident that a durable peace settlement is a *sine qua non* for Angola's economic recovery and reconstruction. It would be illusory, however, to suppose that peace by itself is an automatic passport to recovery. Prospects for recovery will depend on several factors, of which the following six will be especially important:

- the degree of success in consolidating peace and establishing a stable political system;
- the progress in designing and implementing a structural adjustment programme;
- the extent and timing of international assistance, notably for debt restructuring;
- the rehabilitation of economic and social infrastructure;
- the future trend of oil earnings;
- the strengthening of the country's weak skills base, including its economic management capacity.

To some extent, these factors are interrelated. For example, debt rescheduling, new capital inflows and the rehabilitation of infrastructure are inconceivable on a substantial scale until

peace is restored, and seen to be holding, and the government puts in place a coherent adjustment programme. Political instability or weaknesses in economic management capacity would risk delaying or distorting economic reform measures. Liberalization of the economy and measures to correct the country's macroeconomic imbalances will not bring major benefits if the economy still carries an insupportable burden of external debt, capital inflows remain limited and basic infrastructure is not rehabilitated.

The pace of recovery will depend on the degree to which the six factors are favourable, or become more favourable over time. If the most critical factors are unfavourable, for example if the war resumes after another failed peace settlement, the whole process of recovery would once again be compromised, as it was after the collapse of the Bicesse accords. In some cases, key parameters, such as a major restructuring of the external debt, could suddenly shift in a positive direction. In others, more gradual processes of change are involved: for example, the consolidation of a more peaceful, democratic political culture, and the confidence that goes with it, the rehabilitation of infrastructure, or the long-term process of investment in human resources to improve education, technical skills and management capacity in the economy and government.

Overall, assuming peaceful political conditions, it would be realistic to see recovery as a fairly drawn-out process, although quick partial improvements in production may be possible in some sectors. The poor state of infrastructure, particularly roads, railways, ports and electricity supply, will be a constraint on recovery in several sectors until major rehabilitation works are completed. Weak capacity within the main economic ministries and the central bank, the Banco Nacional de Angola (BNA), for economic policy analysis and management may slow down or weaken the process of designing and implementing a structural adjustment programme. Furthermore, while the IMF and the World Bank may argue for rapid, radical policy reforms, the government will be rightly cautious about embarking on "shock" adjustment measures that could risk further economic dislocations, exacerbate the already chronic poverty in the urban areas and undermine the fragile, post-war political order. The design of a sound economic programme which is comprehensive in scope, coherently sequenced and includes safety net measures for the vulnerable will clearly take time. So too will the related process of reaching an agreement with the IMF and thus also winning external creditor's approval of a debt restructuring package.

A sustained period of peace would enable the government to reduce military expenditure, by demobilizing troops and cutting military equipment procurement, a process which began after the Bicesse accords but was cut short by the resumption of fighting after the September 1992 elections. As in 1991–1992, the full budgetary benefits might not be seen immediately, however, because of the high costs of a demobilization programme involving the reintegration of former soldiers into civilian life. Likewise, a new attempt to forge unified armed forces out of units drawn from both the government forces and the Unita army would carry high short- to medium-term costs.

Within two to three years, however, a substantial reduction in military spending should make a significant contribution to cutting the deficit in government finances.

What might happen in the main non-oil sectors of the economy? Peace could bring a quick, partial recovery in agricultural production, by restoring farmers' confidence, permitting some resettlement of war-displaced peasants, refugees and former soldiers, as well as the resumption of domestic transport and rural-urban trade, and enabling farmers to plant larger areas. These positive processes began after the Bicesse accords, resulting in an estimated 10 per cent rise in cereal harvests in 1992. The resumption of the war in October–November 1992, coinciding with the start of the 1992/93 planting season, then set these processes into reverse, causing an estimated 29 per cent reduction in cereal harvests in 1993.<sup>3</sup>

Despite the benefits of peace, there would be important constraints on agricultural recovery in the short to medium term, however. The large, partly war-induced shift in the rural-urban population balance over the past two decades (40 per cent of the population is now urbanized) will not be reversed, making it more difficult to achieve food self-sufficiency than in the past. The post-Bicesse programmes to resettle former soldiers, refugees and displacees (*deslocados*) in rural areas had little impact, for lack of funding or because rural resettlement was unattractive to many of the intended beneficiaries. The widespread mining of rural roads and paths, the damage to roads, bridges and railways and the weakness of the trading tradition in Angola will all hinder the development of farm surpluses for marketing in the cities. For traditional export crops such as coffee, the constraints would be even greater, because of the need for large investments in replanting and the time-lag before new plantations started producing.

Turning to the mining sector, it would be reasonable to anticipate a fairly rapid increase in alluvial diamond production once peace returns to the mining areas in Lunda Norte province. Peace, along with new government policies designed to encourage foreign investment in the mining sector, would also open the way to large-scale mineral prospecting for the first time since independence and make possible long-awaited investments to develop one or more major kimberlite diamond mines. These investments (up to \$1 billion for a kimberlite mine and related infrastructure in the remote north-east) would take several years to come on stream, however, probably delaying a really large increase in mineral exports until the early years of the twenty-first century.

Concluding this brief sectoral review of the non-oil economy, it should be noted that peace will bring only gradual and limited benefits for manufacturing. Local supplies of raw materials, such as cotton for the country's textile factories, will increase only gradually in peacetime conditions, and in general industry will remain heavily import-dependent. Foreign exchange shortages will continue to hold back production and investment until the easing of balance of payments constraints. While market-oriented reforms in foreign exchange allocation may improve some companies' access to imports of raw materials, spare parts and machinery, many will probably be hard hit by steep devaluations, the poor state of company finances and the virtual unavailability of bank credit. The restructuring and privatization of most state companies in the manufacturing sector, an important part of the economic reform process, may gradually produce more robust firms, but this will be a slow process and many parastatals may fail to survive. Furthermore, foreign investment in this sector is likely to be cautious and selective in the early stages of the recovery.

**Table 5**  
Forecast of crude oil production and exports, 1991–1997<sup>a</sup> ('000 b/d)

Operator	Actual 1991	Est 1992	Forecast 1993	1994	1995	1996	1997	
<b>Production</b>								
Cabinda	Chevron	262	290	290	268	300	340	380
Block 1	Agip	–	4	2	3	3	2	2
Block 2	Texaco	45	57	19	71	75	79	80
Block 3	Elf	163	162	160	170	180	200	200
Block 4	Sonangol	–	–	–	–	10	15	15
Onshore	Petrofina	27	28	2	24	22	20	18
<b>Total</b>		<b>497</b>	<b>541</b>	<b>473</b>	<b>536</b>	<b>590</b>	<b>656</b>	<b>695</b>
<b>Exports</b>								
Volume (m barrels)		169	184	160	182	201	226	240
Average price (\$/b)		18,4	17,5	17,5	18,5	19,0	21,0	21,0
Value (\$ m)		3 078	3 220	2 800	3 367	3 820	4 746	5 040

<sup>a</sup> Assuming disruption of oil production onshore and in Block 2 in 1993 owing to the occupation of Soyo by Unita, with normal operations resuming in 1994.

Sources: Sonangol; oil companies

More generally, it is fair to say that, while peace will help restore confidence and raise hopes for the future, large inflows of foreign investment will await confirmation of the long-term durability of peace (especially after the dashed hopes of the last brief period of peace), improvements in the macroeconomic framework and the general business climate, and progress in restoring infrastructure.

## Oil earnings

Besides peace and stability, the future trend of oil earnings will be an important exogenous factor determining the scope and pace of recovery. Though Angola's extreme dependence on oil for foreign exchange earnings and government revenue carries its own risks, there is good reason to expect a large increase in oil production and exports over the next few years. Though oil production fell slightly in the first half of 1993 because of Unita's occupation of the Soyo region, the war is unlikely to affect the major producers, Chevron in Cabinda and Elf in offshore Block 3, whose production facilities are far offshore. The restoration of government control over Soyo would restore production to the 525 000–550 000 barrels a day range. Then, beginning in 1995, oil production should enter a period of renewed expansion, owing to investments by Chevron and Elf to develop several major new fields.

Chevron's production is forecast to rise from 290 000 barrels a day in 1992 to 380 000 barrels a day in 1997, while Elf's should rise from about 160 000 to 200 000 barrels a day during this period. Overall, the oil companies' investment programmes (\$2 323 million in development alone in 1993–1995) point to Angola's production rising to almost 700 000 barrels a day by 1997. As Table 5 shows, Angola's crude oil exports would rise from \$3.2 billion in 1992 to over \$5 billion in 1997, assuming relatively stable real oil prices. Such a large increase in oil earnings would considerably ease Angola's balance of payments pressures by 1996–1997, but as we shall see below this will not be sufficient to clear the huge backlog of arrears that will have built up by then in the absence of major debt restructuring.

## Debt restructuring

In the absence of such debt restructuring, Angola will continue to run large current account and overall balance of payments deficits until at least 1995, and as in the past these deficits will be financed by accumulating further arrears. The EIU forecasts that, without debt restructuring, these arrears would reach a massive \$7 billion by the end of 1995, given the large debt service obligations in 1993–1995 and the virtual suspension of payments to all but a handful of privileged creditors protected by oil-based escrow account arrangements.

Small surpluses for both the current account and the overall balance would be achieved in 1996–1997, owing to the increased oil earnings and the decline in principal repayment obligations as debt gets converted into arrears without any agreed repayment schedule. The surpluses would be sufficient to make only marginal reductions in the stock of arrears,

however, so the balance of payments pressures would remain extremely tight in practice. Angola would remain subject to draconian terms for trade finance, and little official export cover would be available. Without an IMF agreement and debt restructuring, there would also be little prospects of new capital inflows, either for general balance of payments support or for investment in key sectors, such as transport infrastructure, where rehabilitation will be a critical post-war priority.

It is difficult therefore to envisage a broad-based, sustained post-war recovery without debt restructuring. The Paris Club of bilateral Western creditors will be the forum for negotiations on the restructuring of debts owing to Western governments. No agreement will be possible, however, until Angola secures the IMF's seal of approval for a package of structural adjustment measures, a requirement that has become standard for all Paris Club reschedulings. Given an IMF agreement, Angola might become eligible for a significant element of debt reduction, on "enhanced Toronto terms".<sup>4</sup>

Much more important for Angola is what happens to the debt owed to the Russian Federation, which has inherited the former USSR's external assets and liabilities. This accounts for more than half the debt service due in 1993–1997 (about \$900 million a year in 1993–1994). Almost none of the debt service owed to Russia has been paid since 1990 and by the end of 1992 arrears to Russia are thought to have risen above \$2.5 billion. There is considerable uncertainty about the fate of the large military component in the debt owed to Russia (both the MPLA government and Unita want this written off), the valuation of the debt (owing to the steep depreciation of the rouble) and whether this debt will be treated in bilateral negotiations, as in the past, or in the framework of the Paris Club. The writing-off of military debt or the revaluation of debts (currently valued at the exchange rate with the dollar at the time the debts were contracted), would make a major contribution to reducing the debt burden and clearing arrears.

In addition, Angola could look forward to adjustment loans from the IMF, the World Bank, the European Community and some other donors once an IMF-approved adjustment programme is in place.

## Adjustment measures

Negotiations with the IMF could take a long time, however, because of the scale and complexity of the adjustment measures required, the weak capacity for economic management and policy analysis within key ministries and the BNA, and the worrying social implications of some adjustment measures in the short to medium term in a country with severe employment and poverty problems after years of war and economic mismanagement.

The MPLA government first began to take stock of the failure of its economic policies in the mid-1980s. In August 1987, it launched the Programa de Saneamento Economico e Financeiro (SEF), or "programme of economic and financial cleansing". This aimed to correct domestic and external disequilibria, improve production incentives by adjusting the exchange rate and prices, and reduce state intervention and

controls. Little was done in practice, however, to change the way the economy was managed, partly because of the acute shortage of qualified economists in the higher echelons of the civil service and the BNA, as well as the top leadership's preoccupation with the war and diplomacy, and rearguard action by politicians opposed to reform.

President José Eduardo dos Santos breathed new life into the reform process in 1990–1992. During this period, considerable progress was made. A series of devaluations, begun in March 1991, cut the official value of the new kwanza by 95 per cent, reducing the ratio of parallel to official exchange rates from 90:1 to 3:1 by March 1992. Virtually the entire price control system was swept away in 1991–1992, along with the state retailing system, while wages (previously paid partly in kind or with coupons for use in state shops) were fully monetized, the liberalization of trade began, major reforms got under way to restructure and diversify the banking system, many small government-owned companies were privatized and some larger parastatals were prepared for restructuring or privatization.

The government failed, however, to bring the budget deficit under control. Though it is difficult to relate this deficit to the size of the national economy because of the unreliability of Angola's national accounts, estimates of the ratio of the government deficit to GDP in 1991 ranged from 22 per cent (the Ministry of Planning) to 43 per cent (the IMF). As noted above, this huge deficit has been responsible for the remorseless growth in money supply, the high inflation rate and the rapid depreciation of the national currency on the black market. With the war intensifying in 1993, these problems have been close to getting completely out of control, with the budget deficit for 1993 estimated at NKz6 394 billion (\$1 344 million at the exchange rate on which the budget was drawn up) and inflation exceeding 500 per cent at an annualized rate by the middle of the year.

Indeed, the economic reforms came to an abrupt halt after the resumption of the war at the end of 1992. Since then, the government's overriding priorities have been to build up defence capacity, irrespective of the implications for the budget deficit, and to use short-term palliatives, notably the maintenance of an artificial exchange rate (NKz4 000 to the dollar compared to a mid-1993 black market rate of more than NKz20 000) and a partial revival of price controls and subsidies, to protect urban living standards and so head off social unrest in the cities.

In short, the government believes that the scope for economic liberalization or macroeconomic adjustment is extremely limited while it is fighting for its military and political survival. In any case, the top leadership has no time to address economic policy issues. No serious attention will be given to a resumption of economic reforms until the threat from Unita recedes.

In the long term, however, it would appear that the government is firmly committed to pursuing market-oriented reforms and reducing the large budget and balance of payments deficits. It knows that the old policies failed and also that an agreement with the IMF on adjustment measures is unavoidable if the country is to obtain the debt restructuring it so desperately

needs. But, though the pressure to reach agreement with the IMF will be immense, there are major objective constraints on the design and implementation of an adjustment programme.

The first is the weakness of economic management capacity. This is a particularly important part of the much wider skills shortage, whose origins go back to the Portuguese exodus in 1975. Resolving these problems will take many years' investment in education and training. Some recent developments may help here in the long term: the government decided in 1991 to allow the Catholic Church to revive church schools, a Catholic university is planned (there is one state university at present) and the World Bank is assisting wider educational reforms. In addition, several donors, such as the World Bank and the United Nations Development Programme, have begun placing a major emphasis on capacity building in the BNA and the ministries of finance and planning. Once peace is restored, some highly qualified Angolans living abroad may also be attracted back.

A note of caution must be struck, however. There is a serious danger, as in some other African countries, that investments in human resource development and institutional capacity-building will be offset by the departure of the most capable public officials, including senior economists, from the civil service and the central bank, owing to the decline in their real salaries, which are now much lower than in the private sector. A haemorrhage of the most capable administrators and economists from the BNA and key ministries would deal a serious blow to economic recovery hopes.<sup>5</sup>

A second problem is that the very scale of the distortions and imbalances that have developed in the Angolan economy makes adjustment a more daunting undertaking than in most African countries. Correcting distortions of this magnitude requires drastic measures, but a "shock" approach, resulting in the sudden closure of many state companies, the dismissal of large numbers of public employees and steep price rises, might plunge a war-shattered country like Angola into even deeper economic and social distress. It might also risk sparking off dangerous new political upheavals just as the country is attempting to overcome the wounds of war. Adjustment policies will have to be accompanied by safety-net and poverty-alleviation measures, including employment-creating public works programmes (tied into infrastructure rehabilitation works, for example), training schemes and programmes to resettle displacees, demobilized soldiers and refugees.

## Conclusion

This review of the factors determining the potential scope and pace of post-war recovery in Angola shows that the recovery process will be complex and difficult. Peace alone will bring some limited benefits, but it will not be enough to generate a broad-based recovery. This will also require economic reforms and the correction of Angola's acute macroeconomic disequilibria, but these will take time to design, implement and bear fruit. The further growth of the oil industry in the mid to late 1990s will boost exports significantly, helping to ease balance of payments constraints, but by itself this will



not be enough to clear Angola's large stock of external arrears, restore normal trade financing and attract new capital inflows outside the oil industry.

International assistance, especially debt restructuring, will be an additional vital ingredient, but this in turn is conditional on progress towards structural adjustment. And that will not be easy, because of the shortage of competent economists in the higher echelons of government, the scale of the imbalances and distortions to be corrected and the serious social and political risks of drastic adjustment policies unless adequate attention is given to complementary measures to create employment, alleviate poverty and resettle the displaced.

## Notes

- 1 Officially recorded diamond exports totalled 1.4 million carats worth \$270 million in 1991. This compares with 2.12 million carats worth only \$113 million in 1973. However, illegal diggers and smugglers accounted for an additional \$500–600 million worth of unofficial diamond exports in 1992. Together, Angola's official and unofficial diamond exports accounted for over 15 per cent of world supply of rough diamonds in 1992. There has been a sharp fall in both official and unofficial exports in 1993 owing to Unita's occupation of the main mining areas in the Cuango valley since the end of 1992.
- 2 Oil production has declined in 1993 owing to Unita's occupation of the Soyo region, where Angola's onshore oilfields and some support facilities for offshore production are located. Unita's capture of Soyo shut down Petrofina's onshore production (about 26 000 barrels a day) and Texaco's production in nearby offshore fields (65 000 barrels a day). As of July 1993, national oil production was around 455 000 b/d, 16 per cent less than average production in 1992.
- 3 According to data published by the UN Food and Agriculture Organization (FAO) in April 1993, the cereal harvest fell from 451 000 tonnes in 1992 to a projected 321 000 tonnes in 1993, raising cereal import requirements to 435 000 tonnes. Given the country's limited purchasing capacity for commercial cereal imports, the FAO has estimated cereal food aid requirements at 335 000 tonnes. At a donors' conference in Geneva in May 1993, the UN appealed for \$227 million in humanitarian aid for Angola. The biggest challenge, however, is to distribute relief supplies across the battle lines to those in need.
- 4 Enhanced Toronto terms, which have been applied to several African debtor countries since 1991, offer two basic options: to cancel 50 per cent of eligible arrears and debt service and consolidate the remainder at market rates, to be repaid over 23 years with six years' grace; or to consolidate all eligible arrears and debt service for repayment over 23 years with six years' grace at concessional rates so as to reduce payments due by 50 per cent in net present value terms. Following the Tokyo G-7 summit in 1993, the Paris Club may adopt the UK's proposal for steeper debt reduction (the so-called Trinidad proposals) which would reduce the entire stock of eligible debt by two-thirds. Angola's eligibility for such debt reduction measures is unclear. No clear criteria, such as a level of per capita income, have been applied by the Paris Club, but to date oil-producing African countries such as Nigeria, Gabon, Congo or Cameroon have not benefited.
- 5 The problem could be all the greater if Unita came to power by force, as many of these technocrats are mixed race mestiços or whites, who are particularly fearful of Unita's populist ideology. Since the resumption of the war, Unita radio has stooped to periodic harangues against the "creoles" of Luanda.

# The informal sector in Mamelodi and Kwazakhele

*Professors G S Horn, M Levin and Mr T N Sofisa, lecturers in the Department of Economics, Vista University, discuss the findings of a survey conducted by them to determine the extent of the involvement of households in the informal sectors of Mamelodi (Pretoria) and Kwazakhele (Ibhayi – Port Elizabeth).*

## Introduction

Extensive research has already been done in various regions in South Africa on the existence, composition and characteristics of informal sector activities.<sup>1</sup> Most of these studies acknowledge that the informal sector plays a significant role in the economic activities within the black communities in the townships. Various reasons may be given for this, one of which is the inability of the national economy's formal sector to create sufficient employment opportunities for the relatively fast-growing labour force. This inability leads to new entrants into the labour market being increasingly forced to turn to the informal sector to earn a living.<sup>2</sup>

The point of view that the informal sector is a "closed sector" of the economy is fast disappearing, and planners in the public as well as in the private sectors increasingly realize that the informal sector is part of the national economy.<sup>3</sup> This is substantiated by the fact that the participants of the informal sector obtain a considerable part of their inputs (goods, services, raw materials and labour) from the formal sector and that some of them even produce outputs for the formal sector.<sup>4</sup>

The Employment Research Unit of Vista University is engaged, on a regular basis, in research on various aspects affecting black communities, for example unemployment, employment creation and the socio-economic characteristics of the townships. In October 1991 the Unit conducted a survey to determine the extent of the involvement of households in the informal sectors of Mamelodi (Pretoria) and Kwazakhele (Ibhayi – Port Elizabeth) and also to make a comparison between the two.

The more specific objectives were to determine the following:

- the type of informal sector activities in which households are engaged;
- the reasons for starting informal sector businesses;

- difficulties and problems experienced by the informal sector operators;
- the sources of financial aid; and
- the assistance required by owners of informal sector businesses in order to develop and grow.

The information for preparing this overview of the informal sector in Mamelodi and Kwazakhele was obtained from completed questionnaires. Trained fieldworkers completed the questionnaires for the households. One questionnaire was completed for a site, at a site.

Aerial photographs were used in both Mamelodi and Kwazakhele to design a basic stratification for the sampling process. It was agreed to have 400 questionnaires completed for both Mamelodi and Kwazakhele. As the major aim of the survey was to gain more knowledge about the households which were active in informal sector activities, it was decided that at least 200 questionnaires had to be completed for households which, in some way or another, were definitely involved in informal businesses. In the discussion these "200+" households are referred to as the "selected" group of households. The other questionnaires (400-"200+"), which were sampled on a random basis according to a specific pattern, are referred to as the "incidental" group of households. In the discussion a distinction will be made between the "total" sample and the "selected" sample.

The basic stratification and sampling procedures ensured total population and geographical coverage. Questionnaires were completed according to a predetermined pattern with either ten or twenty intervals. Questionnaires were checked daily and some respondents were visited on the basis of a 10 per cent spot check to verify the answers supplied to fieldworkers. Thorough checks, cross-checks and maximum and minimum values were among the strategies used in an effort to reduce the occurrence of errors.

The aim of this article is to outline the major findings of the survey with the aid of tables illustrating the collected data.

## Major findings

### General characteristics of informal sector entrepreneurs

Table 1 gives an outline of the size, age, employment status and family status of households in the "selected" sample that earn an informal sector income.

**Table 1**  
Households earning informal sector income:  
"Selected" sample

	Mamelodi		Kwazakhele	
	N	%	N	%
Number of households in "selected" sample	204		200	
Number of persons earning informal sector income	219		234	
Average number of members per household	6,11		5,27	
Average age of members earning such income	44,89		43,25	
Employment status of members earning informal sector income:				
self-employed	111	50,7	181	77,4
wage-employed	48	21,9	30	12,8
student/scholar	10	4,6	1	0,4
retired/pensioner	37	16,9	14	6,0
fit, but not looking for work	13	5,9	8	3,4
	<b>219</b>		<b>234</b>	
Family status of members earning informal income:				
Father	53	24,2	74	31,6
Mother	111	50,7	105	44,9
Son of father/mother	18	8,2	23	9,8
Daughter of father/mother	25	11,4	17	7,3
Brother of father/mother	0	0,0	4	1,7
Sister of father/mother	3	1,4	3	1,3
Other relatives	9	4,1	8	3,4
	<b>219</b>		<b>234</b>	
Sex of members earning such income:				
male	71	32,4	105	44,9
female	148	67,6	129	55,1
	<b>219</b>		<b>234</b>	

Females in the "selected" sample are the major earners of informal sector incomes – 67,6 per cent in Mamelodi and 55,1 per cent in Kwazakhele. The high presence of women is a characteristic of the black informal sector in South Africa.<sup>5</sup> It is mainly due to the fact that most of the activities in the informal sector relate to trade, where women are the dominant group. In the "selected" sample more males in Mamelodi (32,4 per cent) are earning informal sector incomes than in Kwazakhele (44,9 per cent). The average age of household

members earning informal sector incomes is 44,89 and 43,25 years for Mamelodi and Kwazakhele respectively.

In Mamelodi, 21,9 per cent of persons in the "selected" sample that earn informal sector incomes are also employed in the formal sector, as against 12,8 per cent in the case of Kwazakhele. This illustrates that Mamelodi has better employment conditions. Retired persons and pensioners in Mamelodi are more inclined to be active in the informal sector than in Kwazakhele. Similarly, children in Mamelodi tend to become more involved in informal sector activities than children in Kwazakhele.

### Expenditure

In both Mamelodi and Kwazakhele (see Table 2), the largest portion of household spending on food, clothing, energy and transport takes place in the formal sector outside the townships.

**Table 2**  
Expenditure of monthly income in Mamelodi and Kwazakhele: Total sample

	In formal sector (%)		In informal sector (%)	
	Mamelodi	Kwazakhele	Mamelodi	Kwazakhele
Food	77,8	77,5	22,2	22,5
Clothing	94,1	90,0	5,9	10,0
Energy	87,5	59,4	12,5	40,6
Transport	76,9	58,3	23,1	41,7

The smallest difference between formal and informal spending is the payment for transport. In the case of Kwazakhele, 58,3 per cent is spent in the formal sector and 41,7 per cent is spent in the informal sector. Because of the presence of relatively more gravel roads in Kwazakhele than in Mamelodi, informal transport in the form of mini-buses is the main mode of transport.

The fact that few households in Kwazakhele have electricity, causes these households to spend more on items such as gas, paraffin, candles, etc, than households in Mamelodi. In Kwazakhele a larger percentage (40,6 per cent) is spent in the informal sector on these items than in Mamelodi (12,5 per cent) – electricity is bought in the formal sector. In fact respondents of Kwazakhele spend a higher percentage of their money in the informal sector than respondents of Mamelodi, in every category.

### Informal sector activities practised by informal entrepreneurs

The different types of informal sector activities in which members of the "selected" group of households are engaged, are summarized in Table 3.

For the purpose of this survey the activities were divided into four main groups, namely building and construction, manufacture, trade and services. The contents of Table 3 were therefore subdivided in order to sort the different types of activities into the four abovementioned main groups. This classification is in line with that of other informal sector studies in South Africa.<sup>6</sup>



greater number of entrepreneurs would be involved in this sector. The fact, however, that building and construction work require a certain amount of training, and that blacks were for many years excluded from such training because of job reservation laws, may explain their limited involvement in this sector.<sup>7</sup> Another reason may be that, because of the fact that blacks involved in the formal building industry earn relatively lower wages than whites and coloureds, they are absorbed in the formal sector and therefore the “push-out” effect is relatively low.

**Table 3**  
Type of informal sector activities engaged in:  
“Selected” sample

Type of employment	Mamelodi		Kwazakhele	
	N	%-N	N	%-N
Builder	1	0,5	3	1,3
Carpenter/cabinet maker	1	0,5	4	1,7
Child care	4	1,8	0	0,0
Dressmaking	5	2,3	10	4,2
Hairdresser/barber	6	2,6	12	5,1
Landlord/lodging	3	1,4	7	3,0
Repairs: cars/mechanic	4	1,8	9	3,8
Repairs: radios	2	0,9	1	0,4
Selling: fruit/veg/clothes	151	68,9	141	60,3
Shebeen (informal sector pub)	23	10,5	21	9,0
Spaza/general dealer	17	7,8	15	6,4
Taxi: owner	1	0,5	4	1,7
Taxi: driver	0	0,0	3	1,3
Video-showing	1	0,5	2	0,9
Welder	0	0,0	2	0,9
<b>Total</b>	<b>219</b>	<b>100,0</b>	<b>234</b>	<b>100,0</b>

#### Building and construction

This category comprises all activities pertaining to the building industry. What is surprising when studying Table 3, is that of the “selected” group comprising 1 247 and 1 054 persons for Mamelodi and Kwazakhele respectively, only one person in Mamelodi and three in Kwazakhele are involved in informal building and construction work. Seeing that housing is a basic problem in black residential areas, it was to be expected that a

#### Manufacture

This sector comprises all those businesses producing articles for sale direct to consumers or other businesses. The emphasis is on manufacturing or producing the goods and does not include services. The three types of manufacturing businesses which were identified, with the number of persons involved in these activities given in brackets, are dressmaking (five in Mamelodi and ten in Kwazakhele); cabinet-making (one and four respectively); and welding zero and two respectively).

The total absence or low percentage of involvement in manufacturing activities such as welding and cabinet-making in both areas is surprising. This could lead one to the conclusions that these jobs are practised by the members of households in both areas in the formal rather than in the informal sector of the economy. It also shows the lack of technical skills amongst blacks. It is also significant to note that the level of manufacturing activities in these townships is low by international standards. In a recent study conducted in Maseru, Lesotho, 36 per cent of informal entrepreneurs were found to be involved in manufacturing activities, whilst in Dosso and Maradi, Niger, the comparable percentage is 32 per cent.<sup>8</sup>

#### Trade and services

It is clear from Table 3 that the largest percentage of the “selected” sample is involved in trade and service activities. As far as trade is concerned, informal entrepreneurs in this category either sell commodities such as fruit, vegetables, prepared food, cigarettes, paraffin, coldrinks and groceries; run a shebeen or own a spaza (general dealer). Keeping the socio-economic conditions of black residential areas in mind, this could have been anticipated.

However, the derived employment creativity of trade activities seems to be limited. When checking through the

**Table 4**  
Reasons for starting informal business: "Total sample"

Reason	Mamelodi		Kwazakhele	
	N	%-N	N	%-N
Can earn more	189	25,9	177	22,7
To supplement income	138	18,9	148	19,0
Other work not available	129	17,7	139	17,8
Convenient	86	11,8	120	15,4
A family business	66	9,1	114	14,6
Special skill for this	93	12,8	69	8,8
To escape taxes	17	2,3	7	0,9
Other	11	1,5	6	0,8
<b>Total</b>	<b>729</b>	<b>100,0</b>	<b>780</b>	<b>100,0</b>

questionnaires, it became clear that the number of people employed by those engaged in trade activities is small. Informal trade enterprises are usually owner operated. Where assistance is required, children (pupils and students) are often drawn in as a source of cheap and mostly unpaid labour.

The different service activities in which informal sector entrepreneurs are engaged, include hairdressing, car and radio repairs, lodging, child-care and taxi driving. In both Mamelodi and Kwazakhele hairdressing is the most important service

activity from which the "selected" group of households earn an income. In Mamelodi the second largest service activity from which income is earned, is car repairs and child care, followed by lodging. In Kwazakhele the second largest service activity earner is also car repairs, followed by taxi operating and lodging. Skills acquired from formal employment in the motor industry in both Pretoria and Port Elizabeth could explain the relatively high level of involvement in services which can be related to the motor industry, ie car repairs.

An obvious omission from the category of service activities is money-lending, a service that is usually present in a society which lacks the support of formal development agencies. This emphasizes the great need for financial institutions, in South Africa, that can focus on the needs of informal sector entrepreneurs.

#### Reasons for starting the informal sector business

Table 4 shows the main reasons given by respondents in the total sample for starting their informal sector businesses. Given a choice of eight alternatives, respondents were requested to tick the three most important reasons why they decided to start their informal sector businesses. The most important reason given in both Mamelodi and Kwazakhele is that they "can earn more", followed by "to supplement income". It may be argued that the respondents honestly believe that they can earn more in the informal sector than in the formal sector, especially entrepreneurs who own shebeens

**Table 5(a)**  
Problems experienced by owners in Mamelodi: Total sample

	Very problematic		Problematic			Not problematic	
	(a)		(b)		(a+b)	(c)	
	N	%-N	N	%-N	%-N	N	%-N
A loan to buy equipment	102	42,0	47	19,3	61,3	94	38,7
A loan to buy stock	81	33,3	62	25,5	58,8	100	41,2
Proper accommodation	90	37,0	41	16,9	53,9	112	46,1
Legal restrictions	76	31,3	46	18,9	50,2	121	49,8
Suppliers	62	25,5	60	24,7	50,2	121	49,8
	$\bar{X} = 33,8$		$\bar{X} = 21,1$			$\bar{X} = 54,9$	$\bar{X} = 45,1$

**Table 5(b)**  
Problems experienced by owners in Kwazakhele: Total sample

	Very problematic		Problematic			Not problematic	
	(a)		(b)		(a+b)	(c)	
	N	%-N	N	%-N	%-N	N	%-N
A loan to buy equipment	73	28,1	36	13,8	41,9	151	58,1
A loan to buy stock	53	20,4	34	13,1	33,5	173	66,5
Proper accommodation	83	31,9	72	27,7	59,6	105	40,4
Legal restrictions	74	28,5	38	14,6	43,1	148	56,9
Suppliers	79	30,4	59	22,7	53,1	122	46,9
	$\bar{X} = 27,9$		$\bar{X} = 18,3$			$\bar{X} = 46,2$	$\bar{X} = 53,8$

$\bar{X}$  = average

and spazas. A number of respondents may have interpreted the alternative "can earn more" as having a very similar meaning to that of "to supplement income" and therefore selected it as an important alternative.

The third most important reason given in both areas is that "other work is not available". The informal sector operators in this category must be regarded as being a marginal group. If the economy improves, they will most likely leave the informal sector or change their present form of business. This group – 17,7 per cent in Mamelodi and 17,8 per cent in Kwazakhele – is surprisingly small. However, in a previous survey of the informal sector in the "black" townships of Port Elizabeth, a similarly low figure (23,4 per cent) was found.<sup>9</sup> The fourth most important reason given is that the particular informal sector activity is "convenient" to practise and the fifth being that it is "a family business".

It is generally agreed and accepted that the informal sector serves as a good "training centre" for informal sector entrepreneurs to eventually enable them to enter the very competitive formal sector. All members of families, even those not receiving a direct remuneration, gain through their business experience and the skills they develop in the informal sector. The fact that there are more households involved in family businesses in Kwazakhele (14,6 per cent) than in Mamelodi (9,1 per cent), may be an indication that informal sector activities are more accepted and better established in Kwazakhele than in Mamelodi.

### Problems experienced by entrepreneurs

Respondents were asked to rate, in order of severity, a number of problems inhibiting the establishment and running of their businesses. The results for the total sample are listed in Tables 5(a) and (b).

**Table 6**  
Sources of financial aid: Total sample

Source	Mamelodi		Kwazakhele	
	N	%-N	N	%-N
Family	116	48,9	143	45,0
A private individual	49	20,7	84	26,4
A financial institution	22	9,3	23	7,2
A bank loan	22	9,3	20	6,3
A service organization	15	6,3	27	8,5
A private company	13	5,5	21	6,6
<b>Total</b>	<b>237</b>	<b>100,0</b>	<b>318</b>	<b>100,0</b>

The first column in Tables 5(a) and (b) shows the various problems that respondents were given to rate with regard to the degree of their being problematic. The N and %-N columns show the respective number and percentage of respondents who indicated that they find the given alternatives to be very problematic, problematic or not problematic.

Table 5(a) shows a summary of the responses of the Mamelodi respondents and Table 5(b) those of Kwazakhele respondents. One way of reading these tables is to compare the very problematic and problematic responses together, column (a + b), with the not problematic responses, column (c). This approach is followed in both tables 5(a) and (b).

According to Table 5(a) the biggest problem (61,3 per cent) for respondents of Mamelodi is to obtain loans to buy equipment. The second biggest problem is to obtain loans to finance inventories (58,5 per cent). Kwazakhele respondents indicate a lack of accommodation (59,6 per cent) as their biggest problem. A lack of proper accommodation, which respondents in Mamelodi rated as their third biggest, is the result of a lack of

the availability of finances to build such accommodation. The two survey areas therefore do not really differ in what they experience as most problematic. They both find the availability of loans as most problematic. It is regarding the kind of loans that they differ. Mamelodi emphasizes short- and medium-term loans and Kwazakhele long-term loans.

The results of the survey as summarized in Tables 5(a) and (b) suggest that informal sector entrepreneurs do not have satisfactory access to the funds of the official banking and building society institutions. This is supported by the fact that only 9,3 per cent and 6,3 per cent of the



**Table 7(a)**  
**Preference for assistance by owners in Mamelodi: Total sample**

	Very important		Important		Not important	
	N	%-N	N	%-N	N	%-N
Relaxing restrictions	96	39,5	65	26,8	82	33,7
Providing market places	120	49,4	54	22,2	69	28,4
Training assistance	76	31,3	59	24,3	108	44,4
Providing credit	95	39,1	64	26,3	84	34,6
Providing better accommodation	137	56,4	33	13,6	73	30,0

**Table 7(b)**  
**Preference for assistance by owners in Kwazakhele: Total sample**

	Very important		Important		Not important	
	N	%-N	N	%-N	N	%-N
Relaxing restrictions	83	31,9	47	18,1	130	50,0
Providing market places	86	33,1	84	32,3	90	34,6
Training assistance	70	26,9	71	27,3	119	45,8
Providing credit	67	25,8	60	23,1	133	51,2
Providing better accommodation	130	50,0	50	19,2	80	30,8

respondents in Mamelodi and Kwazakhele respectively, indicate that they were successful in obtaining a loan from a bank, while only 9,3 per cent and 7,2 per cent respectively received assistance from other formal sector financial institutions (see Table 6).

It is interesting to note that legal restrictions are no longer regarded as a major limiting factor in either area. Ever since the administration of black townships was taken over by black local authorities, it seems as if there is less harassment of informal sector entrepreneurs. Shebeeners, for example, do not seem to care about the illegality of their businesses and also experience little difficulty in buying the necessary stocks from suppliers. The establishment of Taverner Associations, who are fighting for the deregulation of the liquor industry, has been successful in persuading the authorities not to harass shebeeners.

The global movement towards free markets and deregulatory measures has necessitated a revision of these measures in South Africa. In 1984, the President's Council was requested to advise government on measures that restrict the free-market system in SA. Although a great deal has been achieved with regards to deregulation, the follow-

ing impediments exist and pose a serious problem for the informal sector in Mamelodi and Kwazakhele:

- taxation laws;
- land-use and zoning restrictions;
- selective subsidization of the transport industry;
- professional and trade restrictions;
- permits for the operation of passenger transport undertakings; and
- health regulations prescribing requirements for the manufacture, processing and sale of foodstuffs.



### Sources of financial assistance

Table 6 shows the sources of financial assistance on which informal sector entrepreneurs depend for operating their businesses.

Looking at Table 6, it is not surprising to observe the high contribution of financing provided by families of informal sector entrepreneurs in both areas. Financial assistance by relatives in Mamelodi (48,9 per cent) and Kwazakhele (45,0 per cent), in addition to financial assistance from private individuals (who are probably also family related) in Mamelodi (20,7 per cent) and Kwazakhele (26,4 per cent), are listed as the most important sources of financial assistance. As was indicated earlier, only 9,3 and 6,3 per cent of all the respondents in Mamelodi and Kwazakhele, respectively, indicate that they have been successful in obtaining a loan from a bank, while assistance from other formal financial institutions contributes 9,3 per cent and 7,2 per cent respectively.

Banks, in general, prefer to lend only to customers who have a fixed income and a proven record of servicing debt. Informal sector entrepreneurs in general do not have such records. There is a tendency amongst them not to settle their debts adequately and also not to be easily traced. This causes formal sector institutions to shy away from these business owners.<sup>10</sup>

### Ways in which owners can be assisted

The problems discussed above may be expected to form a starting point for identifying different ways in which informal sector entrepreneurs can be assisted. As indicated above, the most important factor inhibiting the functioning of the informal sector is a lack of proper accommodation, followed by a lack of and inaccessibility to financial resources.

The respondents were asked to rate a limited number of preferences for assistance to overcome the various problems mentioned, as very important, important and not important. The outcome for the total sample is listed in Tables 7(a) and (b). The first column in Tables 7(a) and (b) shows the various preferences for assistance that respondents were given to rate in order of importance. The N and %—N columns show the respective number and percentage of respondents who indicate whether they find the given alternative to be very important, important or not important.

Over and above financial assistance, the provision of better accommodation and market places, is listed in Tables 7(a) and (b) as the highest priority for assistance by respondents in both Mamelodi and Kwazakhele. The respondents' need for market places can be understood if the history of the development of businesses in black townships is taken into account. For almost four decades black townships were regarded and planned as dormitories. No businesses were allowed and therefore there are very few shopping and other areas – even only open areas – where businesses can display and market their products.

The cash economy of the poor can to a certain extent be viewed as a spendthrift economy and therefore Say's *Law* of

*Markets*, which states that “supply creates its own demand”, holds to a certain extent. The typical market place that played such a vital role in ancient societies, however, no longer exists. It seems, nevertheless, that it is exactly something similar that is needed in this modern century again.

### Summary, concluding remarks and recommendations

It appears from the survey that trade plays a major role in informal sector activities in both the areas in which the survey was undertaken. Many informal sector businesses are run by women. Their responsibility to ensure the survival of their families is very likely a major source of motivation.

The most important reason given by respondents in both Mamelodi and Kwazakhele for starting their businesses, is that they are convinced that they can earn more and supplement their household income by means of informal sector activities. The main problem experienced by informal sector operators in both Mamelodi and Kwazakhele is a lack of access to financing. The need for short- and medium-term loans to finance the purchasing of stocks (inventories) and equipment remains high. However, the need for proper accommodation has become the most urgent priority. To provide proper accommodation for themselves, township entrepreneurs require access to long-term loans. It is important that the supportive role of development agencies and institutions with regard to short- and medium-term loans be increased and expanded. It has, however, also become vitally important that they become active in the provision of long-term loans, either by providing such loans or acting as guarantors for such loans at financial institutions in the formal sector.

Based on the main problems identified, the majority of informal sector entrepreneurs in both areas expressed a preference for assistance in the form of loans, better accommodation and the improvement of markets as priorities. The fact that townships were planned and developed with a view not to encourage the establishment of businesses, means that there is very little in the form of trading and manufacturing areas. Markets in terms of the principles that are usually applied for their existence, are absent. The townships that were surveyed, as well as other townships, will have to be replanned and redeveloped by local governments in order to provide for the full range of human needs, including markets. Huge amounts of money would be required for such development. In addition, the lack of basic infrastructure would add to the need for development capital. There is no way that the South African society, of which about 60 per cent can be classified as poor, can generate the capital needed for such developments. Foreign capital is imperative. There exists a profound need for foreign development aid if the upgrading of the townships is regarded as important to create vibrant businesses and sound socio-economic conditions. More importantly, such public works programmes will have spill-over effects on the development of the informal sector of Mamelodi and Kwazakhele.

For many decades blacks in South Africa were prohibited from having businesses in the townships. A number of factors



have over the years compelled them to ignore the law and to start their own businesses. Over the last decade many of the prohibitive restrictions have been abolished and all sorts of businesses have been started in the townships. During this first phase the most critical needs of these businesses were for short- and medium-term funds to buy equipment and to finance inventories. This is still an important problem, as was found with regard to all the operators in the different economic sectors. Most of the informal sector operators still do not have access to the funds of banking and other financial institutions in the formal sector and they rely, sometimes exclusively, on relatives and development agencies such as the Get Ahead Foundation, the Small Business Development Corporation and others for their livelihood. The role of these institutions is still vital.

However, a second phase in the development of township businesses has started. This phase is characterized by a need for long-term funds (20 years plus) to build and develop proper business accommodation. Except for shebeens, the majority of operators in all the other economic sectors have indicated that their major problem is proper accommodation. Development agencies must take note of this need. It may be a logical next step for them to expand their involvement to also provide development support in this field. The guaranteeing of loans with financial institutions in the formal sector of the economy may be an alternative to providing such loans themselves.

During the survey it also became clear that the informal sector in the Port Elizabeth and Pretoria area differs from what is known as the informal sector in countries like the United States, Germany and Britain. It shows most of the characteristics of the typical economy of Africa. Referring to it as the informal sector may therefore be something of a misnomer. It would perhaps be more appropriate to refer to it as a Third World or developing economy. If it is recognized as such, then two essential steps need to be taken to support and expand it. First, the official scrapping of frustrating laws, ordinances and bylaws is essential. Secondly, institutions that specialize in the financing of such Third World developing enterprises are urgently needed.

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# Urbanization in pre-colonial Africa

*In this first article in our three-part series on urbanization in Africa, Dr James D Tarver, author of The demography of Africa, and Dr H Max Miller, University of Georgia, discuss the major developments in urbanization in pre-colonial Africa from their beginning.*

The phenomenon of urbanization first appeared in the latter part of the fourth millennium BC in the Mesopotamia valley. Shortly afterwards it emerged in the Nile valley region; and next in the Indus valley (presently West Pakistan, where cities flourished between 2500 and 1500 BC; then in the Huang Ho valley (Yellow River); and later among the Maya in the Yucatan peninsula of Meso-America.<sup>1</sup>

This article traces urbanization and the manner in which it evolved in the African continent in pre-colonial days. Large urban conglomerates appeared in three major regions prior to European colonization and in about two dozen colonies during the colonial period. The other scattered pre-colonial urban centres that emerged in Africa did not directly create sustained urban developments on a major scale as in Egypt and Sudan, the Maghreb region or in West Africa.

## Egypt and present-day Sudan

It is estimated that urbanization in Africa began in the fourth millennium, with the earliest Egyptian city appearing between 3300 and 3200 BC.<sup>2</sup> Abydos was probably the first Egyptian settlement that could properly be classified as a city. It is thought to have had about 20 000 inhabitants in 3200 BC and was the earliest known capital of Egypt.<sup>3</sup>

By approximately 3000 BC Egypt was probably the most highly urbanized country in the world, and remained so for many years until the Christian era. For example, Pharaoh Menes founded Memphis at the head of the Nile, about 160 km from the sea in 3114 BC.<sup>4</sup> By 3000 BC it was probably the largest city in the world, with about 30 000 inhabitants. A second city, Avaris became the largest population centre in the world in 1650 BC with over 100 000 inhabitants. Thebes had a population of more than 100 000 in 1375 BC and was the largest city in the world until 668 BC. In 1160 BC the Thebes estate population totalled 86 486, and 62 621 of these

inhabitants were attached to the temple.<sup>5</sup> Then, Alexander the Great founded Alexandria, the new national capital. By 320 BC it was probably the largest city in the world, with about 300 000 inhabitants. In addition, Carthage in northwest Africa had a population of more than 100 000 in 340 BC.

Cairo was founded in 969 AD on the east bank of the Nile, near the present ruins of Memphis on the west bank. This new capital city reached its peak population of about half a million inhabitants in 1340, when it was probably the largest city in the world. A bubonic plague, which originated in China, struck Cairo in 1348 and may have taken the lives of as many as 40 per cent of its residents.<sup>6</sup> (By 1985, Cairo-Giza was not only the largest urban agglomeration in Africa, with 8 million inhabitants, but also the largest population centre in the entire Mediterranean basin.)

Urbanization also occurred along the Middle Nile below Egypt between the first and sixth cataracts in the region that is now the Republic of Sudan. However, this early urban development was on a smaller scale than in Egypt. The earliest Nubian kingdom was established in present-day Sudan during about 1500 BC. There were four early capital cities: Napata, Meroe, Dongola and Sennar. Meroe and Dongola had peak populations of 30 000 or more. (In recent years Sudan has experienced rapid urban growth. By 1980 the Khartoum urban agglomeration was greater than 1,1 million inhabitants and by 1985 had an estimated 1,5 million inhabitants.)

## Northwest Africa

The second major area of urban development in Africa was on the Mediterranean coastline in the Maghreb region of north-west Africa. Carthage was founded on the Tunisian coast in 814 BC by the Phoenicians and became the dominant city of its time in that area. Carthage established an empire, which included most of Tunisia and existing Phoenician settlements.

Carthage protected its trade routes and maintained effective control over the entire north African coast, from the Gulf of Sidra off the Libyan coast to the Atlantic coast off Morocco, by establishing new settlements where necessary. In addition, Carthage established settlements on the southern coast of Spain, in Sicily, Sardinia, Corsica and the Balearic Islands.

Carthage prospered as a result of its trade with Rome and Greece and also as a result of its trans-Saharan trade – to the extent that it was then considered the richest city in the world.

The population of Carthage probably reached a peak of 200 000 in 200 BC before it was destroyed by the Romans in 146 BC.<sup>7</sup> Along the coastal areas of present-day Tunisia, Morocco, Algeria and western Libya were Carthaginian settlements under the urban influence of Carthage.

As a Roman colony, after the fall of Carthage, northwestern African prospered for two or three centuries. Carthage was rebuilt and the population probably reached a peak of 100 000 in 100 AD.<sup>8</sup> About a quarter of a million tonnes of grain and large quantities of olive oil were exported to Rome annually and the growth in population was undoubtedly associated with the favourable social and economic conditions.

Many centuries later, from about 1060 AD, the Berbers were responsible for initiating a 300-year period of flourishing economic activity and political power. First, they established the vast Almoravid empire, which comprised Morocco, Algeria, Tunisia and southern Spain. Thereafter another Berber group, the Almohads, ruled until 1250. Then, a third Berber group, the Merinids, exercised control until about 1350, after which Berber political power declined.

Many urban centres experienced rapid growth during Berber rule. For example, Fez, with about 200 000 inhabitants, was probably the largest city in the world during about 1170 to 1180. Other North African cities were Marrakesh, with 150 000 inhabitants in 1200; Tunis with 65 000 inhabitants in 1500; Algiers with 10 000 residents in 1634; and Meknes with a population of 200 000 in 1727.

There were a number of other smaller African cities in the Mediterranean region at this time. Present-day Western Sahara, now engaged in a territorial and sovereignty dispute, is the only north African country that was not included in one of the two ancient urbanized regions.

## West Africa

The West African areas of Sudan<sup>9</sup> and Guinea<sup>10</sup> comprised the third major region that experienced pre-colonial urban development. Urbanization occurred mainly as a result of long-distance trans-Saharan trading that started before the Christian era and the development of indigenous handicraft industries. Walata and Timbuktu, located in the Niger River basin of the Sahel on the edge of the Sahara, grew as commercial centres which started as trading centres where goods from the north and south changed hands. Sudanese traders exchanged gold, ivory, grain, skins, gum, spices, ostrich feathers, kola nuts, woven cloth, and slaves with the North Africans for salt, dates, horses, silk, swords, mirrors, beads and textiles.

Important medieval kingdoms subsequently emerged in these areas, prior to colonization. In the Sudan three major kingdoms emerged in the grassland region of the Niger River basin and two were formed in central Sudan. Further south, several kingdoms and empires were created along the forested Guinea coast, stretching from present day Nigeria to Senegal. The capital cities of these early kingdoms became about half as populous as those in the Maghreb region.

## The Sudanese-Sahelian kingdoms

Ghana, situated between the Senegal and Niger rivers, in present-day Mali, was founded during the fifth century AD. Not to be confused with modern Ghana, it was the earliest of the three major empires in western Sudan and was known as the land of gold because of the Bambuk and Bure goldfields. Its capital city, Koumbi-Saleh, fell to the Almoravids, who were Berbers from North Africa, during a series of religious wars, and was eventually destroyed in 1076, as was the entire Ghana empire during the thirteenth century. A new, vigorous, and somewhat larger empire – the Mali empire – superseded Ghana. Then, in the fourteenth century the weakened and declining Mali empire was replaced by the Songhay empire, which was larger than the Mali empire had been. Koumbi-Saleh, Niani and Gao were the capital cities of these three respective major kingdoms. Koumbi-Saleh probably had 30 000 inhabitants when it was sacked,<sup>11</sup> Gao had an estimated population of 75 000 by 1585,<sup>12</sup> and Niani had an estimated 60 000 inhabitants in 1324.<sup>13</sup> Jenne, Timbuktu and Walata were prominent but smaller trading centres in Western Sudan.

The region south of the Songhay kingdom, in the headwaters region of the Volta River, below Jenne and Gao, were inhabited by numerous ethnic groups. The largest and most important were the Mossi, with the two largest Mossi kingdoms being the Wagadugu and Yatenga, both founded between 1050 and 1170 AD. However, they played a comparatively limited role in shaping the great events of the Sudan in the pre-colonial period. The Songhay kingdom fell to the Moors of Morocco in 1591, ending the promising local civilization which existed at that time.

The Hausa states were located in the northern grassland area of present-day Nigeria, in central Sudan, east of the western Sudan kingdoms. In 999 AD, as tradition has it, a father and his six sons established seven Hausa states which were largely independent of each other. The ancient walled capital cities were well fortified. Kano, Katsina and Zaria were major Hausa states, with Kano being the most prominent. Kano had an estimated 25 000 inhabitants in 1200 and 75 000 in 1585. Zaria had an estimated 60 000 in 1600, and Katsina probably had 60 000 in 1700.

The kingdom of Kanem-Bornu, in central Sahel east of Hausaland, was at one time two separate empires, with Kanem on the east and Bornu on the west side of Lake Chad. According to one traditional account, both empires were founded by Prince Ibrahim, who was exiled when Sheba fell in 590 AD. This kingdom controlled the trans-Saharan trade route to Tripoli, where slaves were exchanged with the north Africans for horses. The small capital of Njimi was on the

east of Lake Chad and Ngazargamu, a later Bornuese capital, had about 60 000 inhabitants in 1324.

### Guinea kingdoms

Among the many kingdoms that were established in upper and lower Guinea before 1400, were the Yorubas in the western part of Western Nigeria, the Benin to the east of the Yoruba and west of the Niger River delta (not to be confused with the present-day Benin Republic), the little Ibo democracies in southeast Nigeria, the Akan-Ashanti in central Ghana, and the Wolof in Senegal.

Edo City, in the medieval kingdom of Benin, developed somewhat later than the centres in the Yoruba kingdom. However, handicraft industries were quite highly advanced and differentiated in both areas and workers became relatively prosperous. Along the forested Guinea coast, Yoruba cities were comparatively populous settlements performing trading and administrative functions for large areas. Ibadan, with a population of about 70 000 in 1850, was the dominant Yoruba city and Katunga, an Oyo capital, had an estimated 75 000 inhabitants in 1750.

The early capital cities of the major Sahel and Guinea coast kingdoms were, of course, small urban centres in terms of modern standards. Although many persisted for years, none ever seemed to reach a population as great as 100 000 in pre-colonial days.

After the demise of these initial urban centres in West Africa in pre-European days, very little urbanization took place in the period 1600–1850 as a result of conflicts, unrest, and shifting trade patterns – including the slave trade. However, urbanization took off again during the colonial period in Nigeria and Ghana.

### Other pre-colonial urban areas

Other scattered pre-colonial urban settlements in Africa, such as Great Zimbabwe, Kilwa and Axum, appeared at different times and flourished for varying periods. However, they did not result directly in sustained urban development on a marked scale.

Sustained urban developments appeared in three major areas of Africa in the pre-colonial period. Since the 1870s the discovery of diamonds and gold in South Africa led to its urban developments during the colonial period. It was the most prominent urbanized colony to emerge at the turn of the nineteenth century. In the 50 years that followed, urbanization occurred in a more modest way in another 25 sub-Saharan colonies in the colonial period. However, it was not until after independence that urbanization greatly accelerated in Africa.

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