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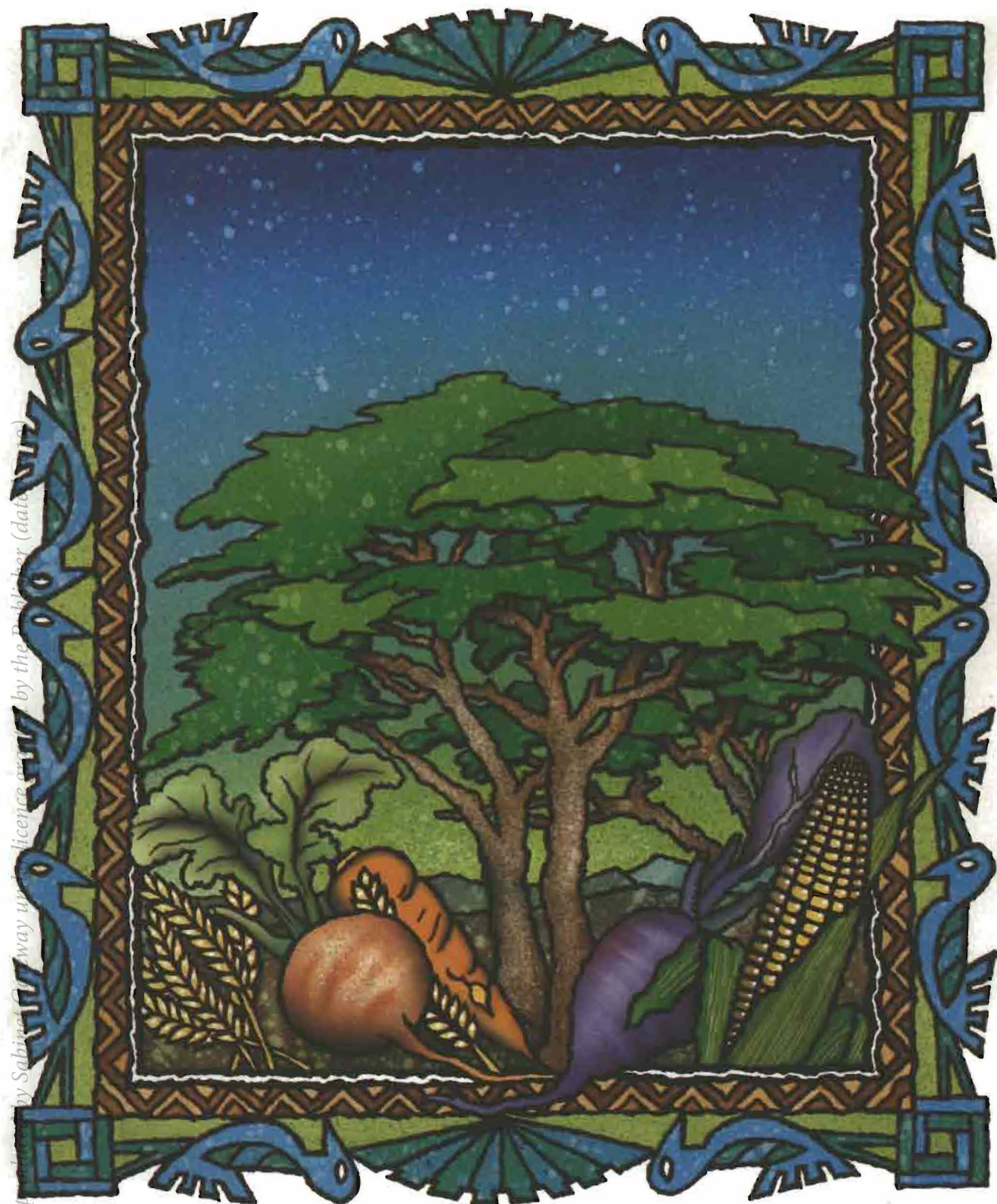
vol 23 • no 2 • 1993

ISSN 0256-2804

Reg. No. 61/00002/08

# INSIGHT

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



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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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Printed by Color Press (Pty) Ltd, Johannesburg



## insight

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**Comment**

- Structural adjustment or transformation or both? — *Stef Coetzee* 62

**Environment**

- Agroforestry: An old system in modern guise — *Denis Fair* 64

**Economics**

- Notes on high growth performance: The experience of dynamic development economies — *Louis Emmerij* 68  
Structural Adjustment Programmes in Africa: Lessons from Ghana and Nigeria — *S N-A Mensah* 72  
Structural adjustment: A review of the state of the art — *Stef Coetzee and Mohammed Jahed* 79  
South Africa's future: Powerhouse or poorhouse? — *Erich Leistner* 85

**Politics**

- The demise of Biya's New Deal in Cameroon, 1982-1992 — *Joseph Takougang* 91  
Strongmen on the Cape Flats — *Pierre du Toit and Jannie Gagiano* 102  
Housing policy in South Africa: A view from below — *Frik de Beer* 112

# Structural adjustment or transformation or both?

*Dr Stef Coetzee, Executive Director of the Africa Institute of South Africa*

The release of the Normative Economic Model by the South African Minister of Finance has stimulated the debate on structural economic adjustment in South Africa a great deal. The document heralds a new style of eliciting comment and open debate. Its publication comes in good time, since the economic groundwork for the political transition in South Africa needs urgent attention from those involved in negotiating the future of the country.

Many countries in Africa and other parts of the world face serious economic and social crises. What these countries are grappling with is the quest for economic reform aimed at reconciling two potentially conflicting objectives: the creation of material wellbeing, on the one hand, and human/ social development on the other.

Unless a balance is achieved between these objectives, political and socio-economic instability seem unavoidable — as demonstrated by events in Africa, Eastern Europe and Latin America. Some countries have moved fast to bring about rapid growth through market reforms without, however, compensating the majority of the populations for the loss of social security and employment opportunities. Others have clung to ineffective economic policies and failed to implement the economic reforms necessary to become internationally competitive.

The experience of the Latin American and South East Asian countries proves that economic growth and human/ social development can, indeed, be reconciled. In fact, those countries that achieved a successful transition to democracy have all attained high rates of economic growth. Furthermore, countries with fairly high levels of economic growth have also been more successful in respect of human development and addressing poverty and basic needs.

South African economists should bear in mind that investment in people (education, training, health, etc) is crucial for long-term economic and social development. The founding father of economics, Adam Smith, once remarked that “No society can surely be flourishing and happy, of which by far the greater part of numbers are poor and miserable.”

However, it is crucial to strike the balance between promoting economic growth and human development. South Africa's expenditure on education is already some 6 per cent of GDP and 23 per cent of the budget, and continued increases may further weaken economic efficiency and hence growth. Here three remarks are apposite: one, there is little doubt that efficiency gains are possible after years of apartheid and multiplication of education and other structures — although this may not improve the situation dramatically; two, a reallocation of resources between and within budget votes seems the best way of effecting changes that would not undercut efficiency, a process that has arguably already commenced; and three, it matters very much what kind of human development is invested in. It would seem prudent to promote select centres of excellence, and to address the central problems, namely, primary and secondary education, vocational training, informal and non-formal education, primary health care, low cost housing, basic infrastructures, etc.

South Africa is, according to the classification of the World Bank and the United Nations Programme, respectively, a middle income developing and medium human development country. Despite its fairly developed modern sector, huge development problems prevail within the country's borders — problems that are similar to those of the rest of Africa. Moreover, the “First” and the “Third Worlds” in South Africa have become increasingly interwoven, especially through the process of rapid urbanization.

It would therefore not be appropriate to adopt two sets of economic reform programmes as though the two sectors are entirely divorced from each other, or to focus mainly on the developed sector and to tack the developing sector on as an afterthought or as something that is “also of importance”.

It is in the latter respect that the “Normative Economic Model” falls short of coming to grips with South African conditions. The framework still seems to lack integration (“structural adjustment of the developed market economy and a reconstruction of the socioeconomic framework”) and



the objectives remain too firmly couched in the jargon of the "growth school", while it emphasizes financial and economic considerations. Although economists would agree to the objective of a more efficient market economy and one that is also "more equitable in its distribution functions", we should heed the lessons learnt by Africa and the developing world with regard to structural adjustment, as we report elsewhere in this edition.

The experience with structural adjustment programmes has shown that it is very important to analyse the prevailing conditions of the country earmarked for adjustment, correctly. In this regard there can be little doubt that the main objective should be to improve the efficiency of the economy and to stimulate economic growth. However, structural adjustment programmes have produced only limited long-term economic growth. This is due partly to the failure of structural adjustment programmes themselves and partly to the capacity problems in developing countries and the time lags involved for the private sector to adjust to the new economic realities being created by the adjustment programmes. Under these circumstances it is therefore not surprising that some World Bank analysts concede that fiscal and monetary retrenchment is still "indispensable", but that the state has an important role to play in investing in infrastructure, human capital and agricultural technology to generate supply response.

South African policy analysts should also note that structural adjustment has had a pronounced effect on human development and poverty in sub-Saharan Africa and has subjected many millions of people to misery as a result of the cutbacks in social expenditure and retrenchments in the public sector and state-owned enterprises. In fact the effect

of these programmes on human development threaten to undermine the progress that has been made in this sector since the 1960s. Given the socioeconomic backlogs and imbalances in South Africa, the country can ill-afford adjustment that does not simultaneously bring about appropriate reforms of the social sector.

Ever since the mid-1980s orthodox structural adjustment programmes have been attacked by the "adjustment with a human face" and the "African alternative to structural adjustment" schools of thought, who, respectively, plea for the reconciliation of growth and human development and the importance of taking the political, economic and social context into account. The World Bank has also come round to considering the effects of structural adjustment on poverty and human development and to including measures that could soften the impact of adjustment on the poor.

Finally, it needs to be stated that South African should tailor their economic and social reforms to fit local conditions. Our conditions are not identical with those in countries under structural adjustment regimes in sub-Saharan Africa. However, to move away from an economy focused primarily on the needs of the relatively affluent minority (South Africa under apartheid) to one that focuses on the needs of the majority (mainly poor people) in postapartheid South Africa, requires nothing short of a transformation of policies. Both structural adjustment and transformation are therefore needed.

To reduce the risk of being prescribed to by outside powers such as the World Bank/IMF, that have assumed an even bigger role in economic adjustment and stabilization in the new world order, South Africans would be well advised to get their act together on this score.

# Agroforestry: An old system in modern guise

*Dr Denis Fair, a Fellow of the Africa Institute, reviews some recent literature on this comparatively new discipline which many hold out as one solution to increasing sub-Saharan Africa's agricultural productivity while protecting its natural environment.*

In two previous articles<sup>1</sup> in this journal on the rain forests of sub-Saharan Africa (SSA) it was mentioned that agroforestry was increasingly being seen as one promising strategy to offset the loss by deforestation of the region's moist and dry tropical forests. The reason is that it is a permanent form of land-use in which trees are cultivated in association with agricultural crops and/or livestock. Some authors have said that agroforestry, as a comparatively new discipline, has become something of a "buzz" word in international forestry development.<sup>2</sup> Harrison has enthusiastically welcomed it as the single most important approach "for the future of sustainable development in Africa".<sup>3</sup> The need now, he says, is for an agroforestry revolution to follow up the agricultural revolution. So strong has been the movement that the International Council for Research in Agroforestry (Icraf), established in 1977, reports that agroforestry projects are now underway in some hundred Third World countries.

Icraf defines the discipline as a "collective name for land-use systems and technologies where woody perennials (trees and shrubs) are deliberately used on the same land-management units as agricultural crops and/or animals, in some form of spatial arrangement of temporal sequence".<sup>4</sup> In short, agroforestry is the active management of trees within the farming environment. Its appeal lies in its being an ecologically sustainable approach to agricultural development by protecting the environment and increasing agricultural productivity at the same time. It is a viable method for meeting the crop, woodfuel and other related requirements of developing countries while conserving the soil as well.

## Social forestry

It is in Africa, says Raintree, that the need for agroforestry is the most pressing.<sup>5</sup> The growing awareness of the magnitude of the emerging food crisis makes agroforestry "one of the few bright spots" in the search for more compatible technolo-

gies that will make existing land resources more productive for longer periods of time. It was the food crisis and rural land degradation that saw a major shift in the mid-1970s in attitudes and resource allocations by governments and donor countries to forestry and rural tree-growing, ie, away from large-scale, industrial-commercial plantations and natural forest management to a concern for a people-centred small-holder social forestry, including farm and community forestry, now generally accepted as agroforestry.<sup>6</sup>

The essence of social forestry, originally, was to bring the forest to the doorstep of the villagers, by encouraging the planting of fuel, fodder and fruit trees by individuals on their private land (farm forestry) or by communities on public or communal land (community forestry).<sup>7</sup> The focus of social forestry subsequently widened to make trees an integral part of the farming system as a whole so that during the 1980s "agroforestry came of age".<sup>8</sup> These developments have made foresters, agriculturalists and social scientists "talk seriously with one another" at the forestry/agriculture interface. Narrow sectoral boundaries can now be transcended that for too long impeded the design of their separate projects.<sup>9</sup>

## From traditional to modern

Traditionally, as Edje explains, farmers in the tropics and sub-tropics were of necessity organic farmers.<sup>10</sup> They used no chemical fertilizers and no pesticides. Instead, they employed a system of bush fallow or shifting cultivation. When land was cleared for agriculture certain trees were left to grow among the crops and this practice of dispersed intercropping is still employed in many parts of SSA. It was a stable agro-ecological system in which plants, animals and human beings lived in harmony and from which a variety of products were obtained. Agronomists, soil scientists, horticulturists, livestock management experts and ecologists were led to the study of these age-old land-use practices and

their inherent advantages for sustaining yields, conserving the soil and providing multiple outputs.<sup>11</sup> The *chitimene* system of shifting cultivation in Zambia is a good example of how agroforestry research has been guided by indigenous technical knowledge.<sup>12</sup> Thus, as Hosier indicates, agroforestry did not originate with analysts, planners and academics, since small-scale farmers in the developing world had been using a wide range of agroforestry practices for countless years in their traditional land-use systems.<sup>13</sup> The practice today is thus an old system but a new technical field, an updating, among other things of the advantages of shifting cultivation made necessary now by the socioeconomic environment of rising population numbers and increasing food and export needs.<sup>14</sup> Okigbo agrees that agroforestry promises to be a vital component of those sustainable agricultural production systems that are now so necessary to tackle SSA's current food, environmental and economic problems.<sup>15</sup>

Justification for an agroforestry approach to land-use management, especially in the tropics, is the evidence derived from research that trees and other vegetation improve the soil beneath them.<sup>16</sup> Leguminous trees and shrubs, especially, play a significant role in maintaining soil fertility since they are able to fix atmospheric nitrogen and contribute nitrogen by leaf and litter fall and root-turnover. In addition, trees act as "nutrient pumps". Their root systems are deeper than non-woody plants and this enables them to bring to the surface nutrients which have been leached by rains to layers beyond the reach of other plants. The process is termed "nutrient cycling". These perennial shrubs also yield fodder in the form of protein-rich browse for animals and fuelwood in less time than trees.

It is important, though, that trees interact with other components to beneficial, not detrimental, effect since there can be adverse effects if trees are allowed to compete with crops for soil nutrients and moisture. The effects are beneficial when both components can exploit available resources more effectively when grown together than when grown in monocultural situations.

## Major agroforestry systems

Leach and Mearns state that the term "agroforestry" is sometimes defined so broadly that it includes too much to be analytically meaningful. "It is a plethora of rural tree growing options, encompassing a multitude of species, tree/crop configurations and management practices – all in a great diversity of human and ecological settings."<sup>17</sup> A measure of this complexity emerges in the 40 or so agroforestry projects that they and others describe as examples of progress being made in this field in SSA. Some of them are referred to in this article.

Helpful in working through this complexity is an initial classification of agroforestry systems according to their structure, function and ecological environment.<sup>18</sup> Structure concerns the composition of the components. There are three main types of system – agrisilvicultural, an example of which is alley cropping where crops are grown between rows of

nitrogen-fixing trees and shrubs; silvopastoral, eg, livestock farming under savanna trees; and agrosilvopastoral, found, for example, in gardens comprising a combination of various crops, trees and animals around homesteads. Function determines whether the system plays a productive role in providing food, fodder, fuelwood, etc and/or a protective or service role in promoting soil and moisture conservation and soil enrichment or providing shade, windbreaks and living fences for crops, animals and people. Both roles complement one another, thus revealing the multipurpose nature of trees, which agroforestry emphasizes as distinct from forestry where trees are perceived as monpurpose plants.

Nair states that it is the ecological potential of an area that is the "prime factor" in determining the distribution and extent of adoption of specific agroforestry systems. He recognizes four main ecological regions in tropical Africa – the upland plateau of southern Africa, the highlands of east and central Africa, the humid lowlands of central and west Africa and the semi-arid Sudano-Sahelian zone. Between and within these regions physical and ecological conditions are "immensely diverse".<sup>19</sup> Each still requires much research to determine which types and mix of food and tree crops and animals best suits these macro and micro environments and, at the same time, the widely varying demands of farmers for food, fruit, fodder, fuel, timber, posts and poles.

## Socio-economic factors

Understanding local cultural and socioeconomic conditions is essential to the success of agroforestry projects. It is necessary to know, for instance, how severe the pressure of population on available land is; what the situation regarding labour and other factors of production is; how accessible markets are and whether the introduction of tree planting will suit existing production methods? Complex issues surround the cultural values of the local population, their land tenure systems, traditions concerning access, including women's rights, to land and trees, and people's general needs and priorities.<sup>20</sup> In short, how best can the transference of agroforestry technologies be adapted to the social contexts within which the farmers live? Above all, agroforestry programmes must be economically attractive to farmers if they are to be successful.<sup>21</sup>

Leach and Mearns give some excellent examples of farmer-led initiatives in Kenya in which rural communities have themselves taken collective action to arrest environmental degradation and improve natural resource management. But where local people depend on support from outside they must, on the other hand, be encouraged to use their own knowledge and skills while, on the other, the agroforester himself or herself must exercise humility and patience to learn and to adopt a long-term approach. This is an essential ingredient for success.<sup>22</sup>

## Some agroforestry practices

Agroforestry is still a young discipline and research into its potentialities is still inadequate. Valuable work is being done

by Icrat. Its projects include developing diagnosis and design (D and D) and rapid appraisal techniques.<sup>23</sup> The first depends on feedback from "Learning by doing" and on both on-station research and, ideally, on-farm trials. Adaptations of D and D are being implemented by participating countries in Icrat's Agroforestry Research Network for Africa (Afrena). Nair describes some 25 agroforestry systems in different parts of the developing world, while more are mentioned by other authors.

A number of research projects underway in the tropics concentrate largely on alley cropping and plantation crop combinations (eg oil palm, rubber, cocoa, tea and coffee) in the humid areas. The principle of intercropping is often seen as being the "very heart" of agroforestry, and alley cropping as one of its more extreme forms.<sup>24</sup> The International Institute for Tropical Agriculture (IITA) in Ibadan, Nigeria has the longest record of alley cropping research, beginning in 1976. It built upon the experience of farmers in eastern Nigeria who, in the face of rising population densities, were forced into intensive techniques which integrated trees into their arable farming.<sup>25</sup>

At IITA hedgerows of quick-growing woody species such as *Leucaena leucocephala*, a native of Mexico, are placed four metres apart and in the alleys are planted rotations of food crops such as maize, cassava and yams.<sup>26</sup> The leguminous *Leucaena* maintains soil fertility through nutrient cycling and nitrogen fixation, thus reducing the amount of fertilizer needed. Moreover, being quick-growing, it is periodically pruned to produce nutrient-rich mulch which has a favourable effect on the physical and chemical properties of the soil and thus on crop yields. It and other suitable species also provide a supply of fuelwood, charcoal and stakes for venae crops such as cowpeas as well as browse for livestock, if required.

Opinions on the potential of alley cropping vary. Harrison states that it is well suited to Africa's social and economic setting. It costs little to establish and its management can be mastered by farmers with very little instruction.<sup>27</sup> Kerkhof, however, claims that alley cropping as developed by the IITA has not proved popular with farmers. *Leucaena* is not the "miracle tree" that many had considered it to be and the system makes heavy demands on labour and management. Rather, he says, dispersed forms of intercropping seem considerably more attractive to farmers.<sup>28</sup> Leach and Mearns believe that alley cropping may have promise for a wider ecological range. To them it appears to be not only technically possible in semi-arid areas but it is even working well in such a zone at the Machakos research station in Kenya, run by Icrat.<sup>29</sup> Nair's conclusion is that research thus far certainly indicates that alley cropping offers considerable potential in the humid tropics since the ecological conditions favour the production of decomposing mulch, which is a basic feature of the system. But in the semi-arid tropics unfavourable to the production of sufficient quantities of mulch there is no perceptible advantage in using the practice.<sup>30</sup>

## Dry region practices

Agroforestry systems in the arid and semi-arid regions of Africa, notably the Sudano-Sahelian zone, take on various

forms. Silvopastoral systems are directed at the region's major source of livelihood, pastoralism, while tree growing on croplands is based on multipurpose trees. Climatic conditions also necessitate the use of trees for windbreaks and shelterbelts. A good example is the association of another "miracle tree", *Acacia albida*, with dryland crops and livestock in the semi-arid Sahel of West Africa. It is the fastest growing of savanna trees, is relatively drought resistant, provides palatable seed pods for fodder, its leaves are edible, its wood is hard, its bark contains tannin for curing hides and, by nutrient recycling and retaining water under its canopy, it increases crop yields. In these drier regions, however, where trees can take 15 years or more to establish, farmers, looking at short-term results, require considerable outside help and encouragement to adopt such practices.<sup>31</sup>

Nevertheless, one of SSA's success stories in the semi-arid regions is the Majjia valley project in Niger. Fourteen years of tree-planting has provided protective windbreaks to farmers and their fields. Rows of neem trees, offering browse for livestock among other things, combined with thorny *Acacia nilotica* reduce wind speed, cut down the loss of soil moisture and damage to plants, thus increasing crop yields.<sup>32</sup> The neem (*Azadirachta indica*) is a "wonder plant".<sup>33</sup> It grows well in poor soil, is hardy, it can withstand repeated trimmings, it possesses internal chemical defences against a number of insect pests and has useful medicinal qualities. The 1988–1993 phase of the Majjia project has extended tree-planting to intercropping with *Acacia albida*, planting hedges round irrigated plots, creating woodlots, and strengthening training and extension services.

## Lessons of experience

Lessons learned from the many projects described by analysts are widespread and mixed. Kerkhof indicates that the future of agroforestry depends on developing techniques and approaches which are robust and well proven. Most people are aware of the benefits of trees but their attitude to growing them can vary.<sup>34</sup> For example, leguminous shrubs are given a high priority for ecological reasons in a project in Rwanda but planting trees for timber has proved much more popular with local farmers. Cook and Grut concur that success will follow if farmers perceive that benefits will accrue to them in the short-term if there are significant opportunities for off-farm income through, say, the sale of wood products such as poles, fuelwood and charcoal, and if systems proposed are congruent with local culture.<sup>35</sup> Particularly in dryland farming areas, because growing trees is difficult, people are cautious about investing time and effort in doing so.

Where agroforestry techniques have been aimed at boosting crop production, results have generally been promising but the emerging message, states Kerkhof, is one of caution. Trees take up land which might be used for growing crops and they can compete with crops for light and soil nutrients.<sup>36</sup> Increasing soil fertility, for example, may be easier and cheaper by planting beans, grass and clover rather than leguminous trees.<sup>37</sup> Nor are there any truly standard technical packages



which are universally applicable. Each has to be tested under specific conditions. There is no guarantee that techniques so developed can be replicated in even similar physical conditions elsewhere since there are no standard farmers.<sup>38</sup>

Muir and Casey raise the question of institutional suitability.<sup>39</sup> Agroforestry does not have a high success rate in Africa, they say. One reason is that neither state forestry nor agricultural organizations by themselves are adequate for the task, often resulting in projects being virtually strangled from the beginning. For example, a team comprising an agronomist, a livestock specialist, an economist, a sociologist and an agroforester has now been appointed to combat the problem of overgrazing and desertification around deep wells in northern Senegal where previously foresters by themselves had failed.<sup>40</sup> Whatever agency is involved – some say that non-governmental organizations (NGOs) might be more successful than state departments – agroforestry projects by their very nature take time to develop and are slow to produce results. A committal of at least eight years is essential if projects are to be given a realistic chance of success.<sup>41</sup> Cook and Grut, in examining ways in which governments can be assisted in implementing agroforestry projects, underline the need for a high level of local participation and a strong political commitment to long-term solutions.<sup>42</sup> Early attempts, for example to promote tree growing among the fiercely independent herdsman of the Turkana region of northern Kenya, showed little success until the project emphasis was shifted to participatory management of the natural vegetation.<sup>43</sup>

Kerkhof's conclusion is that many of the projects he investigated have made substantial progress and are heading in a useful and positive direction; that the potential for agroforestry has been demonstrated but also the difficulties in putting it into practice; that there can be no instant results; and that implementation must be sensitive to the needs and priorities of the people.<sup>44</sup> Nair comes to much the same conclusion in showing that awareness of agroforestry as a potentially useful land-use approach in the tropics has grown so dramatically in the past 10 to 15 years that there are now very few land-use related development projects that do not contain a significant agroforestry component. However, he adds, the successful implementation of many of these projects is hampered by weakness in agroforestry research.<sup>45</sup> Most important, though, is that the value of agroforestry in terms of sustainability, ie, the maintenance of production over the time without degradation of the natural base on which that production is dependent, has been almost universally accepted. What has not yet emerged, it seems, is for agroforestry (social forestry) to become a mass movement.<sup>46</sup>

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# Notes on high growth performance: The experience of dynamic developing economies

*A summary of a report presented to the Organization for Economic Co-operation and Development (OECD)<sup>1</sup> by Dr Louis Emmerij, advisor to the President of the Inter-American Development Bank, Washington DC.*

The objectives of this contribution on high growth performance experiences of dynamic developing countries are threefold:

First, to identify the “secrets” of the high and sustained growth of certain developing countries, particularly in East and South-east Asia, but not excluding other regions. What explains the difference between the model followed by those countries, and that of most other countries in the developing world? The focus distilling succinctly the policy gist from the vast body of literature on this subject. What has made the difference? Where do we find room for policies and where not?

Secondly, to look at the historical experience of Europe and thereby identify the secrets of European growth.

And, thirdly, on the basis of the above, ie the 30 years’ experience of East and South-east Asia and the centuries’ old experience of Europe, to see whether these experiences could be transferred to those countries that have not yet achieved high and sustained rates of economic growth.

The approach followed here is neither theoretical nor analytical. The analytical and theoretical machine is stopped in order to look at the actual prescriptions. What can we now distil from practical experience and prescribe to the countries drifting away from the mainstream of the world economy? How can they get themselves back on the fast track? In other words, how can we change the present situation by using the lessons of those countries which have succeeded in sustaining high rates of economic growth? In this connection we already have the first steps towards an answer. China’s economic growth was 10 per cent a year between 1978 and 1988, Brazil grew speedily during the 1970s, and Botswana has also grown very fast. But in the first two cases this growth has not been sustained. So what made these countries apparently “take off” only to fall back again?

“Transfer” may not be the right expression to use. Indeed, there are many “feeder-roads” that can lead to the “high road” of high growth and a uniform model is not looked for. For me personally, the generalization of high growth rates is crucial if we want to achieve a one-world economy and a one-world polity. The trend today is rather the contrary; it is that certain parts of the world, particularly but not only in Africa, are being delinked. We are thus presently not moving towards a one-world economy but a two, three or four-world economy.

However, many positive changes are being implemented in economic and financial policies, in governance in Latin America, and also in Africa. It is therefore opportune to give these positive trends, in the South and the East, a push in the right direction.

Of course if all the countries in the South and in the East were to be successful in getting onto the “high road” of economic growth, the OECD countries would have to change and adapt accordingly. It is important to unravel the consequences of *international* governance for the countries in the South and East to join and stay on the “high road”. International governance is largely in the hands of the G-7 countries whose national actions have extremely important international consequences.

This article sets out, in the first instance, to isolate the “Ten Commandments” – distilled on *a priori* grounds and derived from what can actually be observed on the ground. From this, ten policy secrets are being extracted from the East and South-east Asian experience, without forgetting, however, the successful Latin American cases. Secondly, the European experience is considered, and only in the final instance are the two sets of experiences compared with the “Ten Commandments”.

To see clearly where this is leading, it is useful to refer to Table 1: The secrets of successful development.

In the first column, ten secrets from East and South-east Asia are listed. In the second column we find the European secrets, drawn up from historical experience, and matched up, where possible, with the first column. In the third column are the "Ten Commandments". This table forms the basis of this discussion.

Secret no 1 (in the first column) concerns the role of the state and its importance in governing the market as it were, ie in getting the machine moving and keeping it on track. The role of leadership in this connection is a major issue, also in the private sector. The élite of a particular country is very important here. Ruling élites may have to be replaced in many cases, but not in all, with younger, more pragmatic, more dynamic ones that have learned the lessons from the past.

That is also a lesson from Europe (second column). It comes out clearly there that we should not have just any state – beware of big states; small states may be better; competition between states is useful.

And under the "Ten Commandments" (the third column) the same point can be noted: *small but powerful states are preferable*. Throw out the ballast, and go back to basics, including common sense in the management of the economy.

So the first secret is equivalent to the practical experience of East and South-east Asia and Europe and of the "Ten Commandments".

The second secret (in column one) is that for high growth to take place, for a country to get on the "high road" of development, there must be in its society a sense of political and economic urgency. That did not emerge in the European case, but it did from the "Ten Commandments" (third column) – there must be a *will* to move ahead.

The third secret is that for a country to move ahead there must be a feeling of belonging, a feeling of the group, of solidarity. Civil wars, for example, as are now seen in certain parts of Europe, and as have been seen and are continuing to be seen in Africa, are the death of economic growth and development. There must be co-operation between labour and management; there must be the capacity to reach agreement. The "Ten Commandments" also have a reference to this: consensus is necessary in all domains, including ones such as wages and salaries.

The fourth secret is that for a country to move onto the "high road" of development, it must not take its comparative advantage in terms of factor endowments as given. It must set out to create its own competitive advantages through priority being given to technology and science in order to carve out a place for its exports, and thus connect up to the global markets. Human resources, education and training are of the essence in this connection. This was borne out also in the European experience where technological progress has been essential. Intellectual property rights and patent systems are therefore important. The engine of growth is the entrepreneur, and countries must create an incentive system to simplify his or her work and thus make him or her more productive. The "Ten Commandments" column has also some-

thing on this: manufacturers' exports are vital, and for that to come about, everything under columns one and two must be undertaken, plus the integration of the educated into the economic circuits.

The fifth secret is that there must be a balanced growth between agriculture, manufacturing and services. On the bottom rungs of the economic development ladder, agriculture must surely come first, but also must become integrated into a country's development strategy.

The sixth secret is very simple – avoid corruption, or at least the excesses of corruption. And for that a free press is of the essence, a point which is borne out by the European experience. There must be an ethic to promote efficiency; honesty is good for business, as paradoxical as that may seem when reading today's press.

The seventh secret is that if a country wants to move ahead, it must get its initial conditions right – ie what has been called the "Washington Consensus", which is all about initial conditions, but less about technology and how to actually move ahead. In the second column (the European experience), an open society is judged very important as an initial condition: the case of Holland's history (and one could add, still today) was mentioned. The role of migrants may have a *positive* rather than a negative impact. The question of free trade in the Washington Consensus as an initial condition may be overplayed in today's discussion – all this comes from the European historical experience, but at least free trade counters possible manipulations of the state. And in the third column ("Ten Commandments") is the equivalent: get prices right, boost savings and domestic investments.

The eighth secret is that if a country wants to move ahead, it should not move from one extreme to the other, policy-wise. Extreme ideologies are neither required nor desirable. We are in the presence of extremes on a continuum (export promotion versus import substitution, state versus market, growth versus income distribution), and each country must decide where it should situate itself at a given point in time on this continuum and, even more importantly, get its timing right for the move on the continuum towards one direction or the other, without going too far. Extremes may be more spectacular, but they are much less effective.

The ninth secret, a very difficult and subtle one, is the question of political democracy, economic democracy in the sense of participatory decision-making processes, and economic efficiency. Political democracy, political freedom and economic efficiency, economic growth and development are very much favoured today; but the relationship between the two is difficult for some. Others find it easier. Many voices are heard today which say "yes, there is a simple and unidirectional relationship between political democracy and economic efficiency". In other words, these are the people who maintain that political democracy is a prerequisite for economic growth and development. And, of course, empirical experience shows that the reverse has been equally true, where the causal relationship was not from political democracy to economic efficiency, but from

**Table 1: The secrets of successful development**

East & South-east Asia	Europe	"Ten Commandments"
1 Which élite? Destruction of old élite, but not in Thailand. Role of State to govern markets get machine moving. Role of leadership (Korea) → also private sector. Go back to basics.	Not any State; beware of big States; small States are better, competition between States.	Small, but powerful State; throw away the ballast. Common sense in the management of the economy.
2 Sense of political and economic urgency.		There must be the will to move ahead.
3 There must be a feeling of belonging, of the group, of solidarity (civil wars!); co-operation between labour and management; capacity to reach agreement.		Consensus necessary; even if salaries get squeezed during early stages.
4 Creation of competitive advantage through technology and science for export purposes → global markets. Human resources → Beyond \$1000 per capita, you need big boost.	Technological progress: intellectual property rights; patent systems. Engine of growth is entrepreneur → incentives system.	Manufactures exports of the essence. Integrate the educated into the economic circuits.
5 Balanced growth as between agriculture, manufacturing and services. Agriculture first, but get it integrated in development strategy.		
6 Avoid corruption – at least excesses. Role of free press.	Ethics to promote efficiency. Honesty is good for business.	
7 Get your initial conditions right – Washington Consensus → macro-economic stability, get prices right, etc.	Be an open society (Holland!) → role of migrants. Free trade is overdone, but counters manipulation of State.	Free prices (get prices right). Boost savings and domestic investment.
8 Do not move from one extreme to the other; no extreme ideologies; continuum: where? and when to shift?		
9 Political democracy – economic democracy – economic efficiency; the subtle balance → Political stability/public accountability/rationality.	Control the controllers is the essence; in the end democracies are the stronger systems → sustainability.	
10 Foreign aid and trade: access to markets: international governance.	Trade must be secure in space (international economic rules) and in time (property rights).	Legal framework; investment code. Opening of OECD markets to LDC exports.

economic efficiency to political democracy. So there is a very subtle relationship here where culture/habits are important: one can be against something *ex ante* but can admire it *ex post* if it works.

However, and still on the ninth secret, there is general agreement that in the end and in the long run, for economic efficiency to be sustainable, political democracy, freedom and incentives are absolutely necessary. Once the machine is moving, and in order to sustain it, that need is evident as, I think, the Eastern European experience illustrates. It is also agreed that political stability, public rationality, and accountability are of the essence. The equivalent of this in the European experience is the lesson that it is important to control the controllers and democracies are indeed the strongest systems for sustainability.

The final and tenth secret lies in the global markets. A country that has shifted its national governance – in terms of political will, political democracy and economic efficiency – in the direction of the above nine secrets has all its initial

conditions right. But if the external environment is hostile, if the rest of the world does not want one to be successful, it can be very difficult. In other words, *national* good governance must be matched by good *international* governance: access to markets in the OECD countries, changes in agricultural policies in the OECD countries, changes in the Multifibre Agreement and the debt negotiations must all be brought about. No hand-outs (development assistance); instead there must be a matching at the international level of what we ask at the national level. In other words, the OECD countries must practice at home what they preach abroad. This was corroborated by the European experience (second column) where it was learned that trade must secure in space (international economic rules) and in time (property rights); and also confirmed in the "Ten Commandments" (third column) was that a legal framework is necessary, investment codes are important, and the opening up of OECD markets to exports from the East and the South are essential.

These then are the ten policy secrets distilled from the



empirical evidence coming out of the East Asian and European experiences, and which I have compared with the "Ten Commandments". The empirical evidence (my first column) is more complete than either the European experience or the "Ten Commandments".

A final point is the question of transfer. What can be said on the transfer of these East Asian and European experiences, particularly to Africa and, to a lesser extent, to Latin America which is already on its way? There is nothing in these policy secrets that is so specific to East Asia or to Europe that they cannot be transferred to other regions. Nothing in Africa or Latin America implies that this prescription is non-transferable. This is an important conclusion because it has been maintained by some that East and South-east Asia are so specific as to make the transfer of their experiences impossible. Thus, it can all be transferred, but in order for other regions to receive it, there must be a build-up of capacity.

Capacity-building is of the essence; one cannot just start from scratch. The point of entry on the road to increased and sustained economic growth is capacity-building, including in the domains of management and leadership.

In conclusion, I must say that the paragraphs above do not reflect everything that could be said on the topic. Many more points of importance could be raised. Politics and economics will never be a scientific game, and there is thus the element of chance which leadership in enterprises and in the public sector must seize upon. There is the question of

population growth. There is the fact that security markets are also an important ingredient.

And then, of course, Europe took centuries to develop and gather the experience it now has. That may not be acceptable nor indeed possible for the countries in the South. They are obliged to move faster, and this creates an additional constraint on them which must lead to the important discussion about redistribution of the fruits of economic growth. In that sense, Taiwan and Korea are very interesting because they did most of the redistribution before growth. It is much easier to do the redistribution of land, for instance, before growth begins, because, once started, institutions take on a rigidity which subsequently makes everything more difficult.

Finally, it is interesting, particularly in the Latin American debate, to observe that, indeed, ideologies no longer count. The ideologies of the South are dead, but they are still very much alive in the OECD countries! As Albert Hirschman once said at a meeting of the OECD Development Centre, "Is it not interesting to observe that Latin Americans are now much more pragmatic, much more matter-of-fact, much more middle-of-the-road, and that the real ideologies are to be found in the North".

## Reference

- 1 Summary of an OECD Report on the same subject. The Organization for Economic Co-operation and Development (OECD) comprises the 12 European Community countries and 12 other countries, including Australia, Canada, Japan and the United States.

# Structural Adjustment Programmes in Africa: Lessons from Ghana and Nigeria

*S N-A Mensah of the Department of Economics, University of Swaziland, examines the implementation of Structural Adjustment Programmes in Africa and issues a word of warning.*

The economic development efforts of most Third World countries, like those of Ghana and Nigeria, seem to have gone through three phases, starting with the colonial era. During the first phase, these Third World countries were colonies of Western powers, which ran a mixed, but predominantly market-oriented economy. The level of economic activity and the rate of economic development were therefore determined mainly by market forces.

Political independence ushered in the second phase, which continued with the mixed-economy system but with more emphasis on Keynesian-type macroeconomic planning from the centre and direct participation of government in production and distribution. Therefore, with economic power in the hands of the state, a conscious effort was made to transform the economy along what was considered to be "desired lines".

The third phase, which seems to have evolved more from outside than from within, seeks to abolish planning from the centre and direct participation of government in economic activities and to promote the role of market forces in shaping the future of these economies. This is the phase during which the IMF/World Bank economic recovery packages, known as the Structural Adjustment Programmes (SAP) are introduced. Unfortunately the SAPs have not been revitalizing the economies of these countries. Thus, despite the accolades from Third World governments and the IMF, the people of the Third world now generally feel that SAPs are doing more harm than good.

This article shows why SAPs were recommended to Ghana and Nigeria; discusses the philosophy underpinning the recommendation; and examines how SAPs have been implemented. It also looks at what happened in these countries after SAPs were implemented and draws lessons for countries that have not yet been formally given the SAP treatment.

## Why SAPs are being recommended?

SAPs are being implemented because they are supposed to be the panacea for balance of payments problems, budget deficits, inflation, unemployment, external debt and various other distortions in the domestic economy. For most developing countries these problems were either unknown at the time of political independence or, at worst, existed only as minor ailments. Why have these problems escalated so drastically in the developing countries in recent years? The administration of the Ghanaian and Nigerian economies after independence provides useful insights in this respect.

## The Ghanaian case

As an independent country, Ghana had a fairly good start – especially in comparison with other countries on the continent. The average income of about US \$200 in the late 1950s was one of the highest in black Africa. There were a substantial number of import substitution industries in operation and the financial system was well established and expanding. The struggle for independence had increased political awareness, and this was speeding up the process of modernization. Though dualistic, the economy was essentially rural with the agricultural sector contributing more than half of the GDP and employing more than three-quarters of the labour force. The economy was open and cocoa, the main export crop, provided about 60 per cent of total foreign exchange earnings; imports consisted mainly of capital goods and many kinds of consumer goods.<sup>1</sup>

After political independence, the government felt compelled to produce the miracles it had promised. This was how Nkrumah himself put it: "We cannot tell our peoples that material benefits and growth and modern progress are

not for them. If we do, they will throw us out and seek other leaders who promise more. And they will abandon us, too, if we do not in a reasonable measure respond to their hopes.”<sup>2</sup> What Nkrumah desired was the rapid development prescribed by the Soviet model. However, achieving it presented a number of problems. On the one hand he appealed for aid and invited foreign private investment; but on the other he inveighed against neo-colonial foreign domination, starved the private sector of imported raw materials, spare parts and equipment, and used exchange controls to prevent the repatriation of after-tax profits.<sup>3</sup> Meanwhile the state was participating in all aspects of economic activity: production, distribution, construction, banking, insurance, etc.

Within nine years of political independence, many import substitution industries and trading companies had collapsed. Shortages of all essential consumer items were common. All prices rose, but wages failed to keep up; unemployment grew; and the balance of payments deficit and government budget deficit increased. The result was that the coup of February 1966 was welcomed by most Ghanaians.

The main objectives of the National Liberation Council (NLC) government was to restore the economy and then hand over to an elected civilian government. The IMF advisory team recommended a strategy of deflationary fiscal and monetary policies. Public sector expenditure was reduced to improve both the balance of payments and the budget deficit. Private enterprise was encouraged and import licences for raw materials and spare parts were provided. Moves were also made toward trade liberalization. It is interesting that these policies were not much different from the SAP package that was to be implemented in the 1980s.

The economy was far from healthy when the NLC handed over to the newly elected Busia administration in October 1969. Nevertheless the government recognized this and sought to address the problems of growth, unemployment and inequity between rural and urban areas. It substantially raised domestic investments and saving rates, promoted exports and tried to attract more external assistance, accelerated the Ghanaianization of the economy, placed special emphasis on rural development and liberalized imports. The resultant high public expenditure on agricultural and other rural development programmes and the large import boom brought excessive pressure to bear on the balance of payments. When cocoa export earnings declined by 28 per cent in 1971, the government reacted by devaluing the cedi by 90 per cent in local currency terms (44 per cent in dollar terms). This adjustment factor was the main excuse for the coup of January 1972, which brought the National Redemption Council (NRC) to power.

The NRC partially revalued the currency (reducing the devaluation from 44 to 29 per cent in dollar terms), but imposed price controls and restricted imports. The government also unilaterally repudiated some of Ghana's foreign debts that they suspected of being tainted with corruption. The “Operation Feed Yourself” campaign was launched to boost domestic agricultural production. These measures improved the balance of payments position and the net external re-

serves rose from C18,7 million at the end of 1971 to C142,4 million at the end of 1972 and then to C235,1 million at the end of 1973.<sup>4</sup>

The government, however, soon lost control over the economy: by the end of 1974 external reserves had dropped to C26,1 million, the price control system was breaking down and prices were rising sharply. Corruption became commonplace as army officers blatantly amassed wealth. A reorganization of the NRC into the Supreme Military Council (SMC) did not improve matters; nor did the palace coup, led by General Akuffo, which brought into office the SMC II. Ill feeling toward the higher ranks in the army grew to such an extent that the junior officers and the other ranks undertook a house-cleaning exercise, which unseated the SMC II on 4 June 1979. Flt Lt J J Rawlings emerged as the Chairman of the Armed Forces Revolutionary Council (AFRC).

The AFRC re-introduced price controls and initially had everything in the shops sold out at reduced prices; the money supply was reduced considerably to control inflation; and punishment was swiftly meted out to those judged to have misruled, misdirected or in any way sabotaged the economy. By the end of four months the AFRC considered its work to have been done and thus handed over power to an elected government – the People's National Party (PNP) government of Hilla Limann – on 24 September 1979.

By that time the economy was battered and abused: the till was empty, the shelves were empty, the transportation system existed only in name, and, more alarmingly, both skilled and unskilled Ghanaians were leaving the country in droves.<sup>5</sup> In addition, the cocoa price was low; the rate of inflation was about 70 per cent and unemployment was high and rising.

The government was under a great deal of pressure to spend money in order to create credibility: there was a need to increase the low wages and salaries (to motivate workers), to increase imports (to stock the empty shelves and the silent factories), to increase the producer price of cocoa and other commodities (to reduce smuggling), to strengthen the education system (to maintain standards), to service foreign debts (so that Ghana would remain credit-worthy), to prevent health services from collapsing, etc. The 1981 budget therefore had a record deficit of C4243 million.

Parliament rejected this budget on the grounds that it lacked long-term purpose and did not address the fundamental and urgent problems of the country. It became clear that only massive foreign assistance, which was not forthcoming, could save the country. In the confusion that ensued, the PNP government was toppled on 31 December 1981 and Flt Lt Rawlings returned to power as Chairman of the Provisional National Defence Council (PNDC).

When it became clear that the PNDC's initial strategy of committees (or “organs of the revolution”) and slogans were not improving the state of the economy and that what was needed was massive foreign assistance, the government abandoned its initial “leftist” posture and moved closer to the IMF conditions, which it had earlier rejected, to the

relief of many Ghanaians.<sup>6</sup> It should be noted that the government's Programme for Reconstruction and Development, announced in December 1982, and later renamed Economic Recovery Programme, was, in fact, a Structural Adjustment Programme, for its agenda included "the restructuring of the basic institutions of the economy".<sup>7</sup>

## The Nigerian case

But for minor local details, the general pattern of post-independence developments within the Nigerian economy prior to the civil war of 1966–1969 and the oil boom of the 1970s was not much different from that of Ghana. The civil war provided justification for increased defence spending, while the oil boom supplied a windfall that supported incredibly high levels of public spending, subsidized imports and conspicuous consumption.

The management of the Nigerian economy during the oil boom can best be described as anomic. And this was the main cause of the crisis that led to the imposition of the SAP in the late 1980s. Despite the fact that the government spent billions of naira on the Green Revolution Programme and the River Basin Authorities, food production failed to increase, with the result that food had to be imported. The food import bill rose from N18,8 million in 1979 to N1,16 billion in 1980.<sup>8</sup> The government seemed to be so overwhelmed by the revenue streaming in from the oil sector that it acted as if Nigeria's main problem was finding a way to spend all its money.

Almost overnight there was a proliferation of consultants, contractors and middlemen whose role, amidst the general lack of discipline and corruption in the system, is seen by Usman as "one of the basic causes of the current economic crisis".<sup>9</sup>

Bangura,<sup>10</sup> however, argues that Nigeria's incorporation into the world capitalist system provides the main explanation of the crisis, since disciplined and well-managed capitalist economies such as the United States, France and Britain are experiencing crises of unemployment, inflation, balance of payment deficits and declining or negative growth rates. Though he concedes that the contract, consultancy and middleman system was grossly abused in Nigeria, he maintains that "we can only understand the role of contractors and consultants in the current crisis if we locate them within the context of the general dynamics of the world capitalist economy".

It is difficult to understand why Nigeria should have been borrowing at a time when its problem was not money, but how to spend it. As reported by Kwanashie, Mensah, *et al.*<sup>11</sup>

Nigeria's debt problems as they appear today seem to have started about a decade ago when Nigeria ventured into the Eurodollar market for the first time to secure commercial loans as opposed to the traditional World Bank project-tied loans. At the height of the recovery of the petroleum market between 1979 and 1981 when Nigeria's credit rating naturally rose to a crescendo, the civilian administration, in an attempt to exhaust to the full Nigeria's loan credit rating which was supposedly under utilized up till then, *acquired loans without due regard to effective utilization.* (Author's emphasis.)

Soon the short-term trade arrears mounted and could not be honoured. The consequent lack of credit seriously disrupted economic activities. By April 1982, when oil prices started falling, the federal government was formally admitting that Nigeria was experiencing a serious economic crisis. Not even the austerity measures, General Buhari's coup and subsequent War Against Indiscipline (WAI) and reductions in the salaries and wages of government employees could prevent the crisis from deepening.

External assistance was seen as the only way out. However, to get this assistance Nigeria needed to "earn the goodwill of its external creditors by accepting and adopting corrective measures 'inspired' and directed by the surrogates of the creditors – the IMF and the World Bank".<sup>12</sup>

The post-independence situations in most Third World countries led to crises similar to those experienced in Ghana and Nigeria, and the IMF/World Bank has similarly prescribed the same antidote: Structural Adjustment Programmes, seen as the only solution because of the philosophy of the creditors of whom the IMF and World Bank are surrogates. The next section will discuss this philosophy.

## Theoretical underpinnings of SAPs

The philosophy underlying structural adjustment programmes is that the free play of market forces with minimal or no participation by government in economic activities may help Third World countries out of their problems: excessive dependence on one or a few export commodities, chronic lack of self-reliant growth and development, serious balance of payments disequilibrium, large and growing government budget deficits, low productivity, stagflation, etc. The strategies that have been adopted for the implementation of SAPs – restricted growth rate of money supply, floating exchange and interest rates, reduction in budget deficits, elimination of government subsidies, privatization or commercialization of public enterprises, etc – show that the idea of SAPs is based on the aggregate demand management thesis of the Monetarist School.<sup>13</sup>

One basic assumption of this thesis is that markets are developed to an extent that permits reliance on market forces for efficient allocation and co-ordination of resources and economic activities. This means that prevailing prices of resources and commodities that reflect their scarcity rating – exchange rates, interest rates (including rents), wages, profits and commodity prices will all be determined in the respective markets. As we shall later see, the fact that this assumption does not hold in Third World countries is one reason why SAPs have not produced the expected relief. In fact, even in the advanced capitalist countries the independent and unco-ordinated decisions of producers and consumers can create problems of over-consumption and under-production. It is this realization that made Keynes recommend an interventionist state to regulate the level of demand through fiscal and monetary policies. What this means is that SAPs may not even work in developed capitalist countries. Is it not interesting that despite its huge budget



and trade deficits and serious stagflation, the United States has not yet been given the SAP prescription.

Keynesians see unemployment (compared to inflation) as the greatest problem and recommend fiscal policies for its elimination. Monetarists, however, put the emphasis on inflation, which they believe is caused by the state's failure to regulate the money supply. That is, excessive government expenditure financed by public sector borrowing or printing of excess money is seen as the major cause of inflation. In other words, excess aggregate demand is a direct function of monetary expansion. They reject the wage-push thesis of Keynesians as an adequate explanation of inflation on the grounds that the "capacity of workers to push for high wages is conditioned by the state's policy of making money available through government expenditure and other means; that workers ask for more wages because they see money all over the place".<sup>14</sup>

The arguments of monetarists in respect of the primacy of inflation could be summarized thus: inflation affects the balance of payments, the level of unemployment and the rate of growth because an increase in the money supply results in claims by workers and other income groups for higher wages and salaries; this reduces the profits of industrialists and therefore their ability to increase investment, which then leads to declining growth rates and unemployment. This, therefore, means that the workers and other income earners are seen as the agency through which excessive government spending is translated into general economic crises.

Since inflation is seen as a monetary phenomenon, its effective control would require deflation of consumption expenditure and restriction of credit expansion. This calls for a reduction of budget deficits and deregulation – and these are euphemisms for reduced social expenditure and increases in all prices, except wages. This apparent contradiction of curing inflation by strategies that cause all groups of prices, except one, to rise results from the fact that "the classical/neo-classical monetarist theory ... focuses mainly on the demand aspects of the national income balance while ignoring the aggregate supply side".<sup>15</sup> For example, when the SAP was implemented in Nigeria in 1986, the rate of inflation was estimated at 300 per cent, compared to 5,5 per cent in 1985.

The SAP recommendation of interest rate deregulation also rests on theoretical issues that deserve attention. Keynesian theory makes saving a positive function of income, and investment a negative function of interest rate. High interest rates would therefore lead to low investment, low output and high unemployment. Monetarists, however, like classical theorists, make saving a positive function of interest rate and recommend high interest rates to stimulate domestic savings. The low capacity utilization, rising importation and high unemployment in both Ghana and Nigeria after the introduction of the SAP, all question the validity of the monetarist position.

The deregulation of interest rates and the floating of exchange rates also suggest that internal balance could be attained through external balance. The liberalization of the

foreign exchange market was expected to increase the exchange rate (indirect devaluation), increase import prices and thereby have deflationary effects on aggregate spending in the domestic economy. This would reduce excess aggregate demand, the main cause of inflation in the monetarist paradigm, and move the economy toward internal balance. Meanwhile, the high import prices would also reduce the volume of import and therefore cause a movement toward external balance. This explains the position that "the overall aim of SAPs ... is to cause a balance on the current and capital accounts through the foreign exchange market deflationary measures and foreign exchange savings which would be utilized for external debt repayment".<sup>16</sup> This helps to show why the SAP is said to have improved the Ghanaian economy. Improvement here means that Ghana is now able to meet her debt repayment obligations.

It should be mentioned in concluding this section that strong reservations have been expressed on both sides of the Atlantic about the applicability of neo-classical theory for policy formulation in Third World countries, such as Ghana and Nigeria. On this side of the Atlantic, Aboyade<sup>17</sup> maintained that the problems of Third World countries, in general and those of Nigeria in particular, cannot be usefully grafted on the neo-classical edifice, not only because of its mechanistic nature but also because of its unrealistic assumptions. And on the other side, Gordon<sup>18</sup> observed that it has always been startling that the accepted province of neo-classical theory has little room for the personal distribution of income and virtually none for the personal distribution of wealth. And yet these aspects in which neo-classical theory is lacking are the ones that should be uppermost on the agenda of Third World countries.

Whether these reservations have been justified in the case of SAPs will be considered below.

## SAP in action

Because SAPs are market oriented, their implementation brought an end to medium term economic planning. Annual budgets therefore became the only plan document. This has created a problem for the governments that have tried to implement SAPs. The lack of projections derived from medium-term planning exercises, mean that there are no economic indices against which budget performance can be compared. Assessments are therefore made against the criterion of the creditor nations and the IMF and World Bank, which is the debtor country's increased ability to service loans. And both Ghana and Nigeria have been commended on the basis of this criterion.

Market orientation also means privatization and/or commercialization of public enterprises and public sector services. As the subsidies these enterprises were receiving were removed in both Ghana and Nigeria, the prices of energy (especially electricity and petroleum products), water, transportation, health services and even basic education all went up. Nigeria even took the very drastic step of eliminating all agricultural commodity marketing boards. In

appraisal of this action within the context of SAPs, Ojowu and Mensah<sup>19</sup> argue as follows:

Abolishing the Marketing Boards may seem to fall in line with the philosophy of privatization which the Government has completely accepted, but handing over by the sale, or other means, some of the existing institutions to the private sector is one thing; eliminating the Marketing Boards is quite another. The elimination of the Boards creates a vacuum because there are no properly organized private institutions to take over the functions of the marketing arrangements being eliminated. In the first instance, we wish to recall that the Marketing Boards came into being because of the unsatisfactory role played by the then private intermediaries ... and the Government has so far not put forward any known policy to improve the role of private intermediaries before the sudden elimination of the Marketing Boards.

It should also be pointed out that concepts of demand and supply, or the concept of market which these two forces represent, have no meaning in themselves unless there is an institutional framework that provides for their proper functioning. Historically, the development of institutions has formed the precondition for the proper and effective operation of the forces of demand and supply. This is to say that demand and supply operate under institutional guidelines. The "invisible hand", implying deregulation, did not appear meaningful until the late 18th century when Western economies ... shifted from commercial to industrial capitalism, when problems associated with the sale of mass-produced goods confronted the economies concerned. In other words production structures became fully developed before the invisible hand was emphasized to deregulate and allow for free trade (ie free trade of what was produced given the underlying stable production structure).

The argument quoted above indicates that the SAP package was being implemented in economic environments that were not quite ready for it. If the argument is valid, then SAPs will not achieve their aim of reducing inflation and increasing employment and output. This will be taken up below.

Another important step in the implementation of SAPs was the floating of foreign exchange rates. The main feature here was the auction system that was adopted in both countries for allocating foreign exchange. The two-window (two-tier in Nigeria) system, which was initially implemented, later merged into a single system in Ghana; and in Nigeria, a similar merger, the Second-Tier Foreign Exchange Market (SFEM) became the Foreign Exchange Market (FEM). Individuals were also allowed to operate Foreign Exchange Bureaux (Forex Bureaux) where foreign exchange is freely bought and sold at prices determined by supply and demand. This floating of foreign exchange rates produced the expected results: the exchange rate between the pound sterling and the cedi was £1 = C5,00 in 1981; in 1986 it was £1 = C600,00; in 1993 it is £1 = C960,00. The naira has not fared any better. In April 1985 the exchange rate between the US dollar and the naira was \$1 = N0,9009; in June 1986 it was \$1 = N4,00 in 1993, it is \$1 = N25,00.

The continuous devaluation of these currencies has had serious effects on prices, consumption and the general welfare of Ghanaians and Nigerians.

## The aftermath of the SAPs

No time limit was given for the implementation of the SAP in Ghana, but in Nigeria the timing was specific: between

July 1986 and June 1988. Since the adjustment started earlier in Ghana (1983/84), it is reasonable to assume that both countries are now in a post-SAP phase. What changes have taken place in these countries?

Immediately after the implementation of the SAP, Mensah<sup>20</sup> speculated on the prospects for the Ghanaian economy. In line with the classic thesis that government is at its best when it governs the least, the government sector started shrinking under the SAP through commercialization of public enterprises and retirements, redeployments and retrenchments in the public sector. It was expected that as the government weeded out surplus labour, those who were kept in their employment would be paid higher wages/salaries. This did not happen.

Though government sector employment declined considerably, salaries remained out of step with the private sector. After several negotiations and strike threats, public servants went on a strike in August 1992, and received the salary increase they wanted.

Strikes have been a characteristic feature of the post-SAP era, especially in Nigeria, where 1992 will go down as the worst year for nation-wide strikes and other civil disturbances associated with economic grievances. In regard to the disturbances that followed the removal of the oil subsidy and the consequent increase in petroleum product prices, President Babangida is reported to have said:

The disruption and destabilizing consequences of fuel subsidy withdrawal was undesirable at present and the government, weighing the economic gains of withdrawal against the reality of the disorientating socio-political consequences, needed time to properly educate Nigerians on the intricate issues involved.<sup>21</sup>

The Nigerian economic crisis seems to have deepened despite the seven-year-long SAP. The problems that the SAP were expected to solve or, at least, alleviate, are still as disturbing as they were in 1986, if not more so: unemployment is reported to be increasing; capital utilization in industries is said to have been between 30–40 per cent in the last three years; the unofficial inflation rate is above 90 per cent; while the official figure is 33,7 per cent; agriculture, the sector that has been acclaimed for doing well under the SAP, grew by only 2,5 per cent in the first six months of 1992, as against 5,5 per cent in 1991; and the government budget deficit for 1992 was N43,8 billion. Yet, because of the external pressure, the SAP cannot be abandoned for something else.

The chairman of Nigeria's Transitional Council and the Head of Government still speaks of "fine-tuning the structural adjustment programme".<sup>22</sup> This "fine-tuning" will include the imposition of selected tariffs on imported products, thereby protecting home-based industries and thus reducing the high cost of funds, seeking debt relief from Western creditors, etc. This, surely, is an anti-SAP "fine-tuning", or is it a regulated SAP?

The path along which the SAP package has taken the government and people of Ghana has not been easy either, though not as rough as that along which Nigeria was taken. However, under civilian rule the situation might change. Reactions to

the 1993 budget, which is still couched in SAP terms, is a pointer in this direction. The budget with its centrepiece of a 60 per cent increase in the price of petrol at a time when the world market price has remained stable, has been described as “satanic”, “wicked”, “insensitive”, “myopic and counter-productive”.<sup>23</sup> In the typical style of monetarists, the PNDC Secretary of State for Finance and Economics Planning blamed workers, who had recently benefited from pay increases, for the fuel price hike and for the consequent need to “pursue a major tightening of the fiscal and monetary policies in 1993 in order to bring the financial programme back on course”.<sup>24</sup>

The Trade Union Congress (TUC) and opposition groups have condemned the budget and called on the government to review it. Will Ghanaians “reject the budget, resist its austerity measures and fight for a new budget that would be socially and economically more sensitive to the conditions of the people”, or will they accept the austerity measures with the traditional Ghanaian sense of humour and let it be? The position of the TUC is that the government should “take another look at the budget, or else prepare for the wrath of workers”.<sup>25</sup>

After almost a decade of SAP measures, the present state of the Ghanaian economy is far from healthy. Some structures in the economy have definitely been adjusted, but their adjustment has not been translated into a favourable economic environment. Debt repayments have not been a problem for the government, but old problems, just as in the case of Nigeria, have not been done away with: in 1992 the government had a budget deficit of C176 billion; the unemployment rate is higher than ever; figures for inflation become obsolete before they are published; and capacity utilization is virtually non-existent as cheap imports replace domestic products on the market.<sup>26</sup> Meanwhile Ghana has qualified for new loans. The present state of the economy clearly shows that more loans mean an increasing debt burden, not economic recovery.

The Ghanaian SAP continues to be presented as a success story, and this may lure other Third World countries into experimenting with SAPs. African countries thinking of adopting an SAP should closely examine the lessons that can be learnt from Ghana and Nigeria.

## SAPs in Ghana and Nigeria: Some lessons

A SAP is a prescription for treating a country with a serious economic illness, and for that reason it is not something to be desired. African countries that have not applied SAPs and have managed their economies so far, whatever their problems, may be better without them. For SAPs have not demonstrated a capacity for dealing with the economic problems of African countries.

As noted earlier, SAPs have a solid theoretical base. The problem seems to be that the assumptions on which this theory are based do not hold for African economies. The experiences of Ghana and Nigeria indicate that the production base and the markets are not developed enough to make

African economies benefit from the onslaught of international competition that an SAP unleashes. And once these become developed, SAPs may be unnecessary anyway.

The failure of SAPs to address the basic problems of African economies, as the Ghanaian and Nigerian experiences show, may be an indication that the structures that the SAP adjust may not be the relevant ones. The concept of the structure of an economy can be compared to that of a building. The framework that supports a building and ensures that the building does not collapse is what the engineer calls the structure of the building. The parallel concept for the economy should refer to the forces and relations which hold the economy together, not to the sectoral contributions to GDP.<sup>27</sup> Changing the concept of structure may improve the performance of SAPs.

Another structure that should be included in the adjustment is the attitude of government, or maybe, just human nature. For, the governments that implement SAPs and require their people to endure hardships for a better tomorrow, are the same governments that keep running excessive budget deficits and thus perpetuate the suffering of their people.

When does structural adjustment stop? This is a difficult question to answer because SAPs seem to have no time limit. Thus, both in Ghana and Nigeria, the governments have not been able to indicate how much adjustment has taken place, how much is left and how long it will take. There should be a time limit to the adjustment process.

One factor that does not seem to be included in the calculations for SAPs is the reaction of citizens, especially workers. President Babangida has lamented over “the disruption and destabilising consequence” and Dr Botchwey has blamed workers for pay increases that “were forced upon the government in a piece-meal and sometimes even violent manner”. African countries that are considering SAP should add this important cost.

Finally, the point has been made that SAPs made Ghana and Nigeria qualify for more loans, but more loans did not bring economic recovery; it brought an increased debt burden. It should be remembered that banking is a business; SAPs are on sale. *Caveat emptor* – African countries, beware!

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# Structural adjustment: A review of the state of the art

*Dr Stef Coetzee of the Africa Institute of South Africa and Mohammed Jahed of the Development Bank of Southern Africa, review the case for and against Structural Adjustment Programmes, arguing that Africa needs both.*

In contemporary Africa few topics elicit a sharper debate than the effects of Structural Adjustment Programmes (SAPs) on economic development. Of the 183 structural adjustment and sectoral adjustment loans granted since 1989, sub-Saharan Africa (SSA) accounted for 84. The World Bank/IMF configuration and the supporters of free market policies often describe the success of SAPs in glowing terms: the progress with trade liberalization, privatization, institutional reform of the public sector and the reduction of the role of the state in the economy. According to this group of analysts SAPs have been instrumental in the achievement of higher rates of economic growth in developing countries – a view bitterly disputed by the critics of SAPs.

The critics of SAPs argue that these programmes have not succeeded in achieving their objectives; or have done so in a very limited way. According to the latter view, the economic crisis in Africa has deepened during the past decade, and owing to falling per capita incomes living standards have deteriorated even further during the latter period. In short, Africa is the only continent where poverty is expected to increase during the 1990s, while open unemployment in the cities, the staggering debt of the continent, the aids pandemic, food shortages, agricultural reforms notwithstanding, and the reduced flow of resources to the continent point to increasing marginalization and delinking from the rest of the world. The biggest concern of the above group of analysts is the effect of cutbacks in spending on human development. These cutbacks threaten to undermine the progress that has been made in the field of human development since the 1960s.<sup>1</sup>

The above diverging stances on SAPs stem from the following:

- different definitions of development: some economists maintain that development should be defined as an increase in the level of output/per capital income of a

country (the growth school); while others define development as a comprehensive process of human development and socioeconomic transformations;

the schools of thinking on economic development also differ in the way they analyse the problems of development: the neoclassical school emphasizes perfect competition, equilibrium analysis, and the laws of supply and demand; the structural economic school emphasizes the economic bottlenecks preventing optimum output; and the human development school focuses on the improvement of human capabilities and capacities and investment in human capital as the key to economic development.

This article reviews the rationale for implementing SAPs, the objectives of SAPs, the experience with SAPs to date, the policy responses to SAPs and presents the case for both structural adjustment and transformation within the African context. The view is presented that much of the criticism levelled against SAPs has been focused on the orthodox SAPs introduced in the early 1980s and that very little recognition is given to the policy developments brought about by the World Bank/IMF and the donor community since then. On the other hand, it is argued that SAPs have not come to grips with the specific sociopolitical and economic conditions in Africa.

## The reasons for implementing SAPs

Controversy exists regarding the prime reasons for the need to implement SAPs in SSA and other developing countries. Some observers regard the domestic economic woes and economic mismanagement of these countries as the main problems underlying the economic crisis. Others regard the external economic shocks as the main cause of their economic predicament.<sup>2</sup> A third opinion is that Africa's economic problems are the result of both external and internal

problems, but that the internal problems seem to predominate. The lastmentioned view is increasingly supported by pre-eminent Africa scholars.<sup>3</sup> A fourth view is that Africa has very deep-seated socioeconomic and political problems and that nothing short of a total transformation will elevate Africa to higher levels of development.

However, it was primarily the economic and financial crisis of Africa that led the World Bank/IMF to embark on SAPs. The external shocks that led to the implementation included the declining prices of the major export commodities of developing countries, the increase in real interest rates across the world and the fact that international capital flows, and especially the commercial ones, came to a virtual standstill in the early 1980s, which in turn had a direct bearing on the debt situation of developing countries. The effect of these shocks was threefold: lower commodity prices and higher interest rates reduced disposable income; the cost of borrowing increased and the scarcity of foreign exchange rose; and inflation increased as a result of the inflationary financing of public debts. The external debt of SSA and some Latin American countries therefore increased to unmanageable proportions.<sup>4</sup>

The debt crisis in Latin America and Africa, following the oil crisis in the 1970s and a period of low economic growth internationally, plunged many developing countries into an economic crisis towards the end of the 1970s. In Africa per capita incomes (and living standards) started falling, food production declined and the first signs of deindustrialization became visible as prices of primary commodities fell and output declined. Overvalued exchange rates encouraged imports and discouraged exports and the terms of trade deteriorated, thereby causing increasing balance of payments problems. In some countries inflation soared in the wake of the higher oil and grain prices and the inflationary financing of public deficits.<sup>5</sup> Macroeconomic imbalances arose from overly expansionary fiscal policies made possible by external borrowing before the economic crisis and distorted incentive systems.

The debt-burdened countries turned to the IMF and World Bank for assistance. These institutions realized that the debt problems were just the tip of the iceberg and therefore designed SAPs in an attempt to correct macroeconomic distortions and imbalances.

## **Orthodox Structural Adjustment Programmes: Their objectives and contents**

The objectives of orthodox adjustment policies are as follows:<sup>6</sup> to stabilize the economy, improve the allocation of resources and to thereby raise the level of output and income; and to achieve a higher level of savings and a more efficient use of capital in order to raise the rate of production growth. Streeten<sup>7</sup> cites the objectives of structural adjustment as the reduction or elimination of balance of payments deficits; the resumption of higher rates of economic growth; and the achievement of structural changes that would prevent future payments and stabilization prob-

lems. It includes a reassessment of the medium-term investment programme, diversification of exports (and hence reform of the trade regimes), a reduction of the bias against exports, a reduction of import protection, domestic resource mobilization, the introduction of price incentives and the improvement of the efficiency of resource use.

Structural adjustment is directed at reducing internal and external deficits, increasing efficiency in the economy, and reducing government expenditure. The following typical measures are included under structural adjustment:<sup>8</sup> Changing the exchange rate to make exports more profitable and imports more expensive; reducing government payrolls; privatization of government-owned enterprises that are bankrupt or inefficient; raising agricultural prices closer to world markets to encourage agricultural production; and reducing subsidies both on consumption items and to producers.

The shift from project lending to structural adjustment lending was mainly due to the World Bank experience regarding the importance of the policy environment for development projects and programmes and the importance of avoiding financial constraints. Structural adjustment lending is non-project lending aimed at bringing about policy and institutional change to modify the structure of the economy so that it can promote sustained growth and maintain balance of payments stability. It therefore includes institutional reform to support economic reform, to reduce the role of the public sector, to rationalize or privatize state owned enterprises and to reduce fiscal deficits. As a policy instrument it was positioned between the IMF short-term financial stabilization programmes and policy instruments such as interest rates, tax policy, subsidies exchange rates and incentives that focused on demand management and the long-term project lending of the World Bank. Whereas the initial SAPs were mainly aimed at macroeconomic reforms, the scope was broadened very soon to include sectoral reform policies to give effect to the above objectives of SAPs.

## **The experience with, and critique on, SAPs**

### **SAPs and economic growth**

The contribution of SAPs to promoting economic growth is by no means certain. Onimode<sup>9</sup> notes that in Africa the growth rate of per capita GDP has fallen from 3,03 per cent in 1978 to 0,88 per cent between 1978 and 1988, while the investment ratio has declined from 25,2 per cent to 15,5 per cent over the same period. By the end of the 1980s the GDP growth was expected to decline even further to reach levels of 0,9 per cent and 0,7 per cent in 1996 and 1997 respectively. With population growth still at 3,0 per cent per annum, per capita income is expected to decline to -1,7 per cent during the period 1990-1992 and -2,4 per cent during the period 1993-1996, while the resource gap in Africa is expected to rise from 13,9 per cent to 15,2 per cent.

A recent World Bank study<sup>10</sup> on the contribution of SAPs to economic reform is illuminating. All the countries in SSA and all low-income countries were divided into three groups: the early intensive adjustment countries (EIAL) that

received structural adjustment loans before 1986; the other adjustment lending countries which received loans after 1985 (OAL) (they received only a few loans before that time); and those countries that did not receive structural adjustment lending (NAL).

It is interesting to note that the SSA countries in the first two groups (EIAL and OAL) entered the 1980s with weaker economies than NAL countries – they had higher inflation rates, higher debt burdens and lower rates of economic growth. In the early 1980s (1981–1984) both the GDP growth and investment ratio of the EIAL and NAL countries deteriorated and the growth rate for the OAL countries stagnated.

Analysis of the EIAL countries for the periods before and after World Bank adjustment programmes started (ie comparisons of the periods 1981–1984 and 1985–1989) respectively showed improvements in real GDP growth, export to GDP ratio, saving to GDP ratio and a fall in inflation. In the OAL and NAL countries GDP growth, investment to GDP growth and export to GDP ratio fell between the above periods. The NAL countries experienced a substantial increase in saving to GDP ratio and a large fall in inflation.

Since the above analysis does not give an accurate picture of the contribution of the World Bank adjustment programmes, an econometric methodology, which includes a modified control-group statistical framework, was used to determine the marginal contribution of World Bank structural adjustment to economic performance. In the case of countries in SSA there is a strong indication that the SAPs have contributed to improving exports in a significant way, which is not surprising given the emphasis of most countries on exchange rate and trade policies reform. However, SAPs have not significantly affected economic growth and have led to a statistically significant drop in investment ratio.

Included among the reasons for the less than desirable impact of SAPs on economic performance, cited by the World Bank study,<sup>11</sup> are: the time needed for factors of production, after years of distortion in relative prices, to identify more productive opportunities and to make the shift; the below average success with the implementation of conditions and the possibility that SAPs had been too ambitious and included too many conditions; and the possible decline in capacity utilization induced by import compression, precipitated by fiscal and monetary retrenchment required by the programme.

The above study also concludes that more explicit consideration should be given to the initial conditions of SSA countries in the design, emphasis, and scheduling of adjustment programmes. A redefined and more important role for governments in reforming African economies is called for. Fiscal and monetary retrenchment is regarded as “still indispensable”, but it is critical that more public investment in infrastructure, human capital, and agricultural technology, to generate supply response, takes place. Policy reforms should also be made more credible to the private sector and programme implementation should be improved. Governance and political stability are regarded as critical in influencing the adoption, implementation, sustainability and credibility of SAPs.

## SAPs and social development

Considerable progress has been made with human and social development in developing countries since the 1960s. However, the decline in economic growth in the late 1970s, the debt burden and the cutbacks in social spending under structural adjustment regimes had a pronounced effect on human development in the 1980s. Between 1972 and 1983 government expenditure on education and health in low-income developing countries declined from 15,2 per cent to 4,2 per cent and health from 6,1 to 2,7 per cent.<sup>12</sup> In Africa unemployment and underemployment increased persistently in the 1980s and open unemployment became pronounced in the cities. Emmerij<sup>13</sup> concludes that adjustment has been heavy on education, less important for health, and significant on public investment. He also points out that it is not only the “soft sectors” that have been hard hit, but also physical investments.

For most of Africa and Latin America the 1980s were a development disaster. In many parts of Africa poverty worsened and development goals gave way to the economics of survival, with the emphasis on debt servicing, domestic cutbacks and austerity.<sup>14</sup> Living standards in Africa are currently about 75 per cent below their 1980 level,<sup>15</sup> while unemployment among school leavers is about 60 per cent. The growth rate of school enrolment fell from 8,7 per cent in 1975 to 2,9 per cent in 1987 and primary school enrolment declined in many countries under structural adjustment programmes. Onimode<sup>16</sup> therefore states that

... the human toll of structural adjustment programmes on women, children, and the vulnerable poor in both rural and urban areas has been absolutely catastrophic .... These grim statistics of patent failure belie the claim that adjustment generated growth in Africa during the 1980s.

## Some general criticism of SAPs

The most fundamental criticism of SAPs came from the authors of the *African Alternative to Structural Adjustment Programmes (AFSAP)*<sup>17</sup> at the Economic Commission for Africa. They questioned the rather narrow economic and financial focus of SAPs and cited the following as some of the underlying causes for Africa’s social and economic crisis:

- A production structure which produces commodities that Africa does not need, while it depends on other people for the production of its own needs.
- The predominance of subsistence activities.
- A base for producing goods that is very small, that has no linkages within it, that uses backward and unscientific methods and has no modern machinery or technology.
- The existence of a large informal sector.
- The degraded environment.
- Lop-sided development caused by the urban bias of public policies.
- The fragmentation of the African economy into small markets.
- The openness and excessive dependence of the economies, including the dependence on external factor inputs.

- Weak institutional capabilities.
- The social structures of Africa with its deeply rooted social differentiation.
- The political environment – basic rights, individual freedom and democratic participation are often lacking in African countries.
- Social and political weaknesses have often led an acute crisis in Africa, with a breakdown of institutions, closure of institutions, lack of accountability and a failure to maintain profitability.

Given the above multidimensional nature of the African development problem, AFSAP called for a long-term strategy of structural transformation.

SAPs are also criticized by others for their lack of consistency and timing in implementation.<sup>18</sup> Kenya is pointed to as an example of a country that turned to SAPs, but apparently did not go far enough in implementing them. It is argued that Kenya may in future again have to turn to the World Bank/IMF for assistance, but that by that time the crisis may be much worse. If the World Bank were to apply its strict measures regarding countries with large budgetary deficits, neither Zambia nor Zimbabwe would have qualified for lending.

## Policy responses to SAPs

### Adjustment with a human face

In his 1985 Barbara Ward Memorial Lecture in Rome, Richard Jolly presented the case for “adjustment with a human face”. He argued that malnutrition assumed crisis proportions in the early 1980s and that falling living standards in large parts of the world, and both international and national factors which were at work, compounded the downward pressures on living standards and welfare services.

According to Jolly<sup>19</sup> the

... protection of nutritional status and other basic human needs could be monitored and considered as much a part of the objectives of adjustment as the balance of payments, inflation and economic growth.

The economic returns to investment in human resources was emphasized, while he could not be led to believe that economic dynamism can be restored when an important part of a country's workforce remains malnourished. Not every cutback in expenditure could be regarded as counter-productive, but if it is reduced below a certain level, “an adjustment process becomes absurdly counter-productive to the economic process, let alone to the political and human viability of a country”.<sup>20</sup>

The “adjustment with a human face” approach as put forward by Unicef in 1987 presented the case for including the protection of the poor and the vulnerable as part of adjustment policy. Adjustment along these lines includes five distinct elements:<sup>21</sup>

- More expansionary fiscal and monetary macroeconomic policies aimed at sustaining levels of production, employment, and general human needs satisfaction over the

adjustment period, which should be lengthened from 5 to 10 years.

- The introduction of meso- and targeted policies to ensure that a fair share of the inputs for economic growth is channelled to the poor on equitable conditions.
- A restructuring of production to give greater emphasis to generating income and productive employment for the poorer sections of the population – especially to benefit small-scale farmers, and the landless, urban informal workers, and women.
- A restructuring of government expenditures on health in favour of greater cost effectiveness and expansion of services for the poor.
- Special support programmes – often of limited duration – to protect the basic health and nutrition of the most vulnerable low-income groups during adjustment. Public works programmes and food subsidies are examples of such policies.

The above approach also makes provision for the involvement of a broader group of national and international analysts and policymakers in making decisions regarding adjustment; a broader approach to the monitoring of adjustment, including the monitoring of the human situation; and a longer time over which the adjustment programme is planned, implemented and supported internationally.<sup>22</sup>

### The World Bank, adjustment and the poor

The World Bank<sup>23</sup> also became aware of the harsh effects of rationalization and cutbacks in expenditure under SAPs:

... people thrown out of work are suddenly poor, and people living at the margin of poverty are forced below the line as food prices and other living costs rise.

They therefore convened a symposium on “Poverty and Adjustment”, involving some 17 countries, the IMF, development agencies and researchers.

At the above symposium five options to reduce poverty under SAPs were identified:<sup>24</sup>

- *Increasing access of the poor to productive assets.* The most significant way to achieve this objective is to make institutional credit available to the self-employed, small-scale enterprises and farmers. In some countries the access of the poor to assets has been improved through land reform.
- *Increasing the returns on assets held by the poor.* Increasing output prices and productivity or reducing input costs are regarded as ways to increase output and to reduce poverty. The development of infrastructure in agricultural areas, extension services and the availability of inputs and marketing facilities are other factors determining the success of small farmers in developing countries.
- *The creation of employment opportunities.* This includes an increase in occupational and geographic mobility; the promotion of self-employment through improving access to credit; training to improve productive skill and to promote self-employment; and special employment schemes such as public works programmes.

- *Maintaining human capital* through nutrition schemes for children and improving access to health services.
- *Increasing income and consumption transfers.* Here it depends on the pre-adjustment strategy being followed by a country – whether social services had been weighted before adjustment and international trade strategies had been adopted prior to adjustment. Governments are often faced with difficult policy choices between expenditure on the productive and economic sectors and on social services and targeting for the poor.

## The African Alternative to Structural Adjustment Programmes (AFSAP)

The AFSAP proposals<sup>25</sup> posed four basic questions:

- *To what should African countries be adjusting?* They suggested that a long-term view be taken to increase productive capacity; the production of indigenous factor input; and the promotion of sustainable self-reliant development.
- *What should African countries adjust?* This touches on almost all aspects of the political, social, cultural, environmental and economic setting. It includes adjustment to the forces in African society that affect people (systems of government, private sector, etc), the different ways and means of African countries to produce what people need and the goods and services vital for the welfare of the people.
- *How to adjust?* Adjustment should take place in such a way that human welfare is improved and that economic transformation can continue.
- *Adjustment for whom and by whom?* AFSAP advocates adjustment with transformation which involves access of the poor to basic factors of production; creation of employment opportunities; and improving the way national wealth is distributed throughout the population.

Policy measures to give effect to the AFSAP proposals include:

- Strengthening and diversifying Africa's production capacity through *inter alia* multiple exchange rates; processing of raw materials; development of human resources; scientific research to promote biotechnology; promotion of small-scale production in the informal sector; promotion of food self-sufficiency; investment in rural infrastructure and land reform.
- Improving the level of income and its pattern of distribution through resource mobilization, reduction of financial leakages, increasing government spending on human development to 30 per cent of the total expenditure and privatization that will benefit national businessmen and women.
- Adjusting the pattern of expenditure for the satisfaction of vital needs. Expenditure switching is proposed, away from the military to social services and the pooling of financial resources to put a number of projects in action.

- Providing institutional support for adjustment. This could include support for old institutions and establishing new ones. This kind of support includes clear legislation on property ownership, financial institutions for self-help programmes or for small farmers or cottage industries, supervised food production credit and indigenous non-government organizations.

## The road ahead

The above debate and the experience with SAPs in SSA has shown that Africa is facing an economic crisis of major proportions and the danger of marginalization and delinking. The crisis is the result of both external factors (the decline of the international economy) and domestic causes (mismanagement of the economy and erroneous policy options).

It is also clear that the mistakes have been made on both sides: There is clear evidence of mismanagement of the economy in Africa, but it is also clear that orthodox SAPs have aggravated human suffering by undercutting the progress that has been made in the field of human development since the 1960s. Objective analysis shows that SAPs have achieved mixed results – they have promoted export growth in SSA countries, but have not succeeded in bringing economic growth to the desired levels. The criticism of the AFSAP group is also valid – SAPs have concentrated heavily on the economic and financial dimensions of the crisis in Africa, thereby underestimating the complexity of the political economy of Africa, the social setting and the institutional framework which has evolved in the post-colonial era.

The issue at stake during Africa's transition to political and economic democracy is not whether it should be structural adjustment or transformation. Both are required. Economic reforms are still desperately needed to make the economies of Africa more efficient, productive and wealth creating. On the other hand, SAPs have failed to address the human dimensions of development sufficiently in SSA, notwithstanding the attempts to broaden the framework of structural adjustment in the 1980s. It is believed that these lessons are very relevant for the South Africa of the 1990s and beyond.

## South Africa: The debate has commenced

A cursory glance at the economic and developmental problems of South Africa reveals that, despite its middle-income and medium human development status and the resource endowment, technological advances, well-developed infrastructure, research capacities and management competence at its disposal, the country is saddled with many of the same problems as those African countries which implemented SAPs.<sup>26</sup> South Africa has experienced declining economic growth rates since the 1960s and negative per capita income growth in the 1990s. Savings are not sufficient to sustain a 4–5 per cent growth rate; and the gross domestic investment

to GDP ratio declined to 16,3 per cent in 1991.<sup>27</sup> Foreign borrowing is therefore needed to finance higher rates of economic growth, but the scope of foreign borrowing is limited by the ability to service debt.

Higher economic growth has often led to higher imports of capital and intermediate goods resulting in balance of payments problems and attempts by the monetary authorities to manage growth to prevent the latter problems arising. The high rate of inflation in South Africa affected the country's international effectiveness, and although inflation has started to decline in recent months, it is still high compared to South Africa's main trading partners. The authorities have therefore been reluctant to give preference to growth rather than combating inflation.

The declining level of economic growth has been accompanied by an increase in capital intensity in mining and manufacturing. Both the capital and incremental capital-output ratio have increased significantly in South Africa between 1960 and 1990.<sup>28</sup> The change in the pattern of growth of the South African economy in turn has had a pronounced effect on employment creation. The average labour absorption capacity of the South African economy has declined dramatically and only some 7 per cent of the new entrants into the labour market are at present absorbed in the formal sector of the economy, compared to 74 per cent some 20 years ago.

Unemployment has, in turn, among other factors, aggravated the skewness of income distribution and the socioeconomic imbalances and backlogs in South Africa. Although the per capita income of blacks has grown faster than those of the whites in the past decade or more, the gap remains large. The challenge posed to a future government by the huge backlogs in housing, education and social welfare is also daunting. Many of these problems have become visible in and around the major cities following the rapid process of urbanization since the mid-1980s. The rapid growth of informal settlements (some 7 million people in South Africa are living under informal conditions) and the demand for infrastructure and services created by these developments will bring additional pressures to bear on the treasury.

The transition to a new political dispensation involves finding a political solution (ie addressing the legitimacy issue); attending to stability issues (ie combating violence) and creating the conditions supportive of long-term economic growth and development.<sup>29</sup> This illustrates that South Africa faces both structural economic problems, calling for structural adjustment to gear the economy to meet the challenge of the postapartheid era, and some very deep-seated socioeconomic, political and security challenges that require nothing short of a sociopolitical and economic transformation to a new dispensation. What is needed is a new framework that will integrate adjustment and transformation within the limits posed by financial constraints, that will set realistic targets and that will present the country with a realistic time-table to undertake the above transition. Prudent political leadership and sound policy choices will be crucial in achieving the latter objectives.

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# South Africa's future: Powerhouse or poorhouse?

*Dr Erich Leistner, Resident Fellow at the Africa Institute, considers some of the aspects concerning South Africa's future role in sub-Saharan Africa.\**

## Whither South Africa?

South Africa's old political order is fading away rapidly, and the country is well on its way to becoming a more "African" country. To many, this is cause for rejoicing. Others are gloomily convinced that the country is destined to follow the rest of sub-Saharan Africa (SSA) into ever-deepening misery.

These pessimistic expectations arise largely from shaky analogies and a deterministic interpretation of human affairs as well as from prejudice. The belief in an unavoidably disastrous future follows especially from the assumption that black South Africans are still so much influenced by traditional culture that they are overwhelmed by the challenges of present-day, technology- and science-based government, administration and economy.

The following seeks to refute the validity of this viewpoint; to demonstrate that much of the prevailing pessimism is unfounded; and that South Africa's future is, in fact, still quite open. It must be emphasized, though, that the article focuses on only one of many issues bearing on the country's future, and does not venture to predict the likely course of events.

The first part of the article discusses the reasons for SSA's retrogression since independence; the second identifies crucial differences between SSA on the one hand and South Africa (SA) on the other; while the third deals with change in SA in general and in black South African society in particular.

## Why is sub-Saharan Africa retrogressing?

Many factors jointly account for sub-Saharan Africa's economic and general decline since independence, factors such as –

- that SSA had not been prepared for independence;

- its generally hostile natural environment (no other continent, for example, is equally afflicted by parasites and diseases of man and beast, not forgetting the disastrous droughts and the fragile ecology);
- its dependence on the exportation of a few, generally unprocessed, raw materials subject to long-term falling demand on unpredictable international markets; or
- the chasm between SSA's socio-cultural heritage and the demands of a ruthlessly competitive global economy.

Among the factors also blamed for SSA's decline are the colonial economic structure inherited at independence; neo-colonial dependence; lack of skills; the net outflow of capital; the crushing debt burden; and the shortage of foreign exchange. However, the spectacular progress of countries such as the Republic of China, South Korea, Singapore or Mauritius, whose levels of development had been more or less the same as Africa's in the early 1950s, leaves no doubt that the continent's failure to "take off" is not due to external and physical factors but human shortcomings rooted in historical circumstances and socio-cultural constraints.

Some African scholars and professionals point to socio-cultural factors as the foremost cause of Africa's predicament. Daniel Etounga-Manuelle, for example, a prominent engineering consultant from Côte d'Ivoire, believes that what Africa needs most, is a cultural adjustment programme. In his view, the continent's poor economic performance reflects serious cultural shortcomings indicative of an anti-evolutionary frame of mind – a mind unwilling to embrace the notion of permanent change and adaptation to the exigencies of the modern world.<sup>1</sup>

Whereas insufficient funds for development are widely seen as a foremost problem, Etounga-Manuelle plays down the significance of funds relative to the role of African culture:

It is not a question of money, because those countries which contrived to pile up large financial resources at one time or another have fared no better [than the rest]. So we should look elsewhere, at African culture, and try to understand the non-economic causes of underdevelopment.<sup>2</sup>

\* This article is based on a paper presented at the Biennial Meeting of the African Studies Association of South Africa, Broederstroom, 17–18 June 1993.



As will be shown below, given the highly adverse environment created by public mismanagement, traditional African culture can indeed act as a significant brake on development. However, the fundamental reason for the calamitous situation must be sought in its "false start". The thoughtless and opportunistic manner in which SSA was rushed into political independence, actually preprogrammed its descent into mismanagement and growing deprivation.

From one day to the other, as it were, a motley of often mutually antagonistic peoples and groups who happened to live within the same, arbitrarily demarcated, territories were expected to feel themselves a nation and to manage their affairs in accordance with the principles and practices of the old-established Western democracies.

Colonial rule had been autocratic and had afforded its subjects no experience of democratic government. Bearing in mind the long and violence-ridden road Western nations had to travel before their present parliamentary and judicial institutions evolved, the departing colonial powers were either short-sighted or cynical or both by expecting their former wards soon to function as stable and prosperous multi-party democracies.

As is well known, most of the new rulers lacked broadly based legitimacy and soon turned to personalized, autocratic rule sustained by patronage and corruption. Partly in order to strengthen their position, and partly to accelerate development and end dependence on the former colonial powers, these rulers sought to control and manage all facets of economic life.

Exacerbated by ill-suited economic advice from overseas "experts"; by wildly optimistic economic objectives; the absence of an efficient civil service; bountiful infusions of "aid" (significantly motivated by the East-West conflict); as well as the oil crises and other external shocks, this mode of government inevitably devastated the modest economic bases bequeathed by colonial rule.

The direct relationship between the mode of Africa's decolonization and its subsequent economic decay, has been demonstrated by D K Fieldhouse in his study, *Black Africa 1945-1980*. His conclusion states:

The fact that power was transferred when African societies were still quite unprepared for the difficulties ahead must be seen as a major economic consequence of decolonization and a possible link between decolonization and later 'arrested development'.<sup>3</sup>

The present context is not the place to elaborate on the process of economic decline. Few, however, will quarrel with Fieldhouse's finding that "[t]he superficially impressive achievements of the first two decades after independence ... were built on sand".<sup>4</sup>

The progressive disintegration of governmental and administrative structures inherited from the colonial era; the simultaneous spread of corruption and administrative decay; and the resulting economic decline left the population at large no choice but to fall back on traditional modes of existence. The time-honoured bonds of blood and kinship and the proven methods of subsistence production that had enabled African people to survive over the centuries, once

more came into their own. Economic life has been dominated increasingly by what Goran Hyden calls the "economy of affection".<sup>5</sup>

The failure of the state to protect life and property and to sustain the basis for profitable production thus tends to accentuate and perpetuate the values and patterns of traditional society.<sup>6</sup> It is these highly adverse external conditions, rather than an inherent inability or unwillingness to change and modernize, that explain why the people of SSA increasingly have to rely on the economy of affection.

Being organized around subsistence and survival, traditional society's behaviour is the very antithesis of being dynamic, forwardlooking and growth-oriented. Rather, it is characterized by the unity of social and economic activities, of family life, ethics, religion, the visible and the invisible worlds. No single feature exists apart from the whole. Individual existence is conceivable only as part of the community. And the community embraces the "dead" and the as yet unborn as much as the living.

Everything is subordinated to the supreme objective of safeguarding and strengthening the community. Innovation, self-assertion or the striving to surpass one's peers are discouraged or may even be punished because individualistic behaviour deviates from time-honoured practice and is apt to disturb the harmony and cohesion of the group and hence threaten its survival.

In his doctoral dissertation, Jomo Kenyatta, his country's later president, has provided a classic description of the *unio mystica* of traditional society, a description that is essentially valid for Bantu-speaking peoples in general:

...nobody is an isolated individual. Or rather, his uniqueness is a secondary fact about him: first and foremost he is several people's relative and several people's contemporary. His life is founded on this fact spiritually and economically, just as much as biologically; the work he does every day is determined by it, and it is the basis of his sense of moral responsibility and social obligations. His personal needs, physical and psychological, are satisfied incidentally while he plays his part as a member of a family group and cannot be fully satisfied in any other way. ...in Gikuyu language individualism is associated with black magic....<sup>7</sup>

In view of the world-view this exemplifies, many observers believe that Africa cannot achieve meaningful progress owing to a culturally determined inability to adapt traditional ways to modern, twentieth century thought and practice. Thus, according to Gustaf Adolf Sonnenhol, a prominent German development economist, "die magische Welt und die moderne sind unvereinbar" (the magic world and the modern are irreconcilable).<sup>8</sup> In his view, the inherent logic of the Western, competition-based, development model does not allow that model to function unless it is taken over as a whole, including its value premises.<sup>9</sup>

In the same vein, Simon Biesheuvel, an internationally respected South African psychologist, has stated that "there is no obvious feature in African cultures that could form the basis of ... new development. ... Inevitably, ... tropical Africa will have to adopt the whole of western civilisation or nothing".<sup>10</sup>

Newell S Booth, warns against the assumption that traditional religion and culture are unchanging,<sup>11</sup> yet writes that

“[c]hange based on an ‘idea of progress’, on an expectation of development projected into a non-existing future ... would produce a radically different society in Africa, a society cut off from its roots in tradition”.<sup>12</sup>

African authors tend not to share these pessimistic assessments. K C Anyanwu, for example, writes that African people would not show any resistance to “changes which they judge to enhance their lives”,<sup>13</sup> while according to Claude Ake,

... if the project is seen by the people as really valuable, the people themselves will work out the necessary accommodation between their social institutions and the development in question.<sup>14</sup>

In view of the extremely unfavourable economic and political environment, however, African societies cannot reasonably be expected to embark on innovations. Apart from the disincentives posed by that environment, they tend to rely on the proven old methods because the safety margins separating them from starvation and general deprivation are thin. In other words, it is the magnitude of the risks involved in change, rather than an innate *immobilisme*, that accounts for SSA’s growing dependence on the economy of affection.

As is well known, whole communities change much more slowly than can individuals. Countless individual Africans have in fact convincingly demonstrated their ability to meet the challenges of the modern world without ceasing to be Africans. Tens of thousands of African-born professional people, managers and other highly skilled individuals who find conditions at home unattractive, function successfully in the competitive environment of the northern hemisphere.

To sum up. Although many factors have contributed to SSA’s general decline since independence, the basic reason was the so-called independent nations’ lack of viability in an international environment dominated by powerful industrial countries. The consequential disintegration of public order and modern economic structures left the vast majority of people no choice but to rely on the essentially static economy of affection. As SSA’s population is growing faster than output, living conditions inevitably have become progressively worse.

### How does South Africa differ from the rest of SSA?

The conditions under which South Africa is entering a new political dispensation differ significantly from those that faced the people of SSA at the time of independence. It has functioning – though weakened – economic and technical structures as well as a vigorous civil society. It disposes of foundations that can sustain the material advancement of all its people.

Failure to appreciate that SA is not, in essence, merely one more African dependency struggling for freedom, accounts for numerous off-beam analyses, “solutions” and predictions proffered by outsiders as well as local people. It also contributes to the prevailing pessimism. For the sake of brevity, the following overview lists salient features without discussing them at length.

SSA: Rushed into independence with constitutions drawn up in overseas capitals.

SA: After decades of black resistance to white rule, all politically relevant groups are currently engaged in protracted negotiations for a sustainable new order.

SSA: With the exception of the lusophone countries and Zimbabwe, independence was gained without armed conflict.

SA: The sustained struggle against white rule has developed black determination and willpower as well as practical skills in respect of public relations, organization, management, and so forth. All this could serve the country well once blacks are fully involved in running the country.

SSA: “[C]olonialism was an almost fleeting experience in most of Africa, too transitory to institutionalize alien political structures and norms.”<sup>15</sup>

SA: For centuries, blacks have shared a common history with whites, people of Eastern as well as mixed origin. This has profoundly affected all aspects of their individual as well as group life, notably through participation in the modern economy and through close interaction in daily life generally – apartheid notwithstanding.

SSA: People of European origin were – and still largely are – confined to small and essentially isolated numbers of officials, merchants, professionals, managers and farmers.

SA: More than three centuries have fashioned an indigenous white African population approximately the size of Norway’s population.

SSA: Seventy to 80 per cent of the population depend on the subsistence or, as the case may be, the informal economy.

SA: Practically the entire population, including those in the subsistence sector, depend – directly or indirectly – on the country’s modern economy to sustain them.

SSA: There is an almost universal shortage of skilled manpower.

SA: Despite shortages – and serious deficiencies in respect of the black population – the country has a vast reservoir of technical, administrative and other skills, many at an internationally competitive level.

SSA: After independence, governments interfered heavily in all spheres of economic life – at great cost to the private sector and economic progress in general.

SA: A strong and diversified private business sector exists, together with a substantial middle class that includes large – though still far from satisfactory – numbers of blacks.

SSA: At independence, the new governments were ignorant about even basic economic matters; non-socialists also believed in the state’s ability to initiate and accelerate economic development.

SA: Since February 1990, representatives of formerly banned political organizations have participated in countless conferences, workshops and personal discussions with businessmen and economists, gaining

insight into the country's economic realities. SA is probably the first African country where a movement fighting for control of the state has voiced concern over the state of public finances.

SSA: National life is totally overshadowed by central government and the ruling élites.

SA: There is a well established if – thanks to the era of the “total onslaught” – somewhat dented civil society comprising an independent judiciary, a free press, respected academic and research institutions, churches with a large following, increasingly self-confident trade unions, powerful business organizations and, last but not least, a tradition of parliamentary government.

Other features also distinguish South Africa from the rest of SSA:

- A functioning – if badly limping – economy; a highly developed financial system; a fairly efficient physical infrastructure of telecommunications, power and water supplies and transport; and a system of public administration which, even though afflicted by patronage and corruption, by and large is still delivering the required services.
- Leading Western countries and development agencies are urging the more important political players in SA towards a negotiated settlement. They are also cautioning black leaders to adopt economic and other policies designed to engender trust among local and overseas investors.
- Prevailing Western opinion has effectively written off SSA as a basket case whose only hope would be a stable and prosperous South Africa.<sup>16</sup>
- Sanguine popular expectations of cornucopia in the “new” SA could seriously endanger future peace and development. However, the exaggerated hopes raised by the events of February 1990 have been greatly disappointed, and it would appear that this has already led to some lowering of expectations.
- Thinking white South Africans know that their own future wellbeing is inextricably tied to that of all other population groups in the country.<sup>17</sup>
- Thanks to the circumstances outlined above, SA's black population – probably more than any other SSA population – has internalized modern economic and social concepts and practices. A sociological study of black élites undertaken by Lynette Dreyer for her doctoral dissertation, has reached much the same conclusion as the present paper:

The Westernization of the African community of South Africa is ... more widespread and deep-seated than that of most other societies in Africa, and a scenario for South Africa of economic collapse under African government such as has occurred in many other parts of Africa is not realistic.<sup>18</sup>

- A fair degree of order and stability is within sight for SA because of the way in which the National Party and the ANC are acting as each other's “gatekeepers”. That is,

neither of them can act on important issues without carefully considering the other's interests and concerns. And, of course, neither of them can afford to ignore the position of other major players.

To sum up. South Africa is a country *sui generis*, and SSA's pattern of general decline is not a meaningful guide to its destiny. That destiny is still open, and the facts presented above indicate that the current pessimism needs to be viewed in perspective. South Africa offers a vastly more favourable basis for the material advancement of all its people than any other country in sub-Saharan Africa. This aspect is examined more closely below.

While the following deals with black development only, it must be borne in mind that the transformation of South Africa requires *all* South Africans to learn and adapt.

### Black African economic development in South Africa

Traditional culture, according to Robin Horton, is characterized by the absence of a “developed awareness of alternatives to the established body of theoretical tenets”.<sup>19</sup> Experience has shown that once the members of traditional African society become aware of alternative ways of thinking and doing, and can reconcile themselves with prevailing world-views and ethics, they are likely to adopt these new ways.<sup>20</sup>

Individuals from a tradition-bound society are apt to display unexpected initiative and entrepreneurship when they move into an environment where customs other than those of their home countries prevail. As Bauer and Yamey observe with regard to the contribution by Chinese emigrants and their descendants to the development of Malaya, the explanation may “... lie partly in the stimulating effect of a new environment which so often results in a revision of existing habits, methods and attitudes, and in the removal of social restraints inhibiting economic change in their country of origin.”<sup>21</sup>

South African daily life illustrates how, notwithstanding traditional world-views and social practices, African society adopts new ways of thinking and doing if circumstances favour – or demand – such change. This includes involvement in both the formal and the informal economy, with blacks excelling particularly in the latter. It remains to be seen to what extent the pattern of African societies elsewhere will be repeated in SA. Abdou Maliqalim Simone of the Foundation for Contemporary Research, Bellville, describes these societies as follows:

African societies may have been underdeveloped by their relatively frozen position in the networks of advanced capitalism, but they have not been fully captured by Western domination and are slipping further out of either comprehension or control.<sup>22</sup>

At the same time, growing numbers of South African blacks perform ever-more skilled functions in the modern sector – in business, academic life, the professions, public administration, and so forth. Largely because of the commissions and omissions of apartheid, the number of such highly

skilled people is still relatively small. Affirmative action under a new political dispensation, as well as the needs of a – hopefully – growing economy, may be expected to speed up the rate at which blacks move into skilled occupations.

If further progress is to be made, the country's modern, internationally integrated economy must continue to function. This economic dispensation has been severely criticized, amongst others, because until a few years ago, blacks had been denied active participation. That, however, had been a political decision that had nothing to do with the intrinsic merits or demerits of this economic system. Whatever its shortcomings, no other system offers a more reliable basis for the ongoing economic upliftment of all in the country. Up to the present, SA's modern economy has been guided and sustained by whites in accordance – more or less – with the rules of this system.

According to a paper presented to the Royal Society of Arts in 1947, by Herbert Frankel, the celebrated South African economist: "The existence of a permanent European population, with high economic and cultural aspirations, has been the main cause of the relatively rapid economic advance of the indigenous peoples of South Africa."<sup>23</sup> Obviously, *apartheid* and *uhuru* have changed many things since 1947 but they have not refuted Frankel's assessment.

Dealing specifically with the readiness of African societies to accept modern science and technology, Cleopas Kumalo, a distinguished South African scholar, writes that none of these societies has "... any negative imperative", and while there may be initial resistance to technological innovations that impinge on social values and long established practices, "... this is only a matter of time".<sup>24</sup>

As regards mathematics, for example, the myth prevails in some quarters that blacks are inherently unable to cope. This is contradicted by the presence of black university teachers in that subject, as well as of engineers, accountants, physicists, and so forth. Several qualified educationists have told me personally that black high-school students achieve exactly the same results as those from other groups provided they receive competent tuition.

The South African school system in general does not promote innovative and creative thinking – qualities particularly needed at a time such as the present. The success of the unconventional methods applied in the grades and lower standards of many Bophuthatswana schools shows how the innate abilities of pupils can be developed by an innovative approach. These methods entail a radical shift from teacher-centred to learner-centred education and are aimed at developing self-confidence, initiative and spontaneity in the children. After a few years, those who had been taught by these methods were significantly ahead of those who had not.<sup>25</sup>

The above serves to illustrate the point that denial of opportunity and adequate education and training, rather than traditional culture or inherent abilities, are the principal reasons why blacks generally trail behind the country's other population groups in the modern economy.

The foregoing also underlines the fact that the country's future in general, and the socio-economic advancement of

blacks in particular, will hinge crucially on the question whether a modern market economy will be allowed to function and provide gainful opportunities for all.

Obviously, the frustrated expectations of its constituency might well induce a future government to attempt "shortcuts to progress" by assuming direct control over ever-more spheres of economic life. That would soon bring down South Africa to the levels prevailing in SSA.

In conclusion. This paper has revolved around the question whether black South African society is so strongly influenced by attitudes rooted in traditional African world-views, values and practices that a black-dominated South Africa will unavoidably undergo serious economic and general decline. In attempting to throw light on merely one among many open questions concerning South Africa's future, other relevant issues could not be touched upon for reasons of space. A more comprehensive investigation would have to consider numerous other issues – the country's structural economic weaknesses, its position in the international economy, prospective investment and support from abroad, affirmative action, and so on.

Put in a nutshell, we have seen that predictions concerning SA's future based on certain analogies with SSA are not helpful because SA differs significantly from the rest of SSA; that traditional African world-views and social practices are not likely to plunge SA into a predicament similar to that of SSA; and that SA has vastly better chances to build a prosperous future than the rest of SSA. Ultimately, of course, the future will depend on the good sense and efforts of South Africans themselves.

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- 6 Rather than entering into an argument concerning the definition of "traditional society", I use it in a very broad sense to encompass the East and southern African societies as described by anthropologists such as Jomo Kenyatta, Otto Raum, Isaac Schapera, H A Junod, Eileen and D J Krige or Hilda Kuper, to mention just a few.
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way of life and behaviour. Every effort must be directed to the preservation, maintenance, growth and perpetuation of this common treasure. The pitiless elimination of everything which hinders this end, and the encouragement at all costs of everything which furthers it: this is the last word in Bantu customs and institutions, wisdom and philosophy." V Mulago, "Vital Participation: The cohesive principle of the Bantu community", in K A Dickson and P Ellingsworth (eds), *Biblical revelation and African beliefs*, New York: Orbis Books, 1969, as quoted by J S Malan: "The cosmological factor in development programmes", *South African Journal of Ethnology*, vol 11, no 2, 1988, pp 61–66 on p 63.

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- 10 Simon Biesheuvel, "Tropical Africa's response to civilisation", *The Listener*, 12 April 1956, pp 93–94 on p 94.
- 11 Newell S Booth, "Time and change in African traditional thought", paper presented at the 18th Annual Meeting of the African Studies Association, San Francisco, 29 October–1 November 1975, p 11.
- 12 Newell S Booth, *op cit*, p 13.
- 13 K C Anyanwu, "The influence of space and time on the behaviour and attitudes of the African people", paper presented at the 15th Annual Meeting of the African Studies Association, Philadelphia, 8–11 November 1972, p 16.
- 14 Claude Ake, "Sustaining development on the indigenous", in The World Bank (ed), *The long-term perspective study of sub-Saharan Africa. Vol 3, Institutional and sociopolitical issues*, Washington DC: World Bank, 1990, pp 7–21 on p 9.
- 15 Richard Sandbrook, *The politics of Africa's economic stagnation*, Cambridge: Cambridge UP, 1985, p 42.
- 16 According to the South Africa Foundation's *Annual Review 1992* (p 12), "Afro-pessimism runs deep [in France]. In this context South Africa is often seen as the 'hope of the continent', in the words of France's leading news magazine, *L'Express*, 'The peaceful revolution under way in South Africa', said the French Prime Minister, 'will enable Africa as a whole not only to find peace but also the road to economic prosperity'".

At the Foundation's 33rd Annual Convention on 25 March 1993, Desmond Colborne, its Paris director, quoted another French newspaper: "Can Africa be saved? Yes, perhaps with the help of South Africa".

In a similar vein, the German news magazine, *Der Spiegel* of 14 December 1992, vol 46, no 51, gives a feature article on Africa the subtitle, "Rettung durch die Weissen?" (salvation through the whites?).

- 17 Prof Pieter de Lange, for example, the head of the influential Afrikaner Broederbond, has stated that the Afrikaner's interests cannot be furthered in isolation: "The mutual interests in ethnic context (*volkereverband*) have become so closely interwoven that if you want to promote the interests of the Afrikaner as such, you must also promote those of the other population groups in the RSA." (My transl.) As quoted in *Insig* (Johannesburg), October 1990, p 11.
- 18 Lynette Dreyer, *The modern African élite of South Africa*, Johannesburg: Macmillan, 1989, p 158.
- 19 Robin Horton, "African traditional thought and Western science", in Colin M Turnbull (ed), *Africa and change*, New York: Knopf, 1973, pp 454–519 on p 479.
- 20 See O F Raum, *Der Afrikaner in der modernen Wirtschaft*, Berlin: Duncker & Humblot, 1961 (Ifo Sonderheft No 27) p 30: "Er ist bereit, es mit unseren Wirtschaftsformen zu versuchen, aber unter der Voraussetzung, dass sie den Alten äquivalente soziale Sicherungen gewähren und sich mit gewissen kulturellen Werten Afrikas vereinbaren lassen."
- 21 P T Bauer and B S Yamey, *The economics of under-developed countries*, Cambridge: Cambridge UP, 1957, pp 108/9.
- 22 Abdou Maliqalim Simone, "Between the lines: African civil societies and the remaking of urban communities", *Africa Insight*, vol 22, no 3, 1992, pp 159–164 on p 159.
- 23 Herbert S Frankel, *The economic impact on under-developed societies*, Oxford: Blackwell, 1953, p 123.
- 24 Cleopas Kumalo in *Social structure and economic development*, Sixth International Seminar of the AIESEC, German Foundation for the Developing Countries, 1961, p 52.
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# The demise of Biya's New Deal in Cameroon, 1982–1992

*Dr Joseph Takougang of the Department of African-American Studies, University of Cincinnati, examines the reasons for the demise of Biya's New Deal in the light of its early success.*

The erstwhile buoyant optimism of the New Deal regime has collapsed under the dismal results of its economic (mis)management, its weird and dangerous interpretation of national integration and its timid and hesitant approach to the thorny issue of democracy.... Biya's main problems have not been basically economic, although that has increasingly become a major issue across the years. His demise has been due to his inability to manage the precarious transition to authentic (not advanced) democracy, and his failure to implement the ideals which he once proclaimed to be the cornerstone of his New Deal policy.

*Cameroon Life* November/December 1991

On 11 October 1992, less than an month before the tenth anniversary of his accession to the presidency of the republic, Paul Biya was able to win only about 39.9 per cent of the votes cast in the first multiparty presidential elections in Cameroon since independence.<sup>1</sup> This was far short of the more than 98 per cent he had received in each of the two previous elections in 1984 and 1988 respectively, when he was the only candidate running for the post.

Although part of the reason for his poor showing may be attributed to the fact that for the first time there were challengers in a presidential election, many Cameroonians also saw the result as a rejection of the President and his inability to implement many of the policies he had enunciated under the New Deal.

The New Deal was a concept that Paul Biya added to Cameroon's political vocabulary when he became President on 6 November 1982. It was intended to signal a change in administration<sup>2</sup> and a new direction for the country. At first, most Cameroonians were sceptical and had little idea what form and direction the proposed changes would take since Biya was a product of his predecessor, President Ahidjo and owed his political fortunes to him.<sup>3</sup> Moreover, although Ahidjo had resigned as the head of state, he still retained the

powerful office of chairman of the only party in the country – the Cameroon National Union (CNU). Therefore, it was inconceivable that Biya would pursue policies that were inconsistent with those of his mentor.

Despite the initial scepticism, however, Biya's many speeches following his accession to power helped in defining his goals for the New Deal and also in convincing many Cameroonians that he was serious about instituting change. For instance, in his New Year's message to the nation on 31 December 1983, he declared:

We will have, in particular, to pursue the establishment of a model society that symbolizes the New Social Order and whose ultimate good is social justice, that is, organizing the fair distribution of the fruits of our collective effort among the various social groupings and laying the ground work for equal opportunities through appropriate measures *designed to solve our social, educational, health, employment, housing, town planning, transport, wage, social security and other problems.*<sup>4</sup> (My emphasis.)

Later, in a book on his political philosophy, President Biya was even more specific in defining his agenda for the New Deal society:

The dream of a united mankind, the establishment of a new political society, the promotion of the economy at the service of man, the emergence of a national culture sustained by ethnic cultures, the implementation of social justice and the development of the humane in man are the many legitimate ambitions on which I base my action at the helm of the Cameroon state.<sup>5</sup>

Both statements and many others in the first few years of his administration clearly indicated that the political, social and economic welfare of all Cameroonians were at the centre of the President's New Deal agenda. However, President Biya also considered a change in attitude and a total commitment by Cameroonians important prerequisites for the success of his New Deal programmes.

Whether the new concept was simply a public relations ploy to extricate himself from Ahidjo's shadow as some now argue or whether it was a genuine attempt to forge a new direction for the country, most Cameroonians were

\* The research for this paper was made possible by the support of the Taft Summer Research Grant of the University of Cincinnati.

prepared to give the new President a chance and to heed his call for "rigour", "integrity", and "moralization" if they could lead to real change.

These three important appendages to the New Deal called for the rejection by all Cameroonians of past irregularities, including: lateness, laxity, wastefulness and irresponsibility, corruption, misappropriation of public and private funds, fraud and moral depravity,<sup>6</sup> which in the past had contributed to serious administrative and economic problems. In other words, in order to attain the objectives of the New Deal, Cameroonians were expected to develop a new attitude and a positive perspective towards national development. Despite the euphoria that followed its launching, almost a decade after, the New Deal had failed to meet the expectations of many Cameroonians. In fact, by the middle of the decade there were already signs of frustration and disappointment among the population.

The main objective of this article is to examine the reasons for the demise of the Cameroonian New Deal. However, it is important to do so in the light of its early success.

### Early success: 1982–1986

During Ahidjo's administration a virtual police state had existed in the country, which severely limited political activities including free speech and opinions, especially if they ran contrary to government policies. As Richard Joseph points out:

The internalisation of censorship and authoritarian control by the educated strata of the Cameroon population has reached such a degree after the long night of the Ahidjo dictatorship that it is only in the most private and secure circumstances that any Cameroonian, whatever his situation, would dare voice opinions which vary in the slightest respect from the ruling orthodoxy.<sup>7</sup>

The press was closely monitored to prevent the publication of any information considered subversive. The government justified these restrictions as a necessary step in preventing the spread of "disinformation" that could threaten unified public opinion and jeopardize economic development.<sup>8</sup>

When President Biya came to office, he promised to put an end to this and many other restrictions.<sup>9</sup> For instance, by 1985, he had introduced a series of measures allowing greater individual and political freedom. More than a dozen privately owned newspapers and magazines sprang up in the country, and some of them were highly critical of government policies. He also introduced measures that allowed challengers in presidential elections (although the conditions that potential challengers had to satisfy virtually ruled out all challenges)<sup>10</sup> and multiple candidates in party elections.

Unlike previous elections, where the government allowed only a single list of candidates on the ballot, the new system gave the electorate an opportunity to elect candidates they wanted to have represent them in the National Assembly or at various levels (cell, district or section) of the party. As a result of the new competitive elections, more than 50 per cent of all the former office holders within the party hierarchy and 55.93 per cent of the parliamentarians were defeated in the 1986 party and 1988 legislative elections, respectively.<sup>11</sup>

These changes were well received by Cameroonians. Commenting on the changes in the electoral process, a senior party official in Fako division in South-West Province, confirmed that with the introduction of multiple candidates in elections, Cameroonians could for the first time since the creation of a single party in 1966, elect those whom they really wanted to have represent them:

...there is meaning which lies in the democratization of municipal, parliamentary and party elections. This move gives a fair share of participation to every Cameroonian to test his/her popularity in any part of the country. Through democracy, people select the type of leader they want. The electorate is not an imposed on one as used to be the case.<sup>12</sup>

Change was not only restricted to the political arena. One of the goals of President Biya's New Deal was to improve the social and economic conditions of the Cameroonian people. With the sale of oil becoming an important source of revenue in the early 1980s (jumping from less than 5 per cent of the national revenue in 1980 to about 40 per cent in 1984),<sup>13</sup> the new President was able to finance many of his New Deal programmes, including road construction and subsidizing the prices farmers received for their export crops.<sup>14</sup> For example, the price for a kilogram of cocoa was increased from 330 francs CFA in the 1982/83 season to 440 francs CFA in the 1984/85 season. Similarly, the price of Arabica coffee rose from 370 Francs CFA per kilogram in 1982/83 to 410 francs CFA in 1983/84.

In order to encourage young Cameroonians to take up agriculture and thereby curb the high rate of migration to the cities, efforts were also made to make the rural areas more attractive. Schools, clinics, rural electrification and pipe-borne water projects were introduced in many villages. If rural areas could provide many of the amenities available in urban areas, young men and women would be encouraged to remain in the countryside and ultimately become involved in agriculture.

Meanwhile, in the business and industrial sectors, the government encouraged banks to adopt a more liberal lending policy toward indigenous businessmen in order to boost investments. At the same time, an aggressive campaign was launched abroad – in Canada, the United States and many European capitals – to attract foreign companies and businesses, especially in areas where indigenous investors possessed neither sufficient capital nor the technological know-how. This campaign was successful.

By 1983, Total and Shell had joined the French company, Elf-Aquitaine, and the Cameroon public corporation, Société Nationale des Hydrocarbures (SNH), in drilling oil along the Cameroon coast.<sup>15</sup> At the same time, an American company, Del Monte, and a French company, Compagnie Fruitière, were involved in agricultural development. Also, because of Cameroon's strong economy resulting from oil production, a number of American financial institutions, including the Bank of America, Boston Bank, and Chase Manhattan Bank were attracted to open branches in Douala (the economic capital of Cameroon) and Yaoundé.

The government's commitment to the health and educational development of Cameroonians was also evident under



the New Deal. In 1984/85, for example, the budget of the ministry of health was increased by 31,9 per cent over that of the previous year. The increase provided additional funds for the construction of new hospitals and clinics in many towns and villages. A similar increase in the budget of the ministry of education and the ministry of higher education and scientific research also led to the opening of more vocational and secondary grammar schools to serve the growing number of young Cameroonians graduating from primary schools.

Despite these early successes, however, Cameroonians soon lost faith in the New Deal as the President increasingly restricted free speech and was reluctant to implement some of the promises he had made. Beginning in 1986, the economic situation in the country started deteriorating. The high rate of unemployment, especially among university graduates, forced many to pursue graduate studies as a short-term alternative to the unemployment line. Many government projects proposed or started in the boom days of the New Deal were either suspended or abandoned because of the severe financial constraints.

The deteriorating economic situation also forced many foreign companies that had invested in Cameroon to leave the country, further exacerbating the unemployment situation. Perhaps this report in one of Cameroon's weekly newspapers may best describe the feeling of many Cameroonians *vis-à-vis* Paul Biya and the New Deal:

The programme of action of the CPDM which was initially stated at the Bamenda congress and later developed fully in the book *Communal Liberalism*, won national and international acclaim upon its publication. It raised the hope that Cameroon would soon be, if not the first, then at least among the first African countries to join the club of liberal democratic states. Once this happened, Cameroonians, it was expected, would live in freedom, dignity, justice; they would live with a sense of rigour in the management of resources, moral rectitude and rediscovered communal solidarity, all this in a permanent endeavour to develop our country.

Since then the party's leadership has done little to implement such strategic watchwords as internal dialogue, the free exchange of ideas, tolerance of opinion, promotion of our national culture, of local economy and social justice....The result of all this is well known: the CPDM is in the dock because the economy is grounded; because tribal hatred is rearing its ugly head again; because nepotism is reigning supreme, along with corruption, incompetence, inefficiency and disorder.<sup>16</sup>

In other words, the President had failed to deliver, at least on a sustained basis, the New Deal he had promised Cameroonians in 1982.

Cameroonians had the first opportunity to demonstrate their disappointment in Paul Biya and his New Deal programme in the 1988 presidential elections. Although he was re-elected by 98,75 per cent of those who had cast their ballots, more blank votes were cast (usually an indication of voter disapproval) than in the previous election in 1984 when they were still reaping the benefits of the New Deal, and when Biya's popularity was at its peak. In the latter election, he had received only 610 blank votes as opposed to 42 218 in the 1988 elections.<sup>17</sup>

His popularity continued to plummet after the 1988 elections and as the economic situation in the country worsened.

On 1 March 1992, in the first multi-party parliamentary elections in Cameroon since the formation of the single party in 1966, President Biya and his Cameroon People's Democratic Movement (CPDM), which had replaced the Cameroon National Union in 1985 as the only party in the country, were able to win less than half (88 of the 180) of the seats in the National Assembly. Similarly, in the first multi-party presidential elections on 1 October 1992, President Biya was re-elected by only 39,9 per cent of those who had cast their votes.

Why did the New Deal, which had started with such optimism, fail? Did the "Ahidjo factor" play a role in the demise of the New Deal or was the failure due to Biya's leadership? What role did the Cameroonian bureaucracy play in its failure? Did the declining economy, seen in the low prices received for Cameroon's exports, play an important part in the demise? How did the political changes in Eastern Europe in the late 1980s affect the New Deal? Did Cameroonians simply expect too much from a president who had promised a new deal? We will now examine how each of these factors contributed to the demise of the New Deal.

### The "Ahidjo factor"

For more than two decades as President, Ahidjo had created a system of government that served his vision of the Cameroon nation – a single party state with a strong presidential system that virtually gave him complete control of all the state's institutions. He had also built an extensive network of loyalists through a complex patronage system that gave him complete control over the appointment of top administrative and party officials. All the high-ranking civil servants, administrators, police and military officers, and directors of parastatal organizations were appointed by Ahidjo and were therefore accountable to him. The party bosses and all the members of the National Assembly owed their political fortunes to him.

As head of state and chairman of the party, Ahidjo could dismiss and appoint officials to many of these positions at his discretion. Consequently, all of them owed their allegiance to him.<sup>18</sup> Therefore, when Paul Biya became President, the administrative and political bureaucracy remained staffed by Ahidjo's appointees. In fact, apart from a few minor portfolio changes, Biya, in the first few months of his administration, retained the entire cabinet that he had inherited from Ahidjo in November 1982.

With a nation already too used to Ahidjo's policies, and with many of his appointees still in Biya's administration, it was difficult at first for the new President to push through his New Deal policies without some resistance. For one thing, many in the government and the business community, especially the Muslim Northerners were not only unwilling to accept the fact that Ahidjo had handed over power to a Southern Christian, but also perceived Biya's call for "rigour", "integrity" and "moralization" as an effort to deprive them of the rights and privileges they had long enjoyed under Ahidjo's administration.<sup>19</sup> Adding to the difficult situation Biya faced,

was the fact that the former president continued to play a highly visible role in national politics.

Even though he had resigned as head of state, he had been urged by a delegation of the Central Committee of the CNU (which included the new president) to retain the chairmanship of the party. Although such action might have been a gesture of respect to the former president, Bayart points out that certain members of the committee hoped to use this duality in leadership to restrict Biya's powers and perhaps ultimately ease him out of the presidency.

Beyond the emotional pathos behind which they camouflaged themselves, the 'barons' (of the party) who initiated this move were pursuing a specific objective: to limit the power of the new President, to deprive him of control of the party and thus 'open' the nomination of the candidate for the 1985 presidential elections.<sup>20</sup>

In fact, shortly after his resignation, it was Ahidjo rather than Paul Biya who sent Mousa Yaya, a member of the party's Central Committee and vice president of the National Assembly to the West Province, to calm fears of a radical departure from his policies by his successor. Ahidjo later orchestrated the dismissal of Mousa Yaya from the party and ultimately as vice president of the National Assembly when the latter became too critical of his resignation and the appointment of Biya as his successor.

Later, in his capacity as chairman of the party, Ahidjo undertook, in January 1983, a tour of six of Cameroon's seven provinces in an effort to calm fears of an impending political collapse and to convince the population of his confidence in his successor. In each of the provinces, throngs of supporters enthusiastically welcomed him as if he was still the head of state.

Whether intentionally or not, these actions clearly upstaged Biya and portrayed Ahidjo as the real power behind the President. In fact, some of Biya's supporters within the administration expressed the fear that Ahidjo's continued high-profile activities might undermine Biya's effectiveness as head of state and jeopardize his ability to implement his New Deal policies.

Those fears became apparent early in 1983, when the Political Bureau and the Central Committee of the party, both of which were still under Ahidjo's control (as the party chairman) and dominated by his supporters, first rejected the new President's proposal to reform the electoral process by introducing multiple candidates in the upcoming 29 May 1984 legislative elections. It was obvious that until Biya could take complete control of both the presidency and the party chairmanship, he could not implement the reforms he intended under the New Deal.

The story of the power struggle between Ahidjo and Biya has already been discussed elsewhere.<sup>21</sup> Suffice it to say here that by October 1983, about a month or so short of the first anniversary of the peaceful and constitutional transfer of power, President Biya had gained complete control of the party and state apparatus.

Nevertheless, gaining control of both institutions did not eliminate the "Ahidjo factor" or guarantee the successful implementation of the New Deal policy. As indicated earlier,

Ahidjo had spent more than two decades as head of state, and, during that tenure he had filled most of the top party and government positions with loyalists or people who believed in his political philosophy. As Delancey argues:

President Biya may sincerely wish to move toward a more open, democratic political process, yet he has discovered that such movement is difficult and dangerous within the political environment inherited from Ahidjo and his colonial predecessors.<sup>22</sup>

Therefore, in order to implement his New Deal programme, President Biya had to replace these men with people who believed in his New Deal programme.

However, Biya was slow in replacing many of Ahidjo's men. For one thing, any immediate wholesale replacement of experienced, albeit reactionary officials in the upper echelon of the government might have seriously impeded the smooth running of the administration. Moreover, many of the men in these positions were colleagues with whom Biya had served in government or who like Biya owed their political fortunes to Ahidjo.

Therefore, even though some of them did not believe in his New Deal, he did not immediately replace them. For instance, his July 1984 cabinet included 13 members who had served in Ahidjo's last cabinet of January 1982.<sup>23</sup> To make matters worse, some Ahidjo associates whom Biya had earlier dismissed from his cabinet were later recalled and given important positions in the administration or the party. Samuel Eboua, the former Secretary General at the Presidency and Minister of Agriculture under Biya's first government until his dismissal in 1983, became Chairman of the Board of Governors of Cameroon Airlines.

Similarly, Ayissi Mvodo, the former Minister of Territorial Administration, who had also lost his cabinet position along with Samuel Eboua, became Chairman of the National Investment Society (SNI). Maikano Abdoulaye, former Minister of the Armed Forces, who was rumoured to have had prior knowledge of the failed 1984 military coup, later became the Director of the National Veterinary Laboratory (Lavanet). Jean Fochève who had earlier been dismissed as head of the feared secret police (the National Documentation Centre) following a failed military coup in 1984, got the same position a few years later under President Biya.

Although President Biya tried earlier to balance the situation by including some reform-minded technocrats like Professor George Ngango, Mohamad Labarang, Joseph Zambo and Laurent Esono to his cabinet, the move did not stop many Cameroonians and even some of his ardent supporters from questioning his commitment to the New Deal. Furthermore, the fact that Professor Ngango, considered by many to be a strong supporter of the President's New Deal and the leader of the progressive wing of the party and government, ultimately lost his ministerial portfolio in an apparent power struggle with the reactionary wing of Biya's inner circle of advisers, was another indication that the latter had prevailed in winning the President's favour. As Professor Kofele-Kale correctly points out, President Biya relied heavily on Ahidjo's loyalists who had turned the first two decades of Cameroon's post-reunification history into a

painful nightmare instead of bringing into his administration fresh forces that shared his vision.<sup>24</sup>

Was President Biya, as some have suggested, reluctant to carry out his New Deal, especially after the April 1984 coup<sup>25</sup> or was he simply unable to provide the leadership necessary to carry out the radical reforms he had proposed? Whatever the case, one might argue that by surrounding himself, at least, in the first few years of his administration, with members of the *ancien régime*, Biya severely restricted his ability to proceed with his New Deal and convince many Cameroonians that he was sincerely willing to change the *status quo*.

## The President's leadership

Cartwright defines leadership as the ability of an individual to draw his people to pursue the goals that he has already committed himself to.<sup>26</sup> For instance, both Kwame Nkrumah of Ghana and Sekou Toure of Guinea, demonstrated effective leadership in convincing their people to follow the path to independence that they had charted for them; so too did President Julius Nyerere's tenacious pursuit of African socialism in Tanzania.

Although we had earlier indicated that President Biya had succeeded in implementing some of his New Deal programmes in the first few years of his administration, it became apparent, especially after the April 1984 coup attempt, that he was either unwilling or simply lacked the resolute, tough and uncompromising leadership of his predecessor to execute many of the promises he had made. He became too cautious, and in many instances very tentative when quick and decisive action was necessary. The frequent cabinet reshuffles (seven of them between November 1982 and September 1985) and his inability to control the rivalry among his close advisers severely restricted his ability to put a team in place that could oversee the effective implementation of his policies over an extended period:

If he has proved incapable of getting the right Cameroonians with whom to serve Cameroon, if every Cameroonian he picks has proved to be a wrong person in the chosen post; then the time has come for Cameroonians to examine him if the shoes he has been wearing since November 1982 are not too large for his feet.<sup>27</sup>

One critic described President Biya's leadership as one of clumsy mistakes and contradictions:

Biya's personal style of governing lies at the root of much uncertainty, particularly the yawning gap between his words and his actions. To date, Biya's history is one of clumsy mistakes and contradictions. This has been particularly evident as the economic downturn brought on by falling commodity prices accelerated. Biya consistently and publicly opposed turning to the International Monetary Fund (IMF) for assistance...Two years ago, Biya's lack of authority led to him being nicknamed 'Paulette' in Douala.<sup>28</sup>

Cardinal Tumi of Garoua Archdiocese compared Cameroon under Biya's leadership to "a ship without a captain, drifting in the sea being tossed about by waves".<sup>29</sup> Another observer indicated that although President Biya had a good "game plan" he was either too reluctant or lacked the strong leader-

ship qualities that former President Ahidjo possessed in executing those plans.<sup>30</sup>

Under the New Deal, for instance, Cameroonians were promised a free and open society where different opinions would be tolerated and where they would be able to express themselves without fear of being persecuted. Although the President in his first few years in office allowed a greater degree of freedom in the country than perhaps at any time under the previous administration, it fell short of what Cameroonians had expected.

In fact, Cameroonians were still subjected to arrest and imprisonment for trying to exercise the right to free speech that had been promised under the New Deal. In 1985, for example, the editor of the *Cameroon Times* newspaper was arrested and detained for refusing to reveal a confidential source used to document a published story on fraud at the National Oil Refinery (Sonara). In the same year, 30 members belonging to the Jehovah's Witness religious group were arrested in Limbe under a 1967 law banning organizations that threatened national unity. In another incident, a group of journalists was arrested in 1986 for "using bad language and attacking individuals and institutions in a manner not compatible with their status as journalists".<sup>31</sup>

Under his New Deal agenda, President Biya had also promised to eradicate "tribalism", favouritism and all forms of division likely to threaten national unity. Speaking to members of the National Assembly on 14 September 1983, the President noted that:

...Cameroonians are first of all Cameroonians, before being Bamileke, Ewondos, Foulbes, Bassas, Boulous, Doualas, Bakweris, Bayas, Massas, or Makas. This means that Cameroonians are first of all Cameroonians, before being English-speaking or French-speaking, Christians, Muslims or animists.<sup>32</sup>

Such a declaration was welcomed by particularly Anglophone Cameroonians and many other groups in the country who felt that they had either not been fairly treated or left out under the previous administration.

But while he preached national unity and fairness, many from the President's clan saw the transfer of power simply as an opportunity to, in Bayart's words, promote "ethnofascism".<sup>33</sup> For instance, Basil Emah, one of the party bosses and an associate of the President argued that it was the turn of the Beti clan to enjoy the fruits and power which Northerners had monopolized during Ahidjo's administration.<sup>34</sup> By implication, therefore, if the President hailed from a specific area, that automatically gave the right to people from that part of the country to monopolize power. As one middle-level party official in Fako division (South-West Province) indicated, under President Biya's New Deal, the "Garoua barons" who were the power brokers during Ahidjo's administration had simply been replaced by the "Beti Mafia".<sup>35</sup>

The President himself was accused of ethnic favouritism in the selection of high-ranking government appointees. A report in one of Cameroon's newspapers observed that as of August 1991, 37 of the 47 senior prefects (administrative heads of divisions), three-quarters of the directors and general managers of the parastatal corporations in the country

and 22 of the 38 high-ranking bureaucrats who had been appointed in the newly created office of the prime minister, were from the President's clan.<sup>36</sup>

Therefore, instead of eradicating the ethnic and regional problems in Cameroon as he had promised under the New Deal, the situation perhaps became more acute. This was evident in the March and October 1992 legislative and presidential elections respectively, where voting was very much based on ethnic loyalty. In the latter elections, for instance, Biya got over 90 per cent of the votes from the South Province (his province of origin) but did very poorly, especially in the Littoral, West, North-West and South-West, where there had been a strong opposition to his administration.<sup>37</sup>

Although the results were a reflection of the worsening economic situation in the country, the poor showing by the President in the two English-speaking provinces (South-West and North-West, where he got only about 21,3 and 9,6 per cent of the votes respectively) may also be attributed to the fact that they (the Anglophones) still felt left out of important government positions under the New Deal.

Biya's lack of leadership became even more apparent following the failed military coup in April 1984, and the highly visible role the military was allowed to play in the country's political life. A 1989 report, for instance, described the military in Cameroon as "Cameroon's new ruling class".<sup>38</sup> In a desperate attempt to hold on to power, President Biya increasingly relied on the military to suppress opposition and demonstrations against his administration:

...the Biya government has lost all his sense of purpose and direction. In a frantic bid to stay in power, they opted for power-sharing with the military which explains why those supposed to maintain laws and respect for the constitution have turned their weapons against the people.<sup>39</sup>

Instead of the free and democratic society that Biya had promised under the New Deal, soldiers were used to enforce the will of the President. On 26 May 1990, six demonstrators were reported killed in Bamenda, North-West Province when soldiers tried to stop the launching of a new party – the Social Democratic Front (SDF). Similarly, in January 1991, three people were killed by police during a pro-democracy demonstration in the town of Garoua.<sup>40</sup>

In April 1991, following further disturbances and public demonstrations in most of the country's ten provinces, seven were placed under the rule of three military commanders: General Jean-Rene Youmba was in charge of the South-West and Littoral Provinces; General Oumarou Djam was in charge of the North-West and West Provinces, while the North, Adamawa and Far North Provinces were placed under General Ngonso Sunji.

Notwithstanding the fact that the military commanders were supposed to serve only as special advisers to the civilian governors of these provinces, the decree appointing them also gave them full rights to employ measures they thought appropriate to end civil disobedience in the provinces.<sup>41</sup> In other words, the military commanders could take appropriate measures to control disturbances without the President's prior approval.

Although it should be pointed out that the use of the military to enforce government policy, especially in most authoritarian one-party states in post-independent Africa, was not a new phenomenon (Central African Republic under Emperor Bokassa, Equatorial Guinea under President Macias Nguema and Sekou Toure in Guinea, just to name a few), it was the fact that President Biya had promised a free and open society that perhaps made his situation different.

The unusual authority and high profile they had apparently been given even allowed the military to defy the President. In 1988, for instance, senior military officers were outraged when the President, without informing them, promised local chiefs in the North Province that he would free some of the prisoners who had either served their term or had been detained arbitrarily following the April 1984 coup. Although the President might have made the promise as a gesture of good faith and as an effort to maintain national unity, the joint army chiefs overruled him.<sup>42</sup> Therefore, as a result of relying too much on the military, the President found himself in a position where he was unable, if he so desired, to make independent decisions. This had important repercussions for his New Deal programme.

The President's lack of leadership was also evident in his inability to control bureaucratic corruption and ineffectiveness, which he had promised to eradicate under the New Deal.

## Bureaucratic corruption and ineffectiveness

One of the problems that has plagued many African countries since independence has been the corruption and laxity within the bureaucracy.<sup>43</sup> As Gould points out "in a state-dominated society, the public bureaucracy is the prime fulcrum through which public policy is formulated and implemented".<sup>44</sup> If the New Deal were to be successful in Cameroon (where the state was the single largest employer), it was imperative that the bureaucracy change its work habits which, in the past, had led to corruption and ineffectiveness in government.

That may possibly explain why President Biya had placed part of the responsibility for the success of the New Deal in the hands of the bureaucracy by calling for "rigour", "integrity" and "moralization". Every Cameroonian, including ministers, top government officials, civil servants and even those in the private sector were to be conscientious and hard working. At the Bamenda New Deal Congress in March 1985, for instance, he criticized bureaucrats who were corrupt and ineffective. He also promised to stop the practice of "chasing files" in Yaoundé, which often resulted in the loss of several days or weeks of work because government employees in the various provinces were forced to travel to Yaoundé to ensure that their files received prompt attention or that the required amendments are actually made.

However, nothing changed in this regard. According to one source, delaying files had become a very lucrative "business" for many bureaucrats in Yaoundé, and was perceived by many as a way of making extra money needed to keep up with the high cost of living in the city. The cuts in

salaries and benefits in 1991, and the fact that civil servants had not received salary increases (a regular occurrence during the Ahidjo years) since 1985 were a few of the reasons given for the continuation of this practice.

A contributing factor to the bureaucratic corruption and laxity, or what some observers have described as "Cameroon's worst man-made plague",<sup>45</sup> was the centralized administrative structure that entailed all important decisions being made in Yaoundé (the administrative capital of the country), and President Biya's unwillingness to change the system. The set-up had been devised by Ahidjo in the 1960s to enable him to stay in power and retain control over every decision made in Cameroon. Although it served him well (Biya quickly found out that it was also in his political interest to maintain the system) it also created an administrative nightmare that continued in spite of the New Deal.

Since almost every final decision regarding appointments, promotions, salary increases and transfers was made in Yaoundé, civil servants often found themselves overwhelmed by the number of files they were required to handle in one day. Consequently, much work was either left undone, with workers dealing only with the files of those who could make the trip from the provinces to Yaoundé. This 1986 case of a newly employed university graduate is typical of the ineffectiveness of this centralized administrative structure:

...The centralized administrative system put in place by the Ahidjo administration has led to greater inefficiency. Civil servants, some of whom had either resigned, retired or even died were still being paid. Workers have to leave the provinces in Yaoundé in order to have their dossiers processed, in order to have their salary paid or receive money as a result of promotion. Sometimes these employees have to spend weeks or months just to do this. What happens is that they are not doing what they should do in their area of work since they are in Yaoundé. Evidence of this is the case of a newly recruited graduate working in one of the provinces:

After waiting for his salary for six "long" months, he finally made a trip to Yaoundé, only to be told that his salary had not been paid because his dossier was 'incomplete'. They told him they could not find his birth certificate, nor the original copies of his degrees. Yet, he had submitted them, he said.... This employee believes that if the government gives the external services of the various ministries the power to make many of the decisions, which have so far been made only in Yaoundé, 'the result will be miraculous'.<sup>46</sup>

Corruption and ineffectiveness went far beyond the lower and middle echelons of the bureaucracy. It was estimated that between November 1982 and September 1991, high-ranking government officials had deposited more than 2 000 million francs CFA in their private bank accounts in Switzerland, France, the United States and the West Indies.<sup>47</sup> Most of the money was derived through the misappropriation of government funds.<sup>48</sup> A report in the *Cameroon Post* newspaper also indicates that five high-ranking government and party officials took a total of about 196 million francs CFA from the national treasury in 1991 for the "sensitization" of party militants.<sup>49</sup> Often, these and other government funds were dispensed without proper accountability.

Apart from the various domestic factors that contributed to the demise of the New Deal, there were also the external

forces – the fall in the prices of Cameroon's exports and the political changes in Eastern Europe. While the former crippled that administration's ability to implement many of the New Deal economic and social programmes, the end of the Cold War and the rise of democratic governments in many of the former communist countries of Eastern Europe forced President Biya (and many other African leaders) to accelerate the pace of political change beyond what he had planned under the New Deal.

## The impact of the decline in the prices obtained for Cameroon's exports

When Cameroon became an oil-producing nation in 1977, former President Ahidjo made the conscious decision to place the bulk of the revenue derived from the sale of oil in separate accounts (extrabudgetary accounts) in foreign banks. This strategy was aimed at eliminating the boom mentality that had crippled agricultural production in other African countries following the discovery of oil.<sup>50</sup>

Although the actual amount in these accounts remained a state secret under Ahidjo's administration, the export figure for 1982 was estimated at 154,8 billion francs CFA.<sup>51</sup> It was on the basis of the earnings from Cameroon's oil and other exports, and, perhaps more importantly, from the extrabudgetary account, that President Biya had expected to continue underwriting many of the New Deal programmes. Some of the money was used in road and rail construction and other development projects. In 1985, for instance, 180 billion francs CFA was withdrawn to supplement the national budget.<sup>52</sup>

However, beginning in 1986, Cameroon, like many other African countries, began experiencing a reduction in its foreign earnings owing to the decline in the price of its exports. The price of a barrel of crude oil fell from 29 dollars in 1984 to 26 dollars in 1985 and 10 dollars in 1986. This drop in the price of oil alone represented a decline in revenue from 694 billion in 1984/85 to 243 billion dollars in 1986/87.<sup>53</sup> Similarly, the price for cocoa, one of Cameroon's major export crops, fell from 940 francs CFA per kilogram in 1985 to 700 francs CFA per kilogram in 1986. Cotton also fell from 780 francs CFA per kilogram in 1984 to 331 francs CFA in 1986.<sup>54</sup> The total value of Cameroon's exports, which had exceeded 1 000 billion francs CFA in 1984/85, dropped to 575 billion francs CFA in 1986/87.<sup>55</sup>

Not even the Cameroon Development Corporation (CDC), the largest agro-business in the country and the second largest employer in the nation (after the state), escaped the economic crisis. Its gross profit dropped from 5 billion francs CFA in 1985/86 to 807 million francs CFA in 1986/87. Compounding the problem was the decline in the value of the dollar – from 500 francs CFA to the dollar in 1983, to 300 francs CFA in 1986. This in effect meant that Cameroon received less for its exports in 1986 than it did in 1983.

As we mentioned earlier, bureaucratic corruption also placed a severe strain on state funds. In 1987, for instance, there was a discrepancy of about 1,57 billion francs CFA between the amount of tariff the customs department was

supposed to have collected from the importation of champagne from France and the 214,66 francs CFA it actually tendered to the state's treasury.<sup>56</sup> In other words, about 86,6 per cent<sup>57</sup> of the revenue that was supposed to have been collected could not be accounted for.

This single loss, Nantang observes, was more than the entire budget of the Ministry of Women's Affairs and equivalent to that of the Ministry of Mines and Power for the 1987/88 fiscal year.<sup>58</sup> Taking this single example, one begins to understand the enormity of the problem and how development programmes were likely to suffer because of fraud by the bureaucracy. Simply put, while the administration was experiencing a severe decline in its export earnings, it was also losing revenue from bureaucratic fraud.

At the same time, the administration was unable to restrict its expenditure. Perhaps in an effort to reward his political allies and to create jobs for Cameroonians as he had promised, President Biya over-extended the government. For instance, a new Ministry of Women's Affairs was created while the former Ministry of Education was split into two – one in charge of primary and secondary education and the second to deal with higher education and scientific research. The number of cabinet positions were increased from 25, including the post of the prime minister in May 1982 to 28 in January 1987.

Meanwhile, new embassies were opened in Brazil, Côte d'Ivoire and Senegal. Altogether, the number of civil servants more than doubled from about 80 000 in 1982 to about 180 000 in 1988.<sup>59</sup> This meant that more money was needed for salaries and other expenses at a time when revenue was declining. In just four years, for instance, the budget of the Ministry of Agriculture increased from 9,5 billion in 1983/84 to 17,2 billion francs CFA in 1987/88 fiscal year (most of it going for salaries and other perks).<sup>60</sup> The fact that the decline in revenue was not immediately matched by a corresponding cut in government expenditure, placed further strain on the nation's resources.

Although the President had earlier, in 1986, tried to allay any fears of an impending economic crisis by publicly announcing that *"le Cameroun se porte bien"*, by the end of the year the optimism had dissipated. In fact, in his New Year's message to the nation, Biya called on all Cameroonians to be prepared to make some sacrifices as a necessary step towards solving the nation's economic problems.<sup>61</sup>

Earlier, in an effort to rid the administration of corrupt officers and to make the administration more efficient, the government in 1986, introduced a series of sweeping reforms. For example, a number of doctors and other medical officers were either dismissed or suspended for corruption and absenteeism. A new computerized system was introduced in the customs service in an effort to curb corruption and improve the collection of tariffs. Instead of achieving its stated goal, the new system led to a severe shortage of imports.<sup>62</sup> Also in 1986, a sweep of the civil service registry eliminated more than 20 000 absentee workers who were costing the government millions of francs CFA in salaries annually.<sup>63</sup>

Furthermore, in an attempt to address the growing economic problem, the investment budget, which stood at 340 000 million francs CFA for the fiscal year 1986/87, was reduced to 250 000 million francs CFA for 1987/88. The decrease meant greater unemployment and an end to many of the projects proposed under the New Deal.

The unemployment situation was made worse by the exodus of many foreign businesses and financial institutions which had operated in the country during the boom period of the early 1980s. In 1989, Cameroon Bank, the only bank in the country that was owned entirely by the Cameroon government, was forced to close its doors. Local businessmen lost confidence in the few banks that remained as many turned instead to "njangi" (contribution groups) as a means of saving and borrowing money.

By 1987, Cameroon's financial situation had become so critical that the administration was forced to introduce a series of austerity measures that it hoped would relieve the problem. For the first time since independence, the budget for the ensuing year was actually reduced. For instance, the budget for the fiscal year 1987/88 was reduced by 18 per cent to 650 billion francs CFA as opposed to the 800 billion in the 1986/87 budget. Other measures that were introduced, included:

- Restructuring and streamlining parastatals and other government companies for greater efficiency.
- Reducing the number of embassy employees abroad, and eliminating or consolidating other sections.
- Eliminating misuse of government vehicles and strict controls over the use of telephones.
- In 1987 the Farmers' Bank, National Fund for Rural Development (Fonader), was dissolved because of inefficiency. It was replaced by a new organization, the Credit Agricole, which was supposed to facilitate loans to farmers by reducing bureaucratic red tape.<sup>64</sup>

Despite earlier reluctance to seek financial support from the International Monetary Fund (IMF) and the World Bank, the Biya administration finally turned to both organizations for help. In 1988, the IMF proposed an aid package totalling \$150 million to be given over an 18-month period. The World Bank also promised a loan of between \$150–250 million. Additional funds were promised by the French Central Fund for Economic Co-operation, the African Development Bank, the West German government, the United Kingdom and the European Development Bank.

However, this support was not enough. In 1991 the administration was forced to introduce further cuts in the salaries and benefits of government employees. For instance, there was a 50 per cent cut in out-of-station and other allowances that civil servants could receive and a 7 per cent pay cut for most government workers.<sup>65</sup> It also eliminated free housing, except to very high-ranking government officials such as ministers, directors and secretary generals.<sup>66</sup>

In addition to the cuts, the government introduced a series of revenue generating measures that included raising import tariffs on such items as motor vehicles, meat, perfumes,

cigarettes and tobacco. In 1987, the government imposed a 300 per cent tax on some local products including beer, soft drinks and petrol. It was estimated that the tax on petrol would raise 12,5 billion francs CFA in the 1987/88 fiscal year and 30 billion francs CFA the following year. At the same time it was projected that the tax on beer and soft drinks would bring in 8 billion and 20 billion francs CFA, respectively, during the same period.<sup>67</sup> Additionally, the fee for obtaining driving licences was increased.

Although these measures were necessary to prevent the country from sliding into a deeper economic crisis, they were very unpopular because they hardly affected the political élite and those in the upper echelons of government, whose privileges remained intact.<sup>68</sup> In fact, by the late 1980s many Cameroonians were blaming President Biya and his New Deal for the economic hard times they were experiencing.<sup>69</sup> Consequently, the demands for political change in Cameroon beginning in 1989, were not only motivated by the changes in Eastern Europe and other African states, but also by a need to change the economic *status quo*.

## The impact of the political changes in Eastern Europe

Although President Biya was an advocate of greater political freedom and democratic reforms in Cameroon, he believed that both should occur, at least in the short term, under the auspices of a single party structure.<sup>70</sup> In other words, the party was supposed to define the extent to which freedom and democracy were going to be allowed in the country. For that reason, President Biya was opposed to any suggestions or attempts to establish a multi-party democracy in the country.

However, with the end of the Cold War and the move toward democratic governments in Eastern Europe, Cameroonians, like Africans elsewhere on the continent saw the changes as an added incentive to demand greater political reforms, including the introduction of multi-party democracy. At first Biya resisted giving in to these demands. For instance, in March 1990, ten prominent Cameroonians in Douala (later known as the Douala Ten) were arrested and charged with attempting to form an alternative party to the CPDM. But as pressure from France mounted and as demonstrations became almost a daily occurrence throughout the major towns and cities in Cameroon, the President was forced to change his mind.

In December 1990, for the first time since the creation of a single party in 1966, other parties were allowed no function in Cameroon. President Biya would later acknowledge on a visit to the United States, in May 1991, that the changes in Eastern Europe had indeed led to a challenge of the one party system in Cameroon and Africa in general. Even the usually cautious government-owned newspaper, *Cameroon Tribune*, acknowledged the political impact that the changes in Eastern Europe had on Cameroon:

...then there was this strange wind of democratic change that originated with Perestroika in the Soviet Union, struck Eastern

Europe in 1989 and attained African in 1990. Dictatorial regimes – military and one-party on the continent – either moved along or were forced to move along. Cameroon was not left indifferent. Barrister Yondo Black and others lit the torchlight, Ni John Fru Ndi and others in the SDF raised the flames high, the church and the people chorused in, and by June 1990, the CPDM ruling party came along. And so the path to multipartism and democracy was opened, and is still to reach its destination: the establishment of a true democracy in Cameroon.”<sup>71</sup>

## Conclusion

Perhaps it is more appropriate to conclude this article by attempting to answer one of the questions we had posed earlier: Did Cameroonians expect more from the President who had promised a new deal?

When President Paul Biya proclaimed the New Deal in 1982, he was perhaps genuinely interested in changing the *status quo* in Cameroon. He introduced new social programmes and accelerated the development of old ones. In the area of economic development, he encouraged agricultural production and indigenous businesses through price incentives to farmers and by facilitating loan procurement for businesses. By the end of 1984 he had introduced a series of political reforms, including greater individual freedom and multiple candidates in elections. Despite these changes, however, Cameroonians were not satisfied. They expected more from the President who had promised them a new deal.

Although part of the reason for not providing more may be attributed to Biya's leadership, it is also clear from the above that there were other factors beyond the President's control that contributed to the demise of the Cameroonian New Deal. For instance, bureaucratic corruption and laxity persisted. In other words, Cameroonians had failed to seriously contribute to its success by not heeding to his call for “rigour”, “integrity” and “moralization”, which together were supposed to form the linchpin of an effective administrative system.

Additionally, the lower prices received for Cameroon's exports from the mid-1980s severely restricted President Biya's ability to finance many of the New Deal programmes. Meanwhile, the end of the Cold War and the political changes in Eastern Europe accelerated the pace of political change beyond what President Biya had initially intended.

Cameroonians finally had the opportunity to demonstrate their disappointment in Paul Biya and the New Deal in the first multi-party legislative and presidential elections since the creation of a single party in 1966. On 1 March 1992, the President and his CPDM party won less than 50 per cent (88 of the 180 seats) in the National Assembly. Later, in the presidential elections on 11 October 1992, Biya was re-elected with only 39,9 per cent of the votes cast.

## Notes and references

- 1 The two other major parties, the Social Democratic Front (SDF) under the leadership of John Fru Ndi, and the National Union for Progress and Democracy (UNDP) led by Biya's first prime minister, Bello Bouba Maigari, won 35,9 and 19,2 per cent of the votes respectively.



- 2 Until the peaceful and constitutional transfer of power on 6 November 1982, Ahmadou Ahidjo had served as the country's only head of state since independence in 1960.
- 3 After completing his university studies in France, Biya returned to Cameroon in 1962 where he served in a number of high-ranking government positions, including: Chief of Mission at the Presidency of the Republic, Director of Cabinet in the Ministry of Education, Youth and Culture, Director of Civil Cabinet at the Presidency and Secretary General at the Presidency. In 1975, he was appointed to the post of Prime Minister, a position he held until he became President on 6 November 1982.
- 4 Patrick Sam-Kubam and Richard Ngwa-Nyamboli (eds), *Paul Biya and the quest for democracy in Cameroon*, Yaoundé: Editions Cle, 1985, p 39.
- 5 Paul Biya, *Communal liberalism*, London: Macmillan, 1987, p 111.
- 6 Victor Julius Ngoh, *Cameroon 1884–1984: A hundred years of history*, Limbe: Navi-Group Publications, 1988, p 305.
- 7 Richard A Joseph, "Cameroon under Ahmadou Ahidjo: The neo-colonial polity", in Richard A Joseph (ed), *Gaullist Africa: Cameroon under Ahmadou Ahidjo*, Enugu, Nigeria: Fourth Dimension Publishers, 1978, p 40.
- 8 Richard Bjornson, *The African quest for freedom and identity*, Bloomington and Indianapolis: Indiana University Press, 1991, p 140.
- 9 Patrick Sam Kubam and Richard Ngwa-Nyamboli, *op cit*, pp 42–43.
- 10 For details on the conditions, see Victor Julius Ngoh, *op cit*, p 331.
- 11 Mark W DeLancey, *Cameroon: Dependence and independence*, Boulder and San Francisco: Westview Press, 1989, p 76.
- 12 Interview by Buinda Gemda and Gregoire Ndjaka, cited in *Les Camerounais Jugent leur President*, Yaoundé: Impression ESSTI, 1987, p 23.
- 13 Nancy C Benjamin and Shantayanan Devarajan, "Oil revenue and the Cameroonian economy", in Michael G Schatzberg and I William Zartman (eds), *The political economy of Cameroon*, New York: Praeger Publishers, 1986, p 165.
- 14 *Ibid*, p 166.
- 15 *Ibid*, p 163.
- 16 *Cameroon Post*, 12–19 August 1991.
- 17 *Africa Research Bulletin*, 15 June 1988.
- 18 Jean-Francois Bayart, *L'Etat au Cameroun*, Paris: Presses de la Fondation Nationale des Sciences Politiques, 1979, pp 141–159.
- 19 Victor J Ngoh, *op cit*, p 305; also see Jean-Francois Bayart, "Cameroon" in Donald B Cruise O'Brien, John Dunn and Richard Rathbone (eds), *Contemporary West African states*, Cambridge: Cambridge University Press, 1989, pp 39–40.
- 20 *Ibid*, p 36.
- 21 For details see Jean-Francois Bayart; Mark W DeLancey; and Victor J Ngoh, *op cit*.
- 22 Mark W DeLancey, *op cit*, p 51.
- 23 Victor T Le Vine, "Leadership and regime changes in perspective", in Michael G Schatzberg and I William Zartman (eds), *op cit*, p 47.
- 24 *West Africa*, 12 December 1983.
- 25 Mark W DeLancey, *op cit*, p 75.
- 26 J Cartwright, *Political leadership in Africa*, New York: St Martin's Press, 1983, p 19.
- 27 *Le Messenger*, 14 August 1991.
- 28 *Africa Confidential*, 19 February 1988.
- 29 *West Africa*, 22–28 April 1991.
- 30 Interview with a party official in Kumba, 13 August 1991. It should be noted that during my stay in Cameroon in the summer of 1991, I came across a lot of people who expressed the same opinion. It is ironic that many of these same people who had condemned Ahidjo's authoritarian rule were asking for his return to power by 1987. As one observer noted, "he was a tough leader who made sure that his policies were implemented".
- 31 *West Africa*, 22 September 1986, p 1972.
- 32 CNU, *The New Deal message*, Yaoundé: Editions Sopecam, nd, p 525; also see Paul Biya, *op cit*, p 126.
- 33 Jean-Francois Bayart, *op cit*, p 34.
- 34 *Africa Confidential*, 15 June 1990.
- 35 Interview, Limbe, 24 July 1991.
- 36 *Le Messenger*, 3 August 1991.
- 37 For a detailed result of the 1992 presidential elections, see *Jeune Afrique*, 12–18 November 1992, pp 18–23.
- 38 *Africa Confidential*, 17 November 1989.
- 39 *Le Messenger*, 3 August 1991.
- 40 *Africa Events*, March 1991.
- 41 *West Africa*, 3–9 June 1991.
- 42 *Africa Confidential*, 17 November 1989.
- 43 For a discussion of this point of view, see Robert H Jackson and Carl G Rosberg, *Personal rule in black Africa*, Berkeley: University of California Press, 1982; David J Gould, *Bureaucratic corruption and underdevelopment in the Third World: The case of Zaire*, New York: Pergamon Press, 1980; and Michael G Schatzberg, "Blockage points in Zaire: The flow of budgets, bureaucrats and beer", in Guy Gran (ed), *Zaire: The political economy of underdevelopment*, New York: Praeger Publishers, 1979, pp 161–188.
- 44 David J Gould, *op cit*, p xiii.
- 45 *West Africa*, 19 November 1989.
- 46 *West Africa*, 17 November 1986.
- 47 *Le Messenger*, 18 July 1991.
- 48 For an excellent discussion of how this system operated, see Jua Nantang, "Cameroon: Jump-starting an economic crisis", *Africa Insight*, vol 21, no 3, 1991, p 165.
- 49 *Cameroon Post*, 12–19 August 1991.
- 50 Mark W DeLancey, *op cit*, p 140.
- 51 Nancy C Benjamin and Shantayanan Devarajan, *op cit*, p 164.
- 52 Mark W DeLancey, *op cit*, p 141.
- 53 *West Africa*, 27 June 1988, p 1158.
- 54 *West Africa*, 18 May 1987.
- 55 *West Africa*, 27 June 1988.
- 56 *Africa International*, no 217, June 1986, as cited in Jua Nantang, *op cit*, p 165.
- 57 *Ibid*.
- 58 *Ibid*.
- 59 *Ibid*, p 164.
- 60 *Ibid*, p 164.
- 61 *Cameroon Life*, January 1992.
- 62 Instead of bringing in more revenue as envisaged, the new computerized system actually led to a decrease in import revenue and a shortage of import goods in the country. That was because businessmen were unable to pay the real amount that they had to in order to claim their goods from the ports. Under the old system where there was no accurate system of accountability, businessmen could make special deals with individual custom officers to claim their goods. Much of the revenue received from such deals went to the pockets of the officers.
- 63 Mark W DeLancey, *op cit*, p 77.
- 64 *West Africa*, 27 July 1987.
- 65 *Le Messenger*, 18 July 1991.

- 66 Previously, it was not unusual to find junior and middle-level civil servants living in homes and apartments where the government paid monthly rents that far exceeded their monthly salaries.
- 67 *West Africa*, 7 March 1988.
- 68 *Cameroon Life*, January 1992.
- 69 Mark W DeLancey, *op cit*, p 70.
- 70 Paul Biya, *op cit*, pp 43–47.
- 71 *Cameroon Tribune*, 18 July 1991.

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# Strongmen on the Cape Flats

*Prof Pierre du Toit and Prof Jannie Gagiano of the Political Science Department at the University of Stellenbosch, explore the rise and fall of Mr Johnson Ngxobongwana, strongman of the Crossroads community, in the context of township and national politics.*

Politics in Africa is often depicted as a contest between the formally organized (and internationally recognized) institution of state, and societally based formations. In this depiction the former tries, but often fails, to incorporate the latter into its jurisdiction, in an attempt to give substance to its own claims to sovereignty. The result is that such societally based political units in some cases do succeed in operating beyond the formal control of the state, which places them in a position to challenge the incumbents of state power. The literature on black urban politics in South Africa tends to conform with this pattern. Analyses that utilize a state *versus* society perspective predominate, with both state and society prone to be treated as monolithic political units. The analyses for the contest of power are then accommodated into either a structuralist or a conspirationalist account of events.<sup>1</sup>

The theoretical perspective developed by Joel S Migdal allows for different components within both the state and society to be conceptualized and for more intricate patterns of state/society relations to be analysed.<sup>2</sup> This framework differentiates between strong states, which are defined as those who succeed in effectively penetrating the daily lives of its citizens; and weak states, which fail to do so. Strong states acquire domestic hegemony through a superior capacity for social control: to dictate to people the survival strategies with which they should confront daily life. Weak states are unable to impose state-sponsored survival strategies, and the networks of social control of societally based organizations persist alongside, and in rivalry with that of the state. Strong societies exhibit a high level of social control, which may or may not be congruent with that of the state. Weak societies contain few organizational structures able to exert social control, and are easily dominated by strong states.

Moving beyond Migdal, we have argued that when states weaken, the potential for societally driven networks of social control to emerge or re-emerge is created, and depending on the structure of the society, may lead to the emergence of civil society or of civil war.<sup>3</sup>

In the contest for hegemony in South Africa the assault on the apartheid regime has led to a marked weakening of the South African state.<sup>4</sup> The aim of this article is to explore one site of state weakness as it emerged from the late 1970s. The focus will be on the communities in the informal shanty towns on the periphery of the Cape Town metropolis, known as the Cape Flats, with special emphasis on the Crossroads community, and the political career of Mr Johnson Ngxobongwana. Three themes will be addressed. The first is a descriptive analysis of the informal political structure and rules that evolved within Crossroads and that provided effective government within Crossroads and other shanty town communities (and at the time of writing is still operative in some places) on the Cape Flats. The second theme explores the interaction between the state and the powerholders within these communities. The third theme consists of an assessment of the strategic options that have been used by rival shanty town leaders in their engagement with one another and the state after 1990, given the rapid changes in the wider political context that we characterize as a contest for hegemony between the incumbents of the state and their challengers. We conclude by pointing to the implications of our findings for the prospects of the emergence of a civil society in post-apartheid South Africa.

## The theory

State-society relationships in the strong states in the West are characterized by the emergence and consolidation of so-called "civil societies". Civil societies, in our view, are societies that have been domesticated and incorporated into the institutions, laws and customs that give expression to the

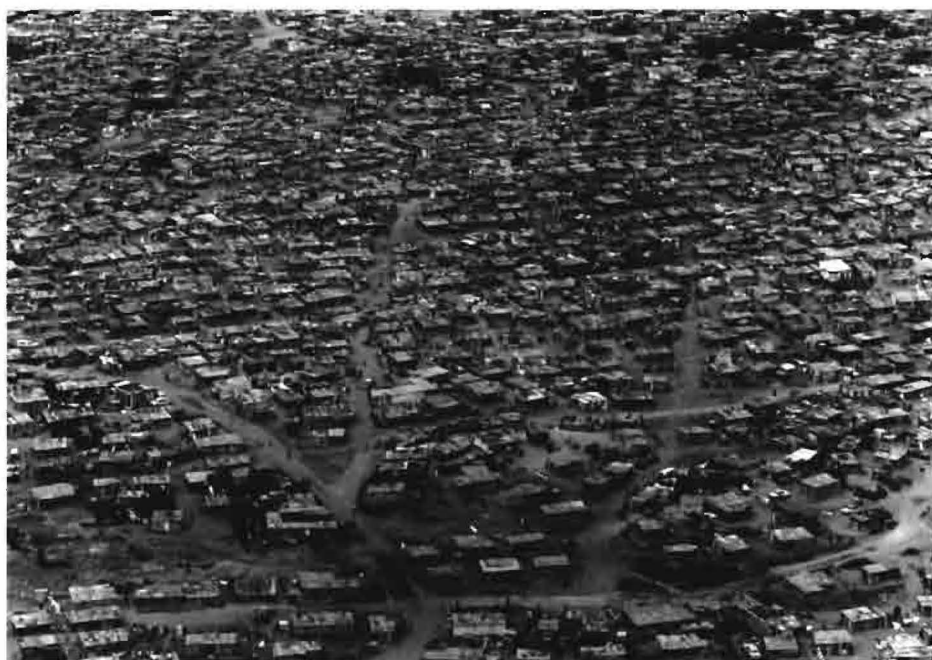
\* This is a revised draft of a paper with the same title which was read at the Research Colloquium of the Political Science Association of South Africa, held at Broederstroom, South Africa, on 9 October 1992.

modalities of social control which serve to facilitate the survival strategies pursued by the dominant organizing units of action in the planetary system of inter-societal rivalry, the modern nation-state. An ethnic state like South Africa is not a nation-state and hence, in terms of our logic, its continuation subverts the emergence of a civil society.<sup>5</sup> Ethnic states are typically organized in a format designed to provide survival strategies for the dominant ethnic segment in the face of what is perceived as the hostility of subordinate groups and to tailor its systems of social control to contain this hostility. The survival strategies it offers its subjects are subordinate to this primary concern. From there it becomes subject to a vicious dialectic. The very containment of subordinated segments of the population reproduces their hostility and subverts prospects of establishing the type of hegemony characteristic of strong states.

Migdal's description of state-societal relations in the Third World – he talks of strong weblike societies – seems appropriate. Strong weblike societies have multiple centres of public authority that operate beyond the state; multiple status and material allocations set up by competing clusters of ethnic, racial and/or religious networks; a non-complementary system of organized survival strategies emerging from these networks; and a state too weak to isolate and protect the individual from the uncivil forces that emerge in such an environment. *Strongmen* are pivotal local leaders who organize, co-ordinate and implement these survival strategies, against the influence of the state, and against rival strongmen.

In civil societies membership of the social and political spheres of life constitutes a complementary continuum through the equal status of citizenship; and the autonomy of civil society is exercised through the honouring of the civil rights of citizens by the state. A unified system of law, a unified status of membership of the state and society, a unified system of organized survival strategies under the unified banner of the nation-state is necessary for the survival of civil society. Extending Migdal's framework into this conceptual field, we argue that civil societies can be seen as very specific kinds of strong societies – those in which social control is asserted through a pyramidal structure of social organization, where the state occupies the apex of this pyramid and where society and state strategies for survival coincide rather than conflict. A civil society can emerge only when the state has succeeded in drawing the entire population into a single common jurisdiction under a shared status of citizenship and a legal system that applies to all.<sup>6</sup>

Because the Afrikaner ethnic state in South Africa pre-



An aerial view of Crossroads

Photo: Cape Times

vented a civil society from emerging, conditions where the type of weakness that allows society strongmen to occupy some of the social space the state failed to penetrate, arose. This space has increased significantly since the early 1980s and has become an area of contestation between the state, nationally organized liberation movements and strongmen (each intent on enhancing their power by establishing *de facto* regimes of social control). This is exemplified by an increasing failure on the part of the state to exercise social control through forcing or persuading compliance with its laws; failing to elicit repeated voluntary participation within institutions run or authorized by the state and failing to legitimize itself through the voluntary acceptance of the myths and symbolic imagery with which it can justify its rules of behaviour. Some commentators have seen this as corresponding to the re-emergence of civil society from the stifling embrace of a retreating apartheid state.<sup>7</sup> We reject this view. Something cannot re-emerge if it has never been.

In line with our thinking, Claude Ake, a prominent Nigerian political scientist, warns against the dangers of making the assumption that the proliferation of grassroots organizations and independent community groups in Africa is a sign of the growth of integrative pluralism.

I would like to caution against making too much of this because it seems to me that to some extent what is in fact happening is the dissolution of society. It is often a sign of malady. It is very easy to present this as a form of health and vitality at the grassroots. In so far as they are not connected at more ecumenical levels these groups pose a serious problem for the survival of the society at large.<sup>8</sup>

It would be an exaggeration to present the strongmen in the cases we are studying as constituting a problem for "the survival of the society at large". We are merely warning

against the type of romanticizing which might see them as primitive rebels, forces for the emergence of democracy at the grassroots or harbingers of a vibrant civil society in South Africa.<sup>9</sup>

Migdal suggests an analytical model within which the patterns of accommodation that includes strongmen can be located. He presents the model as a triangle that includes firstly the actual implementor of the state policies that impinge upon the sphere of influence of strongmen, secondly politicians operating in the national political arena and high level state administrators, and thirdly strongmen. The level of mutual determinacy between the agents on the three points of the triangle vary in different institutional settings but it can be taken as a general rule that the weaker the central control of the state administration in its sphere of jurisdiction, the less predictable the outcomes of the interaction between the sets of actors. This yields a larger space for implementors and strongmen to manoeuvre in and a greater freedom to come to mutually beneficial agreements beyond the application of those public policies that central authorities design for them.

For our purposes strongmen can be seen as leaders in urban shanty town communities who exercise social control over their followers by offering them strategies of survival in conflict with or parallel to those organized by agencies of public authority in the state. Where co-operation between the state and strongmen occurs, it tends to be contingent (in the sense that it is subject to *ad hoc* and shifting "deals" between administrative officials, politicians and strongmen) and informal (in the sense that it is not validated by the formal requirements of public law). When the relationship is formalized, strongmen run the risk of becoming domesticated and transformed into co-opted extensions of local government administrations.

## The context

The urban context within which prospective strongmen in South Africa operate has been shaped by three major sets of strongly interrelated, yet distinct, forces. These are the process of industrial modernization, with its distinctive pattern of urbanization; the policies of successive governments since 1910, which tried to structure this urbanization in a specific way; and the contest for power between the state and its extra-constitutional challengers. The impact of each of these forces will be discussed briefly in turn.

In 1911 South Africa's population stood at 5,9 million (1,27 million whites; 4,01 million Africans; 0,52 million coloureds; 0,15 million Indians), of which 24,7 per cent were urbanized.<sup>10</sup> By 1991 the total population had risen to 38,5 million (29,06 million Africans; 0,99 million Indians; 3,29 million coloureds; 5,09 million whites), and the urbanized portion thereof had increased to 59 per cent.<sup>11</sup>

Numerous factors, such as the differential fluctuation in population growth rates within each of these racial categories throughout this century, can partially account for South Africa's pattern of urbanization.<sup>12</sup> The overwhelming causal factor, however, appears to be official policy measures on

urbanization by every governing party since 1910. According to Harrison, official urban policy can be seen to have moved through eight distinct phases, starting with unco-ordinated segregationist policies, through to hard-line, rigid apartheid measures, and back to an official acceptance of the inevitability of large-scale urbanization by all South Africans.<sup>13</sup>

The overall effect of trying to control the movement of so many people into and within urban centres can be summarized into four categories. First, vast numbers of people were apprehended as law-breakers. Between 1916 (when records were first held) and 1986, 17 million people were prosecuted for being somewhere in contradiction of the prescriptions of the law.<sup>14</sup> Second, many people were subjected to forced relocation within urban areas, or to removal from the cities to the rural homelands. One estimate is that up to 3,5 million people were forcibly relocated between 1960 and 1983 in terms of official policy.<sup>15</sup> Third, the spatial distributional effect within the towns and cities was to produce residential patterns demarcated strictly along racial lines.<sup>16</sup> Fourth, in comparative African terms, South African cities contained, by the early 1980s, a relatively small percentage of people in informal settlements.<sup>17</sup> Finally, despite the strenuous attempts at comprehensive social control by all the successive governments since 1910, all South Africa's major cities contained permanent informal settlements on their outskirts by the 1990s. Estimates of the total number of such informal settlers range from as low as 3,5 million up to a high of 7 million.<sup>18</sup> In this respect, South Africa's cities, despite the history of apartheid, are becoming more and more like those in other parts of Africa.<sup>19</sup> This trend is likely to accelerate in the future.<sup>20</sup>

This enormous project of social control by the state, first known as segregation, and later as apartheid, did not go unchallenged. From the enactment of the Act of Union of 1910, which denied equal franchise to all citizens, these forms of state social control met with organized resistance. The confrontation between the state and anti-apartheid organizations escalated into a full-scale insurrectionary challenge by the 1980s, with the challengers increasingly converging into the alliance led by the African National Congress (ANC) and South African Communist Party (SACP). While these organizations led the challenge at the national level, the urban context of the anti-apartheid movement became increasingly focused on the so-called "civic" organizations.<sup>21</sup> This contest for hegemony between the state and its radical challengers serves as the third factor shaping the urban context within which prospective strongmen in South Africa's cities operate. Both the state and the "rival state" serve as contending units of social control, which impacts powerfully on urban communities.

The Cape Town metropolitan area mirrors all three contextual factors outlined above. As the oldest city in South Africa it led the process of industrial modernization and urbanization. From the start it evolved as a multi-racial city, with informal black settlements being established inside the urban centre by freed slaves, following their emancipation in 1834.<sup>22</sup> After the bubonic plague of 1902 the first peripheral township of

Ndabeni was established, but up to 1948 it remained South Africa's, and possibly sub-Saharan Africa's, least segregated city. As late as 1936 up to 37 per cent of its residential areas were still racially integrated.<sup>23</sup> During the 1950s the inner city was reorganized along racial lines with the destruction of areas like District Six, and the construction of Nyanga and Gugulethu as African townships on the Cape Flats. After the housing freeze started in 1967, informal shanty towns were established at the perimeters of these outlying townships.<sup>24</sup> Crossroads became the most celebrated of them, as it became a pivotal site, not only in the contest between pro- and anti-apartheid forces, but also in the broader contest for hegemony between the state and its challengers. For more than 15 years, from 1975 to 1991, the major political figure in the politics of Crossroads was Johnson Ngxobongwana.

Crossroads was established in February 1975 when officials from the Cape Divisional Council, who administered the land east of the Nyanga township instructed dispossessed African families to move onto the land.<sup>25</sup> The intention was to establish a transit camp for resettling illegal Africans from all over the Cape Peninsula prior to relocating them in the homelands, primarily Ciskei and Transkei. In 1976, however, in a landmark ruling by the Supreme Court the area was declared a legal emergency camp in terms of section 6 of the Amendment to the Prevention of Illegal Squatting Act, instead of granting the Divisional Council the right to demolish the settlement. With this legal foothold providing some measure of permanency a community soon developed from the by then 10 000 settlers. Informal political structures in the form of two "committee systems" (the format and rules of which are discussed in the next section), the Sizamile and Noxolo committees, took control over the area. In 1978 after the death of the chairman of the Sizamile committee, they were merged into a single system under the chairmanship of Johnson Ngxobongwana.

Ngxobongwana manoeuvred astutely to retain and consolidate the legal status of Crossroads and to retain his own powerbase within a rapidly growing community. In 1982 he became the first chairman of the newly formed Western Cape Civic Association (WCCA), while maintaining contact with the then Minister, Dr Piet Koornhof, to secure concessions for the upgrading of the area. In 1983 the establishment of Khayelitsha, a huge new township beyond Crossroads was announced. This was where the state wanted to relocate the African population henceforth. In the same year the United Democratic Front (UDF) was established; and 1983 also saw the first emergence of the "*witdoeke*", a paramilitary formation, that used coercive methods to oust



The showdown between the *Witdoeke* and the UDF left 70 dead

Photo: Cape Times

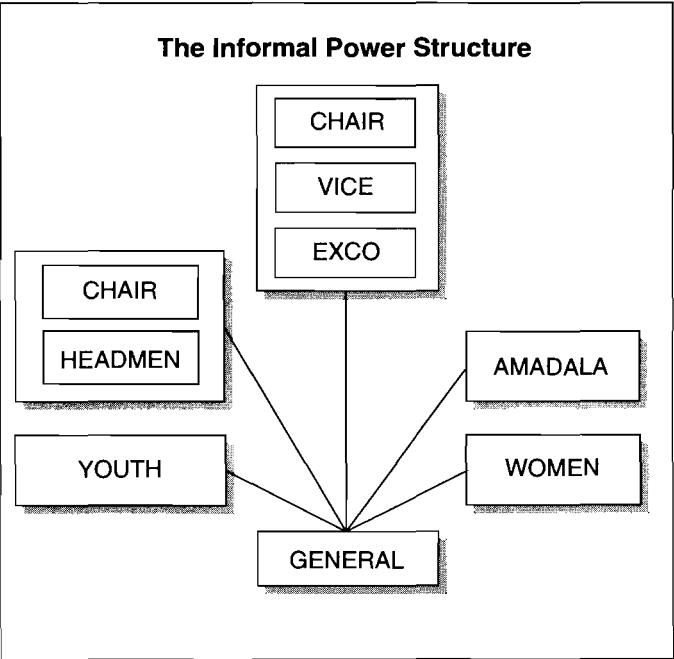
Mr Oliver Memani, one of Ngxobongwana's most persistent opponents, from Crossroads.

This volatile mix of forces erupted in 1985. The Cape Youth Congress (Cayco), a UDF affiliate, began asserting themselves in Crossroads, independently from Ngxobongwana's system. The state put pressure on the population to relocate to Khayelitsha. Ngxobongwana faced internal power struggles as well as threats from Cayco. In the showdown, which left up to 70 people dead, the *witdoeke* succeeded in driving the UDF from Crossroads and from KTC, the adjoining shanty town, with close to 70 000 fleeing the area, many to Khayelitsha. (Cole argues convincingly that the state security forces provided the *witdoeke* with tacit support.)<sup>26</sup>

By 1987 Crossroads became an official Black Local Authority and Ngxobongwana the first duly elected mayor. In 1989 a new challenge emerged from within the informal Crossroads power structure, led by Mr Jeffrey Nongwe, chairman of the headmen committee. Points of dispute centred on reputed misappropriation of funds levied from residents, the allocation of newly completed houses in the upgraded areas of Crossroads, and on control of the Sebenza High School.

Violent shoot-outs between gunmen left casualties on both sides. February 1990 saw the national political landscape change dramatically with the unbanning of the ANC, SACP and the Pan Africanist Congress (PAC). In May 1990 Nongwe reportedly pronounced himself leader of the Crossroads branch of the ANC, while Ngxobongwana was reported to be a member of the local branch of the PAC. During this time the PAC (through official spokespeople) complained to the police that the ANC was sponsoring violence in Crossroads. By October 1990 Ngxobongwana's supporters were fleeing Crossroads and resettling in Driftsands,





a provincial nature reserve beyond Khayelitsha. In February 1991 Sebenza High School was renamed Dr Nelson Mandela High School. In September 1991 the PAC Youth League leader in Crossroads was assassinated, and Mr Chris Hani visited Crossroads, promising Umkhonto we Sizwe support for the establishment of local defence units. By early 1992 Ngxobongwana had also relocated to Driftsands, where he once again established a committee system of control.

Analysis

The power structure

The informal power structure which had evolved in Crossroads by the late 1970s, in Khayelitsha by the 1980s, and which was still operative in the community of Driftsands in 1992, and the dynamics of the power relations within these structures, has yet to be accurately described.<sup>27</sup>

The original system that operated in Crossroads from 1976 was constructed as follows.<sup>28</sup> The “general” (assembly/meeting) consists of all adults with shacks in the community. Only those with fully paid up “dues” can vote. Those in arrears forfeit the right to vote but can still attend meetings. The general meets every Sunday morning and can also be convened on special request. The general elects a youth committee (who have to deal with matters such as sport and recreation), a women’s committee (who have to look after welfare and educational matters), a committee of elders, the *amadala*, a headman committee and an executive committee.

The *amadala* (usually 10 to 12 members) act as the conflict resolvers, equivalent to a community court of appeal, who have to settle disputes on matters such as theft, child maintenance fees, and the like. The headmen committee (comprising of 17 to 20 members), serve as the disciplinarians. They collect the dues from each shack, enforce local

rules, (such as the 21:00 Sunday evening closing time for shebeens), and act as a policing force for the community. Every headman is assigned five assistants, and they patrol specific areas by night. Each headman is elected per section (equivalent to a ward constituency), and is responsible for that section. All newcomers to the community must first be cleared by a headman. The headmen therefore control access to the community. All new arrivals to the community must furthermore accept the three basic rules: dues must be paid; the system itself must be accepted; and all problems must be referred to the relevant headman.

The executive committee (“exco”) of 15 members is elected by the general, which also elects the chairman. The chairman appoints a vice-chairman from the ranks of the executive committee. A sub-committee of the exco administers the finances raised through the dues of each shackholder.

The triangle of accommodation

Strongmen ply their trade in the mean streets of society and their style of operation typically reflects the precarious nature of the dangerous and sometimes desperate measures necessary for survival in these environments.

In the first place, they build their domains among the socially and economically marginalized elements of society – in our case among the urban poor, the largely under- or unemployed and those desperately holding on to the urban periphery in shanty town communities after giving up hope of finding a livelihood in the rural areas from which they escaped. This means that the volume of resources they can draw from their communities to bolster their autonomy in their dealings with public authorities is meagre and narrows the range of their strategic manoeuvring. The Crossroads leader Ngxobongwana is a good example. Ngxobongwana sees himself as a servant of “my people”, but at the same time entitled to be rewarded for his efforts on their behalf by extracting (his enemies would say extorting) compulsory monetary contributions from them. The margin of error in judging how far he can go with this is very small in a community living below the bread line. A seemingly innocuous transgression can quickly sour his reputation as a credible leader.

In the second place, it is rare for them to extend the field of their operations beyond this confined base. Their style of operation and the apparatus of control they erect to consolidate their leadership appears to be subject to inherent limiting factors whereby the critical mass of their clientele reaches a maximum at 12 000 to 15 000 followers. If it does, their positions become tenuous and the pattern of their domination unstable. The case of Mr Mali Hosa in Khayelitsha serves as an example. The very rapid influx of people from the Eastern Cape settling in the area over which Hosa’s informal apparatus of community control held sway quickly led to a situation where rival shanty town leaders could establish themselves despite initial efforts to subject them to the operating principles of the Hosa regime (a replica of the system employed by Ngxobongwana in Crossroads).

The realization that their position of power in their communities is subject to the operation of the factor we called



“critical mass”, becomes a disincentive to enter into combinations with other community organizations (for example the “civics”) to build a larger front to structure their bargaining relationship with public authorities. After a brief flirtation with WCCA in the early 1980s Ngxobongwana quickly withdrew to his home base in Crossroads and structured his dealings with Crossroads local government officials on a particularistic agenda. He found his justification in the realization that he could meet the immediate needs of his people for land, housing and community services more efficiently if he co-operated with public authorities rather than confronting them within the fold of a regionally based coalition of forces with a wide-spectrum political agenda and practically no material means to reward solidarity.

The case of Ngxobongwana presents one way in which the interaction between strongmen and the state can be accommodated. It is not the only way and possibly not even the typical way. It can, however, be illustrative of a pattern of accommodation that emerges in a society arena where a relatively weakened state challenged by nationally organized liberation movements sets out to engage strongmen.

In the case of Crossroads the major implementor of government policy was Ulrich Schelhase and the local strongman, of course, Ngxobongwana. We interviewed both extensively on the nature of their evolving working relationship and present it as a case to illustrate some of the general observations we made earlier.

After the turmoil that boiled across the country in 1984 and beyond, the state responded by, *inter alia*, devising and deploying the so-called Joint Management Centres (JMC) system in an attempt to stabilize the situation and reassert control in the urban townships.<sup>29</sup> Schelhase was appointed to oversee the Crossroads area with a wide brief to deploy some of the policies adopted by the state as part of its anti-revolutionary or so-called “oil spot” strategy. In Schelhase’s case it entailed the idea of stabilizing the shanty town settlements on the Cape Flats by building up Crossroads as a model community through the provision of services, housing and other forms of material aid, and, if this worked, to multiply the effect by extending it to other communities (like an oil spot spreading on water and thereby reducing its turbulence).

Schelhase reports that one of the first steps he took was to identify “good leaders” in the communities which were prepared to co-operate with him and could bring “a groundswell of support with them”.<sup>30</sup> The second move was to try and strengthen their position *vis-à-vis* other leaders through extending the scope of their already existing patronage by bolstering their capacity to “deliver the goods” (“we improve their roads, we put sewage in, we give money, we install electricity”).<sup>31</sup>

A third step was to start establishing a network of rule and practices that could lay the basis for the eventual institutionalization of the pattern of co-operation and thereby extend the scope of formal state leverage of what was then seen as the revolutionary adversaries of the state, the liberation movements.<sup>32</sup> “It was my job to put these people in the pound seats and then to keep them there.”



Johnson Ngxobongwana

Photo: Cape Times

From his record as a political activist, champion of squatter rights and indefatigable “struggler” against every conceivable state-erected obstacle to the settlement of “his people” on his Crossroads turf, Ngxobongwana would at first appear to be an unlikely candidate to be targeted by Schelhase. (“Ngxobongwana has had a tough time with the cops. He has been manhandled, the left side of his face sunken with a stone, forced to drink water ....”<sup>33</sup>) It would appear that what was the essential element constituting his strength was (from where Schelhase was looking) also his weakness. This is his overriding concern to maintain an autonomous role in his community. “The basic driving motive in Ngxobongwana is that he wants to be his own man.”<sup>34</sup> He heeds Machiavelli’s advice for princes: Avoid alliances with princes stronger than yourself – you are not their partner. You are their captive.

This formed the basis of a complementarity of interest. Schelhase wanted a co-optee. Ngxobongwana allowed himself to be co-opted but only in exchange for being allowed to stay the boss on his own turf. The other big player in the game at the time (the UDF) could not outbid Schelhase. Ngxobongwana’s need for autonomy conflicted with his value for the UDF as an element in a wider anti-state popular front. His need for material aid to consolidate his leadership position (supplied by Schelhase) went unmatched by the UDF.

From having the shanties on his turf bulldozed at regular intervals, his people removed to the Transkei and Ciskei at regular intervals (only to return, sometimes within the same week), hounded by the security police and subjected to their



Jeffrey Nongwe

Photo: Cape Times

familiar techniques of intimidation, Ngxobongwana was transmuted into an instrument of state administration – without any formal status or the type of *locus standi* that obtains for others performing similar functions in the formal political sector. He was operating in the informal political sector. It is the only habitat in which strongmen can survive.

Schelhase and Ngxobongwana built up a strikingly successful working relationship in this period. Schelhase, by temperament a bit of a loose canon on the ship of state, was of course operating under the auspices of a general strategic directive from his superiors – but he was a bureaucrat on a long rope. He was allowed considerable discretion in his dealings with Ngxobongwana. This was required by the nature of the situation. The “tough guy” top-down style of his predecessors had failed and he knew that he could only keep Ngxobongwana on board if he recognized the autonomy of his domain. After all, as we pointed out earlier, he was representing a weakening state in search of new sources of strength.

The first obvious result of their interaction was the way in which they were drawn into one another’s worlds. Ngxobongwana’s apparatus of social control is embedded in the traditional tribal codes of the Xhosa and Schelhase realized that he would have to adapt if he wanted to function effectively in his role. He was initiated into Xhosa manhood, which meant that he was accepted as a tribal member and proceeded to the status of *sangoma* (a traditional diviner). This allowed him to move between two different systems of rules, which strengthened his authority and the decisions that emanated from his office. Ngxobongwana, for his part, became something of a bureaucrat – influencing and taking decisions

about the size and the siting of schools, creches, community halls and allowed discretion in the disposal of administrative largesse. In this way they each grafted their own strategic designs onto one another’s motives.

When strongmen like Ngxobongwana allow themselves to be drawn into formal positions within the network of the state administration they become subject to a calculus of compromises that diminishes their autonomy – the insistence on doing things their own way in their own domains. The demise of Ngxobongwana as a strongman started with his becoming the mayor of Crossroads (and Schelhase the acting town clerk) after the implementation of the new system of local government in 1987.

Ngxobongwana became subject to a shift of position which Lemarchand describes as a movement from patrimonial to repressive clientelism.<sup>35</sup> Ngxobongwana’s apparatus of social control in Crossroads showed many of the features of a system of patrimonial clientelism. It was built on a “normative script” that was embedded in traditional Xhosa values; it was animated by invoking these values to serve the ends of social control; and the crude physical coercion frequently involved in the process of making it work was mitigated by Ngxobongwana’s paternalism. “He is not afraid to swing a *kierie* (club) to a man’s head if discipline requires it, but if that same man’s child is sick he would be the first to offer assistance.”<sup>36</sup> When Ngxobongwana took the job as mayor in Crossroads he became subject to the obligations required and rewards offered by instances external to the clientelist network. This tended to free him from the client support he needed to maintain his patrimony and allowed him scope to unilaterally change the character of the authority relationships that operated in his clientelist network. “He did not ask us anymore about anything. He just did it. The people were not satisfied, my son,” said Mama Luke, one of the members of the Crossroads Women’s Committee he appointed on the Crossroads town council and who refused to take her position “because I could see which way things were going”.<sup>37</sup>

The legal requirements of the new system (in terms of the Black Local Authorities Act 102 of 1982) specified a seven-member executive council for Crossroads. Ngxobongwana’s own system comprised an exco of 15 members. He had to adapt his own to that of the other. He expelled eight and made actual or potential enemies of them. The seeds of internal discord, which matured some two years later, were sown from the outside. He received a salary and perks as a mayor representing Crossroads in the local government structure. This reduced the validity of claiming contributions from the community to reward his political leadership and efforts on their behalf. He continued to extract these contributions. What was earlier sacrificed in the spirit of enlightened self-interest started producing murmurings in the ranks.

The Crossroads experiment was (at least as far as Schelhase was concerned) a success. This success was consummated by Crossroads’ ascension to the status of a full-blown municipality. It also meant that the pampering Crossroads received under the “oil spot strategy” became redundant.

## Strategic options after 1990

Then came the unbanning of the ANC and with it a shift in the strategic behaviour of the state. The directives Schelhase received from his superiors started conveying a different message. Rather than working towards the suppression and containment of the ANC and its community allies in the townships, these were to be encouraged to surface and stabilize their position of leadership. "Let them organize, let them mobilize, let them march, let them demonstrate. Talk to them, consult with them, give them political space to take shape in, even give them *inspraak* (a say) in the planning and execution of local policies."<sup>38</sup> The state needed stable and reliable adversaries to cut a deal with.

For Ngxobongwana these developments spelt trouble. The accumulated resentments now found an avenue of expression. The ANC tackled him (up to 1992) in the same way that they tackled all public figures whom they had wooed and lost to the state – the damned creature of apartheid had to go. The enemies he made in Crossroads in the process of changing from a patrimonial to a repressive patron seized upon the new opportunities that transformed circumstances presented to them – they turned on him and set a process in motion that led to his physical expulsion from Crossroads within a year.

He did not leave without a battle. Two of the aspects of that battle, which illustrate our central theme (weakening states and what they beget), are the emergence of the latter-day *de facto* leader of the Crossroads community, Mr Jeffrey Nongwe and the interesting case of the so-called "Blue Lines". Nongwe, the chairman of the headmen committee, was at the cutting edge of the alienation that was setting in between a growing proportion of the Crossroads community and Ngxobongwana. He was the shoulder on which the discontented came to cry. "What is Johnson doing with the money we contribute to the this fund of to that fund? Why is Johnson allowing housing companies to build houses that we cannot afford and then allowing them to be sold to outsiders?"<sup>39</sup> According to Nongwe, his attempts to forewarn Ngxobongwana of his declining popularity fell on deaf ears. His own authority as a headman was suffering as a consequence and he decided to represent a public stance against Ngxobongwana. Under the rule of Ngxobongwana's system of social control there could be only one leader and underlings who articulate community opinion against the patron are driven off. A rough justice is set into motion. It does not shirk from methods like pumping a hail of bullets through the culprit's shack or simply bringing a torch to it. "Paraffin *braaivleis* (barbecue) fire-lighters do the job well. A Blitz Krieg, so to speak."<sup>40</sup> Soon the two veterans of the *witdoek* war against the UDF were locked into a tit for tat battle using the familiar methods – guns and arson.



A scene of destruction during the violent conflict in Crossroads

Photo: Cape Times

Although Nongwe had enough community support to sustain his effort (he took most of the headmen with him and even Ngxobongwana's wife for a while defected to his side of the trenches), he needed wider support if he was not going to be brought to heel by an astute adversary who had the added advantage of being the mayor of Crossroads. He found it by embracing the ANC: "I needed help and they gave it to me."<sup>41</sup>

He unilaterally founded a ANC branch in Crossroads. The ANC, realizing the symbolic value of bringing Schelhase's "oilspot" success into their fold, accepted despite the fact that their newly found comrade was a *witdoek* commander in the episode which saw the UDF stronghold, KTC camp, burnt to a cinder by the *witdoeke* barely four years earlier. In our view this is not a case of a *witdoek* that underwent a Damascussian conversion – it is par for the course in the essentially opportunistic and self-serving manoeuvring repertoire of an (in this case, emerging) strongman. We think that if Schelhase had turned on his friend Ngxobongwana and offered Nongwe the protection of his office, he would have accepted it. It was merely the convolutions of circumstances that prevented that sort of outcome.

The violent nature of the conflict between Ngxobongwana and Nongwe inevitably brought the police into the fray – but in a somewhat unexpected manner. The aftermath of the township turmoil of the mid-1980s saw a poor police presence in the townships. Conventional policing procedure could only be maintained at high risk and, as a concomitant, at high cost to the force. One of the responses to this dilemma was to introduce police units into the townships that were drawn from the township populations themselves – to root the force in the people – in the hope of trying to overcome widespread resentment against the police. Given the urgency of the times, the time spent on training and equipping these units for their task was brief and earned them the name *kits konstabels* (instant constables) or "Blue Lines" in shanty town parlance.<sup>42</sup>

When the battle between Ngxobongwana and Nongwe erupted, Blue Lines (representing the neutral role of the state as protectors of the violated and keeper of public peace) were posted at both their houses. Our interpretation

of events is that the two strongmen quickly manoeuvred the Blue Lines into partisan combatants helping them to fight their battles. (They quickly discovered that the recruitment procedures for the Blue Lines allowed them to offer their own sympathisers as trainees.) Rather than reduce conflict, the Blue Lines tended to enhance it – not least because the police put shotguns and ammunition at their disposal. A typical symptom of a weak state appeared – elements in a state agency losing their autonomy and becoming subject to encroachment by community-based partisan interests. “We all had our Blue Lines,” recalled Nongwe “sometimes Hosa would send some of his Blue Lines to help Ngxobongwana to fight the Blue Lines that were protecting me. Sometimes there were mix-ups and Blue Lines on the same side shot on another.”<sup>43</sup>

Ngxobongwana lost the war, relocated to Driftsands, still officially the mayor of Crossroads, and aligned himself with the PAC (without becoming a card-carrying member). In Driftsands (with 300 families in 1992) the critical mass problem is not operative, and the original committee system has been replicated almost entirely, with Ngxobongwana as the chairman. Nongwe took control as the informal leader of Crossroads, and also reintroduced the committee system, this time adapted to the critical mass problem of Crossroads, and to the populist idiom of the ANC.

## Conclusion

The analysis and interpretation of urban politics in Crossroads presented above falls neither into the conventional structuralist of conspirational categories, which characterize the South African literature. It pays more attention to organizational features within the Crossroads community, and treats neither the state, nor the urban communities as monolithic units with singular political objectives, methods and motivations. Our case study shows that politics on the Cape Flats is far more complex than a clear-cut dichotomous depiction of a state *versus* society configuration is able to reveal. The triangle of accommodation in Crossroads displayed the definitive characteristics of both weak states and of strongmen – the latter being able to capture parts of the former on their own terms. The case study also demonstrates that society formations located between the family and the state, and which are typically identified as components of civil society, confronted one another and the state on the Cape Flats in a violent manner which reveals uncivil conduct of an extreme nature. The scrapping of the final apartheid laws is in itself unlikely to affect conditions which will foster greater civility in the conduct between power-holders in the shanty towns we have studied. Finally, the study illuminates the complexity of the task of effective state-building after apartheid. Strongmen on the Cape Flats, and their counterparts such as the warlords in the Durban metropolis,<sup>44</sup> will have to be drawn back into a single jurisdiction, which is non-discriminatory, compulsive and comprehensive in order to enhance the emergence of a civil society in post-apartheid South Africa.

## Notes and references

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- 27 Cook (on Khayelitsha) and Cole (on Crossroads) have attempted rudimentary descriptions of the actual structures, neither of which succeeds in providing a comprehensible overview. Cook at least admits that this is a subject on which “...there is little available information”. Wilson and Ramphele also point out that the divisions the political formations of Crossroads is a subject which “...requires further analysis”. See Gillian P Cook, “Khayelitsha: New settlement forms in the Cape Peninsula” in David M Smith (ed), *op cit*, pp 125–135; Josette Cole, *op cit*, pp 16, 17; Francis Wilson and Mamphela Ramphele, *op cit*, p 218. It must be pointed out that a parallel and at times directly competing power structure, closely associated with the UDF allied township organizations, and based on street committees and so-called “peoples” courts consolidated a presence in the urban periphery of Cape Town during the 1980s. On the operational characteristics of this structure, as well as the interaction with other, previously established tribally based informal shanty town power structures, see Sandra Burman, “The role of street committees: Continuing South Africa’s practice of alternative justice”, in Hugh Corder (ed), *Democracy and the judiciary*, Cape Town: Institute for a Democratic Alternative for South Africa, 1988, pp 151–166; Wilfried Schärf, “The role of people’s courts in transitions”, in Hugh Corder, *op cit*, pp 167–184; Wilfried Schärf and Baba Ngcokoto, “Images of punishment in the people’s courts of Cape Town 1985–1987: From prefigurative justice to populist violence”, in N Chabani Manganyi and André du Toit (eds), *Political violence and the struggle in South Africa*, London: Macmillan, 1990, pp 341–371. A case study of the earlier, tribally based court systems which preceded these populist “people’s” courts is presented by John Hund and Malebo Kotu-Rammopo, “Justice in a South African township: The sociology of Makgotla”, *The comparative and international law journal of South Africa*, vol 16, 1983, pp 179–208.
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# Housing policy in South Africa: A view from below

*Prof Frik de Beer is a lecturer in Development Administration at Unisa. He makes some recommendations regarding the provision of affordable housing in the light of the experience of the Community of our Elephant project in Mamelodi near Pretoria.<sup>1</sup>*

Many people in South Africa, from spokespersons for private enterprise to representatives of political movements, express their alarm at the "housing crisis" facing South Africa. Blame for the crisis is apportioned and solutions proposed at regular intervals. In the meantime the urban poor, those suffering as a result of the crisis, continue to make ends meet as best they can by erecting shelters (commonly known as *mekhukhu* or *zozos*) in the back yards of formal houses and in so-called squatter settlements. The circumstances that force them to adopt what seems to be an extreme solution seem to be ignored by (or at best escape the attention of) many influential people participating in the debate.

This article looks at the housing situation in the Mamelodi township on the outskirts of Pretoria and evaluates the expectations that a group of people in the township have concerning housing. They are poor, with very few resources at their disposal. Looking at the housing issue from their position provides a view from below. People trapped in poverty have a very limited capacity for risk-taking. In the townships most of the poor stay in backyard shacks where they are subject to the whims of landlords. Those who risk illegally putting up a shack on government or privately held land face eviction and destruction of their shelters. Where land is made available for "orderly squatting" it is often a matter of too little too late. Low-cost housing as an option is invariably still too expensive and often fails to meet the expectations of those who are to benefit from it. It is suggested here that a housing policy attempting to address South Africa's housing crisis should take note of the circumstances and expectations of the poor as well as of the scope of poverty within urban areas.

In 1990 there were almost 210 000 "squatter" structures on the Witwatersrand, housing 1,2 million people with a monthly household income of R650 or less.<sup>2</sup> The official estimate is that 3,3 million people live in informal shelters:

1,6 million are settled on land not belonging to them in informal (squatter) structures and 1,7 million in backyard shacks. As indicated below, this figure is possibly a gross underestimate.

The study on which this article is based set out to determine the present circumstances of, as well as the expectations held by, a group of people (mostly shack dwellers) who organized themselves into a "self-help" group. Their material circumstances are very poor and their expectations may be described as unrealistic, however modest they may seem. The expectations held by the group may in part be attributed to ignorance about the cost of housing; it may also be the result of false expectations created by the almost abusive use of the concept "low-cost housing". In their circumstances even "low-cost housing" is too expensive.

During 1991 empirical research on the Community of our Elephant project was undertaken in Mamelodi on behalf of Church Aid in Need (Can), a community-oriented development facilitator within the Dutch Reformed Church in Africa (Northern Transvaal). In early 1989 Can, at the request of individuals within Mamelodi, became involved in the Community of our Elephant project. A substantial amount of work has been put into it and considerable progress has been made. To Church Action in Need the facilitation of a community-based housing process in an urban setting was a new experience. A point was reached where it became necessary to "take stock", as it were, to see where the project was heading. Since it is a community-based project it was regarded as important to determine to what extent the community was involved, what their expectations were and, finally, what further steps needed to be taken to eventually achieve the end goal.

During the period of research the Community of our Elephant consisted of 45 households, the vast majority of which were living in backyard shacks. An important part of the study was to determine a community profile. In order to

do this a survey was conducted in which 71 per cent of the “community” responded. Relevant data regarding the household composition, structure, income and living conditions was gathered. After analysis of the survey results an interview schedule, with open ended questions, was devised with which qualitative research was undertaken. With this schedule it was aimed to determine from the community’s point of view the issues involved and the probable impact the project might have on them. In total 27 per cent of the project participants were interviewed.

In order to demonstrate the magnitude of the issue the case study is preceded by a brief introduction to the urbanization question in South Africa. Conclusions reached, implications of the findings and some recommendations for housing policy in South Africa are discussed in a final section.

### Urbanization, population and housing in South Africa

The fact that the process of urbanization in South Africa is in full swing is accentuated by almost daily newspaper reports on squatting and housing issues. Since the early 1980s the stream of people migrating from rural to urban areas has increased dramatically. The increasing rate of migration is due to various factors, among them the lack of economic opportunities in the homelands and in the so-called white rural areas; the severe drought experienced during the past decade contributed towards insolvency of many white farmers and a concomitant reduction in employment opportunities for blacks in agriculture; mechanization of agriculture has also reduced employment opportunities; to some extent the political situation in the homelands has encouraged people to move to bigger towns and cities; a deliberate policy, implemented during the 1970s and early 1980s by the government to “urbanize the homelands” acted furthermore as stimulus for urbanization.

In spite of a strict policy of influx control, cityward migration continued unabated; the irreversibility of migration was acknowledged in 1986 by government with its acceptance of the *White paper on urbanization* and, soon afterwards the abolition of influx control within South Africa. While influx control failed in its original aim, it did create in urban areas a situation of overcrowding and prevented the proper planning for “orderly urbanization”. Overcrowding is primarily manifested in the large number of backyard dwellers found in every township. Only now that the political climate in South Africa is somewhat more relaxed, do people venture to “find a place of their own” and is squatting manifesting itself in and around townships.

The population of South Africa (as in boundaries at Union) was 33,1 million in 1985<sup>3</sup> and is projected to rise to 47,7 million by the year 2000.<sup>4</sup> Figures obtained from the Central Statistical Service (CSS) for the 1991 census exclude the TBVC areas and can therefore not be used. Some projections on the compilation and growth of the South African population are indicated in table 1 (figures in millions followed by percentage of total population).



A formal house with a typical zozo in the back yard  
Photo: Frik de Beer

TABLE 1

	1985		2000		2010	
	million	%	million	%	million	%
Blacks	24,5	73	37,3	79	48,5	81
Whites	4,9	15	5,4	11	5,8	10
Coloureds	3,0	9	3,8	8	4,2	7
Asians	0,9	3	1,1	2	1,2	2
TOTAL:	33,3	100	47,6	100	59,7	100

(Compiled from *Urban Foundation 1990:13*)

Whereas 13 million (or 53 per cent) of the black population were urbanized by 1985, round about 33,2 million (69 per cent) are expected to have been urbanized by 2010.<sup>5</sup>

The youthfulness of the black population (two-thirds are 27 or younger) is a factor which will impact seriously on the development needs of the country: employment, education and housing may be expected to dominate government as well as non-government spending on development efforts for the foreseeable future.

As indicated earlier, government policies of the past have left the country with a legacy of overcrowded and unhealthy urban conditions. Housing, in particular, poses a challenge to the ingenuity of all people involved in addressing the poverty (or development) problem. Some of the biggest problems to overcome include finding a generally acceptable definition of “housing” and making a valid estimation of housing needs (as opposed to demand). In South Africa, self-built houses in informal and squatter settlements are, irrespective of their quality, virtually all excluded as proper housing by definition.<sup>6</sup> A “standard” house, ie built with bricks, corrugated iron roof and with acceptable amenities,





A proliferation of zozos in the back yard of a formal house

Photo: Frik de Beer

is, along with some types of prefabricated houses, usually taken as representing the norm. In terms of this norm South Africa does indeed have an overwhelming housing backlog. Projections vary, but at present the Development Bank of Southern Africa estimates that there are between five and seven million squatters in South Africa.<sup>7</sup> This figure is almost double the official estimate and is probably closer to the real number of squatters in South Africa.

## Housing in Mamelodi

In Mamelodi conditions of overcrowding and of inadequate housing are as typical as in any other township in South Africa. The 1991 population of Mamelodi was, according to the Central Statistical Service, 154 446. The Mamelodi Town Council (MTC), however, estimated in 1990 that the population of Mamelodi was 260 000, with an average household size of 7.2. According to them there were approximately 18 500 “formal” houses and an estimated 15 000 backyard structures. More or less 2 500 structures had at that stage been erected in an “orderly” informal settlement. Monthly income per household was estimated to be in the region of R1 000.

These estimates may, however, be questioned. The actual number of backyard shacks is undoubtedly much higher. According to respondents interviewed, and verified by personal observation, between four and six individual structures exist on each stand along with a formal house; in one instance there are 36 structures on a single stand! If a very conservative figure of three is multiplied with 10 000 (the number of houses in “old” Mamelodi erected prior to 1980), 30 000 backyard shacks exist in Mamelodi. This figure, arbitrary but definitely closer to the truth, puts the housing question in Mamelodi in a much more serious light. Recently the existence of “Mandela village”, a squatter

settlement in Mamelodi with 9 000 structures, made headlines in the news. Officially these structures are not counted as representing housing.

The most severe feature of housing in Mamelodi is that two-thirds of the Mamelodi households live in inadequate housing, mostly one- or two-roomed *zozos* — prefabricated or improvised shacks made of wood and/or corrugated iron.

## Our Elephant Project: Philosophy, aims, organization and background

The Community of our Elephant is a community-based housing project assisted by Church Aid in Need (Can). Can assists local communities who take the initiative to address their own problems of poverty and development. The programmes that had previously been initiated, such as community gardens, pre-primary schools and informal education, were well established. While Can initially focused on rural areas, attention gradually moved towards urban communities. It was, however, only during 1989 that Can became involved in an urban housing project — the Community of our Elephant.

The philosophy behind the project is clearly that of community development. As the people concerned were to be the primary actors, the objective was to facilitate a *learning process* during which goals could evolve and approaches for tackling problems be developed. Because of the fact that the project was approached as a process, Can refrained from determining in a top-down fashion the needs and aims of those to be involved. With the benefit of hindsight it is, however, now possible to distinguish the main aims of the project as: fulfilling a need for housing; creating a healthy community; providing basic community facilities and training people in some crafts.

The organization of the project has evolved and is still in a process of adaptation. Presently Can, in the persons of its director and the community worker, acts as facilitator. They provide the secretariat and the venue for meetings. As far as possible the community, headed by an “executive committee”, acts autonomously in the sense that they have a final say where decisions concerning the project are to be made.

The Elephant came into existence when two women living in Mamelodi separately approached the Can community worker in early 1989 with requests for assistance in finding accommodation. They were told that Can did not have the resources needed for housing people but, if a group of 20 people with the same need could be gathered, possible means of tackling the problem would be discussed. On the agreed date (towards the middle of 1989) representatives of about two hundred households arrived for the meeting. Owing to a lack of experience and a total absence of resources, Can decided beforehand that they would allow a maximum of fifty families to take part in the pilot project.

At the meeting those attending were given the opportunity to express their needs and to describe their housing situation. The most eloquent speakers were invited by the community worker to join him in front of the audience. When the time came to select an “executive committee” an

unanimous decision was taken to select the eight people already seated in front with the community worker.

The meeting decided that the executive's first task would be to select the 50 neediest families to form part of the first Elephant. It was agreed and accepted that the rest of the group would be put on a waiting list to be accommodated in any future projects. In carrying out its assignment the executive visited each of the 200 families to ascertain the material living conditions of the prospective participants. In a series of meetings of the executive committee, all cases were considered and a list finalized.

During November 1989 the selected group gathered and decided to pay a R500 deposit as proof of their commitment. The money was paid in during February 1990 and deposited into a trust fund. It took almost a year for the Community of our Elephant to come into being. The time and effort put into it proved worthwhile, since the community was still resolutely pursuing their goal of obtaining houses, despite very little tangible proof of progress. By 1993 about five families had withdrawn from the project: some because they had found alternative housing and others because they had become disheartened with the slow progress.

During 1990 the acquisition of land was the main item on the agenda. Another important task was to find sponsors to contribute towards a development revolving fund. The MTC identified land within Mamelodi and the community visited the proposed site. Sporadic negotiations with the MTC took place up to 1993. The aim was to determine the price of land and to get permission to start building-operations.

In order to finance this and future projects, the management of Can is attempting to create a development revolving fund. Various ecumenical bodies, locally as well as overseas, and development aid agencies are presently being consulted in this regard. A formal application has also been put to the Independent Development Fund. This application proved unsuccessful but a number of large business concerns have shown an interest in making funds available to the project. The intention is to use funds contributed as "venture capital" with which to create replicating (housing) projects.

## Profile of the Community of our Elephant, Mamelodi

The people participating in the project are poor, low-skilled and have, apart from their labour, virtually no resources at their disposal.

Of the participants in the project 78 per cent are female, of whom 27 per cent are married; 80 per cent of the men active in the project are married. The average age is 44,5



A combination of formal housing and zozos, with communal tap in the foreground

Photo: Frik de Beer

years but it is notable that 70 per cent of the men are under 42 years of age. Households average 5,1 persons while the number of children are 3,6 per household. The biggest family consists of eight children. In a substantial number of households (34 per cent) adult children (over 21) share the meagre accommodation of their parents. They represent 15 per cent of the number of people directly affected by the project. They represent a factor that is usually not taken into account when the need for housing is determined.

Three-quarters of the respondents are employed, many as domestic servants. Those not employed as domestics are mainly labourers employed by industries in the vicinity. Nine per cent are self-employed while a little more than 12 per cent are unemployed. While the average household income is R488,<sup>8</sup> the sex of the head of the household has a marked influence: households with a male head average R629 per month while households with female heads earn on average R348. The Bureau of Market Research (BMR) at Unisa calculated in August 1990 the "minimum living level" (MLL)<sup>9</sup> of a black family of five living in Pretoria to be R628,67 per month. Only 20 per cent of the participants, ie those with male heads of household, earn this income. The approximate R350 earned by households headed by females and the R488 average of the group falls far short of the income required for a "minimum level of living" in Pretoria.

One-room *zozos* are home for 84,4 per cent of the respondents. In 75 per cent of the cases the *zozos* are made of either wood, corrugated iron or a combination of both. With the exception of 3 per cent, who stay in council houses, the rest live either in two-roomed *zozos* or in a garage of a formal house. Rental for these dwellings varies between R20 to R140 per month, with an average of R64,50.

A substantial 72 per cent of the respondents do not know the amount paid monthly for municipal rates by occupants/



Mushrooming zozos

Photo: Frik de Beer

owners of municipal houses. Asked about the removal of refuse by the municipality, 67 per cent indicated that it occurred regularly.

The community can be characterized as follows: it is female-dominated; consists of single-parent families with a relatively large number of children. Families are poor and living in overcrowded conditions. An outstanding feature is the 15 per cent adult children who stay with their parents in the *zozos*.

## Community needs and policy issues

The study of the Community of our Elephant project emphasizes the need for pro-active land identification and development. More importantly, it emphasizes the need to make land accessible to communities who are willing to accept the challenge of self-development. The quest for an own home and, specifically an affordable home, is once again stressed. The number of adult children staying with their parents in backyard shacks brings to light a new dimension in the estimation of housing needs. It is argued here that they are often unaccounted for, which contributes to an underestimation of housing needs. Community involvement is highlighted by this case study where a clear commitment to the project and a concern for the elderly are expressed.

## Land

The most pressing issue identified is that of land. While the participants are eager to have the building process started, they realize that land needs to be obtained from the Mamelodi Town Council (MTC). At a meeting between the Town Council and the Executive Committee of the Elephant in late 1990 the MTC indicated that they were planning to make land available for site-and-service schemes. The bureaucratic process of preparing land and having services installed was, however, delaying the release of the land. The MTC expected

the land to be released towards the end of 1991, but it was only during the first semester of 1993 that appropriate land was finally identified and a price determined.

Participants in the Community of our Elephant project have been planning their project since about the middle of 1989: the people have contributed money and expectations have been building up. The expeditious release of affordable, serviced land is of crucial importance, not only for people of the "Elephant" but for the whole of Mamelodi.

Having to wait indefinitely for land has a demoralizing effect on the people. Their present living conditions are marked by overcrowding, lack of privacy and vulnerability to expulsion by their landlords. To the participants the Elephant presents a god-given

opportunity to become active in solving their own housing needs.

However, obtaining land is only part of the solution. The economic circumstances of the participants dictate that *affordable* land must be found. A "capital subsidy" policy, which should benefit communities such as Our Elephant, will greatly benefit people's efforts at meeting their housing needs.

## Housing

The need for housing is obvious from the figures on backyard dwellings quoted earlier and from the initial response of the 200 prospective participants recorded above. This need is echoed in the remarks of all the respondents interviewed. According to them there is a constant interest within the wider community in the progress of the project. There is an expectation (based on the initial meeting of the Elephant) that more people will be accommodated in future projects once the first Elephant is completed. The origin of "Mandela village" and other informal settlements is quoted by most respondents as a direct result of the housing need in Mamelodi.

Community development can be achieved only by addressing real, and, most often, tangible needs, such as housing. It must, however, be stressed that the provision of housing is not simply the delivery of finished products. Housing is a process in which individuals mould, often over a long period, their dwellings to fit their pockets and lifestyles. People's expectations regarding housing must be based on proper knowledge of the alternatives available as well as their costs. At present it seems that the community's expectations regarding housing greatly exceed what they can afford and is feasible in a project of this nature.

## Affordability

While affordability is usually viewed as an economic factor, it definitely has serious social implications. The dependency

and vulnerability of the people must be thoroughly understood to comprehend the need for affordable housing. Employment conditions are precarious. The majority are either employed as domestic servants or as labourers. As such they are prone to arbitrary dismissal. With an average age of 44,5, participants do not have a full working life ahead of them. A bond repayment term of 20 years means that they will have to be in full employment until the age of retirement is reached. The level of job-insecurity experienced by people with a low level of education makes it very probable that periods of unemployment will be experienced.

Respondents are willing to pay up to one-third (R161) of their monthly income (taken as R488) on housing and municipal rents. This figure does not reflect what they can afford for housing, but rather what they are willing to sacrifice just to be able to have their own homes. The average of R64 per month presently paid for backyard shacks probably represents the maximum they can afford for shelter. In the calculations of MLL, the Unisa Bureau of Economic Research allows 14 per cent or R90 of a "minimum living level budget" (for a family of five) for housing and municipal fees. Even if 30 per cent of the monthly income is taken as a norm (as used by building societies) R146 leaves little space for fulfilling the housing expectations that exist amongst respondents. It also leaves very little from a budget of R488 to survive on.

Questions of affordability, cost of money, municipal taxes and levies and building costs seem to be beyond the knowledge and/or comprehension of the majority of respondents. The fact that blacks were until very recently excluded from home-ownership has contributed towards the low level of understanding of costs involved. The general issue of affordability is one that is posing a serious challenge to the planners and leaders, not only in this project, but generally throughout South Africa.

### Adult children

The number of adult children who stay with their parents in actual fact represents a hidden need for housing. They are the people unaccounted for when estimates of housing needs are made. In time, some of them may want to move out and find homes for their own families. In such a case the combined household income (on which calculations of affordability in this project are made) may decrease with the amount contributed by the individual child. The ability of the household to pay for a house will then be weaker.

The improved quality of the houses may, on the other hand, have the effect of expanding the household. Instead of moving out, adult children may prefer to bring their spouses



Three zozos in the back yard of a formal house

Photo: Frik de Beer

and, eventually, children to stay with them in the parents' house. In such an eventuality, overcrowding will reoccur. On the positive side it must be stated that the sharing of a common living area by the extended family is not foreign to blacks (though decreasing in popularity in urban areas). It also presents a way of caring for the aged, since the elderly parent can be taken care of by a child.

Both of these scenarios need to be taken into account in the planning process. If adult children intend to move out Can can expect to be approached for assistance as in the Elephant project. If they intend to stay, ample provision should be made for expansion of houses. This means that enough land must be available and that houses be pegged out in such a way that expansion remains possible. In most low-cost housing projects the common problem experienced by participants is that the houses are too small and that it is virtually impossible to expand them.

### Community involvement

A definite sense of community is discernible amongst members of the group. At present the primary reason for their cohesion is the shared, and strongly felt need for housing. To prove their commitment the participants decided at an early stage of the project to make a deposit of R500 each. Within a period of two months all the participants had paid the amount. In one or two instances, where persons were unable to pay their share, the community collected the required sum of money between them. The beneficiaries, it was explained, would pay back the money at an appropriate time in an appropriate way.

Asked whether they considered moving to Mandela Village the unanimous answer was negative. The respondents expressed their commitment to the Elephant by declaring their resolve to stay with the project, despite the fact that they do not know when land will become available.





A typical one-roomed zozo

Photo: Frik de Beer

Initiative by individuals led to the establishment of a "society" towards which each member of the group contributes R10 per month. All the respondents were in agreement that the society is needed and that it collects money for the good of the project. Receipts are issued and consequently each person knows how much he has contributed. While the need for the society seems to be agreed upon, its aims and the use to which the money will be put are unclear to members. Various goals have been identified by different people: a fund to assist in paying for houses; for buying furniture or other household goods; to help people in need; and as a type of fund for burials of members and their dependents.

### Age of participants

Under the heading "affordability" mention was made of the limitations age puts on the ability of people to repay long-term loans. Another concern expressed by some respondents is the question of care for the aged participating in the project. It was suggested that provision be made for their care once they get too old to run a household of their own. Only a handful of the participants are presently near or past the age of retirement, but in a few years time the "aged" might pose special challenges regarding their care. It is advisable that this concern be shared at some stage with the community in order to find a commonly agreed upon solution.

### Summary

In short it may be said that a convivial spirit seems to exist amongst members of the Community of our Elephant: expectations are high in spite of impatience with the apparent lack of progress in finding land; the faith that they will succeed is strong and acts as a driving force in their attempts to find a solution.

## Expected impact of the Community of our Elephant project

The proposed project has a probable impact in three areas: improvement of quality of life; increased expenditure and employer involvement.

### Quality of life

The most important impact expected by the respondents is that their quality of life will improve. This is, however, to be expected since housing was the need that brought these people together and its fulfilment the aim of the project. The terms in which they expressed the expected improvement of the quality of their lives were revealing, however.

The need for security of tenure was expressed by most of the respondents; they want to be free from fear of expulsion (by landlords) and/or of resettlement by the government. Closely related to the desire for security of tenure is the expressed belief that the proposed project would offer them *proper* houses. One respondent became quite ecstatic at the idea of having a bathroom with a bath in which to relax. A major expectation amongst respondents is that houses in the project would afford them *privacy* — something that is almost totally absent in their present living quarters. An intangible, and perhaps the most descriptive, aspect of the expected impact of the project is the dignity associated by the respondents with owning a house.

The expected impact of the project on the quality of life is, to the respondents, overwhelmingly positive.

### Increased expenditure

The impact of the project on the household economies of participants is as yet an unquantified variable as far as respondents are concerned. The expectation amongst participants in the project is for "standard" housing with full amenities — hence the yearning for a house with a bathroom. The fact of the matter is that these expectations might be unaffordable in terms of the mean income of households.

At an interest rate of 16 per cent (the rate charged by banks early in 1993), a housing loan of R10 000 requires a monthly instalment of about R140. This is clearly far removed from what is affordable to participants in the Elephant project. A subsidy halving the monthly instalment is necessary to make housing affordable. In Orange Farm near Vereeniging the government makes loans of under R10 000 available with which basic houses of approximately 40 m<sup>2</sup> are provided. These loans have a very low interest rate and are paid back over a period of up to 30 years. However, they are not freely available to everyone.

While all the respondents are willing to pay monthly instal-

ments for their houses, the majority do have no conception of what it will cost to realize their housing expectations.

### Employer involvement

A most promising potential impact of the project might be increased employer involvement and a commitment to meeting the housing needs of their employees. Here it is especially those people employed as domestic servants whose employers, in many instances, became involved at an early stage. Some of the employers made grants available, while others provided interest-free loans for the initial R500 deposit on which the participants decided. These employers show a continual interest by enquiring about the progress of the project. Some have suggested a type of housing subsidy for their employees.

Employer involvement is not only economically significant; it indicates involvement that goes beyond the normal employer/employee relationship. In a country divided in many respects, opportunities of contact, where mutual understanding can be developed, must be nurtured.

### Implications for housing policy

This case study points out a number of implications that need to be considered in formulating a housing policy for South Africa. There is consensus in South Africa that affordable land situated near employment opportunities is pivotal for solving the housing crisis. The question of how much land is needed must still to be answered. Estimates of the number of people living in *mekhukhu* (shacks) range between 3,3 to 7 million.

In Mamelodi it was found that the number of people living in backyard shacks is grossly underestimated. Since calculations of the amount of land needed are based on estimates of the number of shacks, incorrect estimates will result in too little land being released. This issue is further complicated by the failure of authorities at various levels to pro-actively make adequate land available. The situation in Mamelodi is, in a sense, explosive: conditions are overcrowded and people have little privacy in backyard shacks; and landlords either exploit tenants financially or treat them badly. In desperation some of these shack dwellers have left for the squatter settlement of Mandela Village. The response of the local authority to the critical need for land towards the end of 1991 was to announce the pending release of an inadequate number of serviced sites.

Aggravating the underestimation of housing need is the "disguised demand" for housing represented by the relatively high number of adult children sharing their parents' meagre accommodation in Mamelodi. While more research is needed to verify this conclusion it is clear that this hidden



A unique, hand-made two-roomed zozo, which is home for a large family Photo: Frik de Beer

demand is real and needs to be considered in a housing policy that addresses the land question.

A second conclusion drawn from the study is that land needs to be priced in accordance with what people can afford. Providing in the need for land is not only a question of pro-actively making adequate land available but also of making *affordable* land available. This calls for the provision of serviced sites at a scale never attempted before in South Africa. Only 20 per cent of the participants in the Elephant project earn enough money to maintain what is regarded as a minimum level of living; even they cannot afford present land prices.

The third conclusion drawn from the study is that a serious needs exists among shack dwellers for information on the total housing process. Information is needed *inter alia* on how to acquire land and financing as well as regards the cost (including hidden costs!) of being a home-owner. Furthermore, if "self-help" is seriously regarded as part of the solution to the housing question technical advice is needed on an easily acquired basis. The high expectations held by members of the Community of our Elephant may be largely attributed to ignorance. They are not isolated in their ignorance as testified by the recent newspaper reports in South Africa on, for example, bond boycotts by black home-owners. On another level, policy-makers need to be informed about the circumstances and the expectations held by the urban poor — the majority of our population.

A final conclusion drawn from the case study is that opportunities exist for empowering communities to find their own solutions to the housing needs experienced. The overwhelming majority of the members of the Elephant are uneducated and unskilled with a low level of job security. With the support of an empathic facilitator they are, however, slowly making headway in solving their primary need. Properly supported by enabling legislation and by officials who make themselves institutionally vulnerable, as Goulet calls it, these people hold the key to sustainable development in South Africa.

In the light of the above conclusions some specific recommendations may be presented. First and foremost, what is needed is a proper calculation of the number of "shacks" in the urban areas. It is also necessary to calculate the number of adult children living with their parents. Random samples from the entire country may partly solve the problem. Once a fair estimate has been arrived at an all-out effort will be needed to make enough affordable land available on a pro-active basis.

It goes without saying that "normal market forces" would not easily facilitate the release of land for low-income housing. The private sector aims to make a profit and cannot be expected to finance something that is the government's social responsibility. To a large extent it is up to the government to create conditions that are favourable for development. Making land subsidies available to the poor, as presently considered by the authorities, is one important enabling mechanism. Such subsidies must, however, be carefully administered in order to ensure that those in need are benefitted firstly and not some private developers who may be tempted to see it as an opportunity to make a quick profit. If properly run, the subsidies would in any case "filter through" via the primary beneficiary to private sector entrepreneurs; in this way both the individual and entrepreneurs in society at large may benefit from the subsidy.

If the land and subsidy issues can be solved within reason, individuals and communities must be put in a position where access to these resources is made possible. Here, information is an important tool. Serious consideration should be given to the creation of resource centres within communities where relevant information and know-how, as indicated above, can be made available to people. The *White Paper on Urbanization*<sup>10</sup> makes provision for the creation of such centres in urban areas, primarily to assist rural migrants in adapting to urban conditions. The centres proposed in the White Paper may well be adapted to provide in the needs indicated here.

The need to provide policy-makers with relevant information will have to be dealt with at a different level. One way of gathering appropriate information is by promoting problem-orientated research at grassroots level. Such research may eventually facilitate bottom-up policy formulation instead of the top-down approach currently practised.

A final recommendation is that community-based organizations be acknowledged and made partners in the process of housing provision. Such organizations often have the relevant expertise (or have access to it); they usually enjoy grassroots support; and they are in a position to act much more quickly than any bureaucracy. Of course this would mean a totally different attitude and *modus operandi* for officials; they would be required to become facilitators of development rather than administrators of people, as is presently the case to a large extent. In South Africa this would, for the majority of officials, mean a total reorientation in work ethic and approach — something not possible without a decision to this effect (and coercion where necessary) from central government. It would, of course, entail the retraining of officials on a massive scale in development-related fields.

In housing, as in many other fields, South Africa is at a threshold. What is called for now is common-sense decisions and a cool headed approach.

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- 1 The author wishes to express his appreciation to Church Aid in Need of the Dutch Reformed Church in Africa (Northern Transvaal) for permission to use empirical data gathered on their behalf.
- 2 *Business Day*, 10 January 1991.
- 3 Urban Foundation, *Population trends*, Policies for a new urban future series no 1, Johannesburg: Urban Foundation, 1990, p 13.
- 4 J H de Loor, *Housing in South Africa: Proposals on a policy and a strategy*, Report prepared by the task group on national housing policy and strategy of the South African Housing Advisory Council, 1992, p 73.
- 5 Urban Foundation, *op cit*, pp 20–21. Figures for blacks are used since this segment of the population is still under-urbanized and presently experiences the fastest rate of urbanization.
- 6 The philosophical debate on what housing is and what it means is continuing and need not be repeated here. Suffice it to say that the efforts of people to house themselves in affordable dwellings are accepted by some social scientists (as well as architects) as "proper housing" (see for instance F C De Beer, *Self-helpbehuising of bewonersoutonomie? 'n Kritiese ontleding van die konviviale teorie se bydrae tot behuisingsbeleid en -praktyk in die Derde Wêreld* (unpublished doctoral dissertation), Pretoria: Unisa, 1988).
- 7 *Business Day*, 17 December 1990.
- 8 At the time of the study the exchange rate was: R2,53 = \$1,00).
- 9 The "Minimum Level of Living" (MLL) is calculated on the following items: food, clothing, payments for municipal services and housing, fuel and light, washing and cleaning materials, transport, medical, education, taxes, replacement of household equipment and support of relatives. Separate calculations are made for households consisting each of two up to eight members. According to Prof Nel, Director of the BMR: "The Bureau's MLL denotes the minimum financial requirements of members of a family if they are to maintain their health and have acceptable standards of hygiene and sufficient clothing for their needs".
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