

Southern Africa **REPORT**

Vol. 12. No, 2

February 1997

Cargo Cult: Waiting for Foreign Investment in Southern Africa

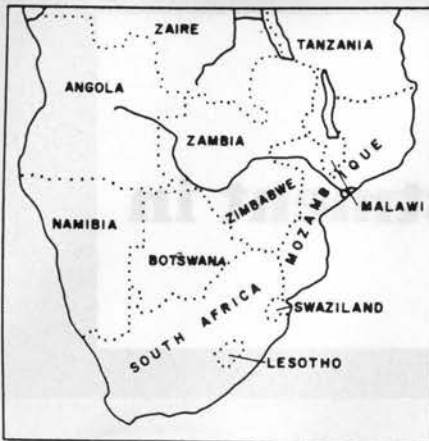


price: \$ 4.50

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Southern Africa REPORT

is produced quarterly by a collective of TCLSAC, the Toronto Committee for Links between Southern Africa & Canada

603-1/2 Parliament St
Toronto, Ontario M4X 1P9
Tel. (416) 967-5562
Email tclsac@web.net

Submissions, suggestions and help in production are welcome and invited
ISSN 0820-5582

Member: Canadian Magazine
Publishers Association

Indexed in: Canadian Index;
Canadian Business & Current Affairs
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Southern Africa Report subscription & TCLSAC membership rates:

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Individual (1 year) \$18.00
Institution (1 year) \$40.00

MEMBERSHIP: (includes subscription)

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We wish to thank COCAMO for financial support for publishing the Mozambique articles in this and the last issue of Southern Africa REPORT

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Cargo Cult

“Cargo cult: millenarian religious and political movement widespread in Melanesia during this century where local inhabitants have been confronted with western imperialism. They expect their ancestors or some other liberating power to return, in the very near future, in planes or ships laden with modern goods to free them from their penury. As part of the cult they prepare runways and landing areas for the expected cargoes.”

A headline on the front page of today's *Globe and Mail* (February 4, 1997) says a lot about southern Africa: “Mandela gets praise, asks for investment.” The occasion? This year's edition of the “World Economic Forum” which annually brings together an all-star team of global capitalism's deep-thinkers and big-players in Davos, Switzerland for an often illuminating discussion of the workings of their system.

Mandela's contribution: “I noticed that the major industrial leaders of the world are gathered here. I wish you could give me your cheque books, sign them and I'll fill in the amount.” The equation was clear: foreign investment equals economic development. Moreover, “we can only [consolidate democracy] with your support, if you come and invest in our country”!

Ironically, last year's meeting at Davos had produced a troubled

questioning of the workings of global capitalism from the Forum's own founding father, Klaus Schwab. Expressing the fear that "globalization" might become "synonymous with a brakeless train wreaking havoc," Schwab countered his own statement that "we have got accustomed to the idea that globalization will inevitably succeed" with the admission that "I am not so sure any more."

And in attendance at Davos this year was George Soros ("one of the world's most prominent financiers") whose cover article in the current *Atlantic Monthly*, the widely-read and notably un/radical American magazine, announces "the Capitalist Threat" ("the main threat to social justice and economic stability now comes from the uninhibited pursuit of laissez-faire economics").

All this, yet never a discouraging word out of southern Africa. Not a critique of "neo-liberalism" but rather its unquestioning embrace. Not the question "Why capitalism?" but rather, à la Mandela, "Why not more of it?"

Increasingly, the logic of the ANC's GEAR document (named for the "Growth, Employment and Redistribution" strategy the document is said to define) has replaced the more bottom-up, popularly-driven developmental logic of the movement's initial Reconstruction and Development Programme. The ANC's "growth plan" has become, primarily, one of setting the stage for a presumed influx of international investment, with all bets now being placed (to take two examples explored, by Patrick Bond and Ighsaan Schroeder respectively, in the present issue) on such initiatives as an ever more welcoming posture towards the Bretton Woods institutions and an ever more "flexible" labour market.

Not that alternative voices are absent in South Africa, sceptical both as to capital's basic willingness to invest in any substantial way in South Africa and as to the likelihood

of its having a suitably transformative effect even if it did. We feature some such voices prominently in the present issue, Bond himself reporting on the emergence of the "Campaign Against Neo-liberalism in South Africa" for example, while also providing the reader with a context for situating a pair of critical initiatives whose founding documents we reproduce here. But the fact remains that, increasingly, in the corridors of power the prevailing wisdom is best summed up by



Scott Braley - Impact Visuals

the immortal words of Canada's own W. P. Kinsella: "Build it [in this case, the proper 'enabling environment'], and they will come."

A similar mood seems also to pervade developments elsewhere in the region. Note the tone of Michel Chossudovsky's grim account, in our lead article, of the "export of apartheid" that the current thrust of Afrikaner farmers from South Africa into the rest of the region represents. And compare this tone with that of Mozambique's Frelimo government, prepared enthusiastically to hail such farmers' invasion of its country as so much "manna from heaven."

Not that the failure of nerve and lack of imagination on the part of Frelimo's leadership need surprise us at this late date. Even more instructive, therefore, may be the comparison between Chossudovsky's response to this development - and his fears for the fate of the indigenous populations in the face of this "invasion" - with the actual response of many rural dwellers in Niassa Province (a principle expansion area for Afrikaner advance). As given voice in the article by Olaf Juergensen and Hartmut Krugman that serves here as a suggestive pendant to Chossudovsky's account, many such rural dwellers actually choose to find some promise in the Afrikaners' prospective presence.

Of course, this could be a sign not so much of these rural dwellers' credulity as a reflex of their desperation and need ... and of the degree to which other options, other policies, have failed them in the past. Still, either way - cargo cult or last resort - the picture that emerges of so vulnerable a corner of southern Africa as Niassa represents is not an encouraging one. Can the region ever find its way back to the kind of popularly based, firmly self-confident, internally driven impulses for development - with markets on tap but not on top - that the liberation struggles once seemed to promise?

Exporting Apartheid Mozambique and Beyond

BY MICHEL CHOSSUDOVSKY

Michel Chossudovsky is a Professor of Economics at the University of Ottawa.

The right wing Afrikaner Freedom Front (FF) headed by General Constand Viljoen plans to develop a "Food Corridor" extending across the Southern part of the continent from Angola to Mozambique. Afrikaner agri-business is to extend its grip into neighbouring countries with large scale investments in commercial farming, food processing and eco-tourism. The agricultural unions of the Orange Free State and Eastern Transvaal are partners; the objective is to set up White-owned farms beyond South Africa's borders.

The "Food Corridor," however, does not mean "food for the local people." On the contrary, under the scheme the peasants will lose their land, with small-holders becoming farm labourers or tenants on large scale plantations owned by the Boers. Moreover, the South African Chamber for Agricultural Development (SACADA) which acts as an umbrella organization also includes, centrally, several right wing organizations including the Freedom Front (FF) led by Viljoen, whose grim record as South African Defence Force (SADF) Commander in Chief during the Apartheid regime is well known.

The Freedom Front, although "moderate" in comparison to Eugene Terre'Blanche's far-right Afrikaner Weerstandsbeweging (AWB), is a racist political movement committed to the Afrikaner Volksstaat. The SACADA-Freedom Front initiative has nonetheless the political backing of the African Na-

tional Congress as well as the personal blessing of President Nelson Mandela who has delegated Mpumalanga Premier Matthews Phosa to the SACADA Board of Governors. All the other governors are members of the Freedom Front. Premier Phosa, a distinguished ANC politician and among the most prosperous black businessmen in Mpumalanga province (East Transvaal), has also contributed to laying the political ground work for the expansion of White Afrikaner business interests into neighbouring countries.

In discussions with President Mandela, General Viljoen had argued that "settling Afrikaner farmers would stimulate the economies of neighbouring states, would provide food and employment for locals, and that this would stem the flow of illegal immigrants into South Africa." Viljoen has also held high level meetings on Afrikaner agricultural investments with representatives of the European Union, the United Nations and other donor agencies.

In turn, Pretoria is negotiating with several African governments on behalf of SACADA and the Freedom Front. The ANC government is anxious to facilitate the expansion of corporate agri-business into neighbouring countries. As one newspaper account affirms, "Mandela has asked the Tanzanian government to accept Afrikaner farmers to help develop the agricultural sector" while SACADA itself has approached some 12 African countries "interested in White South African farmers." In a venture set up in 1994 under the South African Development Corporation (SADEVCO),

the government of the Congo had granted to the Boers 99 year leases on agricultural land; President Mandela endorsed the scheme calling on African nations "to accept the migrants as a kind of foreign aid."

The African host countries have on the whole welcomed the inflow of Afrikaner investments. With regard to regulatory policies, however, the Bretton Woods institutions and the World Trade Organization (WTO) (rather than national governments) call the shots, invariably requiring (indebted) countries to accept "a wide open door to foreign capital." In this context, the liberalization of trade and investment under donor supervision, tends to support the extension of Afrikaner business interests throughout the region. Moreover, in the sleazy environment shaped by transnational corporations and international creditors, corrupt politicians and senior bureaucrats are often co-opted or invited to become the "business partners" of South African and other foreign investors.

The expropriation of peasant lands

The "Food Corridor" initiative will displace a pre-existing agricultural system: it not only appropriates the land, it takes over the host country's economic and social infrastructure and, almost inevitably, spells increased levels of poverty in the countryside. It will most likely provide a fatal blow to subsistence agriculture as well as to the peasant cash crop economy, displacing local level agricultural markets and aggravating the conditions of endemic famine prevailing in the region. As if this were not enough, Jen Kelenga, a spokesperson for a pro-democracy



Negotiations, headed by S.A. & Mozambican agriculture ministers, dealing with South African farmers investing in Mozambique

group in Zaire, also sees, at the heart of the initiative, the Boers "in search of new territories to apply their racist way of living."

The "Food Corridor" if carried through, could potentially alter the rural landscape of the Southern African region, requiring the uprooting and displacement of small farmers over an extensive territory. Under the proposed scheme, millions of hectares of the best farmland would be handed over to South African agri-business. The Boers are to manage large scale commercial farms using the rural people both as "labour tenants" as well as seasonal agricultural workers.

Such initiatives also dovetail with World Bank directives regarding land-use in the region. Indeed, the Bank has pressed for land legislation throughout Sub-Saharan Africa that would abrogate the right to land of millions of small-holders, with identical land legislation now being enforced throughout the region. The national level land laws (drafted under technical advice from World Bank Legal Department) are with some variations "exact carbon copies of each other": "The con-

stitution [in Mozambique] says that the land is the property of the State and cannot be sold or mortgaged. There has been strong pressure particularly from the United States and the World Bank for land to be privatized and to allow mortgages ..."

Under the proposed land legislation, both SACADA and the World Bank nonetheless tout the protection of traditional land rights. The small peasantry is to be "protected" through the establishment of "customary land reserves" established in the immediate vicinity of the White commercial farms. In practice, under the new land legislation, the majority of the rural people will be caged into small territorial enclaves ("communal lands") while the bulk of the best agricultural land will be sold or leased to private investors.

This also means that peasant communities which practice shifting cultivation over a large land area, as well as pastoralists, will henceforth be prosecuted for encroaching on lands earmarked for commercial farming, often without their prior knowledge. Impoverished by the macro-economic reforms, with no access to credit and modern farm inputs, these customary enclaves

will, as noted, constitute "labour reserves" for large scale agri-business.

Afrikaner farms in Mozambique

SACADA has plans to invest in Mozambique, Zaire, Zambia and Angola, "with Mozambique being the test case." President Joaquim Chissano of Mozambique and President Nelson Mandela signed an intergovernmental agreement in May 1996 which grants rights to Afrikaner agri-business to develop investments in at least six provinces encompassing territorial concessions of some eight million hectares. According to one South African official: "Mozambique needs the technical expertise and the money, and we have the people ... We favour an area which is not heavily populated because it is an Achilles heel if there are too many people on the land ... For the Boers, Land is next to God and the Bible."

In SACADA's concessionary areas in Mozambique, the Frelimo government will ensure that there is no encroachment; rural small-holders and subsistence farmers (who invariably do not possess legal land titles) will either be ex-

pelled or transferred into marginal lands.

In Mozambique's Niassa province, the best agricultural land is to be leased in concession to the Afrikaners for fifty years. At the token price of some \$0.15 per hectare per annum, the land lease is a giveaway. Through the establishment of Mosagrius (a joint venture company), SACADA is now firmly established in the fertile valley of the Lugenda river. But the Boers also have their eyes on agricultural areas along the Zambezi and Limpopo rivers as well as on the road and railway facilities linking Lichinga, Niassa's capital to the deep seaport of Nacala. The railway line is being rehabilitated and modernized (by a French contractor) with development aid provided by France.

In the initial stage of the agreement, concessionary areas in Niassa province were handed over to SACADA in 1996 to be settled by some 500 White Afrikaner farmers. These lands are earmarked for commercial farming in both temperate highveld and sub-tropical lowveld. The available infrastructure including several state buildings and enterprises will also be handed over to the Boers.

The Boers will operate their new farms as part of their business undertakings in South Africa, dispatching White Afrikaner managers and supervisors to Mozambique. The Boers will bring from South Africa their Black right-hand men, their tractor operators, their technicians. In the words of the project liaison officer at the South African High Commission in Maputo: "Each and every Afrikaner farmer will bring his tame Kaffirs" who will be used to supervise the local workers. The number of White settlers in the concessionary areas in Niassa is likely to be small.

SACADA has carefully mapped out the designated areas by helicopter, South Africa's agricultural research institutes have surveyed the area, providing an assessment of en-

vironmental as well as social and demographic conditions.

Creating "rural townships"

Under the SACADA scheme, the rural communities in Niassa which occupy the Afrikaner concessionary areas are to be regrouped into "rural townships" similar to those of the Apartheid regime:

"What you do is to develop villages along the roadside close to the [White] farms. These villages have been planned very carefully [by SACADA] in proximity to the fields so that farm-workers can go back and forth; you give the villages some infrastructure and a plot of land for each household so that the farm-labourers can set up their food gardens."

Unless token customary land rights are entrenched within or in areas contiguous to the concessions, the peasants will become landless farm labourers or "labour tenants." Under the latter system applied by the Boers in South Africa since the 19th Century, black peasant households perform labour services (corvée) in exchange for the right to farm a small parcel of land. Formally outlawed in South Africa in 1960 by the Nationalist government, "labour tenancy" remains in existence in many parts of South Africa including East Transvaal and Kwa-Zulu Natal. Its reproduction in the form of rural townships in Mozambique will provide reserves of cheap labour for the White commercial farms.

This, plus the increasing derogation of workers rights in Mozambique and the deregulation of the labour market there under IMF advice, will enable the Boers not only to pay their Mozambican workers excessively low wages but also to escape the demands of Black agricultural workers in South Africa. Moreover, under the Mosagrius Agreement the Mozambican government will be fully responsible in dealing with land disputes and ensuring the expropriation of peasant lands

"without prejudice or loss that may occur from such claims to SDM [Mosagrius] and other Mosagrius participants."

Small wonder, then, that South Africa's major commercial banks, the World Bank and the European Union have firmly backed the project. Indeed, "the Food Corridor" has become an integral part of the IMF-World Bank sponsored structural adjustment programme in Mozambique. In the words of SACADA Secretary Willie Jordaan: "SACADA has endeavoured to bring its policies in line with the World Bank and the International Monetary Fund, and [is] set to become an international development agency" with a mandate to contract with donor institutions and carry out "foreign aid programmes" on their behalf.

The international community

In short, while the international community had endorsed ANC's struggle against the Apartheid regime, it is now providing financial support to a racist Afrikaner development organization. Under the disguise of "foreign aid," Western donors are in fact contributing to the extension of the Apartheid system into neighbouring countries. The European Union has provided money to SACADA out of a development package explicitly earmarked by Brussels for South Africa's Reconstruction and Development Programme. According to an EU spokesman, the project "was the best noise out of Africa in 30 years." The EU Ambassador to South Africa Mr. Erwan Fouéré met General Viljoen to discuss the project. Fouéré confirmed that if all goes well, further EU money could be made available to cover the costs of "settling Afrikaner farmers in South Africa's neighbouring countries."

The initiative is categorized by the donor community as a bona fide development project which will benefit the peasantry in the host country as well contribute to South

Africa's Reconstruction. The fact that the scheme derogates the land rights of small-holders and replicates the system of "labour tenancy" prevalent in South Africa under Apartheid is not a matter for discussion.

Moreover, national investment priorities set by the donors in neighbouring countries (under the World Bank sponsored Public Investment Programme), are increasingly tuned to meeting the needs of South African business interests. In Mozambique, for instance, so-called "targeted investments" are undertaken with a view to rehabilitating port facilities, roads, water resources, river and lake transportation, etc. largely to the benefit of South African investors including SACADA.

Moreover, under the SACADA Agreement, Afrikaner investors "shall be allowed a right of first refusal" in privatization tenders in concessionary areas under their jurisdiction. In turn the country's investment legislation (drafted with the technical assistance of the World Bank) will provide for the free remittance of corporate profits and the repatriation of capital back to South Africa.

The SACADA scheme is also likely to suck up a portion of the State's meagre health and education budget. In Mozambique, under the terms of the Agreement the authorities are also to support the provision of Western-style health services as well as create a "sanitary environment" for the White Afrikaners settling in the territory. Part of the money provided by donors and international organizations for social programmes will also be channelled towards the concessionary areas.

Recolonization?

Add to these enormities the fact that the "export of Apartheid" to neighbouring countries seems to exemplify a literal "carving up" of national territories into concessionary areas. In Mozambique, for example,

an autonomous territory – "a State within a State" – is being developed initially in Niassa province; the Mosagrius project controlled by the Boers (overriding the national and provincial governments) is the sole authority concerning the utilization rights of land in its concessionary areas (clause 34); similarly the territory is defined as a free trade zone allowing for the unimpeded movement of goods, capital and people (meaning White South Africans). All investments in the concessionary areas "will be free from customs duties, or other fiscal impositions." In this way, concessions granted to foreign investors in various parts of the country (a pattern that is being duplicated [see accompanying box] in the tourism sphere, including in Niassa Province itself) begin to define a recasting of national territory into a number of separate "corridors" that is eerily reminiscent of the colonial period.

In short, the system of territorial concessions – with each of the corridors integrated separately into the world market – tends to favour the demise of the national economy. And the falling of such corridors under the political custody of donors, non-governmental organizations and foreign investors also means that these latter constitute a *de facto* "parallel government" which increasingly bypasses the State system. But this latter process dovetails neatly with other demands of donors, their requirement (in the name of "governance") of the down-sizing of the central State and the "decentralization" of decision-making to the provincial and district levels. Rather than providing added powers and resources to regional and local communities, however, State revenues will be channelled towards servicing Mozambique's external debt with "decentralization" predicated on fiscal austerity under the structural adjustment programme. Add all this up and the result is a considerable weakening of both the central and regional governments, and a fur-

ther reinforcement of Mozambique's recolonization.

* * *

One may speculate, finally, as to why the ANC has made itself such a vigorous party to this process. Most charitably, one may conclude that the ANC has championed – albeit without serious debate or discussion – the granting of "Land to the Boers" in neighbouring countries as a means to relieving land pressures within South Africa: the policy is said to facilitate the ANC's land redistribution programme in favour of Black farmers.

Of course, there are good reasons to believe that, despite its merits, South Africa's Land Reform Programme is unlikely to succeed, this programme being increasingly undermined by the post-Apartheid government's own sweeping macro-economic reforms under the neoliberal policy agenda. In rural South Africa, the removal of agricultural subsidies, the deregulation of credit and trade liberalization (which is part of the Macro-economic Framework) have not only contributed to the further impoverishment of Black small-holders and tenant farmers, the measures have also pushed numerous White Afrikaner family farms into bankruptcy. Pretoria's structural adjustment programme thereby favours an even greater concentration of farmland than during the Apartheid regime as well as the consolidation of corporate agriculture both within and beyond South Africa's borders.

In other words, the Boers "Second Great Trek" to neighbouring countries does not contribute to relieving land pressures within South Africa. In fact the policy accomplishes exactly the opposite results: it maintains Black farmers in marginal lands under the old system of segregation. Moreover, it reinforces corporate control over the best farmland while also providing a political avenue to Afrikaner agribusiness for "exporting Apartheid" to the entire Southern African region.



Fostering Ecotourism

Most of Mozambique's coastline on lake Niassa - including a 160 km. stretch in the Rift Valley from Meponda to Metangula extending further North to Ilha sobre o Lago close to the Tanzanian border - has been designated under the project "for tourism and other complementary and subsidiary activities [which are] ecologically sustainable." The latter also include designated areas for Afrikaner investments in fishing and aquaculture on lake Niassa (displacing the local fishing industry). In turn, the Agreement hands over to the Boers, the development and operation rights over the Niassa Game Reserve on the Tanzanian border. The Reserve includes an extensive area of some 20,000 hectares earmarked for so-called "ecologically sustainable ecotourism."

In a much larger undertaking, James Ulysses Blanchard III the notorious Texan tycoon, has been granted a concession over a vast territory which includes the Maputo

Elephant Reserve and the adjoining Machangula peninsula south of Maputo. During the Mozambican civil war, Blanchard had provided financial backing to Renamo, the rebel organization directly supported by the Apartheid regime and trained by the South African Defence Force (SADF).

Blanchard intends to create an Indian Ocean Dream Park with a floating hotel, deluxe tourist lodges at \$600-\$800 a night and a casino. Large parcels of land in Manchangula have also been allocated to agricultural investors from Eastern Transvaal.

Local communities in Blanchard's concessionary area will be expropriated; in the words of his general manager, John Perrot: "We're gonna come here and say [to the local villagers] 'Okay, now you're in a national park. Your village can either get fenced or you can have them wild animals walking right through your main street.'" (M.C.)

Paradise Lost?

A Blueprint for Niassa

BY OLAF TATARYN JUERGENSEN AND HARTMUT PEREIRA KRUGMAN

Olaf Tataryn Juergensen is a Research Associate with the International Development Resource Centre, Ottawa, Canada. Hartmut Pereira Krugman is Senior Programme Specialist at the IDRC's regional office in Johannesburg.

Nestled between Malawi and Tanzania in northern Mozambique, the Province of Niassa often has been referred to as the "Forgotten Paradise." Mozambique's largest and potentially richest province remains one of the most underdeveloped regions in southern Africa, with little activity in the formal cash economy, scarce and ill-equipped schools and health posts, a mere 200 kilometres of paved roads to service an area roughly the size of England, and train travel to the provincial capital of Lichinga made hazardous because of unsafe rails and bridges.

Yet if forgotten, Niassa is not without history. The Portuguese colonial government had very little interest (or capacity) to develop basic infrastructure or the local economy initially. At the end of the 19th century the entire province was sold to German interests. Fearing British expansion from Nyasaland (today Malawi), however, the Portuguese established a small administrative presence at Lichinga during the first half of this century.

The province took on a new significance to the Portuguese when Frelimo began to enter Mozambique from bases in Tanzania in the early 1960s. In response, the colonial government moved a massive number of soldiers and agents into the province as a counter-insurgent mea-

sure. Yet the sheer size of Niassa and relatively small population (approximately 700,000 in 1975) made tracking down Frelimo futile.

When Renamo began its civil war with the Frelimo government shortly after independence, however, Niassa's size and lack of infrastructure came back to haunt Frelimo troops, for Renamo was able to traverse the huge forests and labyrinth of river valleys with little opposition. With the signing of the 1992 Peace Accord between Frelimo and Renamo and successful democratic elections in October 1994, Niassa finally has the opportunity to realize its development potential.

The legacy of 30 years of almost constant war has devastated the province. Large scale population displacement, universal degradation and destruction of physical infrastructure, stunted commercial development, and the loss to a generation of basic education and training all take their toll. Yet ironically, the 1976-1992 Renamo-Frelimo war, which was the most intense period of conflict, kept development initiatives out of the region, and as a result Niassa's rich natural resource base remains generally healthy. Events since the "Peace Election," however, put the environment at risk of unbridled modernization and development. This brief report sheds light on some of the dilemmas facing Niassa as it prepares for the 21st century.

Niassa looks toward 2000

Attempting to spur post-conflict reconstruction and development, the provincial government hosted a seminar, "Niassa 2000," in October 1995. The seminar brought representatives of various national and

provincial ministries, NGOs, the diplomatic community, donors and local business leaders together to try and chart a provincial development strategy. The main conclusion of the seminar was that exploration and commercial development of the province's natural resource base would provide for its future prosperity.

In concert with Niassa 2000, several key areas were identified as central to the province's future development: cash-cropping, immigration, natural resource utilization, and tourism. The seminar also concluded that all projects would integrate a sensitive "appreciation" and integration of local historical, geographical, and cultural factors. There are apprehensions, however, that comprehending the potential socio-cultural and ecological impacts and integrating these considerations into the imperative of stimulating provincial economic development remains more elusive.

Share-cropping returns

Share-cropping cotton and tobacco for export was re-introduced in the Mandimba-Cuamba-Mecanhelas alley, financed by the Portuguese multi-national Joaõ Ferreira dos Santos (JFS) and sanctioned by the government. Some of the most fertile lands adjacent to the main north-south Niassa road have already been converted from basic maize production to more lucrative cash crops. The arrival of JFS was warmly embraced by those people fortunate enough to live in the southern quarter of Niassa, for it provided the opportunity to earn a supplementary income. This income would allow families to begin to rebuild their lives, after years of

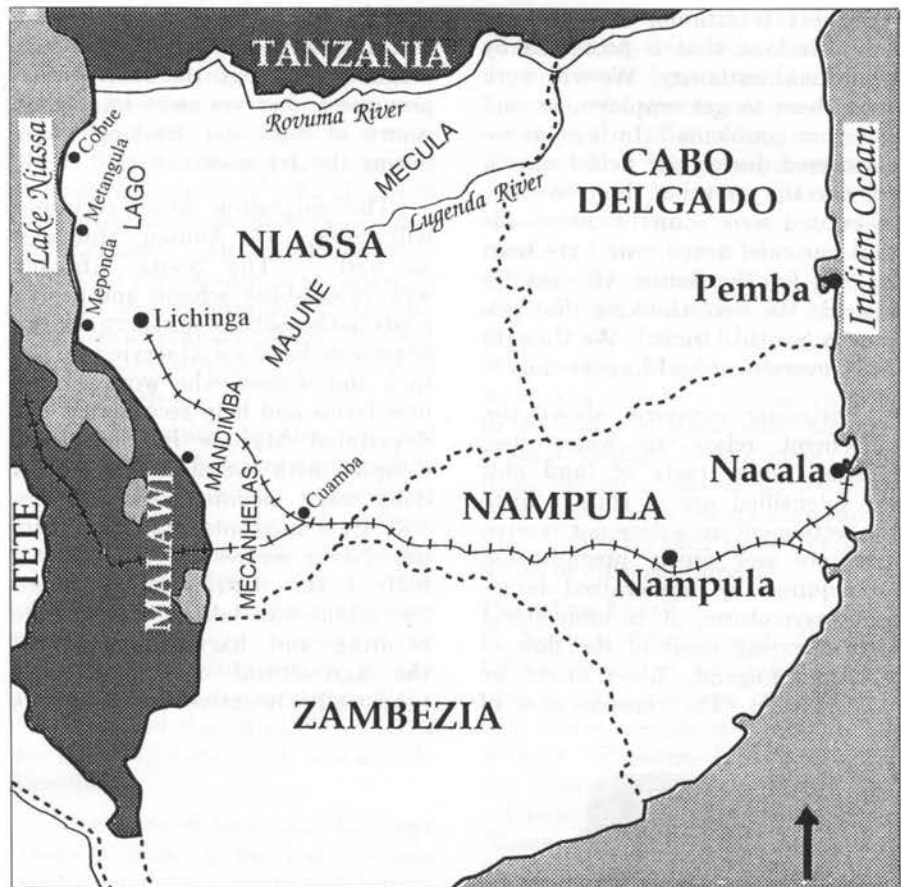
mozambique

dislocation and dispossession. One eager peasant in Mandimba had this to say: "we will help anyone who wants to develop it here. We will work the land to buy clothes."

Yet despite its immediate economic appeal, the deeper environmental, social and cultural impacts associated with this system of production and income generation require a broader historical lens and careful assessment of implications for the future. Already, land exploitation and expropriation have emerged close to the main road along the fertile Mandimba-Cuamba corridor. The rich body of literature on cotton production in Nam-pula and Zambezia [most recently, see *SAR* vol. 12 no. 1, 1996] points to the complexity of cash-cropping in Mozambique, where high prices have been charged for seeds, fertilizers, and equipment, while prices set by regulators and the business community for purchasing the crop were unfair to the producers. Tobacco and cotton farmers in several districts of Niassa revealed in interviews in April, 1996 that their terms of credit, fertilizers, seeds and commodity prices were all externally fixed. In a troubling statement, one local Burley tobacco farmer noted "the people don't know how much the seeds cost because JFS Enterprises came here and allowed the people to use the seeds. Then JFS will cut money during tobacco commercialization. The people will receive money but not including the seeds they received." Obviously, one would like to see a better power balance here.

The second great trek

The central district is earmarked for significant external intervention as well, one which has substantial development potential but promises future conflicts. Isolated Majune, with plenty of surface water and "unoccupied" land, became the focus of much attention when it was selected as the site where white South African farmers and their families would resettle on



land secured by 50 year lease agreements. Academics, pundits, and practitioners have seen the migration as rooted in factors related to the 1994 election of the ANC, most particularly the ANC's plans to (re)distribute land and the wish to undertake a second historical trek and create an enclave of Afrikanerdom. Unlike the first trek, this migration is not clandestine, but rather very public – a South African Broadcasting Corporation team even travelled to the district – and received political backing from the highest offices in Mozambique and South Africa.

Under the conditions of the *Mosagrius* agricultural development programme, signed in May, 1996 by Mozambique's President Joaquim Chissano and South Africa's Nelson Mandela, Majune was designated as the location where the first wave of South African families will settle and

begin commercial farming activities. The first families arrived in June, 1996.

The historical irony that a region which was devastated by a war of destabilization fomented by the former South African apartheid government, which supplied and trained Renamo at secret camps in South Africa, today welcomes settlers wishing to preserve key elements of apartheid is lost on the people living in the region. Instead, there is a widespread consensus that the "Boers" will bring jobs, schools, health posts, and other basic amenities that the impoverished state has been unable to furnish. One regal old woman analyzed the situation like this: "they [South Africans] will bring more employment for the people and develop more activities so we can get the best of our life. We do not think bad of them. They will help us. When they come here they

will meet traditional customs and will take land that is protected by traditional authority. We will work with them to get employment and solve our problems." In fact, as we discovered during our field research prior to the arrival of the *farmeiros*, so excited were some of the people that one chief noted, "we have been waiting for the South Africans for a year. We were thinking that you were a South African! We thought the Government had forgotten us."

Particular concerns about the settlement relate to water use, clearing large tracts of land and the intensified use of soils. Since the settlement area does not receive adequate and timely precipitation as required by modernized large-scale agriculture, it is understood that diverting some of the flow of the vital Lugenda River might be unavoidable. The consequences of

modifying the flow would be far reaching, however, as the river cuts diagonally through the heart of the province and serves as an important source of food and drinking water during the dry season.

The migration most certainly will reshape the human landscape as well. The South Africans will (re)establish schools and health posts in the isolated northern region, to provide basic social services to the men and women who work on the new farms and help reconstruct the devastated Majune infrastructure. Coupled with the ability to earn a daily wage income, these services will draw migrants from the main population centres in the southern half of the district. The need for additional labour during the planting and harvest periods of the agricultural cycle will have potentially negative repercussions

on the gender division of labour in the household.

As South Africans develop roots and modernization proceeds, local cultural change is inevitable. How such change can be channelled to help build the capacity and cohesiveness of local communities and society, rather than unsettling them, remains an open question.

Riches of the land

Informal, unregulated gold recovery from river beds is an important local economic activity in parts of north-western Niassa, particularly the Lago District. Typically, however, this gold was traded across the border to Tanzania, leaking gold revenues out of the province through informal marketing channels. This trend can depress the prices offered to local gold panners, and thus deprive them, their families and the local economy of cash income.



Andrew Lichtenstein - Impact Visuals

mozambique

The process also raises apprehensions about water pollution from toxic mercury compounds used for informal gold processing and usually directly released into the rivers. Such pollution could threaten the ground water around the town of Lupilichi, and if run-off were to reach Lake Niassa, the health and fortune of numerous lake shore dwellers, as well as aquatic life in the Rovuma River, might be jeopardized. Successfully regulating gold panning activity may improve processing practices, and thus yield environmental benefits.

Larger scale exploitation of mining and forestry represents tremendous potential profits. The province boasts highly lucrative minerals such as gold and diamonds, and coal reserves that dwarf the country's main fields at Moatize in Tete Province. Due to the poor state of road and rail infrastructure in the northern half of the province, mining development is at an early stage, but is expected to attract large-scale capital investment and play an important long-term role.

As much as 90 percent of Niassa is covered by forests, and the government estimates that at least 94 million cubic meters of commercially viable timber is available in the province. These stands consist of various exotic hard and soft woods, and have already drawn the attention of Europeans. Commercial logging has yet to appear in Niassa, as it has in an unregulated fashion in parts of Zambezia, Manica, and Sofala, but lucrative ebony stands are already being harvested by "private" loggers, paid handsomely by European companies who use the wood for musical instruments.

Game for tourists

Niassa's north-eastern corner (Mecula District) is dominated by the 21,000 square kilometre Mecula Game Reserve, which is set to begin operations. The Reserve depends on the Lugenda River maintaining a healthy flow to keep the big-game stocks abundant. From the perspec-

tive of the local communities, and the vantage point of provincial and national authorities, the operation of the Reserve, its very large size, isolated location (it hopes to attract fly-in tourists, as travel by road to Mecula is extremely difficult), and future impact need careful study and management. The challenge is to maintain the balance of the existing ecology and to integrate local communities so that all parties can benefit from the economic opportunities that develop.

A pilot study by the National Department of Forestry and Wildlife of the communities inside and surrounding the Mecula Reserve confirmed that a significant number of people live inside the Reserve or nearby in the wildlife dispersal corridor. It is important to involve these communities in the management and operation of the Reserve and its wildlife if it is to yield equitable and sustainable benefits.

The areas of Lago and Lichinga districts fronting on Lake Niassa are targeted for tourism and fishery development. Already, the traffic of tourists travelling from Likoma Island in Malawi to Cobue in Mozambique by dhow has gradually increased. Although relatively small in scale, tourism on the Malawi side of Lake Niassa has long been a major boon to the local communities, and is seen as an important form of economic development with low capital intensity.

War in Mozambique, and the natural path for backpackers "over-landing" between Cape Town and Nairobi, which cuts through Malawi to the north, left tourism almost entirely absent from Niassa. However, a series of guest houses is now being constructed in Cobue, and immigration requirements have been amended so that tourists from Malawi can enter Mozambique on a temporary 24 hour visa. In Metengula, 3 hours from Lichinga, a small, locally owned beach operation also is beginning to thrive.

Yet local tourism-related enterprises already are threatened by foreign investors from South Africa and Europe, who seem interested in developing the pristine eastern shore of the lake. The interest of these international investors sparked local concerns that tourism development in Niassa will come to resemble the pattern along the Indian Ocean coastline in Mozambique, rather than the pattern of neighbouring Malawi, where investment and control is almost entirely in the hands of Malawians. Mozambique's coastline boasts some of the most exclusive resorts in southern Africa, but these resorts have shown little regard for their local economic, social or cultural impacts.

Paradise Lost?

If Niassa's development does not take a measured and informed approach, then perhaps in a generation or two people will refer to Niassa as "Paradise Lost." Clearly the inherent weaknesses of any "development" process is laid bare in Niassa, a place virtually untouched by several decades of rhetoric or practice of development in Africa. The twin ideologies of the cold war and apartheid helped bring Mozambique to its knees through a complex interplay of political, economic and military events orchestrated as much from within the country as from Washington, Pretoria and Moscow. In recent years, the new twin ideologies of unbridled market-based development and regional/global economic integration pose new threats to equitable and sustainable (re)construction and longer-term development. Niassa is at particular risk, and yet its very exclusion offers the possibility of a different development road. The hope is that Niassa will find its way, but the question remains: where is the map?

The authors wish to thank Antonio Matchuo of Eduardo Mondlane University's Department of Geography for his assistance in collecting and translating the oral testimonies from Yao and Macua.

The Forgotten Soldiers

Women in Zimbabwe's Liberation War

BY TANYA LYONS

Tanya Lyons is a graduate student at the University of Adelaide, presently at the University of Zimbabwe researching Zimbabwean women in the national war of liberation.

Since its release in 1995, *Flame*, the first feature film made in Zimbabwe about the country's war of liberation, has been immersed in controversy. By revealing the often unspoken experiences of female freedom fighters, *Flame* has unearthed stories of pain, violence, bitterness and a history of broken promises.

Directed by Ingrid Sinclair, the first woman to direct a Zimbabwean film, *Flame* tells the story of two women who join the struggle for Independence. "This story of two friends is one of many," narrates Liberty – the film's central character – conjuring up images of the many women who left their families and schools to travel for days by foot before reaching refugee and training camps.

Flame has been produced at a time when the struggle of female ex-combatants has only just begun. It offers a story that has not been told publicly in Zimbabwe, allowing the younger generation to see for themselves the many sides of the struggle and giving those who survived the war an opportunity to celebrate their achievements and commiserate their losses. But the story of *Flame* is not only a story of its characters, it is a story of the film's production itself and old wounds re-opened.

Negative depictions of war

Flame was initially conceived as a documentary project detailing women's experiences in the Zimbabwean war of liberation. When none of the women interviewed agreed to

appear on screen Sinclair decided to develop a fictional representation of their experiences.

The film explores the experiences of two young Zimbabwean women, Flame and Liberty, from their arrival at a training camp, through their experiences in the war, to their suffering after Independence as their war efforts remain unrecognized.

Since the producers of *Flame* first introduced rough cuts to a group of observers – in acknowledgment of the film's politically sensitive nature – it has been criticized by certain offended parties for "not depicting anything positive about the liberation struggle." Such "negative depictions" include: new war recruits being locked in underground dungeons for interrogation (a scene which was eventually cut from the film), graphic scenes of rape and sexual harassment, girls exchanging sex for food, camps being bombed by Rhodesian jets, and freedom fighters burning down a shop for revenge and fearing to engage a truck load of Rhodesian forces at an ambush. The Zimbabwe National Liberation War Veterans Association [ZNLWVA] also spoke out against the film's representation of women in actual combat, arguing that their role was simply to carry war equipment and ammunition. Following the great tradition of public censorship on sensitive issues that call for debate in Zimbabwe, the ZNLWVA even went so far as to attempt to have the film banned. But while they were not intending to provide free publicity for the film, in their attempt to control the production of knowledge about Zimbabwe's liberation war they have highlighted the need to re-address women's roles and experiences in the liberation war and to duly compensate them for their efforts.

Women in war

Certainly, not much has been written about female combatants' experiences in the war or about their treatment since. Even where some writers have explored the role of women in the war, Sinclair claims that the stories of the women she interviewed do not always correspond. Still, not all female ex-combatants agree with what is presented in *Flame*. Even 16 years after Independence some of these women maintain that no rape took place in the camps. They maintain that men and women were treated equally in the camps.

But others, including Freedom Nyambuya, one of the more outspoken female ex-combatants, maintain that they were raped. Nyambuya believes that it is time that Zimbabwe accepts this truth and reveals what really happened during the war. Another woman who does not want to be identified has said that she was raped often by her male comrades, as were other women. A female ex-combatant in Harare stated that in the ZANLA training camps in Mozambique it was usual practice for some senior comrade to request a female to "come and sweep his tent."

Among female ex-combatants the topic of rape is still a sensitive issue, and women in particular are not enthusiastic to discuss it. Moreover, many female ex-combatants do not readily talk about the war at all. Often based on their own experience, they fear that by talking about forced sexual encounters they will be labelled prostitutes.

Certainly, when female combatants returned from the war they faced a society which did not welcome the freedoms they had known.

Many women found it difficult to marry or stay married. At home they found men and in-laws ready to label them murderers or prostitutes, while their male comrades were deemed "heroes." They were seen as too tough, too liberated and not good enough to be wives.

And, while many women felt that in the bush training camps they had - for the first time - been treated as equals to men, many had suffered unspeakable abuse. "In that respect," says Sinclair, "the women just stopped talking about it because it had become synonymous with a bad experience." Even today, Sinclair found that many women ex-combatants have not told their husbands or families that they fought in the struggle. Hence, Sinclair adds, "to then stand up and admit it is quite dangerous. People might think they have lied to them in the past. They couldn't say the sorts of things we want them to say because they are too contentious; they are not part of the glorious history."

A glorious history of war

In Zimbabwe, the pain of war lingers. In Harare, female ex-combatants showed me their wounds: napalm, bullets, thorns and scars from training in the bush often without uniforms. These are the inscriptions of pain on their bodies. Time has not healed the violence of war. They are the women of the struggle. They do not talk about how many people they saw being killed. These women talk about human frailty; of trying to catch bullets in their hands as they whistled past their heads. They talk of falling in love with comrades; of making friends and losing them; of having no water to wash with and no cotton wool or pads for their menstruation or of stopping menstruation altogether due to hunger; of getting pregnant and having babies in foreign lands with no husbands or families for support. If anything, *Flame* may not go far enough in portray-

ing the suffering conditions of these camps.

Today, most female ex-combatants do not read what is written about them in academic circles. They do not go to see movies and many will not go to see *Flame*. They are busy surviving, making business deals, growing maize or ground nuts, or selling vegetables on street corners. Some are even poorer. Demobilization payments are long spent and they wait patiently for compensation from the government but - even if compensation were available - many couldn't afford the bus fare to town centres to register for such compensation.



The "symbolic payment" - parades, memorials - is also long past due. At the National Heroes' Acre in Harare there is only one woman buried: Sally Mugabe, late wife of the President. There has been some public debate as a result. But most discussion of "what it means to be a hero in Zimbabwe" has focussed on whether soccer heroes should also be buried there. While there are quite a few empty plots left, there has not

been any talk of whether women ex-combatants should receive burial at Heroes' Acre.

Flame's release

Despite protests from the ZNLWVA and threats to the film's producers, *Flame* was finished in time to be selected for the Cannes Film Festival and was approved for release in Zimbabwe. John Gwitira, President of ZNLWVA, has stated that the only reason he "let the film go ahead" was because of its final scenes. Indeed, notwithstanding their general indifference, the ZNLWVA does support equal compensation for female ex-combatants. Gwitira was apparently moved enough by the scenes at the film's end - where the comrades who fought together in the war are seen watching the ceremonies and parades at the national stadium on television but are not invited to attend the parades or publicly acknowledged for their efforts - that he and his association were willing to let the matter go.

Since then, *Flame* has had greater box office success in Zimbabwe than any other Zimbabwean-made film. It has been awarded the prestigious OAU award, and won Best Director and Best Actress at the Southern Africa Film Festival. And, of course, while it is not possible to say that *Flame* has made female ex-combatants more visible in a particularly glorified or heroic way, it has opened up the space for debate.

The women's movement in Zimbabwe has often used female guerrilla's experiences, fighting side by side with their men, as the basis for arguments to gain gender equality in legislation. To some extent this has been realized with the Age of Majority Act and changes to inheritance laws. However the women's movement today has not yet dealt with the specific needs of female ex-combatants. Women who fought in the struggle remain bitter about their treatment by society and government but remain hesitant

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Fighting Neo-Liberalism

The South African Front

BY PATRICK BOND

Patrick Bond is indefatigable.

There would have been delight in the boardrooms at 19th and H Streets in Washington, DC in December 1993, when the International Monetary Fund granted an \$850 million loan tying the first democratic government of South Africa into classical structural adjustment policies. And indeed not only did the new government follow IMF advice religiously, it liberalized the economy faster and further than expected. Moreover, former socialist street activists now in lead economic ministries regularly sought and advertised the praise of IMF managing director Michel Camdessus.

Yet something was still not right. For the Reconstruction and Development Programme (RDP) issued by the ANC and its campaign partners just three months after that first IMF loan harshly condemned the Bretton Woods institutions. And as the months passed following South Africa's April 1994 election, World Bank staff found that try as they might, they simply couldn't sell a loan in Pretoria. Nor has the IMF lent again.

The Bank's luck began to change, finally, in early 1997 – as Southern Africa Report was going to press – with Trade and Industry Minister Alec Erwin preparing to borrow R340 million (US\$67 million) for improving the export competitiveness of small and medium businesses. Bank staff hope that this icebreaker may lead to several other financing projects that follow from their prolific technical advice in several ministries.

The overall trend

As we will emphasize below, progressive resistance is sure to continue to

impede this process to some degree. But what, in the first instance, are we to make of Erwin's recent step? In fact, his willingness to take it needn't surprise us very much. After all, globalization – or what many of us used to call imperialism or neo-colonialism – has become the watchword of the 1990s. And just what is it that the forces of neo-liberalism want poor and working-class people to think? Simply put, that globalization makes it impossible to resist international pressure and to regulate or transform national and local economies. Globalization disempowers us from advocating anything remotely progressive in terms of far-reaching social policy, worker's rights, ecological safeguards, people-centred development, gender equality, and self-reliant economics.

Unfortunately, there are plenty of signs, during the late 1990s, that the ANC has itself bought this line. Thus, once the country achieved international respectability, an unholy alliance of South Africa's (white) economic and (white/black) political rulers moved to hoard for themselves the bulk of globalization's benefits, in the form of lower tariffs on imported luxury goods and labour-saving machinery; deregulation, liberalization and privatization; and the ability to move their savings to offshore banks. Although resistance has often been impressive, workers and the poor have paid the price in the three main struggles over economic policy thus far:

• *International trade:*

South Africa signed the General Agreement on Tariffs and Trade in December 1993 following secretive negotiations mainly involving apartheid bureaucrats, big business representatives and labour's team of post-Fordists. After the 1994 elec-

tion, Manuel (then Trade and Industry Minister) removed tariffs even faster than GATT required in key areas, leading to firm closures and job losses.

• *Foreign investment:*

The ANC government's energetic campaign for new foreign investments never paid off. In any case, the merits of inviting the likes of American purveyors of cosmetics and sweetened liquid (Pepsi) to set up shop locally were questionable. Traditionally, foreign direct investment intensified the South African economy's apartheid-era bias towards both export of raw materials and local production of luxury goods that were affordable only to a small, mainly pale section of the population. Production by state-of-the-art foreign investors was also more highly-mechanized, generating fewer jobs and a greater outflow of profits from South Africa.

• *Global finance:*

Moral surrender was the only way to describe the ANC's decisions to fully repay apartheid's \$18 billion foreign commercial bank debt and to gradually phase out exchange controls in the name of attracting new foreign finance. Debt-rescheduling negotiations were carried out by incompetent Reserve Bank bureaucrats and naive ANC economists in 1993, and the result was a bum deal.

Terms of resistance

Why, in the long run, could anyone have expected that the ANC's dealings with the IMF and the World Bank (the "International Financial Institutions" or "IFIs") would continue to defy this broader policy-making trend? The most likely reason seems to be the weight and seriousness of the three assertions deployed by Bank opponents (in gov-

ernment, in parliament and in society as a whole) to prevent the flow of credit for so long:

• *The high cost of Bank money:*

All foreign loans have this problem, given that the rand tends to decline in value against currencies in which loans are denominated. London School of Economics researchers released a study in 1993 showing that when Eskom borrowed abroad, the country's single largest foreign debtor ran up twice the interest bill of a local capital market loan. Yet the Eskom loans were to fund rand- (not dollar-) denominated expenses – and foreign costed inputs, such as new turbines, could easily have been financed through much cheaper import-export banks. The cost of foreign loans became especially prohibitive in 1996 when the rand crashed more than 30% against the dollar. And repaying foreign loans requires shifting more resources into export-earning activities rather than meeting domestic basic needs.

• *The existing surplus of money within South Africa:*

The financial markets remained ridiculously liquid, with the Johannesburg Stock Exchange still hitting record highs in 1996. Given that pension payments and insurance premiums providing the handful of institutional investors some R50 billion a year in income during the 1990s, there was no reason not to source credit and investment equity from such funds (which were otherwise on a self-destructive course in overvalued stock market shares, office buildings and shopping malls).

• *The strings attached to foreign loans, which quickly become the hangman's rope:*

This was sufficiently well documented, thanks to the tragic lessons of other African countries, that the word "conditionality" soon became a spectre that self-respecting Pretoria bureaucrats of both old and new vintages feared enormously.

IFI leadership

And yet, how long can good arguments hold out against the ostensi-

ble "global logic of capital"? Certainly, the IFIs were not prepared to yield ground to such otherwise obvious and sensible reasons for caution. Instead, poor leadership on the ground by its own bureaucrats was a common insider explanation for the Bank's failure to lend.

This must have been particularly irritating at head office, for at least US\$10 million was spent in policy-oriented research for South Africa between 1990 and 1996, as the Bank desperately sought an African "success-story" – only to have presiding over the South Africa operations of the Bank in the initial stages one Isaac Sam, a US citizen originally from Ghana. In early 1995, Sam was charged with the rape of an office cleaning worker. Police reportedly "lost" the critical evidence so the case was dropped, but sufficient public relations damage was done that Sam had to be replaced in October 1995. It was at this point that Bank president James Wolfensohn hastened to appear on South African television to reaffirm his willingness to lend!

Nevertheless, notwithstanding Sam's replacement by a much more suave resident representative (with a social democratic sales-pitch) – Judith Edstrom – and promises of a forthcoming \$750 million infrastructure loan, there was sufficient resistance to the Bank in Democratic Movement circles that another year passed before the arduous task of putting the first credit together really began.

(Other explanations for the long delay in lending included the ease of access to alternative sources of foreign credit – the ANC government periodically issued securities to raise hard currency when required – and the fact that international financiers were already sufficiently satisfied with SA's evolving economic policies and the hegemonic mimicking of neo-liberal analysis by local compradors so as not to require

their own loan-related conditionalities via further Bank interventions.)

Contradictions ... and resistance

Still, unlike Robert Mugabe in Zimbabwe, South Africa's more conservative leaders – notably Nelson Mandela – had become extremely reticent to criticize the Bank and IMF, and, notwithstanding the militant sensibility of many ANC constituents, had begun regularly to praise the Bretton Woods institutions for having confidence in South Africa's evolving, homegrown, "structural adjustment."

This contradiction came to a head last October when the quiet, relatively unhindered process of drawing local economic bureaucrats more closely into Bank-think met loud public resistance. Finance Minister Trevor Manuel had chaired a plenary session at the Bank-IMF annual meeting and there invited Camdessus to South Africa "to meet the critics" (specifically, students and trade unions). Manuel is an intimidating figure, once a grassroots leader in the Cape Town ghettos, soon after 1990 a confidante of Mandela, then largely self-taught in economics but today quite capable of holding his own in various fora of the global bourgeoisie. Nonetheless, worried at how far astray Manuel (not to mention Mandela) was now wandering, a loose coalition calling itself the "Campaign Against Neo-liberalism in South Africa" (CANSA) formed spontaneously, receiving the endorsements of 60 key activists from social movements within two days (see CANSA's formal statement on the visit, reproduced below).

Camdessus was greeted in mid-October by televised protests at his arrival in Johannesburg and prior to his Cape Town parliamentary session, sharp hostility from several ANC MPs, the cancellation of scheduled meetings with labour and community leaders, harsh press

statements by the Progressive Primary Health Care Network, SA Students Congress and the SA Communist Party, and an upsurge of anti-IMF publicity. CANSA demanded a publicly-televised debate with Camdessus, but in spite of the cancelled meetings, Manuel's aids begged off claiming there was no time on Camdessus' busy schedule.

The trip was a disaster. For although Manuel again received the IMF's blessing for his neo-liberal policies, this did nothing to halt eroding financial market confidence in South Africa as a profitable location for liquid funds.

Emblematic of this contradiction was testimony to parliament by the SA Chamber of Business chief economist, Ben van Rensburg, a few months earlier: "One delegate (of the Washington-based Institute of International Finance) said he will

advise his clients that South Africa is safe as an investment destination for a time horizon of eight months ... The three-year perspective is terrible and the five-year perspective is impossible." To translate, existing policies - especially the highest real interest rates in the country's history and gradual financial liberalisation - are good for banks, yet contain such profound internal contradictions that they may well lead to economic implosion.

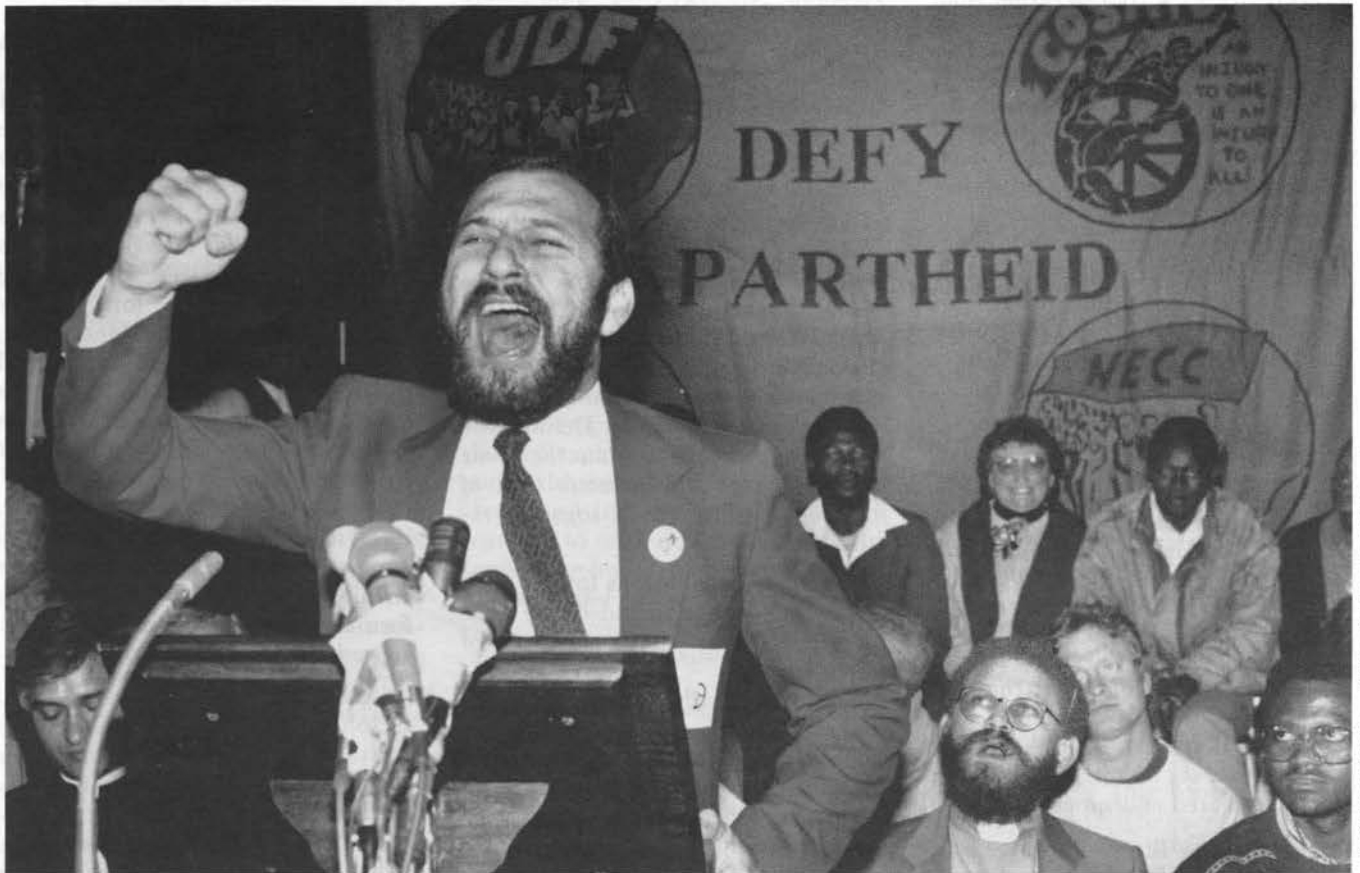
Erwin and Edstrom, Inc.

Moreover, the sharp attack on Camdessus by progressive activists renewed business concerns about Manuel's ability to persuade dissenters to get with the programme. So it was now up to former work-erist - and still SACP Central Committee member - Alec Erwin to immediately defend government's hon-

our (in a *Mail and Guardian* newspaper interview headlined 'Erwin slams loan critics'):

"Our policies are consciously designed to prevent the possible pitfalls of a World Bank loan and the effects they've sometimes had on other economies ... [World Bank] influence is negligible; second, we've put in place policies designed to prevent the detrimental effects that some of their projects might actually have ... We often use World Bank expertise and feel sufficiently experienced not to be threatened."

Soon after, apparently smarting from CANSA's attacks, the Bank's Edstrom wrote to the *Mail and Guardian* and applauded Erwin for drawing his "own conclusions as to the course South Africa should take" (though without confessing her 'negligible influence'). Moreover, she complained,



Trevor Manuel back in August 1989

Adil Bradlow - Afrapix/Impact Visuals

"I am baffled by the sentiments of some groups that contact with the Bank constitutes contamination and should therefore be curtailed. The Bank has learnt a lot from groups with differing views. Exchanges with NGOs and civil society groups have had a direct and positive impact on its understanding of and sensitivity to social and environmental aspects of development programmes. We seek more dialogue, not less."

Tellingly, aside from such now-familiar pitches for community "participation" in the design of neo-liberal policies, Edstrom refused to rebut or even acknowledge four very specific public charges made by members of CANSA two weeks earlier in the *Mail and Guardian*:

- Two Bank economists and the Bank economic model were utilized in the June 1996 macroeconomic strategy – which aside from its pro-corporate bias has already, after just four months, bombed with respect to 1996 predictions for job creation, interest rates and the strength of the rand (three of the strategy's most crucial targets).

- In 1994-95, the Bank's deputy resident representative led an infrastructure planning team whose proposals will – unless policy is changed dramatically – soon reduce the lot of the urban poor and low-paid workers to pit latrines, water taps within 200 meters and no electricity, instead of the decent sanitation and household water and electricity "lifeline" supply promised in the RDP.

- The Bank-designed land redistribution programme, dating to 1992-93 and endorsed by government in 1994, is yet to get off the ground largely because it relies nearly entirely on market forces.

- Forceful Bank advice from 1991-94 to limit state housing subsidies and to trust commercial banks to make township home loans – instead of the state and community agencies advocated in the RDP – helps explain the present housing delivery fiasco.

CANSA debates

CANSA also pointed out (in a contribution to the new journal, debate: *Voices of the South African Left*) just how ironic it was that Erwin aimed to enhance export competitiveness with the new loan he himself was actively bartering with the Bank (cited above), given the Bank's "intrinsic tendency to generate overoptimistic market studies in order to promote exports at all costs." In so arguing, CANSA cited the words of Carlos Lopez, a leading United Nations Development Programme official: "The World Bank figures are always exaggerated to give a rosy picture of whatever it is they are involved in."

CANSA also made several appeals:

"We hope the IMF will cease sending its managing director here on fruitless missions to sell neo-liberal muti to critics. Broader boycotts, tougher demonstrations, even more hostile parliamentarians and louder demands for transparent public debates ... will result."

"The World Bank should close its Johannesburg office and release its economists – with their R700,000 per annum packages – to compete for jobs in the private sector."

"Government should remember its election mandate and open the RDP document to page 146: 'Above all, we must pursue policies that enhance national self-sufficiency and enable us to reduce dependence on international financial institutions.'"

"And ordinary citizens and organizations of civil society interested in challenging the drift away from the RDP and social justice towards neo-liberalism should join the campaign."

What next?

As always, it has been difficult to separate structural from struggle factors in determining what continues to prevent South Africa's full capitulation not just to the IMF/World Bank policy framework (a sell-out which is, in any case, quite advanced, as recent issues of

SAR have documented), but, more specifically, to a lending relationship that spells even more certain disaster. Although defeats have been suffered, South Africa's progressive forces can claim, nonetheless, to have had some success in holding the World Bank at lending arms-length until now.

This sense of having made some sort of a dent in global financial power – harking back, as this struggle also does, to the successful financial sanctions' campaigns of the 1980s – will undergird social movement confidence for what may be a still more bruising 1997 campaign: to cancel the US\$20 billion in inherited apartheid debt.

In the wake of the anti-Camdessus mobilizations, leaders of an even broader "National NGO Coalition" consisting of more than 3,000 groups endorsed further critiques of the Bank and IMF, and launched an appeal to have the apartheid foreign debt put on the national political agenda. Mandela has himself forgiven Namibia's inherited US\$175 million debt to Pretoria, and, notwithstanding the continuing influence of Manuel and Erwin, it may yet be possible for a combination of mobilisations by South African progressives on the ground and solidarity activists in Northern financial centres to force foreign banks to open their books to the apartheid-era page (see the second document – out of Cape Town – reproduced below).

If Swiss banks are finally conceding their entanglements with Nazi Germany after half a century (and preparing to recompense Jewish survivors), looking back one to two decades to learn who benefitted from financing apartheid might be a good next step for progressives. It would not only provide another form of truth and reconciliation, but possibly a better future free of entanglements with international bankers, whose preferred policies will no doubt further underdevelop and polarize this fragile society.

Document I CANSA vs. Camdessus

As members of popular organizations and activists of the Democratic Movement, we have come together to launch a "Campaign Against Neo-liberalism in South Africa" ... we must make the following points about the Camdessus visit:

- The Finance Ministry's attempt to establish 'good relations' with the IMF follows its promotion of a macro-economic strategy in June 1996 which bears an uncanny similarity to the IMF's 11 new "principles for economic success," also termed the "11 Commandments." The Growth, Employment and Redistribution strategy, emphasizing cuts in government expenditure (particularly "consumption" expenditure which will threaten social services), continuing high real interest rates, export-led growth and trade liberalisation, privatization and permission for increased capital flight from South Africa, mimics the free-market, monetarist policies that across the world favour the interests of powerful conglomerates and banks at the expense of workers, the poor, women, youth and other marginalized social forces. The warm reception received by the SA delegation to the IMF/World Bank Annual Meeting in Washington earlier this month follows months of close collaboration in designing SA economic and development policy, marking a fundamental departure from policies outlined in the RDP ...

- The IMF and World Bank have the ability to psychologically influence prospective foreign investors, in a context in which foreign investment is incorrectly seen by a small group of government policy-makers and advisors as the overarching factor for economic growth. Since the 1980s, South Africa has succeeded in attracting merely large amounts of "hot money" foreign investment into speculative stock and bond markets (leading to subsequent bouts of currency volatility), with virtually none of the direct foreign investment that might challenge existing monopolistic conditions, transfer technology, or create jobs and products for consumption in the local market. We believe, therefore, that the move towards close relations with the IMF, premised upon attracting what the Minister of Water Affairs correctly termed the "mythical foreign investor," should be viewed with alarm by all those in South Africa committed to sustainable, people-centred development ...

- Across the Third World, Structural Adjustment Programmes imposed by the IMF and World Bank to obtain the repayment of foreign debt have led to famine, environmental destruction, and the dismantling of health, education, infrastructural and social welfare programmes. These programmes nearly always include the same set of measures: currency devaluation, decontrol of exchange rates, higher interest rates, financial deregulation, trade liberalisation, privatization, wage cuts, reduction in the public service through budget cuts and massive retrenchments, labour mar-

ket deregulation, and the like. The social costs, typically including large increases in the prices of basic goods and food, intensified poverty, deterioration of public services, and rising unemployment, are nearly always borne by those people, especially women and children, who never received any benefits from the borrowings. Structural Adjustment Programmes have also made small economies vulnerable to transnational corporations that exploit cheap labour (often imprisoned in union-free export processing zones devoid of health and safety regulations with wages that sink to US\$1 per day) and that dump toxic wastes and poisons produced in the rich industrialized countries.

- Debt repayment has become an important mechanism for transferring wealth from the people of the South to financiers of the North. According to the United Nations, developing countries paid US\$1,662 trillion in debt servicing between 1980 and 1992. This amount is three times the original amount owed in 1980. Yet in spite of the above transfers the total Third World debt still stands at over US\$1.3 trillion. It is not commonly known that the Third World has repaid almost a trillion dollars of principle over and above US\$771 billion in interest. In Sub-Saharan Africa the ratios of foreign debt to Gross National Product rose from 51% in 1982 to 100% in 1992, and of foreign debt to total exports from 192% in 1982 to 290% in 1992, a period during which the Third World debt crisis was allegedly resolved. The external debt of the Third World has become an eternal debt and stands as the largest immediate obstacle to growth and sustainable development. It is therefore crucial that progressive forces in South Africa add their voice to the calls made internationally to cancel Third World debt as the first step towards building equitable and just relationships between and within different parts of the world. The meagre gold sales belatedly proposed by Camdessus to help finance extremely limited debt relief, and only for those countries which religiously adopt the IMF's 11 Commandments, are far too little, far too late, and it is a reflection of the exploitative character of Northern political leadership of the IMF that even these gold sales were not approved at the last meetings.

- In the light of the near-universal failure of IMF and the World Bank policies in the developing world, we wish to urge extreme caution upon Finance Minister Manuel. Rather than naively providing Camdessus legitimacy to sell IMF policies to critics in trade unions and social movements, Minister Manuel should take up the mantle of leadership by using IMF and World Bank platforms to call for the cancellation of Third World debt, including the inherited US\$18 billion apartheid foreign debt ...

*by the Campaign Against Neo-liberalism in South Africa
16 October 1996*

CANSA Signatories

The signatories to the above CANSA statement include some leading activists from the following social movements: labour, community, women, students, environment, progressive religious, primary healthcare, education, media, progressive research NGOs.

Individual endorsements: (Individuals sign in their own capacity; organisations are listed for identification purposes only, not as endorsers; list updated to 17 October.)

- * Gillian Addison, Group for Environmental Monitoring
- * Asghar Adelzadeh, National Institute for Economic Policy
- * Chris Albertyn, Environmental Justice Networking Forum
- * Jenny Albrecht, Foundation for Contemporary Research
- * Stephanie Allais, South African Students' Congress
- * Mercia Andrews, Trust for Christian Outreach and Education
- * Brian Ashley, Alternative Information and Development Centre
- * Marjorie Billing, New Women's Movement
- * Patrick Bond, National Institute for Economic Policy
- * Debby Byrne, Transport and General Workers' Union
- * Phiroshaw Camay, Cooperative for Research and Education
- * Madode Cuphe, Masifundise Education Project
- * Lungi Daweti, Centre for Democratic Communications
- * Art de Langa, Society for New Economics
- * George Dor, National Institute for Economic Policy
- * Rita Edwards, Trust for Christian Outreach and Education
- * Greg Hussey, South African Health and Social Welfare Services
- * Godfrey Jack, South African National Civic Organisation
- * Martin Jenson, Trade Union Library and Education Centre
- * Dot Keet, University of the Western Cape Centre for Southern African Studies
- * Cecil Kganakga, National Community Radio Forum
- * Wolfgang Kistner, Ecumenical Advice Bureau
- * Oupa Lehlere, Khanya College
- * Charley Lewis, Cosatu Information Technology Unit
- * Hassen Lorgat, Public Services International
- * Bobby Maake, Cosatu Information Technology Unit
- * Ernest Maganya, Institute for African Alternatives
- * Jabu Mahlangu, Centre for Democratic Communication
- * Maxwell Malan, End Racism and Sexism through Education
- * Althea MacQuene, International Labour Resource and Information Group
- * Andre Marais, Alternative Information and Development Centre
- * Frank Meintjies, Initiative for Participatory Development
- * Ronnie Mokwatsane, Masifundise Education Project
- * Yves Monten, Rural Development Services Network
- * Dickson Motha, South African Plantation and Agricultural Workers Union
- * Lumke Mtimde, National Community Radio Forum
- * Victor Munnik, Environment and Development Agency Trust
- * Nirmala Nair, Trust for Christian Outreach and Education
- * Neil Nair, South African Municipal Workers Union
- * Beyers Naude, Ecumenical Advice Bureau
- * Neil Newman, Alternative Information and Development Centre
- * Hugh Noble, University of South Africa
- * Roseline Nyman, National Labour and Economic Development Institute
- * Roben Penney, Environmental Monitoring Group
- * Alex Pongolo, Masifundise Education Project
- * Mark Povey, Development Research Institute
- * Kgagelo Ramodite, National Health and Allied Workers Union
- * David Sanders, University of the Western Cape Public Health Programme
- * Vishwas Satgar, National Labour and Economic Development Institute
- * Ighsaan Schroeder, Khanya College
- * Selby Shezi, National Institute for Economic Policy
- * Fiona Tregenna, South African Students' Congress
- * Molefe Tselo, Ecumenical Service for Socio-Economic Transformation
- * Stiaan van der Merwe, Ecumenical Advice Bureau
- * Lou Wilkins, Cosatu Information Technology Unit

Document II "Odious Debt"

The Executive Committee of the Cape Town-based Alternative Information and Development-Centre (AIDC) has just approved the report it commissioned on a strategy for challenging apartheid South Africa's foreign debt.

Democratic South Africa has inherited a foreign debt of some R90 billion from the apartheid regime. The prevailing view amongst economists and politicians is that this sum presents no special problem. Their equanimity is based on the debt, which forms less than 4% of the public national debt, being well within acceptable foreign debt/GDP ratios.

The Report challenges this complacency on three grounds. First, R90 billion is an awful lot of money for the vast majority of South Africans who, in varying degrees, remain deprived of the basic necessities of life. Second, the balance of payments which is already cause for concern, could not bear the debt repayments, which

between now and 2001 are scheduled to be between \$1.5 billion to \$1.6 billion each year. These amounts are more than enough to create a balance of payments crisis. Morality and international law provide the third basis for challenging the debt.

Morality and law lie at the heart of the strategy being recommended by the AIDC. The Report dusts down the *Doctrine of Odious Debt*, a doctrine of jurisprudence the US Government and the US Chief Justice helped develop. The US Government, in the aftermath of the American-Spanish War of 100 years ago, used the doctrine to repudiate Cuba's debt with Spain. The US Government argued that the debt that had been incurred without the consent of the Cuban people and by means of force of arms was odious. The US Government argued that the creditors knowingly took the risk of the investment when they made the odious loans.

In 1923, the Royal Bank of Canada sought to recover debt from the recently established democratic government of Costa Rica. In the Costa Rican submission, the debt was illegitimate. The new government argued that the debt had been incurred by a dictator not the people of Costa Rica; the submission being that, at the time the loans were made, the people had been engaged in a political and military struggle to bring democracy to their country. The case was heard by Chief Justice Taft, of the US Supreme Court, sitting as arbitrator. Chief Justice Taft was persuaded by the Costa Ricans' submissions and fully upheld their Government's repudiation of the debt. Taft received no payment for his adjudication. He considered his promotion of the judicial settlement of the international dispute more than sufficient recompense.

The legal authority who did most to codify the Doctrine of Odious Debt was the émigré Russian, Alexander Sack, while he was a Professor of Law in France. It was his opinion that Government's invoking the doctrine would be required to prove that the debt ill-serve the public interest and that the creditors were well aware of this. Provided these proofs were met, the onus would be on the creditors to show that the funds were utilised for the benefit of the country. If the creditors could not do so, before an international tribunal, the debt would be unenforceable.

Using Sack's principles, the AIDC Report argues that all debts incurred during the apartheid years are illegitimate because the apartheid regime itself was illegitimate. The UN and the International Court of Justice were the most authoritative of the international bodies that, in vast numbers, proclaimed the apartheid state to be illegitimate and apartheid to be a crime against humanity.

Apartheid loans came from three sources: the IMF/World Bank, private commercial banks and individual speculators. The Report shows how each of these three groups actively and repeatedly supported apartheid and worked to undermine the international campaign to free South Africa from its racial dictatorship.

The Report's central proposition is that the government of the new South Africa should invoke the Doctrine of Odious Debt and should then enter into negotiations with the creditors for the cancellation of all the remaining foreign debt from the apartheid years.

The Report recognised that, even if sympathetic to the claims of democratic South Africa, the banks and their governments would probably balk at the precedent it might set for countries with debt burdens much greater than ours. The Report therefore anticipates the need for international solidarity action in support of democratic South Africa and suggests that the people who formed the anti-apartheid movements around the world would be a natural constituency for such action.

The AIDC further calls for the internationalisation of Affirmative Action and Truth and Reconciliation. It invites the outside world – more especially Britain and its Western allies – to acknowledge their own long role in the creation, development and defence of what eventually came to known as apartheid. Moreover, many people in the West individually benefited, whether directly or indirectly, from the brutally regimented and cheap labour of black South Africans under apartheid. The injustices inherited from apartheid that Affirmative Action is supposed to redress thus has an international dimension. The Report acknowledges that the debt cancellation might well have a price-tag for a number of Western citizens, not just large, anonymous and enormously wealthy transnational banks. The Report suggests that the debt cancellation should also be seen as a form of reparations; that, by cancelling the debt, the banks, governments and peoples of the West would be acknowledging their debt – both financial and moral – to black South Africans and that this acknowledgement would in effect be the West's submission before the Truth and Reconciliation Commission.

The Report asks what would happen if South Africa's claims fall on deaf ears. In this event, the AIDC calls upon the South African Government to be prepared to invoke the Doctrine of Odious Debt unilaterally. The AIDC recognises that the government will almost certainly need to be encouraged to take such a unilateral measure. Should South Africa's negotiators be left with little option other than unilateral implementation of the Doctrine of Odious Debt, the Report calls for a campaign by the Mass Democratic Movement (MDM) to urge the government to take such a step.

The Report predicts a hysterical response from business and some politicians to any move in the direction of unilateral action. These sources, it says, will seek to terrify the public with dire warnings of economic collapse; debt repudiation, according to these predictions, will result in South Africa being cut off from international capital. To allay these (induced) fears – and thereby also facilitate the mobilisation of the MDM – the Report claims that the option of unilateral action rests secure on 3 certainties. The 3 secure points are: the manifest failures of the World Bank/IMF policies elsewhere in the world and particularly in Africa; the fact that the economy survived the capital drought that followed the actual debt freeze imposed by the apartheid government in 1985; and the demonstrable failure of the Government's existing macro-economic policy, with its focus on being "foreign investor friendly."

The Report concludes on a note of urgency. Apartheid's debt is being paid back now. The strategy to challenge apartheid's foreign debt is seriously weakened by time. The AIDC's call is to act now.

Copies of the full Report are available from AIDC. Phone: 27-21-448-5197; fax 27-21-47-8583; email: aidc@iafrica.com



Eric Miller - Impact Visuals

Undermining Standards The ANC's New Employment Strategy

BY IGHSAAN SCHROEDER
AND MARLEA CLARKE

Ighsaan Schroeder is a labour educator working at Khanya College, Community Division, Johannesburg. Marlea Clarke is a member of the SAR editorial collective who is currently based in Cape Town. She is researching globalisation and the related challenges facing the labour movement.

"... we should not have called it an Employment Standards Act. We should have called it Employment Law" (Labour Minister Tito Mboweni,

commenting on the proposed new Employment Standards Act)

At first glance, Mboweni's comment appears to be a mere toss of words. In reality, it goes to the very heart of the new legislation. Far from setting labour standards as its name implies, the Employment Standards Act (ESA) is essentially about breaking them. Rather than defending and advancing worker rights as COSATU hoped the new law would do, the ESA is designed specifically to ensure "flexibility" in the South African labour market,

and thereby to undermine labour standards.

The ideologues of the Labour Ministry regard the labour market in South Africa as being too "rigid," i.e., it forces too many employers to abide by labour standards negotiated by unions, or set by wage determinations and the Basic Conditions of Employment Act. They argue that the resultant higher labour cost makes local capitalists internationally uncompetitive. Since international competitiveness is regarded as the necessary - indeed the only

possible – growth path for the economy, it follows that labour markets should be made more flexible, allowing for greater “free market” operations, and hence, increased competitiveness.

Not surprisingly, but still disappointingly for workers and what’s left of the left in South Africa, the neo-liberal philosophy of labour market flexibility and competitiveness that informed the drafters of both the new Labour Relations Act and the state’s recent macroeconomic strategy document, “Growth, Employment and Redistribution,” has also shaped this new legislation. To meet the presumed imperatives of globalization, legislation will be passed to assist in enticing multinationals to locate here ... while also convincing national companies that labour costs are as cheap in South Africa as they are elsewhere in the region. This *race to the bottom* may in fact create more jobs, as the government argues, but the question is: what kind of jobs? Less full-time, protected, unionized jobs, and more vulnerable, unprotected *bad jobs*? Chances are, workers will be forced to work longer and harder so business can make higher profits more easily.

Challenging this proposed legislation does not appear to be an easy task for labour. But if workers are to find ways of resisting this accelerated accommodation to neo-liberalism, key questions must be addressed and debated. Most important, perhaps, is the need to understand the contents and potential impact of the proposed legislation. Why the imperative of greater flexibility? How will the ESA achieve and ensure flexibility? And what are the likely consequences for the working class?

Key components of the new Employment Standards Act

First released in February last year as a “Green Paper” (a draft bill for comment and debate), the draft bill under discussion (the Employment Standards Act) is part of the min-

istry’s five year plan to reform the South African labour market and revamp labour legislation. This legislation will replace the existing Basic Conditions of Employment Act and the Wage Act. Emphasizing that the old acts “are too rigid and restrict the productive arrangement of work and working time which hampers productivity and efficiency,” the Labour Minister states:

“New legislation must recognize that South Africa’s return to the international economy demands that enterprises compete with countries whose employment standards and social costs of production vary considerably. It must therefore avoid the imposition of legal rigidities in the labour market, provide greater flexibility and introduce more responsive mechanisms for variation from statutory standards.”

In consequence, as the Green Paper states, new legislation must “seek to balance the demands of international competitiveness and the protection of basic rights of workers through a mechanism of ‘regulated flexibility’.”

Legislating ‘regulated flexibility’

Labour market flexibility in the proposed legislation includes flexibility in both the organization and the use of labour. Overall, the push is for greater flexibility in working time arrangements, wage and employment flexibility, and job flexibility (often referred to as “functional flexibility”). In theory, these forms of flexibility, combined with the lowering of labour standards set out in the law as a kind of permissible “variation downward,” are intended to ensure the rapid and effective response by business to market changes.

While the government and unions have agreed on the importance of training for workers, “functional flexibility” will likely have the effect of de-skilling many workers. For example, legislation will allow for labour power to be used in a way not restricted by job descriptions by

having workers perform jobs previously performed by a number of different workers. Although this can take a range of different forms, most often this means that workers are expected to carry tasks previously performed by numerous workers, or to operate more than one machine at a time.

Workers rightly regard this so-called “multi-skilling” as being merely multi-tasking. Business or other proponents of multi-skilling argue that this leads to a real acquisition of skills and higher wages for workers. But this has not been the experience of workers elsewhere, and it is unlikely to be the case here. Why? First, workers are rarely formally trained to take on the extra work they are expected to perform. Second, it is not automatic that multi-tasked workers are compensated with wage increases. Moreover, even if workers are properly trained and do get wage increases, it is only a small number of workers who benefit – a development which is outweighed by the large numbers of workers who lose their jobs.

The proposed system of “regulated flexibility” – to balance, as stated, “the protection of minimum standards and the requirements of labour market flexibility” – means that the ESA will set standards and then allow for their variation downward. Variation is allowed for ordinary hours of work, overtime, meal intervals, rest periods, night work, public holidays, sick leave, parental leave and notice or termination. So, while the bill stipulates workers should work a normal working day of no more than 9 hours, it also adds that collective and individual agreements can be made whereby workers can work as long as 12 hours *normal time*. Thus, workers will not be paid overtime for the extra hours worked. In this way, the ESA introduces a form of wage flexibility.

This push for “flexible hours” to benefit the employer rather than the workers by facilitating a practice

of longer hours for lower pay is boldly stated in the Green Paper: "This [flexible working time] allows the distribution of working time in a manner that may coincide better with the employer's demand for production ..." and "generally results in a saving on overtime pay."

One step forward, two steps back ... again

The move towards more "flexible" forms of production is, of course, not new. The introduction of flexibility was a key component of restructuring in industrialized economies from the 1970s onward, and a central feature of structural adjustment programs implemented in other parts of the world. Now, despite the international experience of labour flexibility (massive loss of jobs, rapid decline in working conditions and a range of other economic and social problems for workers), South Africa is moving quickly to duplicate this experience by lowering its labour standards and undermining the bargaining position of trade unions.

What is the likely impact of this legislation on South African workers? After decades of struggles, South African workers have won substantial rights for themselves. From higher rates for overtime work and shift allowances to limits on the length of the work day and improved working conditions and job descriptions, rights have been fought for, codified and in some cases generalized in minimum standards legislation. It is precisely these victories that are now being rolled back through the emphasis on greater flexibility and the introduction of "more responsive mechanisms for variation from statutory standards."

If passed, as it seems likely to be during this session of parliament, the Employment Standards Act will likely result in lower wages, increased unemployment, the intensification of work, longer working hours, and a wide range of health

and safety problems. For example, the incidence of repetitive stress injuries is sure to increase, forcing many workers off the production lines long before retirement age. At Mazda in Japan, the majority of workers interviewed said they will be worn out or injured before they retire. At the Nissan plant in Britain, a researcher openly speculated as to how long the young workers on the production line would last considering the line speed. Further, flexible working time also brings with it a whole range of social and political problems for workers: less time with family and friends, less time for sport and recreation and less time for involvement in politics. It threatens, in short, to "dislodge the working class from its class groove."

Already vulnerable in the present economic climate, women and black workers stand to be most adversely affected by this legislation as the "core" workforce shrinks while the "flexible, non-core" workforce continues to increase. A smaller proportion of workers will remain as "fixed overhead" (managerial and technical staff, for example), while other workers - considered "unskilled" - will be hired on short term, casual or temporary contracts. Already we can see the effects of increased flexibility in the retail sector where women are the majority of the growing part-time, casual workforce: "a female ghetto within an already female ghetto" (as Pete Lewis of UCT's Industrial Health Research Group puts it).

Perhaps the most disturbing aspect is how the legislation will undermine the very policies and practices that have provided the basis for collective working class defense against exploitation. Organized and unorganized workers alike will be adversely affected by the decentralizing tendency of the Act. Already centralized bargaining itself has not been sufficient safeguarded against capitalists in whole regions wanting exemption from industrial council agreements. The metal industry

is a case in point where, although there is formalized centralized bargaining, this in itself has not been sufficient to stop employers in whole regions from attempting exemption from the agreement.

Moreover, where collective agreements exist at centralized level, the Act gives employers every incentive to move away from these and instead bargain at levels where they are strongest in relation to the unions. Where no centralized bargaining occurs, unions have entered into company and plant level agreements. These too will now come under pressure. Insofar as the new Act allows variation of standards through individual contract, wage determination and administrative procedure (and taking into account that the LRA itself deliberately omitted any mention of a legal duty to bargain) the present bill poses a direct threat to the future of trade unions themselves. It is hard to avoid the conclusion that the longer term effect will be one of severely weakening, or even breaking, trade unions.

The politics of the ESA: neo-liberalism, the ANC and 'flexible' intellectuals

Since coming to office, the ANC has introduced an explicitly neo-liberal macroeconomics strategy, reflected in its various education, land, housing, and agriculture policies. This has now found codified expression in the Growth, Employment and Redistribution (GEAR) strategy document. Such an embracing of neo-liberalism has become generally acknowledged fact, admitted to even by the Communist Party.

However, the one ministry that has heretofore been able to present its policies as being "pro-worker" has been the Labour Ministry under Tito Mboweni. Now (despite some improvements to past employment legislation that are apparent in this new labour law) the ESA's primary focus on "regulated flexibility" must surely shake the ministry's and Mr. Mboweni's reputa-



Scott Braley - Impact Visuals

tions, since it clearly renders the Act incompatible with the entrenchment of worker rights and standards. At a moment when South African workers are perhaps most in need of strong legislation to protect themselves against the problems associated with rapid economic and trade liberalization, this legislation creates a legal framework for further exploitation of workers for the benefit of national and international capital.

Indeed, reforms to the labour market introduced by the Minister are entirely consistent with, and in furtherance of, neo-liberal policies. Indeed the progression towards neo-liberalism is even apparent in the last rounds of evolution of the current legislation: the Green Paper (the initial draft of the legislation) contained a chapter on extending rights to temporary and casual workers while the current Employment Standards Bill severely diluted

this. And yet, as should be obvious, encouragement of temporary labour is entirely inconsistent with extending greater rights to such workers.

The reason the ministry cloaks its reforms in such progressive terms is two-fold. Firstly, it confronts an organized union movement that has many problems but remains militant. The anti-LRA campaign of 1995 proved this decisively. A frontal assault on worker rights in such a context is out of the question. Second, but related to this, the ministry is staffed and advised by a range of intellectuals who were previously tied, directly or indirectly, to the union movement, and who remain influential within it. It is these intellectuals, many of them erstwhile ideologues for socialism, who now espouse the neo-liberal dogma contained in the various policy documents released by the ministry.

Together with the union bosses, whom they have convinced of the inevitability of the neo-liberal path, and with other intellectuals also tied to the labour movement, these "flexible intellectuals" have managed to "sell" a brand of legislative reform to the labour market that is antithetical to everything that the union movement has struggled for over time. Much of this neo-liberalism is performed dressed up as a muddle of "co-determination," and sweet reason. But in practice it is a combination of political dissembling, organizational manoeuvre, good old-fashioned lying and secret negotiation that is guaranteeing that these "reforms" find their way onto the statute books.

Whether the South Africa working class itself will be fooled into believing that the reforms are indeed a step forward is an altogether different story.

Gay Rights (cont'd)

I -- Zimbabwe

BY MARC EPPRECHT

Marc Epprecht teaches history at the University of Zimbabwe and is author of several articles on gender and history in southern Africa. This is an update on his earlier article in Southern Africa Report vol. 11 no. 4, July 1996.

First the bad news. At the end of July, and to the surprise of many, the government of Zimbabwe declared a ban on the participation of Gays and Lesbians of Zimbabwe (GALZ) in the international book fair for 1996 and "forever." With much the same kind of vile rhetoric as we heard in 1995, homosexuals were denounced as a threat to the Zimbabwean body politic. Their very existence, let alone the materials that they intended to display, were described as offensive and obscene. The spokesman for one civic group threatened GALZ with "public genocide." The fair organizers also came under attack as incompetent for having accepted GALZ's application for a stand in the first place. The President himself did not personally enter the fray, but since his "anti-homo" campaign in 1995 it appears everyone just knows what he likes to hear.

Despite the short notice of the banning and the ugliness of the rhetoric, GALZ hurriedly organized to fight back. First, it challenged the banning in the High Court: how could censors declare GALZ material obscene when they had not even seen it? In an emergency ruling, the High Court concurred and overturned the government's notice of prohibition. The government immediately appealed that decision. It argued that a GALZ display (whether actually obscene or not) would provoke the masses' righteous anger. In effect, it was arguing that it had the

right to ban the display of published material on mere suspicion that such material was obscene or provocative, a dangerous precedent indeed.

These court contests unfolded over several days. In the meantime, a few brave souls manned the GALZ stand to answer naive questions about homosexuality from the public (mainly reporters). For about 3-4 hours on the final day of the fair they also handed out their rather innocuous pamphlets. All of their material had been passed on to a curious public when word came of an approaching mob. GALZ beat a strategic retreat but reporters were on hand to capture the immortal words of the vigilante leader, Herbert Ushewokunzwe Jr. (a senior state prosecutor, well-connected in the ruling party). As the mob trashed GALZ's abandoned stand and tried to set it alight, Ushewokunzwe explained: "We don't care what the High Court says; this is a Court of the people, not a Court of 'poofs'."

Typically, neither this crudity nor the subsequent intimidation (including death threats) against GALZ members elicited a murmur of disapproval in the state-owned press. On the contrary, GALZ was blamed for its arrogance and insensitivity.

Now, the good news. The government has since quietly withdrawn its appeal against the original High Court ruling and has paid GALZ court costs. In other words, the government has tacitly conceded that it does not have a legal leg to stand on. This implies that for 1997 it will either have to acknowledge GALZ's right to participate in the book fair or to introduce legislation which specifically bans the group. The latter is most unlikely given that

it would seriously compromise Zimbabwe's ability to host the World Council of Churches conference in 1998.

The book fair affair brought GALZ huge publicity. Most of the independent media were sympathetic to its human rights case (if not to homosexuality itself). Some were downright scathing in their denunciations of the behaviour of government officials and press lackeys. It was, in fact, quite a good day for civil society in Zimbabwe where critical discussions of the nature of the ruling party, democracy and sexuality were all advanced.

Also worth noting was another legal victory by an individual GALZ member in November. The High Court ruled that the complainant had in 1993 been unlawfully detained by the police. Not only was he awarded damages but the police were required to apologize, an exceedingly rare event in contemporary Zimbabwe. Some of GALZ's more vocal opponents - the "radical" Student Representative Council at the University comes to mind - may one day appreciate the important civil rights implications of this ruling.

In recognition of GALZ's patent ability to enrich civil society, the association won a substantial grant by the Dutch agency HIVOS. This money has enabled it to hire a full-time administrator - Suzie Bruce is an indigenous black lesbian whose very existence, not to mention her professionalism, sends a strong signal to Zimbabwean chauvinists (who claim that homosexuality is a white man's perversion). GALZ has also been able to buy a computer and office equipment. In February

it acquires a permanent public space to function as a social centre, library, and office. The HIVOS grant is also being used to commission works of community theatre to take the case for tolerance to the wider public.

Aside from attracting international support, one of the most ironic aspects of the book fair affair of 1996 is that the publicity it generated has revitalized GALZ's sagging membership. In the six months since the fair, the association has doubled in size. The fastest growing element within it is now black males (as is the case in similar orga-

nizations in South Africa). The annual Jacaranda Queen pageant held in October reflected this trend. Not only was there a record crowd in attendance but also a record number of contestants. Of the 18 lovely queens (men dressed as women), almost all were black.

GALZ is not at present a militant association. On the contrary, most of its members can and do pass as "normal" Zimbabweans. Many are actually married and have children. But GALZ does bring together men and women across race and class

divisions to discuss forthrightly issues of human rights, power and sexuality. It offers a pointed critique of the social inequities and confusions in wider society. In that sense it is undoubtedly one of Zimbabwe's more politically radical associations, willing "to boldly go" where others fear to tread. Whether the government will have the courage to modify its public hostility to this aspect of democracy remains to be seen. What is certain, however, is that GALZ will not be caught unprepared when this year's book fair rolls around.

II -- Namibia

BY ABSALOM SHIGWEDHA

Absalom Shigwedha is a Windhoek correspondent for the African news service, Africa Information Afrique (AIA). AIA publishes dispatches by email and in hard copy. They may be contacted at email address aiazim@harare.iafrica.com.

Windhoek, January 31, 1997 - Human rights activists have called on President Sam Nujoma to apologise to the Namibian people for his 'dehumanising and inciting remarks' against the homosexual and gay community in the country.

Officially opening the third Swapo Women's Council Congress at Gobabis in Eastern Namibia recently, Nujoma said homosexuals and people who commit sodomy were exploiting the country's democracy and had to be condemned and rejected by society. He described homosexuals as 'foreign influences' with corrupt ideologies.

Sister Namibia, an organisation fighting for the elimination of gender discrimination, said in a statement that while preaching reconciliation the president was practising hate by inciting violence against gays and lesbians.

"Through these irresponsible statements, the president is dehu-

manising Namibian gays and lesbians as foreign elements thereby stripping them of their human qualities and making them into targets of unjustified violence."

The Rainbow project, which represents the gay and lesbian community in the country, have slammed Nujoma's remarks saying they were in direct conflict with the law of the land. "We would like to point out to President Nujoma that homosexuality is not criminalized in Namibian law," a spokesperson from the organisation said.

He recalled that in 1990 Prime Minister Hage Geingob assured the homosexual community of protection in terms of the Namibian constitution. He also said numerous studies have been conducted to determine the reasoning behind a person's sexual orientation. "The only constant finding has been that 10 percent of any population is exclusively or predominantly homosexual in orientation," the spokesperson said.

Some Namibians believe that homosexuality is a mental disease which has originated from the west. They regard homosexuality as an insult to African culture and tradition.

The Rainbow Project quotes the American Psychiatric Association (APA) which in 1993 acknowledged homosexuality as an alternative lifestyle rather than a pathological disorder. It also noted that the practice of homosexuality occurs with some regularity as a variant of human sexuality.

Members of the project say they are proud of their sexual orientation and are prepared to meet with the president to clear up any misconceptions. "We will not apologise for what we are," they say.

Liz Frank and Elizabeth Khaxas, a lesbian couple resident in Windhoek, are shocked by the president's statement. "Who decided that democracy in this country is only for heterosexuals," asks Frank. The couple warns that labelling homosexuals as 'elements' is dangerous as it incites violence.

"What rights are homosexuals exploiting? As gays and lesbians we have none of the rights to family which are given to heterosexual couples and their biological or adopted children," said Elizabeth.

Dr. Henning Melber, a political economist with the Namibian Economic Research Unit (Nepru),

continued on page 33

"Not Much of an Election"

Zambia 1996

BY JIM KIRKWOOD

Jim Kirkwood works with the Inter Church Coalition on Africa. He was in Zambia in November during the elections and spent from 1962 to 1976 in Zambia as a pastor with the United Church of Zambia.

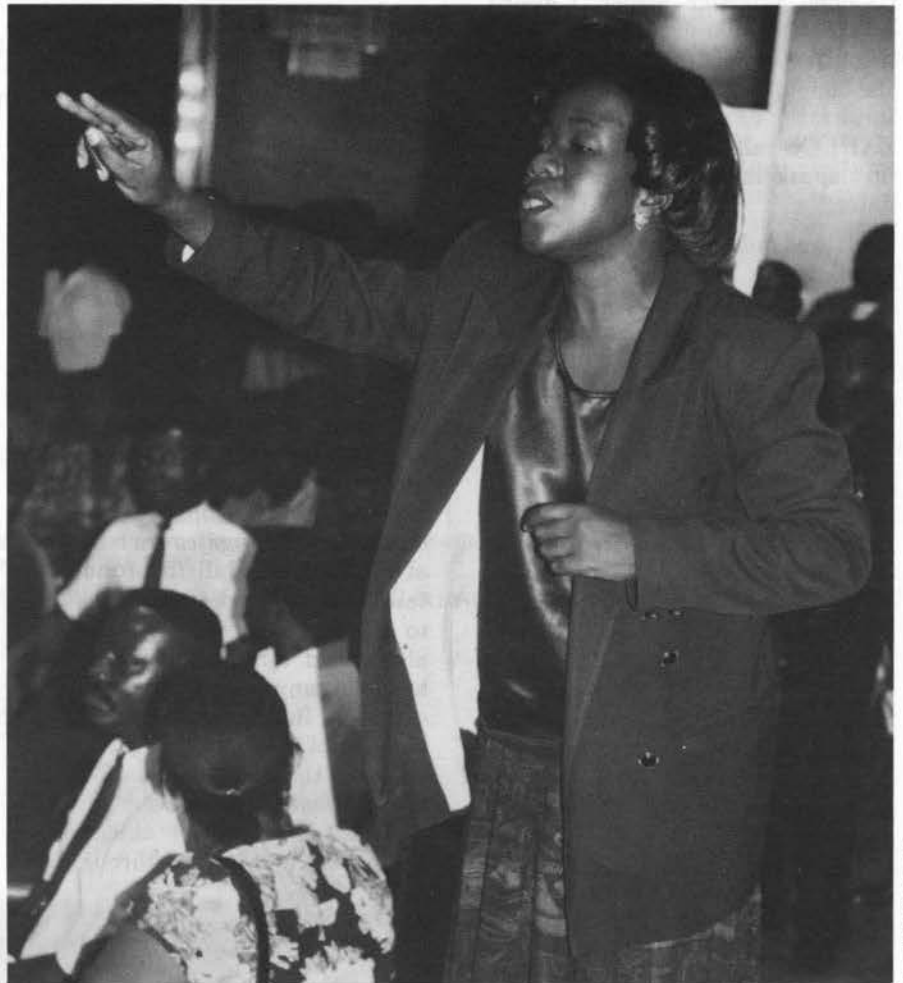
Inevitably, much of the time I spent in Zambia last November as a monitor of the elections, I was comparing the mood of the country to the time I had been there over 30 years before, during the nation's first non-racial multi-party elections.

In 1963, I had been overseeing the postal vote for a remote part of Luapula province, ensuring that those who couldn't get back to where they had registered still had an opportunity to vote. In 1996, I was in Zambia for just under two weeks, covering the period a few days before and after the elections on November 18th. I was representing the United Church of Canada which was invited to be part of the international monitoring contingent by the Christian Council of Zambia.

Thirty years before, there had been a sense of a common purpose among the populace, whatever candidate they might favour. Political independence was the driving force and everyone was prepared to take part. Each party did voter education and mobilization, with workers often travelling village to village on bicycles. Village branches were strong, budgets were minimal and volunteerism was enthusiastic.

The country swung behind a UNIP majority, with 96 per cent of the eligible voters exercising their right to cast a ballot.

In 1996, I found a radically different situation. There was no unifying force. Politicians there,



Jim Kirkwood

"You cheated us. You told us to vote and now you reject the results, saying it was rigged!"

as here in Canada, seem primarily out for power and self-advancement, often forgetting their constituents between elections.

Nothing to choose

Other than the incumbent Movement for a Multi-Party Democracy (MMD), led by Frederick Chiluba, the only parties to run candidates last November were small and presented no alternative point of view. The other major Zambian political force, Kenneth Kaunda's United Na-

tional Independence Party (UNIP), had been effectively sidelined by MMD's manipulation of constitutional reform.

The campaign was based mostly on personalities rather than issues. Indeed, there seemed to be no real policy differences in the platforms – all parties called for less government, freer trade, more privatization. In short, the SAP agenda. And every candidate declared themselves for greater national dignity and

independence and stronger anti-crime measures.

One of the few exceptions was the relatively young Zambian Democratic Congress (ZADECO), headed by Dean Mungomba, a former Cabinet minister under Chiluba. ZADECO's manifesto calls for affirmative action for women and of the 60 female candidates in the electoral race, 40 ran for ZADECO. At ZADECO rallies, most of the 'warm-up' speakers were women candidates.

It was indicative of the deep disappointment and misgivings about the most recent electoral process in Zambia that the Committee for a Clean Campaign (CCC), the umbrella group representing international and national NGOs, didn't wait for voting to declare, "It's not much of an election."

Registration figures disappointing

The glumness expressed by the CCC was widely felt. Even big budgets, an expensive computerized registration system and a registration period that was extended three times could manage to register only half of eligible voters. Not that apathy was the only problem. The process required that people make at least two trips to the registration centre and, in remote areas, that's a lot of kilometres to walk, before you even think of going to vote!

The registration process cost \$18 million, paid for by foreign donors, and was done by an Israeli company, NIKUV, that local gossip linked to Mossad, Israel's security branch, and which was thus assumed to have experience skewing elections. Others thought NIKUV might have been chosen because they would kick back a substantial part of their fee to the government.

Election Day underscored the difference between 1963 and 1996. A mere one million voters went to the polls - about 25 percent of those eligible.

When the ballots had been counted, the Movement for Multi-Party Democracy, led by Frederick Chiluba, had 130 parliamentary seats out of a possible 150 parliamentary.

One-party state returns

Ironically, the name Movement for a Multi-Racial Democracy was coined in the 1991 election campaign to reflect public pressure to end the virtual one-party state that Kaunda had overseen for nearly three decades. But MMD seems to have effectively brought back the one-party state, multi party elections notwithstanding.

During the country's last elections, in 1991, the MMD had promised a new constitution during its term of office. People were enthusiastic and NGOs and others organized the 'Green Convention', where hundreds of delegates met for days at Mulungushi Hall to produce detailed recommendations for changes to the existing constitution. They also called for a referendum to be held on any major constitutional changes. But in what was one of a long list of manipulative government actions, the recommendations and the referendum idea were rejected, and just a couple of amendments were made and pushed through par-

liament, where MMD had a clear majority.

The changes included the controversial amendment that not only did presidential candidates have to be Zambian citizens, but both their parents had to be as well. No one I spoke to doubted that this was aimed at Kaunda, whose parents came from Malawi. The constitutional changes also limited the number of terms a president could serve to two, also ruling out Kaunda who had already been in office 27 years.

NGOs led by the Committee for a Clean Campaign, churches, the Christian Council of Zambia, and other religious organizations, opposed the amendments and lobbied hard for a referendum. They lost.

This seemed to be the last straw for UNIP which resolved to boycott the elections; a number of small parties joined them. Kaunda and some of his senior people played golf on election day.

Some opposition parties petitioned the High Court to postpone the elections. Their basis for doing so was to require President Chiluba to prove that his grandparents were Zambian-born. In a move that did nothing for its credibility, the High Court, four days before the election, ruled against the opposition, saying that the proper time to present such



Press conference, Zambia independent monitors - "not free and fair"

Jim Kirkwood

a petition was 14 days after the election!

Committed to democratic ideal

Despite this cynical decision and the apathy that it helped engender, many ordinary people continued to believe in the process. In the Luapula polling station in Mandevu constituency, Lusaka, where I ended up at closing time, workers and the agents and the monitors, scrutinized and counted ballots by the light of two candles; silent mostly, always non-partisan, respectful, sometimes counting the votes in unison; almost an atmosphere of worship.

In our polling station, Prof. Nkanda Luo of the University of Zambia won by a wide margin for the MMD. Unfortunately, she was one of less than a dozen women elected.

The MMD's victory would have been better tolerated if the party had not blatantly manipulated the constitutional reform process to remove the only other major force, Kenneth Kaunda, however shopworn he and his UNIP had become after 27 years in office. But that raised the question for many people of why Chiluba bothered to manoeuvre Kaunda out of the election? Many people thought Chiluba would have been smarter to let Kaunda run and lose, an outcome almost everyone expected.

It was clear to us all that the international community, especially SADC, the former front-line states, wanted to see their old ally, Kaunda, in the race. He had given refuge to people and liberation movements from every member state in SADC and they didn't like seeing him treated shabbily. Nelson Mandela, SADC chairman, made several last ditch efforts to have Chiluba change his mind, to no avail.

'Free and fair': no agreement

There was no agreement among either national or international observers about whether or not the elections were 'free and fair'. The

officially sanctioned Electoral Commission, mandated by the Constitution to guide the elections, was appointed late and had limited powers to correct or solve problems. That, and the doubts expressed by some that it represented all parties, cast some cloud over its declaration that the elections were 'free and fair'.

The Committee for a Clean Campaign concluded that the electoral process was not free and fair, although the day itself was admitted to be free of violence and intimidation, and little voter cheating. Most groups agreed on this evaluation of voting day, but one Zambian monitoring group, the Foundation for Democratic Process, a member of the CCC, declared that the process "was not acceptable by international standards."

My group, the Christian Council of Zambia, limited its opinion to Election Day and, on that basis, said that voting had been free and fair. Moreover, CCZ also made it clear that its statement was limited to one small area of the country. CCZ had about 30 monitors, working together in teams of three or four, and all monitoring at voting stations within a 40 km. radius of the capital of Lusaka. Within those limits, we declared that what we had seen had been 'free and fair'. We pointed out that there were both positive and negative factors in the pre-election period, but we were only commenting on the day itself. Our decision put us at odds with the CCC, while the government papers headlined our approval, downplaying the qualifications we made.

The government's reaction to criticism of the elections did little to reinforce democratic values. Within a week, police had searched the CCC offices for their financial records and Chairmen Ngande Mwananjiti and Albert Zulu both spent a few hours in jail. Government press referred continually to outside interference in the monitoring process, implying that international donors had ordered the conclusion.

International community miffed

Most diplomatic observers were unhappy with the process, many objecting that Kaunda was so blatantly excluded. In protest, the IMF and World Bank held back on approving Zambia's economic performance. The USA cut aid by 10 percent; others froze it. However, by November 22nd, only the USA embassy had spoken out officially, declaring the elections not 'free and fair', other foreign representatives such as Canada's High Commissioner, Mary Mosser, more diplomatically suggesting that Zambia was moving the wrong way on the path to democracy.

Despite the diplomatic disagreements, it's not likely to have further repercussions. During the week following the election, a delegation from the South African Chamber of Commerce was in Zambia to discuss the lowering of trade tariffs.

The elections aren't likely to bring any new ideas or energy to the resolution of Zambia's economic problems. Zambian manufacturers and small businesses, early victims of globalization and privatization, are predictably suffering from competition from South Africa and beyond. Zambia has sold about 80% of parastatal companies to the private sector and more will follow. ZCBC, one of Zambia's biggest and most profitable chain stores, has been bought out by South African interests, as has Mwaiseni Stores. Now they sport well-known South African names - PEP, Ackermans and Shoprite. Falconbridge (Canada) and Anglo American of South Africa are recent investors in Konkola mines, just two more of the many foreign companies that are gobbling up national assets at low prices.

For international business these developments are great, but for the people whose little purchasing power is quickly dwindling even further, the situation parallels the political - it's "Not much of an Economy."

Stealing the Peace Dividend

AFRICAN ISSUES

PEACE WITHOUT PROFIT

HOW THE I-M-F BLOCKS REBUILDING IN MOZAMBIQUE

Joseph Hanlon

BY CAROLYN BASSETT

Carolyn Bassett, a member of the SAR editorial collective, is doing research in the IMF and the World Bank.

Peace Without Profit: How the IMF Blocks Rebuilding in Mozambique, by Joseph Hanlon (James Currey, Oxford and Heinemann, Portsmouth, New Hampshire 1996) 176 pages.

"Reconciliation succeeded to a level that seemed unimaginable at the height of the fighting. Mozambicans do not want to return to war.

"But if peace has stopped the bloodshed, it has not brought the economic prosperity that Mozambicans expected. For peasants, urban workers, and the tens of thousands trying to make ends meet in the informal economy, life has not improved, and they do not understand why. Peasants can grow maize and feed themselves, but who will buy their surplus maize and sell them oil? Why are the roads not open? Why are schools still closed? Why are wages and industrial production falling? Nor has the shrinking economy been able to absorb most of the 93,000 demobilized soldiers. Their only skill is killing; will they return to the gun as the only way to earn a living?" (p. 147)

The central argument of Hanlon's book is that the policies of the International Monetary Fund in Mozambique are the main factor hampering reconstruction and development. The broad outlines



of the argument will be familiar: IMF "stabilization" programmes assume that balance of payments deficits are caused by inflation, and so controlling inflation is the overriding goal. Since inflation, in turn, is caused by too much money chasing too few goods, even a war-torn society such as Mozambique must reduce inflation, by reducing government spending, by raising interest rates, by raising taxes.

The result, on the city streets and in the countryside of Mozambique, is not stability, but rather enduring poverty, corruption, and crime. Yet since inflation remains at 40%, each year new deflationary measures are introduced into the conditions the Mozambique government must accept in order to continue its IMF loan. The result, and particularly the high interest rates on commercial lending (approximately 45%), Hanlon argues, is in essence *bad capitalism*.

Bad capitalism

Hanlon invokes a range of unlikely supporters of this key argument: Antonio Galamba, managing director of the largest private bank in Mozambique, Banco Standard Totta de Moçambique, Lisa Audet, assistant vice president of the Equator Bank (part of the Hongkong and Shanghai Banking Corporation, seventh largest in the world), neoliberal Harvard economist Jeffrey Sachs, and a consortium of aid donors to Mozambique, including resident representatives of the UN, EC, and the US ambassador, who took the unprecedented step of criticizing the IMF's focus in 1995. All argue that rapid growth, rather than deflation, is what Mozambique needs right now. The well respected Mozambican consultancy group Austral identified lack of credit as the worst problem faced by local business, contradicting a World Bank study which did not mention credit at all.

Evolving class relations and the emerging economic structure closely

reflect credit access patterns. Large traders, who usually demand only short-term credit, have retained their access, while informal sector traders lack even the minuscule amounts that would allow them to expand. In rural areas, selling agricultural products is difficult because rural traders lack credit, and few rural shops have re-opened, so peasants have little incentive to market surplus maize. Urban industries find the interest rate prohibitive for the long-term and risky investment which developing or rehabilitating productive facilities would entail. Thus IMF policies actually support and promote corruption and a "trader" economy (rather than a productive one), as well as increased polarization between rich and poor and extreme poverty at the bottom.

Hanlon also shows how IMF "stabilization" policies are limiting the support other aid donors can provide. At IMF insistence, untied aid to the government in support of general expenditures (which, of course, are directed by the structural adjustment program) has been almost halved in percentage terms since 1994, and Hanlon describes the myriad of mechanisms donors use to develop projects outside of IMF scrutiny - repackaging general support as projects, for example, or working directly with provincial authorities, who this far are not sub-

ject to IMF scrutiny. These processes, Hanlon, argues, are expensive and wasteful.

IMF millenarianism

This work will be much less controversial than *Mozambique: Who Calls the Shots* of 6 years ago. Although Hanlon has not abandoned other familiar targets like bilateral and multi-lateral aid donors, and NGOs, operating at cross-purposes with the Mozambican state and each other, and powerful and corrupt Mozambican "goats" who enrich themselves on the immiseration of the majority, his main goal is to force the IMF to renounce its obsession with wringing inflation out of the Mozambican economy, an obsession, Hanlon claims, which has taken on the character of religious dogma. He recommends that sympathizers with Mozambique's plight pressure the IMF governing structures to change their focus or leave altogether, using the arguments that present IMF policies are failing on their own terms and may force Mozambique back to war.

Much of Hanlon's analysis will not appear new to readers; it has appeared elsewhere in his own work and the works of others. However, the new research he brings forward detailing the IMF's policies and the programmes of other donors is valuable and extremely interesting for students of Mozambique (even those who accept little of his "line"). Insider information on the machinations of the World Bank and the IMF always makes for scintillating reading, and their latest escapades in Mozambique would be the material of an old-fashioned farce, if they were not so tragic in their outcomes.

The book is structured into three sections. The first describes and analyses Mozambique's economy today, focussing in particular on the role of donors and the (national) state. In addition to sections on the Bretton Woods organizations,



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credit and recolonization, there are detailed discussions of the debate over cashew policy, road rehabilitation, and agricultural exports, all critical elements of the reconstruction process where the World Bank has had a hand (or a fist).

The second puts forward some rather treadworn alternative economic development ideas, including Hanlon's preferred economic programme of peasant-based development. Hanlon's alternative, while promising, does not receive the same attention to domestic social forces, the international economic environment, donors (surely likely to be an ongoing influence in Mozambique's immediate future), or even the emerging nature of the state that

his trenchant critique of the IMF received. Thus the section remains rather underdeveloped, undoubtedly because Hanlon sees changes in the IMF's policies as the first and most critical step to addressing Mozambique's economic crisis. At the end of the final section, which looks to Mozambique's future, a more developed series of recommendations appears, and indeed forcing the IMF to change its line is the first priority. "Nothing is possible without a change in IMF policy," he argues.

The much touted "peace dividend," illusory everywhere since the end of the Cold War, certainly has been absent in Mozambique. Hanlon's goal in *Peace Without Profit* is to bring Mozambique at least one

step closer to realizing such a "dividend" by exposing the ill-conceived policies of the IMF. Seen in these terms, the book is a welcome addition to the burgeoning debate on the nature of post-war Mozambique and current development prospects. The language is engaging and Hanlon makes economic concepts easy to understand. And witnessing Hanlon chastise that paragon of monetarism and neo-liberalism, the IMF, for being bad capitalists is well worth the admission price. But as *SAR* readers will know, the debate about Mozambique's future, even on the left, is enormously complex, and some of Hanlon's easy answers may be more limited in their impact, not to mention more difficult to carry through, than he suggests.

AIDS in Southern Africa an exchange

5 January 1997

As always, it was with great anticipation that I received your July 1996 issue of *SAR* [Vol.11, No.4] and found your editorial insightful and your articles challenging. I read with interest the article by Colleen O'Manique ["Liberalizing AIDS in Africa: The World Bank Role"] in which she revealed the increasing influence of the World Bank in shaping the global response to AIDS, a response firmly situated in "the neo-liberal canon, which valorizes the individual, privatization, neo-charity, and cost-recovery, all the while ignoring the social and political contexts fuelling the particular epidemics in Africa."

Although *SAR* has not carried as many articles on the response to HIV/AIDS in southern Africa as I would like, I have noted that most of the past articles dealt with

grassroots education around prevention, community responses, etc. O'Manique's argument casts such approaches in a new light. After considering her critique of the emphasis of HIV/AIDS prevention programmes toward income generation – such that families and individuals become "empowered," so they can "do it for themselves" – we can never again hear about such schemes without hearing a chorus of neo-liberal discourse ringing in our ears: empowerment! self-reliance! fend for yourselves!

And then to read in your editorial that "we hope to specify further with case studies of AIDS in southern African in future issues"! I looked forward to receiving my next issue of *SAR* and the opportunity to see this discussion evolve further.

When the November 1996 issue of *SAR* arrived I was immediately pleased to note the inclusion of

the aforementioned "case study" as presented by Richard Lee ["AIDS: Conspiracy of Silence"]. But nowhere in this article did I find mention of O'Manique's critique, or even a nod to her arguments. Instead I felt the article slipping back into all too familiar territory.

While Lee does make an important point with regard to the intense stigma still attached to AIDS in southern Africa and "the complicity in levels of government in this conspiracy of silence," I found his understanding of what might constitute a more effective response to the AIDS epidemic lacking ... particularly in light of O'Manique's insights. Lee's conclusion that governments would be better off putting resources into community-based AIDS hospices, housing and job creation, are questionable when one considers O'Manique's point that such actions do not take into account "[s]uch fac-

tors as increased labour migration and the separation of households, the high demand for family labour in the face of declining incomes, the growing vulnerability of women . . .” As O’Manique notes, empowerment and self-reliance are terms which are steeped in the neo-liberal discourse of “communities fending for themselves.” Indeed, Lee does not seem to acknowledge that – in this battle with disease – governments’ “resources” are not often theirs to give. The government’s function is in overseeing the activities of other donors; the decision about where such funds are to be distributed is not necessarily theirs to make.

I have always welcomed the quality of debate found between the covers of *SAR*. But on the issue of AIDS/HIV, I believe the debate must evolve somewhat. The arguments made in O’Manique’s article must not be lost. I encourage future contributors to challenge their assumptions and to respond to her critique. If there is an alternative, it will only be revealed by grappling with other perspectives.

In solidarity,
Myles Sterritt
Vancouver

Richard Lee Replies

Myles Sterritt casts me in the role of accomplice because in his view I do not take seriously enough Colleen O’Manique’s critique (SAR July 1996) of the World Bank as villain in exacerbating the African AIDS crisis. I would agree that the World Bank’s role in Africa as a whole is an invidious one, but then what? The problem of AIDS remains and Sterritt’s critique offers few specifics. Yes, Structural Adjustment Policies have the effect of separating families and driving women further into poverty. Should all existing AIDS programs be put on hold until the World Bank sees the error of its ways? If the international financial cartel forgave the African debt burden tomorrow would that solve the AIDS problem? Eventually it might, but AIDS workers do not have the luxury of waiting a decade for recovery of African economies from the ravages of SAPs. The issues raised in my article offer more immediate points of purchase for tackling AIDS by addressing policies and behaviours over which the peoples of the region do have some control.

What is most disturbing about Sterritt’s view is his dismissal of local empowerment as serving a neo-liberal agenda. By what convoluted logic does one conclude that communities seeking to take their destiny into their own hands are playing into the hands of the oppressors? States in Africa have by-and-large ill-served the needs of their citizens, and disengagement from the state by local communities is a widespread phenomenon. In the absence of strong government programs to meet human needs, self-reliance, local empowerment, and NGO supports are not neo-liberal copouts, they are essential tools of survival. Such local projects offer life-supports to the very women and children made vulnerable by the World Bank policies Sterritt deplors.

I share O’Manique’s and Sterritt’s conviction that SAPs are a malevolent force in contemporary Africa. But the arguments of Mr. Sterritt seem to come from the rarefied atmosphere of the theorist. Short of the millennium bringing about the transformation of the global system, it would be useful to spell out the practical implications of this insight for the battle against AIDS in southern Africa today.

Forgotten Soldiers

continued from page 13

to criticize the government which they fought so hard for. While female ex-combatants remain unable to organize themselves as a vocal group with special needs, the dispar-

ities in compensation based on gender widens.

Meanwhile, the stories told in *Flame* bring the struggle of female ex-combatants to a new audience – to young people who have little or no memory of war – and to others who

have spent the past seventeen years trying to forget it. Perhaps this is why the war veterans are worried about *Flame*’s content and want to control what it portrays. *Flame* challenges the conventional histories, of war, lifting the smokescreen over women’s war roles and experiences.

Gay Rights

continued from page 26

says President Nujoma’s remarks against gays and lesbians were placing democracy in danger.

Melber said it was alarming that homosexuality was condemned and rejected by society and described as a foreign and corrupt ideology. “But

what is even more disturbing is that they are blamed for exploiting our democracy,” he says.

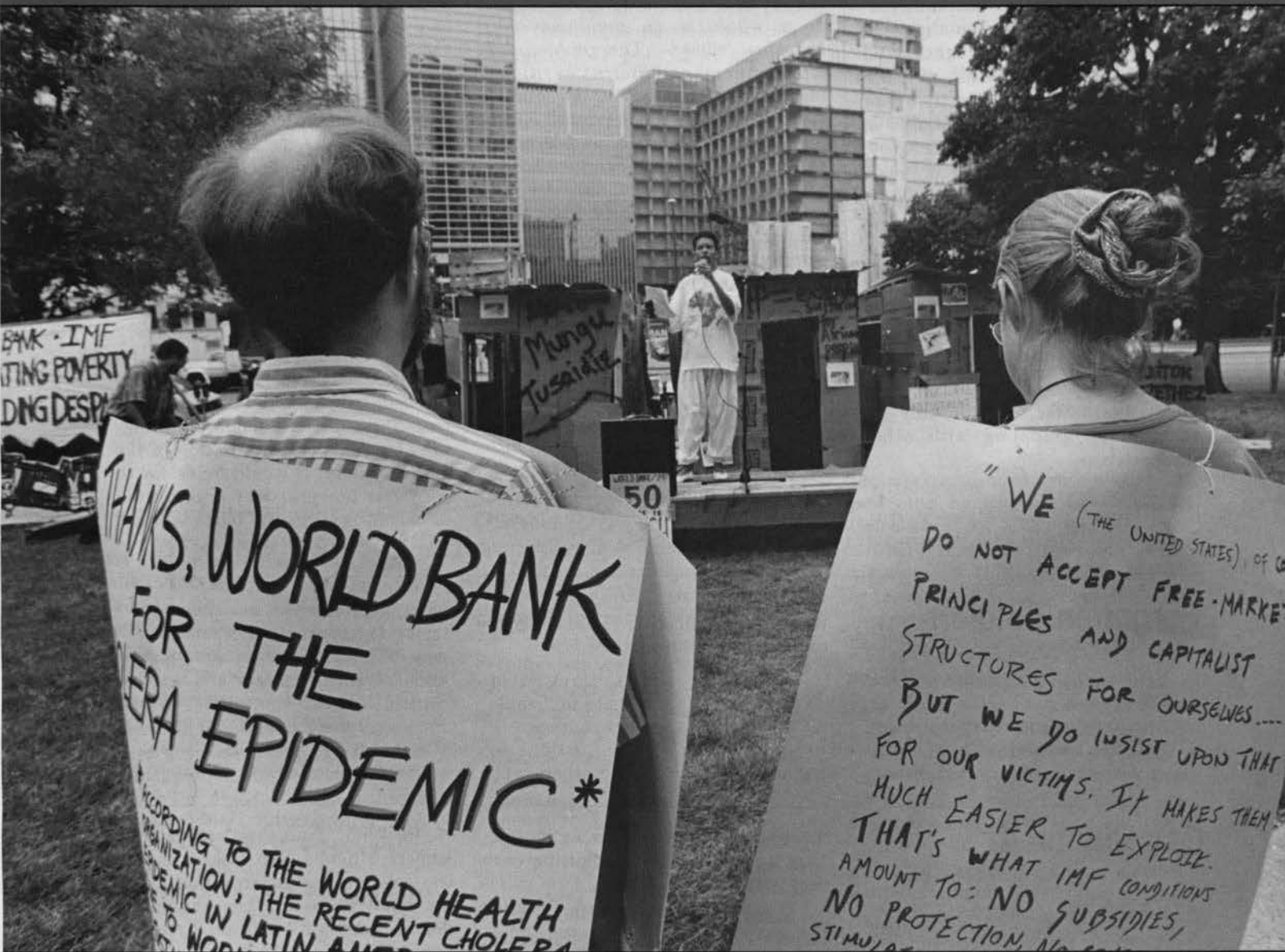
Elliot Mbako, a Windhoek resident, is one of the many Namibians who regard homosexuals as evil. “Even our parliament starts with a prayer which means we believe in the bible. And it is said in the bible that these practices are evil,” he says.

In 1995, Zimbabwe’s President Robert Mugabe also lashed out at the gay and lesbian community in his country, saying they should be denied the rights enjoyed by other people.

In South Africa, on the other hand, homosexual rights are part of [constitutionally guaranteed] human rights.

50 Years is Enough!

50 Years is Enough Campaign demonstration held in a small park opposite the World Bank and IMF buildings in Washington D.C. July 1994



Rick Reinhard/Impact Visuals

