FOREIGN POWERS AND AFRICA:

Socio-Economic Dimensions

THE SOUTH AFRICAN INSTITUTE OF INTERNATIONAL AFFAIRS

DIE SUID-AFRIKAANSE INSTITUUT VAN INTERNASIONALE AANGELEENTHEDE

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A. AFRICA'S NEEDS

AFRICA'S NEEDS, SCIENCE, TECHNOLOGY AND MANPOWER

Christoph Garbers

> If I were, from my own observation, to try to summarise the difference between African and Western psychology I would say that the Westerner has a problem-solving mind whilst the African has a situation-experiencing mind. The Westerner has an aggressive mentality.
>
> President Kenneth Kuanda

Volumes have been written, millions of words have been spoken, some of the best brains in the world have been intimately involved with the topic now under discussion. This topic also deals with one of the most expensive ventures ever to be conducted in the history of mankind. Approximately $500 000 000 000 in loans and aid(1) have been made available to the Third World countries towards the eradication of poverty and for development, and uncertainty about repayment is placing many financial institutions in the West in precarious positions. Despite this massive investment, unqualified success stories are limited, but experience has been gained on future approaches and what not to do!

Consequently, I shall endeavour to summarise the pressing problems of Africa which may be alleviated by scientific and technological input, and to outline some approaches towards the solution thereof. In my analysis, which for obvious reasons cannot be exhaustive, I shall concentrate on sub-Saharan Africa. I do this in the full realisation that every statement on Africa can be met by a counter statement.

In the context of systems theory, all human activities can be categorised by the simple flow model.(2) This model essentially recognises that each such acvitity consists of the transformation by means of technology of various inputs (or resources) to certain outputs (both desirable and less desirable) in a specific environment. Although archaeological evidence like stone tools and metalwork of all kinds have been found in Africa, documentation of its scientific and technological history has only been recorded since the beginning of European contact some 500 years ago.(3) In Africa, due to lack of written documentation, transfer of knowledge was based on oral communication between the younger and older generation. The stimulus of inspiring relics from the past as visible monuments or in well documented form was lacking. One should note that sub-Saharan Africa was largely unaffected by the agricultural revolution, which according to archaeological records took place some 9 000 years ago. The development of agriculture and the domestication of animals heralded the start of civilisation - as we know it. This enabled some of the people to turn their attention to specialised activities in commerce, administration, and tool technology in which metal artefacts gradually augmented those made from naturally occurring materials. The need for land measurement, for irrigation and legal administration and permanent records of commercial transactions probably led to the development of the earliest forms of writing. Improved methods of transportation from the invention of the wheel similarly went unnoticed in Africa. Various explanations may be offered why this kind of development did not occur in sub-Saharan Africa.

The second great discontinuity in cultural development was the industrial revolution in the period ca. 1760 - 1875 following the renaissance in Western Europe. The inventions and innovations in the technology of that time were not isolated events but manifestations of a continuous and interrelated process. These close interrelationships and interdependence between industries are probably main reasons why the industrial economy never came to be transplanted from Europe and North America to other parts of the World. To this day, it is a factor which militates against the decentralization of industry from the great conurbations or metropolitan areas. The result has been that the industrial revolution and its after effects have left Africa and other regions largely unchanged except for improved communications and transport which, while they have opened up access to markets for natural resources, have also exposed them to the consumer products of modern technology.

The period since 1900 saw phenomenal growth in scientific knowledge and technology in the industrialised countries, which created a demand for highly trained people to build, operate, maintain and manage increasingly complex man-made machines. With cheap and rapid transportation and communications, multinational corporations have come into being to exploit world markets. The information needs of the new managerial class which has arisen to manage these increasingly complex systems, have created a demand for increasingly sophisticated information processing methods and equipment. We are already witnessing the emergence of a so-called 'knowledge industry' and information technology, which, it is argued will have an even greater impact than the industrial revolution, because of the very high rate of change.

As a result of concentrated effort on scientific and industrial research since the Second World War, technology is now nearly completely science-based. With the rapid development of the computer and modern communication, the vast resources of knowledge which have been built up during the past 35 years are, in principle, available to anyone capable of using it. This is in marked contrast to earlier periods when technology was very much an art and not based on the natural laws of science. Through the apprenticeship system under the tutelage of master craftsmen, it was then possible for the guilds to maintain a "closed shop" for artisans. However, the need for precise measurement in production and quality control and the development of equipment for this purpose, contributed greatly to the advance of science until today most technologies are transferable to recipients who are educated and trained up to an appropriate level.

This then, is the African dilemma. For various reasons such as conditions of climate and topography and the prevalence of human and animal diseases, it was relatively little affected by those two great cultural discontinuities - the agricultural and industrial revolution - and now the peoples of Africa must somehow catch up and adapt to the rapidly changing circumstances which are being brought about by the 'knowledge industry'.(4)

The peoples of Africa south of the Sahara, having got out of step with change in the rest of the world are now faced with problems of how best to take advantage of scientific and technological developments in order to catch up as quickly as possible with a minimum of cultural disruption. It is a daunting challenge!

Before proceeding to the discussion of more specific characteristics of Africa's needs in science and technology, I wish to briefly highlight specific aspects of technical manpower and R and D capabilities of Africa : Comparison of the technical manpower, expressed as a number per thousand of the population, available in the various regions of the world, indicates that Africa with an average of 1,7 scientists and engineers and 0.4 technicians per thousand of the population is by far in the worst position, even if compared with South America (3,3 and 10,1 respectively) and Asia (2,9 and 7,3 respectively). (TABLE 1)

Furthermore an analysis of R and D expenditure indicates that Africa's contribution constitutes only 0,58% of the World expenditure. Consequently it stands to reason that in many African countries the capability to scan the World literature and to extract the knowledge of specific interest to them is practically non-existent! (TABLE 2)

However, the need for science and technology in Africa is indisputable if the per capita gross domestic production (GDP) of African countries is compared with that of the other 157 countries listed in TABLE 3.

With an average of 90% of the African nations showing a per capita GDP of less than $1 000 in 1975, the immenseness of the challenge is accentuated. In view of these statistics, the statement seems justified that active scientific and technological collaboration with the nations which have the required expertise, is a pre-requisite if the problems confronting sub-Saharan Africa are to be alleviated. The urgency and complexity of the challenge is further underlined by the remarks of Zambia's President Kenneth Kaunda :

> "If I were, from my own observation, to try to summarise the difference between African and Western psychology I would say that the Westerner has a problem-solving mind whilst the African has a situation-experiencing mind. The Westerner has an aggressive mentality".

Africa has become part of the main stream of history and endeavours to advance in science and technology. Should this aspiration be fulfilled it will signify a shift from one set of processes which are stagnant or involve little change to another set whose processes are dynamic, characterised by continuous change, adaptation, innovation and growth. A profound alteration of the entire social system is involved.

Now let us examine problem areas of Africa where science and technology could contribute :

1. HEALTH SERVICES

For a minimum basic level of health there are three requirements in order of importance :

1.1 Safe drinking water, sewage and waste disposal

The World Health Organization estimates that only 22% of the 70% rural populations in developing countries have reasonably safe drinking water while 15% have sanitary human waste disposal facilities.(6) The capacity required for effective introduction of programmes is closely linked to manpower,(7) the lack of which severely limits the capacity to make use of funds, whereas McGarry and Schiller(8) state that it is common to find at least 50% of the installations in developing countries lying idle in disrepair after construction. Studies in East Africa showed that mothers use about 12% of their energy in fetching water and in hilly districts up to 27%! Workers in some African cities spend about 10% of their wages on buying water.(9)

Endeavours during this the 1981-1990 Water Decade will be directed at cost-effective technology to meet the requirement for safe water and adequate sanitation. The estimated cost is astronomical - hundreds of thousand million dollars.(10) It should be noted that an estimated 80% of all illnesses in developing countries is in one way or another related to water. (TABLE 5) In this regard the recent development by the National Institute for Water Research of the CSIR of easy to operate cheap borehole chlorinator(11) to supply disinfected water even in remote areas should be mentioned and attention should be drawn to the RSA developed orbal system for efficient disposal of human excreta. Similarly considerable experience was gained in ensuring the availability of well trained staff to guarantee smooth operation and maintenance of new installations. This is a most important facet!

The importance of safe water supplies and sanitary disposal of waste products is often not appreciated by the public in developing countries. Recent experience with a cholera epidemic indicated that local inhabitants prefer to drink dirty water from a muddy pool rather than the safe chlorinated supplies provided by the authorities. It may be concluded that as far as water and sanitation is concerned, the primary need is for communication of available know-how, the training of people to maintain the installations and raising the required capital!

1.2 Sufficient food for human subsistence

With each passing year, the very poor of the World's developing countries sink further into poverty and face more frequent and prolonged periods of hunger and even malnutrition.(12) The danger that they become institutionalised into a culture of poverty, frequently turns to reality. Since the majority of the sub-Saharan Africans are rural and involved in agriculture, there is general consensus that an upward mobilsation of the rural population will have far reaching ramifications throughout any country's economy. Rural Africa is steeped in tradition! To be acceptable, any new technology in the agricultural field must become part of the family pattern of living. Note should also be taken of the fact that rural women are potentially the most valuable resource in planning and implementing rural programmes, including agriculture, health, family planning, nutrition and quality of life. As mothers, women play a dominant role in moulding character and in transmitting cultural values to their children. As better informed and educated mothers, they are destined to play a major role in preparing their children for change. At the 1974 United Nations Rome Food Conference, it was indicated that rural women in the developing world account for at least fifty per cent of food production. The dominance of women in agriculture predates colonization.

It is therefore interesting to note that development assistance in agriculture frequently is focussed on men. Men were consequently trained for the traditional tasks of women. It will take time to change what has become traditional!

The integrated agricultural development[13] is a many faceted operation of great complexity, requiring careful planning and cannot be treated in a short contribution like this paper! Here brief reference could be made to energy considerations, the use of fertilizer, institutions to serve agriculture's needs, the selection of suitable varieties, extension staff, marketing and storage, handling of livestock, treatment of plant and animal diseases, education of the required manpower, etc, etc.

The bias of incentives against agriculture was a major reason for Africa's poor performance in food production which, in contrast to other continents of the developing world, has failed to keep pace with population growth.[14] Yet the bias against agriculture and in favour of urban, industrial activities failed to benefit industrial development in the long term. Slow growth of agricultural incomes in predominantly agricultural economies meant slow expansion of the market for manufacturers. It is noteworthy that both the Ivory Coast and Malawi, two of the countries in which the bias of incentive policies against agriculture was least pronounced, were also the ones in which the manufacturing sector grew at annual rates of 10 per cent or higher between the early 1960s and 1975. Little wonder therefore that S Acharya,[15] research adviser to the World Bank, states "that for most African countries the key to more rapid growth, swifter alleviation of poverty, improved balance of payments and a stronger basis for industrialisation lies with increasing productivity and incomes in agriculture", and "Given Africa's enormous heterogeneity of soil and climate and the small stock of existing research, its transition to a science-based agriculture will be a long slow haul. It will require a great deal of adaptive research into appropriate crop varieties and seed/fertilizer combinations, particularly in semi-arid zones".

1.3 Urbanization, informal settlements and adequate housing

"Squatter areas" and "shanty towns" are worldwide phenomena. They are not necessarily the result of any political system, but rather a result of an increase in population in the cities augmented by a flow of population from the rural areas to the urban areas.(16) As examples, it could be quoted that Abidjan grew from 69 000 in 1950 to well over 500 000 today and Lagos from under 250 000 to 1 500 000!

The extent of the phenomenon can be clearly demonstrated by the proportional rise in South Africa's urban population from 17,3% in 1936 to 33% in 1970 of the total Black population.(16)

Sub-Saharan Africa has a very high population growth and despite the rapid rate of urbanisation there is still a nett population growth in the rural areas!

Given a high rate of urbanisation, taken together with the current rate of unemployment, a shortage of development finance, a high rate of inflation, the high cost of employment creation in organised industry, the overall need for higher rates of job creation, the massive investment required for supplying in the housing needs, the concept of assisted self-help, in which my Council is actively engaged, should be regarded as a valuable means by which a measure of the above requirements will be met. Such a mechanism, in alleviating the housing shortage will also serve to supply much needed employment opportunities at a cost which the national economies can afford. In this way, individual families can become more involved with the provision of their own housing, particularly if this is done in conjunction with in-service training programmes to upgrade existing levels of building construction skills.(17) The servicing of the sites would be a commitment of the State.

Housing presents a formidable challenge. An independent research group (Davida Management Services) estimated the South African housing requirements up to the year 2020 for all its population groups as 8,56 million units!

It gives me great pleasure to announce a further breakthrough by the National Building Research Institute in the CSIR's efforts to meet this challenge. Again in the area of low-cost housing!

The CSIR was recently approached to assist in the development of a construction system aimed at providing adequate permanent accommodation at a cost competitive with tentage.(18)

The emphasis in the exercise was on the practical development of appropriate and low-cost technology. An in situ shuttering system was developed using sand cement techniques for the wall construction. Mass production techniques were used for the main structural parts of the dwelling units but, at the same time, care was taken to make it easy for home owners to use their own labour or effort and financial resources to transform a simple beginning into a sophisticated home.

Part of the concept adopted in a research and development project at Kabokweni, to be handed over to the Department of Co-operation and Development on 16 September, was to provide the greatest possible roofed area, which would allow the owner the prospect of adding onto his home to the inside instead of being faced with alternative of building on.

The costs of the homes being built in this experimental scheme vary between R2 800,00 and R3 100,00 depending on roofed floor area. The whole construction was completed by a supervisor with unskilled labour.

2. <u>TECHNOLOGY</u>

The countries of Africa are too diverse - politically, culturally, philosophically - to attempt to define a single strategy.(14) Nevertheless, countries within the sub-Saharan region have much in common. Economies are for the most part small in economic terms : economic development has been slow in most countries : of the 45 states in the region 24 have fewer than 5 million people : the pronounced scarcity of educated people and the political fragility due to extreme ethnic diversity. While governments have scored considerable successes, the legacy of history and the facts of geography continue to hamper African economic progress.

However, Africa's needs are urgent and inputs are required at all levels! In my opinion, the requirement in each country for an organisation with the dedication and intimate knowledge of the particular country's requirements and capabilities, for advising the government, the entrepreneur or the investor, or with the capability to mobilize consultants and to weigh expressed opinions, is a necessity for economic advancement.

To a varying extent governments provide for public services such as posts and telegraphs, broadcasting, transport, water and power supplies and even housing. These public services are a manifestation of the technical age and are the products of scientific research. The development of natural resources has to an increasing extent come to be recognised as a responsibility of government. Here reference could be made to the conservation of the soil, the ecological impact on the environment by developments, the conservation of nature and water supplies, the mapping and study of geological resources. The back-up of research and development required for the solution of local problems encountered in the development of these enterprises has created a need for national research organisations outside the framework of the normal civil service. In the short and medium term, most developing countries will need to involve experts from more advanced countries if such research organisations are to be developed as recognised centres of excellence. Scientific and technological expertise can be regarded as an international passport! The services of such experts can be secured and retained only in conditions of reasonable stability of funding arrangements and security of tenure. They should be relatively immune from political upheavals which appear to be an inevitable concomitant of the evolution of systems of government suited to nations undergoing rapid cultural change within the time span of one generation.

In the Republic of South Africa research was initially developed within the framework of the government services, particularly in relation to animal health, agriculture and geology. Following the Second World War, which for various reasons had given an impetus to the manufacturing industries, the CSIR was set up as a national research council outside the government service and has since been followed by other similar bodies such as the Council for Minerals and Technology (MINTEK), Medical Research Council and Human Sciences Research Council.

As may be expected in a developing country, much of the demand for research services comes from those sections of the public sector which are concerned with the economic and social infra-structure. This is well illustrated by the pattern of development of the CSIR which has from the outset adopted a policy of undertaking research on a contract basis, irrespective of whether the research is required by the public or the private sector. As a result, the growth pattern of the CSIR has been influenced by the demand for its services, there are close working arrangements with the customer departments and agencies; the results of the research are not only relevant to the needs of customers, but used by them in the development of public policy.

An analysis of the patterns of research expenditure of the CSIR in 1979/80 indicates that :

- 31,8 per cent was spent on research related to industrial and other productive activities,

- 18,4 per cent on research related to the economic infra-structure, i.e. energy, water, transport, communications and civil construction,

- 44,8 per cent on community, social and personal services, e.g. basic research, education, training, information services, public health, etc. and

- 5,0 per cent on research related to the environment and its exploration.

The experience which has been built up by the CSIR Executive and the directors of its research institutes in the management and co-ordination of research is in itself a priceless asset. It has created a framework for undertaking research and development in any major sphere or to meet any need which may arise from time to time.

Similar schemes are in operation in other African counries but in a historical and comparative study of the Ghanaian experience Dr E S Ayensu in 1978 commented,(3) amongst others, that while the knowledge and skills that research staff of the Ghana Council for Scientific and Industrial Research should have were not available in Ghana, there were several bright young men and women working in the organization capable of positive contributions under proper guidance! Such experts are available internationally and suffice it to observe that 26 per cent of the research personnel of the South African Council for Scientific and Industrial Research are of foreign nationality!

Brief reference should also be made to the South African CSIR's active co-operation in the 1950's through the Scientific Council for Africa South of the Sahara, with which was associated the Commission for Technical Co-operation in Africa South of the Sahara.

As most of the research carried out by research organizations in Africa is concerned with conditions peculiar to the African Continent, and is undertaken precisely because scientific and technical knowledge available from elsewhere is not directly applicable to circumstances pertaining in Africa, there is obviously a need to revive this kind of co-operation in one form or another. Co-operation generally should be regarded as one of the most important needs in the field of science and technology in the era which is unfolding in Africa.

I wish to conclude with a few remarks on Africa's needs in scientific and technological manpower.

In an industrial culture, science and technology are closely associated and the child is exposed to abstract concepts of science which are embodied in machines and processes which are in daily use. A child from, for example, a traditional rural culture, starts at a disadvantage as he has not experienced technological things in action. For these and related reasons the strategy of introducing modern schools and curricula in the natural sciences from industrialised societies into rural communities has yielded unsatisfactory results, further aggravated by the lack of sufficiently trained teachers and major language barriers. The South African experience in the voluntary informal training in modern technology through the technical centres in densely populated areas and by industry, indeed serves as an excellent point of departure based on a concrete experimental foundation from which the underlying abstract concepts of the sciences, the basis of modern technology, can be deduced. I would regard it as absolutely essential that in any technological venture in Africa trained personnel for the maintenance should be available. Mention should also be made of the need for personnel development and selection procedures for personnel on the basis of intellectual capacity, leadership and aptitude.

Education and training is the key to Africa's advance. Suffice it to mention that in 1946 the German industry lay in ruins with 90 per cent or more of many of its cities and towns demolished. A national effort through hard work and dedication, backed by outside financial support and their own expertise in science and technology, led to the restructuring of Germany in twenty years. Equally striking examples are Japan, South Korea, Taiwan and Israel who have effectively modernised their way of life in less than 40 years! In Africa the emerging adult populations were children during the decades when developing countries gained independence, twenty to twenty-five years ago. They come into adulthood knowing that they no longer have to live as their parents did under colonial rule.[19] The grandchildren of the adults at the time of independence are now being born. Change will be part of their way of life. These changes will increasingly be triggered by developments in science and technology, which could cause conflicts with the traditional way of life. It is however my firm conviction that to improve the standard of living, to reduce the birthrate, to accelerate the development of sub-Saharan Africa towards a brighter future and greater prosperity, to cope with the enormous ecological problems like deforestation, desert encroachment, overgrazing, to realise and utilize Africa's enormous energy potential, to train the people from Africa to fulfill their proper role in the extension and the maintenance of the infrastructure, science and technology must find their proper role. This can only be done in closest collaboration and partnership with scientists and technologists from First World countries in the development of the human and resource potential and I fully subscribe to the World Bank view that as far as science and technology is concerned, African governments should concentrate on the establishment of the required infrastructure and encourage other institutions such as private firms and co-operatives, small traders and businesses to assume greater roles in industry and commerce. Present economic realities facing African nations clearly indicate that without policy reform increased aid will be difficult to mobilize.

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Acknowledgement

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WORLD POPULATION PROBLEM
(1980)

First world component : 1 130 000 000
(Growth rate 0.7% per annum declining to 0.24%)

Third world component : 4 900 000 000
(Growth rate 2,1% per annum)

AFRICA

Population 1980 : 470 000 000

Projected population by 2025 : 1 542 000 000
(Growth rate 2,9-3% per annum)

TABLE 1

Technical Manpower (Number per 1 000 of population)

AREA	SCIENTISTS AND ENGINEERS	TECHNICIANS
Africa	1,7	0,4
North America	13,4	4,1
South America	3,3	10,1
Asia	2,9	7,3
Europe & USSR	24,0	37,8
Oceania	9,3	27,1
World	7,1	12,2

Source : Derived from figures in United Nations 1979/80 Statistical Yearbook

TABLE 2

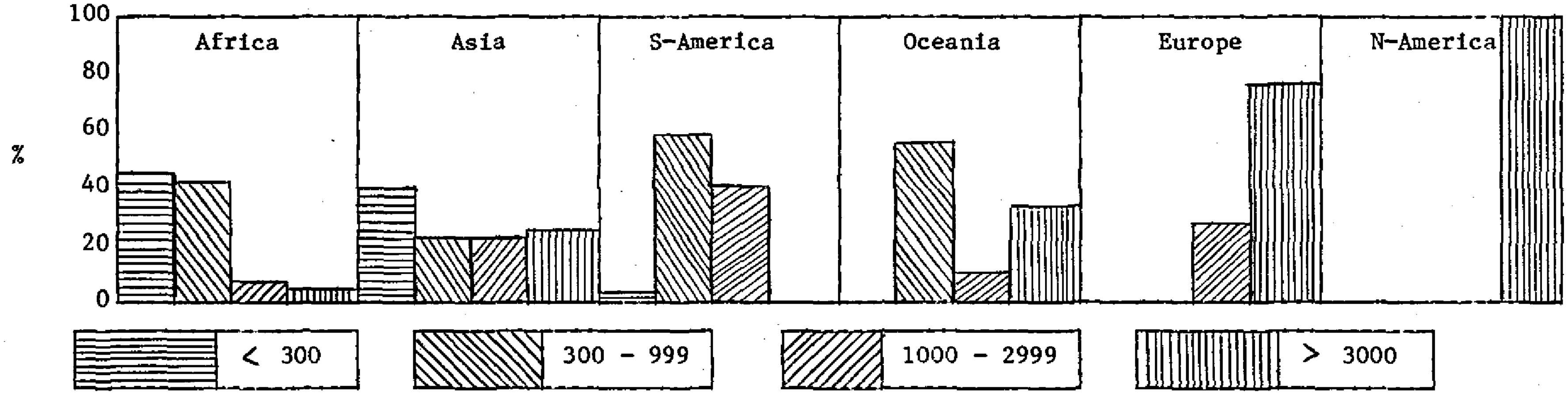
R & D Expenditure as part of World R & D Expenditure

AREA	PERCENT OF TOTAL	US DOLLAR PER CAPITA
Africa	0,58	1,37
North America	37,30	165,66
South America	0,47	1,41
Asia	9,64	4,17
Europe & USSR	51,07	74,18
Oceania	0,94	45,50
World	100,00	24,99

Source : Derived from figures in United Nations 1979/80 Statistical Yearbook

TABLE 3

Comparison of per capita gross domestic product (US $)



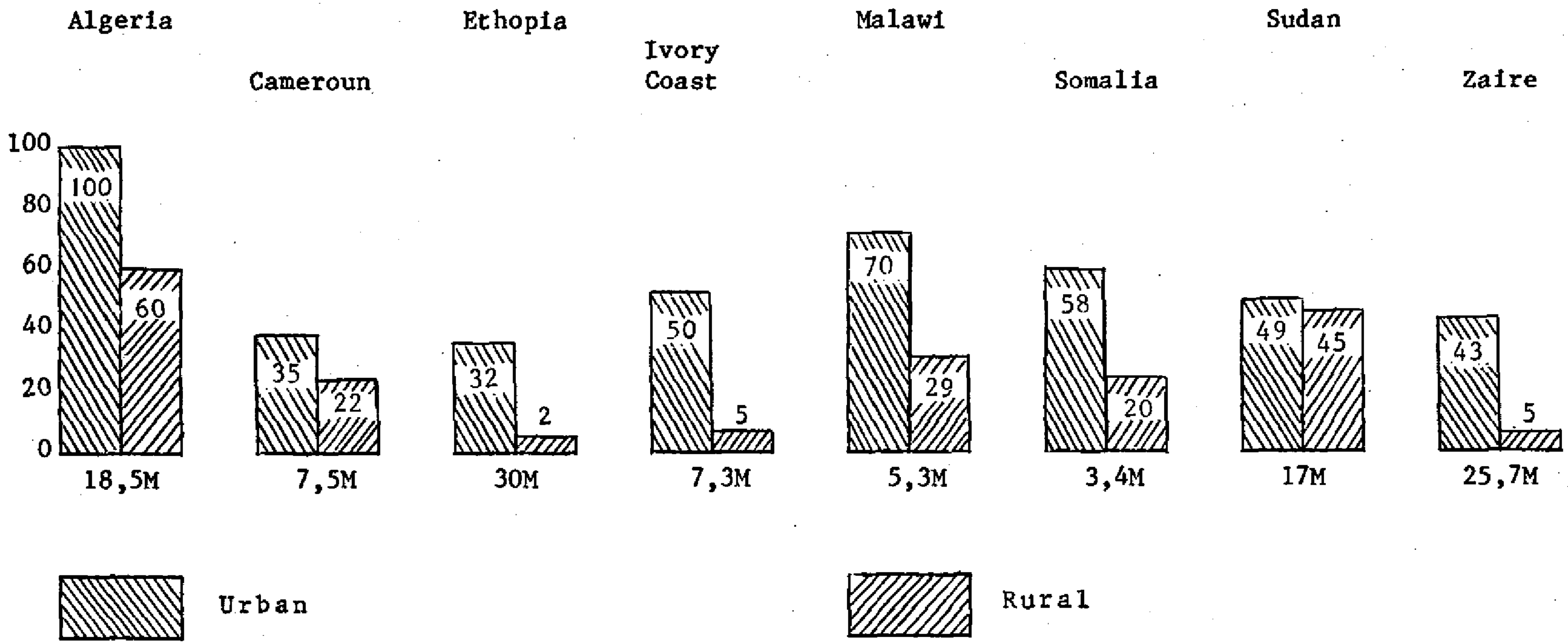
Region	1975 Per capita gross domestic product (US $)				Number of Countries
	< 300	300 - 999	1000 - 2999	> 3000	
Africa	23* (46%)	22 (44%)	3 (6%)	2 (4%)	50
Asia	15 (40,5%)	7 (18,9%)	7 (18,9%)	8 (21,6%)	37
Southern America	1 (2,6%)	21 (55,3%)	16 (42,1%)	0	38
Oceania	0	6 (54,5%)	1 (9,1%)	4 (36,4%)	11
Europe	0	0	5 (26,3%)	14 (73,7%)	19
Northern America	0	0	0	2 (100%)	2
World	39 (24,8%)	56 (35,7%)	32 (20,4%)	30 (19,1%)	157

* Number of countries

Source : United Nations statistical yearbook/1979/80

TABLE 4

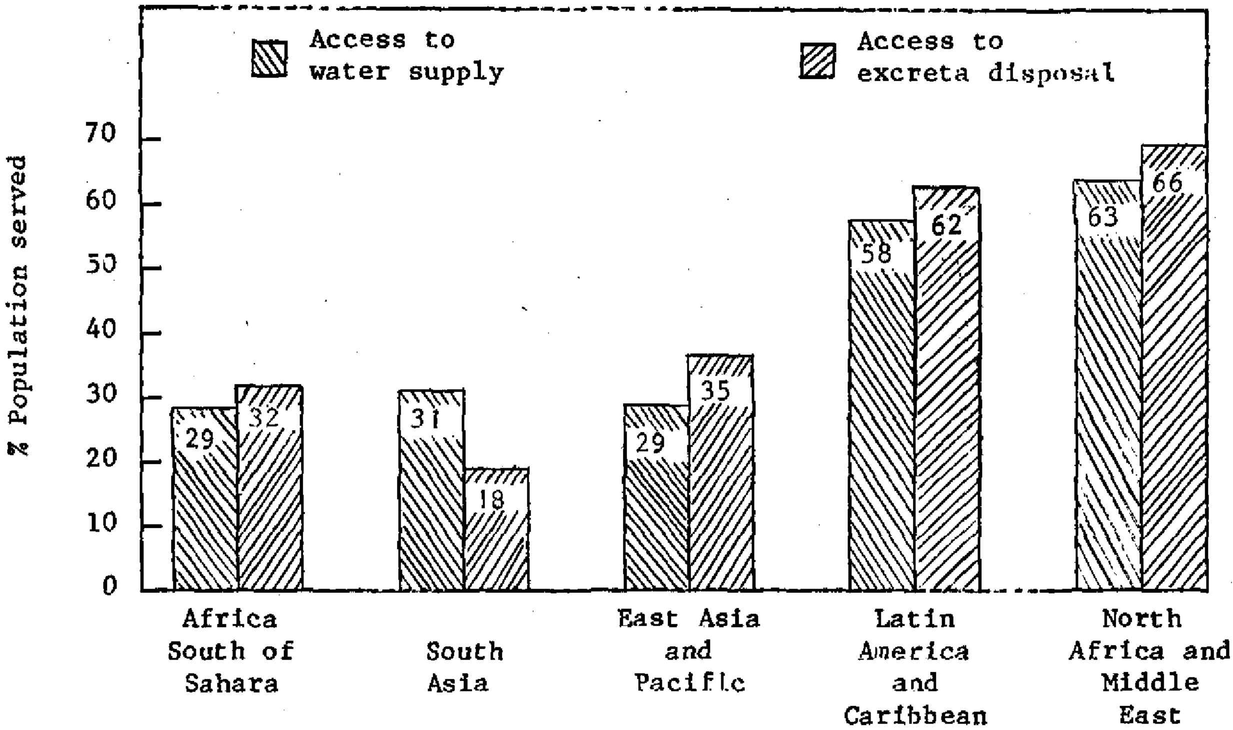
Safe Water in Selected Countries



Source : UN Rapid assessment reports, World Water, December 1978, p.37

TABLE 5

Access to Community Water Supply and
Excreta Disposal Services in Developing Regions.[1]



[1] Regional percentage calculations based on 61 countries for which data was avilable, thus results may be slightly biased.

Reproduced from a compilation of material from two principal sources :

Health Sector Policy Paper, World Bank, 1980

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THE NEEDS OF AFRICA

David Smith

This is such a wide ranging portfolio, that it is diffuclt to know where to start, but I will start from a very humble beginning, because the base of our whole question goes back to the gifts of nature. What are the requirements, what are the aspirations and what are the expectations? These are the questions that I have listened to in many parts of Africa, where I have travelled in recent years, and there is no doubt that there is one basic principal attached to the whole subject and this is the people's contentment. Until one gets this contentment all the other things are of no avail.

I will recollect a young intellectual once saying to me; "If I wish to get over a political philosophy or ideology, there is no use going to my father who is hungry. He has got to be contented. The first question is, 'Son, where is my food?' When food is provided, he then feels contented and says, 'now you can talk'".

This is an interesting subject, because I suppose if one goes back into history, and into my own ancestry, one will find the same pleas or the same causes. There is one great quest in life and that is education. At certain levels I believe that education is a state responsibility. Here I am referring to primary education, but the greatest education in life comes in later years, when one has to learn a trade and decide what one's career is going to be.

I do not feel despondent about the needs of Africa, simply because I have come to understand some of the basic requirements. Nature has provided this great continent with two basic essentials. The naural resources and the human resources. If one looks at natural resources which are composed of earth, sun and water; then human resources which are people, they have expectations, want satisfaction, and contentment. If we can combine these then the needs of Africa will have started to be met.

Let me pose this question. There is one basic commodity which is missing and this is development capital. Again I am not asking for handouts or grants, I believe that there are other ways in which one can approach this whole subject.

If I may digress for a few moments. There must be a master in life, whether it be in the classroom, in business or in the state. The master in the classroom we have all witnessed and we have respected and realised the necessity of the discipline that started that educational road and the training that went with it. We go on into business; I do not have to expound to this distinguished gathering, the necessity of a master in business, because the master either makes or breaks that organisation, and when it comes to the master standing on the bridge of that great ship of state - who has to chart a course, through not only the calm waters but the turbulent seas that lie ahead - I wonder if that course is clearly understood by many of the critics in every nation.

It is simple; if the master of business is able to satisfy his shareholders with reasonable profits, reasonable earnings and a good return on the capital investment, he is content. But let me come back to the base, what are the criteria for becoming master?

One has to learn, one must constantly study one's subject, and one must be flexible - able to anticipate and adjust to change. On this continent changes are fast and furious, at times frightening, but I don't think that we have to be despondent over these questions. We must approach changing times with changing thoughts, with changing ideas.

There are people who propound the private enterprise system. There are those who say there must be a socialist approach. There are others that say you must have the public sector involved in all areas.

We listen these days to the significance placed on strategy. Strategy is nothing really new, it is only forward thinking and planning. We seem to hear the word more frequently these days, but that is because of the speed of events. Heads of the great ship of state have been using strategy for many centuries; they must for the development of their country and its own practical future.

This is where I believe that from time to time we misunderstand each other; the politician, the private sector, the socialistic approach or what ever other approach one recommends. So therefore we have to discover ourselves, we have to analyse. What does this involve? It simply means that the aspirations of populations have to be met in some form or another.

The first fundamental is contentment, which comes back to my theme of "The Needs of Africa" - which is its general development to give people a chance to achieve a dignity which comes from achievement in their choice of employment. Here my remarks will relate to the sub-continent south of the Sahara, an area with which I am more familiar than the whole geographical continent.

This is a young area. It is young not in its geology, but young in its awakening to the impact of external forces upon its people. Speaking in a broad sense, the sub-continent of Africa was never exposed to the tremendous wave of new thinking and new attitudes which swept over Europe in the 15th and 16th centuries. The continent had not been explored and contact from other sources was at least insignificant, and then only on the periphery. I can claim no knowledge of what life was like in those days. One has to rely on the writings of explorers and on one's imagination. In my mind I see Africa in those days as a place where people lived happily together - in accordance with the age-old customs which were never challenged and were well understood. The philosophy of "it was so in the past" was simple, unequivocal and accepted. There would be the blessings and scourges of nature to content with and propitiations would be made. In short, I see the people of those times living simply, by and large content with their lot and not exposed to the ways of those in other countries.

In this day and age of turmoil and constant criticism by nations of each other with little mention of responsibilities, except those to be borne by others - in the atmosphere of fear which seems to permeate our world of today, those far off times seem almost idyllic, don't they?

The wealth of the great continent, unknown to the people, because they didn't need it at that time, was attracting more and more attention. It was only in the last three centuries, that developments in Europe came gradually to be felt in Africa - through immigration, commerce, communication, even though this was slow, through the churches, through adventurers - and so Africa was discovered. Then, in the 19th and 20th centuries, as a result of mineral discoveries and the flood of new settlers as a consequence of wars, people from abroad came in their thousands, bringing with them new ways and new ideas. I venture to suggest that the most important was education. Learning at whatever level soon leads to the asking of questions. The development of a curiosity is one of the most important consequences of education. It is the start of real learning.

It is today that the impact of all these people is making itself felt in so many ways - for better housing, for better clothing, for such things as the luxuries of life. It results in demands for higher salaries and wages to satisfy these wants. The result is the desire for political power. Like other nations, Africa has her pride, the dignity of man. She asks for help, who doesn't in some form or another? Africa is conscious of her economic position and the struggles of a growing and ambitious population - which make it necessary to seek assistance and the development so badly needed, which her natural resources, as I have mentioned before, can maintain when given the tools.

What is the effect of all this? Surely, ultimately, a country must develop and survive on its natural resources? Where the land has lost its fertility and where there is no water, there can be no human life, and here lies the problem. Increasing numbers and the desire for better standards, make ever increasing demands. Mineral wealth can buy food, it cannot itself be eaten. It gives massive employment and adds to the demand being made on our land and water resources. Our society today is a complex one; with no single sector being self-sufficient. There is a spider's web of inter-dependency, but one thing is sure, the final and absolute base on which all rests is land, sunshine and water.

It was William Jennings Bryan who said, "Burn down your cities and leave our farms and your cities will spring up again as if by magic, but destroy our farms and the grass will grow in streets of every city in the country". In us all there is to a greater or lesser degree, a love for the soil. Those who have developed from virgin bush, farm, gardens or in whatever other form have found that love of reproduction, which the soil so freely gives.

So today, we have a burgeoning population on the one hand, and on the other, land which is, in fact, diminishing from a food production angle. I am ignoring any speculation on areas which might be reclaimed from the sea. The demand for land is an ever increasing one. The population is expanding and the output from schools is increasing faster than employment opportunities. Can you tell me of a more explosive mixture than the masses of people seeking work and not able to get it, and having to put aside dignity and seek relief or starve?

Against that background, which I have outlined so amateurishly, I place the greatest need of Africa as development in the agricultural and mining sectors. Commerce, industry, banking you may ask? Yes, at the risk of over-simplification, I would suggest that all these fall into what I call the service sector. They follow naturally behind the two basic ones of agriculture and mining. The development and wealth of these will govern the development of others.

How best can this be achieved? Every economist will have his solution, and no doubt they will be convincing. I don't profess to be an economist. If anything, I would like to be known as a realist. And as a Scot, a Scot will dare all, therefore I will venture my ideas upon you.

First, land is finite in area. It belongs to no man forever. Nor has any man the right to say, "this is my land, I can do what I like with it". It has to suffice all men for all time. Therefore the privilege of owning is for a limited period. The occupation of land must be tied to a firm conservation system and it must also be productive. It is here that I must remind my audience that not all men can make the land yield a harvest. I therefore am an advocate of land settlement schemes, coupled with irrigation, but it must be done under the authority of a master. These schemes must include all the auxiliaries that go with them. A country must do all it can to be at least self-sufficient in food, otherwise all these other parables I have quoted will go by the way.

Africa is not well placed as far as dependability on seasons go, and you must all be only too familiar with the problems of those areas where starvation has become almost endemic. Some will no doubt point out the failure of such schemes but in a moment I will point out to a success which I am confident can be repeated.

Secondly, and this I believe, is the most fundamental of my whole address : Land without water is of little use. Development of our water resources and the protection of catchment areas is essential, and even in the greatest drought that one has witnessed in the African continent, vast quantities of water find their way into the oceans of the world.

So it is here that we have to find out more about the use of water. I often wonder if we are not profligate and cannot learn much from others. When one thinks of many of the great schemes in other parts of the universe, consider the amount of money that is spent on putting man on the lunar system and relate it to money spent per capita on five litres of water, there is no comparison.

Here is an area which must not be neglected, and that is the recycling of water. I would also say quite unequivocally that water is the most valuable asset that a nation can have, it is in fact liquid gold, and therefore it must be paid for, and in order to redeem its value, it must also be used properly.

This leads me to my third point : Education in the utilization and the use of our natural resources. In this context I mean the teaching of people to use land and water properly. Agricultural schools and colleges are excellent institutions, but an awful lot can be taught through extension services, both government and private and through field demonstration. Seeing is believing - much can be done at little cost.

There are huge areas of land in Africa which, with water and transport access, can be made productive, and which could absorb hundreds of thousands of agriculturists. I cannot hold out hopes of all of them being successful, but I can see a decent and dignified way of life for many, and through that a stability which we all so earnestly desire. One cannot do this on a piecemeal basis, it has got to be blitzed, and done under the eye of the master, on a properly based development scheme through an authority system. All other developments will follow naturally - and if I take an example, in which I have been most involved, it is the creation in Zimbabwe of the town of Chiredzi, which grew up behind capital investment coupled with settlement schemes. I assure you, the success of such a policy is there for all to see.

You may have noted that I have not stressed the importance of social services. They are most important, very much so, but they are more of a long term nature. Let us get the essential shorter term economic requirements properly established. Through them wealth can be created to build up the other requirements. This will take courage, time and patience because the pressures for other services are indeed strong.

One of our main problems - and it is not confined to Africa alone - is to ensure that as far as one can reasonably do so, what funds are available are properly and efficiently used.

Here one comes in touch with administration in both public and private sector, at all levels. We can have objectives, we may have funds, we cannot scatter them to the winds. Find and get and hold efficient men, administrative, technical, professional and the problems fade away. Train them, import them, but get them and keep them.

So I come to the end of the theme, The Needs of Africa. There are indeed needs without number, beyond which any country or continent can achieve in the relatively short term. My belief is clear. Deal with the fundamentals, make them healthy, and most all else will fall into place. The most important need in the future of the African continent will be food, and if we cannot provide the food then the responsibility lies upon us, who are of this generation, and against that background some of the thoughts that I have brought forward are relevant with a massive population, with irrigation systems, with a proper development plan. I leave the thought of how this could well be achieved. It has been done before, and I can assure you it can work successfully. In the form of a revolving development fund, where these great tracks of alluvial land could be developed, in the harnessing of the water resources. The sunshine is adequate. We have the human resources and all other things will flow and follow on. The secondary industries will be created, therefore the future in the industrialised sector will start to expand from that initial development.

I have a vision for the future of those great catchments and give as an example in Zimbabwe, the catchment from the Eastern district to the Mozambique border where a vast area of alluvial soil is ready to be developed, provided the harnessing of our water resources is undertaken.

If we don't initiate something positive in a form whereby we can satisfy these aspirations, create that contentment, in a peaceful way, then I see great difficulty in following through the other requirements, which so many people would like to see.

B. FOREIGN INVOLVEMENT : THE ROLE OF INTERNATIONAL COMPANIES AND GOVERNMENT ORGANISATIONS

MULTINATIONAL CORPORATIONS AND AFRICAN DEVELOPMENT

John Sewell

It is common knowledge that most of the African countries emerged from colonial rule only about two decades ago. As relatively new independent countries, therefore, they are in the process of building viable nation-states and of beginning the long process of economic development. The task is not easy. Africa's governments took office in countries with traditional economies and rich cultures but in most cases with only a small modern sector. They are faced with a host of social, economic, and political problems that are, in many respects, different than those faced by nations which achieved independence earlier. Border disputes and ethnic rivalries are common. Governments have been preoccupied with maintaining national unity and the sanctity of frontiers and often they have not been

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This article draws heavily on the work of my colleague, Amha Selassie. The views, however, are my own and do not necessarily represent those of the Overseas Development Council, its Board, or staff.

able to give priority to economic issues. Moreover, in some countries, resources that could be employed in economic development have been diverted into military spending.

Many of the African countries have similar historical and colonial backgrounds, parallel economic and political goals, and identical social and developmental problems. They are basically agrarian societies with a low level of industrial development. The majority of the people are poor and a substantial number suffer from hunger and malnutrition. Most of the people live at a subsistence level and few are part of the money economy.

A sizeable percentage of the population is illiterate and there is a chronic shortage of trained and skilled manpower. Only a small proportion of the population is urban and few have access to basic services. Almost all of the nations receive their export earnings from a limited number mainly agricultural of primary commodities. In addition, most African countries remain heavily dependent on foreign aid for needed investment capital.

However, there are considerable differences among African countries. Some, like Nigeria, are big and have large populations while others, such as Djibouti, are very small in area and population. There is also a great disparity in their resource endowments, in their relative rates of growth, and in their approaches to development. The difference between mineral rich Gabon and poor Chad, between Ivory Coast and Equatorial Guinea is self-evident. Furthermore, their economies have different degrees of openness and they are different in their social philosophies, political systems, and ideological orientations.

Generally speaking, in the last twenty years, economic development in Africa has been painfully slow. Many of the countries remain poorly integrated into the international economic system and the various development strategies adopted have, in some cases, unfortunately led to stagnation and decline. Social progress has been limited and Africa's share of the world market has been failing. Particularly during the last decade, the situation has deteriorated further. Whether measured by per capita GNP growth or output per person, agricultural and food production or level of industrialization, balance-of-payments accounts or foreign exchange reserves, external indebtedness or export earnings, the economic situation leaves much to be desired. For example, as the World Bank recently pointed out, between 1960 and 1979, the annual per capita income growth in 19 countries was less than 1 per cent per year while a few countries (such as Kenya, Malawi, and Ivory Coast) recorded an average annual growth of 2,7% per cent. And during the 1970s, 15 other countries had a negative rate of growth of per capita income. The development problems have been caused by both internal and external factors, to which I will return later.

I would like to emphasise first, however, that the situation is not hopeless. Despite frustration with the rate of economic progress, there has been social progress on many fronts. As a World Bank report on the economic conditions in Sub-Saharan Africa points out, in the last two decades the educational level has improved considerably, health services have expanded and life expectancy has increased, new basic physical infrastructure (particularly roads and power plants) have been built, governments have provided more services, technical and managerial skills have developed, resources have been mobilized on an unprecendented scale, and attempts have been made to increase the participation of the people in the development effort.

Even so, Africa's economic performance lags behind the rest of the developing world as a result of factors which are geographic and historical, economic and political, and internal and external. Climatic conditions had historical backgrounds in particular have shaped and greatly influenced the economic conditions that the continent faces today. The prevalence of large arid and semi-arid areas, inadequate rainfall, infertile soils, endemic diseases, and problems of language and communication have hampered economic growth. The frequency of border disputes, ethnic rivalries, and violent internal conflicts in countries such as Nigeria, Ethiopia, and Zaire have undoubtedly helped slow development progress. The predominance of subsistence production, the fact that a large percentage of the population is rural, illiterate, and outside the modern economy, the lack of trained and skilled manpower, the absence of essential infrastructures and the inadequacy of research facilities have put obstacles to economic growth and social progress. Lack of sound government policies has also contributed to the continuation of conditions inimical to growth.

In addition to the internal problems, the economies of African countries have been greatly affected by external circumstances beyond their control. Particularly in the 1970s, the doubling and tripling of oil prices, persistent worldwide inflation, sharp increases in interest rates, and recession in the industrialized countries added greatly to the economic problems of the continent. Furthermore, at the very time when African countries badly need more resources from outside, their terms of trade have been deteriorating and the prospects for increased assistance from official and private sources have been curtailed.

The Economic Outlook

It is clear that in the present situation African countries cannot achieve rapid growth rates. If the present circumstances persist for a long time or if the countries fail to take appropriate measures, economic development in Africa is likely to be very slow for a long time to come. In fact, the World Bank projects that there will be scant growth in per capita income in the majority of African countries in this decade. This means that in the years ahead, many Africans will have to expect an absolute worsening of their living conditions.

This is unacceptable to the countries concerned as well as to the international community. The situation, generally, is not hopeless and concerted efforts should be made to improve it. With the assistance of the industrialized countries and international organisations, and through some new policy initiatives by the governments, I believe that the development prospects could be improved considerably.

Africa is a development challenge to the industrialized nations. The developed countries in general and my country, the United States, in particular, should realise the degree of the challenge that Africa presents and extend their assistance to the continent. They should join hands with African governments in solving the economic problems that the continent is facing. It is true that the African countries have to do a lot more for themselves. However, without substantial aid, there is little that they can do to bring about substantial solutions to the problem.

Many experts believe that these countries have to make basic structural adjustments. They have to re-think their development strategies, introduce reforms, restructure their economies, and make hard decisions in redefining their priorities. In particular, the African countries have to find ways to reduce their chronic balance-of-payment deficits. Many of them cannot afford to continue deficit financing for a long time.

Basically, these countries can reduce the level of their serious deficits by reducing their imports and/or increasing their exports. As many of these countries are already importing at a very reduced rate, however, there is not much room for further reduction without cutting back on necessary imports. And if these necessary imports are cut not only will long-term development objectives be undermined, but it may also lead to political instability and social destabilization. Imports will have to be kept at levels which will permit the maintenance of reasonable rates of economic growth. These countries, therefore, must do everything in their power to increase their exports. Unfortunately, given the recession in the industrialized countries, the prospects for increasing exports in the short- and medium-term are not that good. Nevertheless, in the long run, the objective of the African countries should be to raise substantially their exports. In the meantime, it is likely that the adjustment process will be rather hard and long.

African countries, thus, must adjust their economies to the problems they face in the international environment with minimum loss of economic growth and social progress. If the price of oil rises again in real terms, if global inflation is not reduced substantially, if the trading environment is not kept open, and if development assistance is not increased significantly, the prospects for growth are not bright. At a time when it is difficult to mobilize resources on market terms and when concessional capital is scarce, the African countries will have to find other ways to attract more resources. An obvious alternative is to encourage multinational companies to invest in Africa.

I would like to make it clear from the outset, however, that in the African context private investment, even under the most optimistic circumstances, cannot substitute for development assistance. As a matter of fact, African countries are going to need more, not less, aid. The continent is faced with very serious development problems that will require the generous and active help of the industrialized countries.

Before discussing the prospects for increasing multinational investment in Africa, let me briefly review the problems that commonly arise in the relationship between multinational companies and developing countries.

Multinational Companies and Developing Countries

For a long time the relationship between multinational companies (MNCs) and the developing countries has been characterized by a love-hate relationship. While both the MNCs and LDCs saw mutual advantages in working together, both sides remained suspicious of the intentions and objectives of the other. The involvement of the MNCs in the developing countries, therefore, has, by and large, been controversial.

The expansion of MNC activities in Africa took place at the very time when many countries were emerging from colonial rule and consolidating their independence. It is not surprising, therefore, that the multinationals have drawn the suspicion and hostility of those countries eager to develop a strong national identity free of outside control and influence. No wonder, also, that some observers in the developing countries see the MNCs not only as a threat to their sovereignty but also as a likely new instrument of new foreign domination.

In considering the benefits of foreign investment, governments are faced with a dilemma. On the one hand, they recognise that multinational companies with their much needed capital, technological capabilities, managerial know-how, and marketing skills can contribute greatly to their development efforts. On the other hand, they are aware that MNCs may not follow government policies, that their priorities may not fall within the priorities of the government, and that they may in certain instances have adverse effects on income distribution, balance-of-payments, and on fiscal and monetary policies. Given their limited experience and bargaining power, the smaller and poorer countries are even more vulnerable to this dilemma.

To be fair, many people in the home countries of the multinationals also do not support the idea of investing abroad. Organised labour argues that investing in other countries takes jobs away from nationals, and government is not entirely comfortable with companies investing in other countries. Home country governments have learned, among other things, that multinationals can create problems for national fiscal and monetary policies, that they can distort trade patterns, that they can avoid taxes, and that they can create problems of extraterritoriality.

The multinational companies are critized, fairly and unfairly, for many reasons. One of the most common criticisms is that they take out of a country much more than they put in. Ths is usually calculated by comparing the net flow of profits from a host country with the inflows of capital from the multinational to the host country. But supporters of foreign private investment argue that this analysis does not take into account the many contributions of the MNCs. They contend that such an argument fails to include the effects of the activities of the multinationals on export promotion and import substitution and their impact on efficiency and the foreign exchange position of the country. Moreover, it does not account for other packages of resources that they bring in with them. It ignores, they say, their contribution to labour in terms of higher real wages and training, to consumers in terms of better quality products and lower prices, and to the government in the form of higher taxes and revenues.

Critics of multinationals also maintain that foreign firms usually finance their operations by borrowing in the local market, thereby reducing their capital contributions to the local economy and depriving local firms of their only source of finance. This, MNCs again argue, tends to ignore other benefits that they offer. It basicaly neglects the fact that MNCs help promote local firms by creating new business, by promoting the utilization of new resources, by creating economies of scale, by introducing new technologies, and by encouraging competition. Although it may be difficult to measure all these benefits in money terms, MNCs caution that it should not obscure the multiple contributions of foreign investment.

Furthermore, MNCs are accused of transfer pricing by manipulating income in different countries, of distorting local economies, of failing to promote exports, of using capital-intensive technology in labour surplus countries, of distorting traditional values and institutions, of skewing income distribution, etc. In short, it is alleged that MNCs are not closely integrated with local economies.

MNCs for their part complain that host governemnts do not appreciate the risks they are taking and the problems posed to them by the threat of nationalization. They deplore the fact that governments change the rules and regulations at will without due regard to the interests of the companies, that contradictory government policies usually create confusion and waste, that host-government officials are sometimes corrupt and that MNC contributions to development are not recognized.

Under these circumstances it is not surprising that the relationship between multinational companies and many developing countries has been marked by strain and conflict. Many people in the developing countries view the MNCs as basically exploitative and thus want to regulate their operations. Indeed, MNCs are often seen as a threat and not as partners in the development effort. The MNCs, on their part, have tended to see many of the developing countries as unstable and unpredictable and have been reluctant to invest in many of them. Many also feel that government regulations frequently discriminate against them.

Although the tension remains and the rhetoric against MNCs continue to be heard in many quarters, it is becoming evident that both the host countries and the MNCs have undertaken various steps that will promote mutual understanding and accommodation. Many host governments have learned how to work with MNCs and have developed the skills and confidence that enable them to deal with foreign companies. The MNCs for their part have become more sensitive to the wishes and aspirations of the host countries. They have learned to live with more assertive and aggressive host governments and have shown a greater readiness to accept the conditions imposed on them. MNCs have generally become more flexible and pragmatic and have become more willing to enter into innovative technology transfer and ownership arrangements.

Multinationals in African Development

Africa is a big continent with huge natural resources and large, known mineral deposits that are awaiting development. The African countries are determined to lift themselves out of their under-development and the governments are committed to economic growth and social progress. Not so long ago, the Heads of State and Government of the African countries have, in what has come to be known as The Lagos Plan of Action, charted out comprehensive plans for the economic development of the continent. Among other things, The Lagos Plan of Action calls for the rapid development of the food and agricultural sectors, for the exploitation of natural resources, for the development of science and technology and for the creation of a sound industrial base that will be able to produce two percent of world industrial production by the year 2000.

In their efforts to develop their economies African countries need all the assistance and support they can get from the rest of the world. If their development plans and programmes are to materialise they have to get various additional resources from abroad. They particularly need the support and assistance of the public and private sectors of the industrialized countries.

At a time when official aid and technology assistance programmes are being cut considerably, the multinational corporations could help generate part of the massive flow of capital and technology which is needed by the African countries. Given the current unwillingness of the developed countries to increase aid and given the situation in the international capital markets, African governments are also likely to prefer equity over debt as a source of capital. Foreign investment, therefore, can and should play a much greater role in African development.

Many African governments realize that foreign investment by the private sector can greatly contribute to better economic performance in Africa. Various African governments view foreign investment as an important factor in their development efforts and have shown willingness to negotiate any reasonable terms for investment with significant development impact. The multinational company, because of its capacity to move capital, technology and knowledge across national boundaries, is a crucial factor in international economic relations and African countries now seem more eager than ever to make use of it.

Countries like the Ivory Coast, Nigeria, Kenya and Malawi, to mention a few, have a good record in working with multinationals. Even Marxist governments have shown interest and willingness to work with foreign investors. The Angolan case is well-a known example. Recently, even President Sêkou Touré of Guinea has changed his mind about foreign investment and has began a campaign to attract multinationals to invest in his country. And contrary to the earlier expectations of many people, Zimbabwe, too, has gone to great lengths to attract foreign firms.

For historical reasons, the main sources of foreign private investment continue to be the former colonial powers. For example, while the French dominate foreign investment in Senegal and Ivory Coast, the British are the main investors in Kenya and Nigeria, and the Americans in Liberia. In the past few years, however, investment interest on the part of American, Japanese and other West European companies has increased markedly.

Foreign direct investment in Africa is relatively small and American investment is even smaller in relative and absolute terms. In 1980 US investment in Saharan and Sub-Saharan Africa amounted to about 3,7 billion or 7,1% of the total US investment in developing countries. By comparison US investment in Latin America was 38,2 billion, in Central America 10,1 billion, in Asia and the Pacific (excluding the Middle East) 8,4 billion and in South Africa 2,3 billion. A substantial percentage of the investment is in the mineral rich countries mainly in oil production.

To give you an idea of the level of US investment in Africa, let me quote some figures for some countries. The US Department of Commerce estimates American investment in Zaire at more than $200 million (out of more than $1 billion total foreign investment in the country); in Kenya at about $315 million, with over 200 firms represented; in Ivory Coast at about $160 million out of a total of foreign investment of about $500 million; in Zambia it is approximately $90 million, with a large part of it invested in the copper mines; and in Cameroon at about $40 million, with over 50 US firms operating wholely owned subsidiaries or as partners with local firms.

These low figures indicate that there is much room for more US as well as European and other foreign investment in Africa. Such level of investment in comparison with the resources and oportunities that Africa offers is too small and too dispersed. Quite understandably the investment has been concentrated in those countries which are endowed with important natural resources and in those that have market economies. It must also be noted, however, that while the investment is small in comparison with other countries, from the point of view of the host nations, the share of such investment in the local economy might be substantial.

Although investment in African countries has not been growing at a desirable rate, on balance, the overall importance of private direct investment is growing. Many African countries have been working hard to attract as much foreign investment as possible.

In many countries, like Gabon, the Ivory Coast, Kenya, Cameroon and Zaire, foreign investors operate on an equal basis with national firms. Depending on the size of investment, its relevance to national economic development, and the extent to which it falls within the priorities of their development plans, governments have shown the willingness to give generous incentives to encourage and promote private investment.

Many governments, for example, guarantee free transfer of capital including profits and funds generated from sale or shut down of business. They offer tax holidays and also duty-free entry of capital goods and raw materials, tariff protection for some industries, the free choice of suppliers of goods and services, in some cases, the renewal of operating permits, and they guarantee the entry and movement of personnel.

The governments also provide industrial property and copyright protection and many are signatories of the Convention of the Settlement of Investment Disputes between States and Nationals of other States.

The international banking system is also a source of additional foreign capital. Although many of the African countries may not for some time to come be creditworthy and may not afford today's high interest rates, one should not dismiss the fact that African countries can make greater use of commercial financing. Granted that given the present unusually high interest rates, the uneasiness of many bankers to increase their exposure in the developing countries, and the shrinking OPEC surplus, the prospects in the immediate future for increased borrowing by African nations may not be that bright. Nevertheless, in the long run, I believe that the private banks can play a greater role in providing crucial resources to some African countries. Either by lending directly to the governments or by financing the operations of MNCs, the international banking system can contribute toward easing the economic problems of the continent. Even in the smallest and poorest countries where the banks may not be a major source of finance, the various financial services that they provide could prove crucial. African countries should learn to cooperate with international banks in ways that are supportive of national development goals. They have to take advantage of the ability of the international banks to mobilise resources located in many countries.

Roles of the Host and Home Government, MNCs, and International Institutions

Africa's development requirements call for a coordinated and cooperative effort by the public and private sectors as well as international organisations. Not only can they work together to promote economic growth, but they can also strengthen and complement each other's efforts. Here I will try to outline some of the things that each sector can do in order to increase the prospects of higher foreign private investment in the continent.

Host-Governments

In order to attract greater foreign investment there are certain things that African countries must do. Some of the things that the governments have to do and some of the incentives that they have to offer, in my opinion, are the following :

* Since the soundness of the host country's economic policy is one of the main things that multinationals take into consideration before making investment decisions, African countries have to put their houses in order. They have to make the necessary structural economic adjustments, and they have to adopt more suitable trade and exchange policies, and do a host of other things that would increase the confidence of potential investors.

* Since the difficulty of reconciling national plans and the objectives of multinational companies might arise from a failure of governments to provide clear and adequate guidance for the activities of the private sector, African governments should clearly state their plans and goals and inform the multinationals on how they can effectively contribute to the development effort.

* Since most of the African countries have small populations and GNPs they may have difficulty in attracting big investors. Thus, these countries should continue their efforts to group themselves into regional and sub-regional economic units. The question of economic viability is important to the investors, as it is to the countries themselves. Regional free trade arrangements, therefore, could help induce potential investors to start business to serve the regional markets. I am encouraged by the fact that in the Lags Plan of Action, the African Chiefs of State call for the creation of regional economic units.

* Since the arbitrary and unpredictable application of a country's rules and regulations serve as a disincentive to potential investors, African countries should attempt to establish a record of fairness and predictability. Everybody, including multinational compaies, knows that host country policies will have to change as circumstances change. But when changes are made multinational companies expect that governments will take their interests into consideration. Governments must avoid changing the rules of the game at will.

* Since either the host-government or the foreign company might want to re-examine and re-open the terms of a contract and to make contractual changes over time, it will help to include in the original contract procedures for renegotiation under certain circumstances.

* Governments should treat foreign companies and national firms equally. Governments have the right to choose the area in which multinationals may operate (for example, they might not be allowed to work in the defense industries), but should not discriminate against foreign firms once they are permitted to start business.

* Multinational companies recognise that governments have the right to nationalise private property but they expect prompt, adequate and effective compensation in the event they are nationalised. To avoid problems that are usually associated with expropriation, therefore, it will help to include in the investment agreement provisions that will clearly define the compensation procedures. Provisions that allow for international arbitration and other dispute-settlement procedures will improve the investment climate considerably.

* Although various incentives may attract foreign investment, multinational companies are aware that the situation may change once they invest in a country. Foreign investors are aware that their security depends more on the goodwill and understanding of the host-government than on specific laws and regulations or any incentives. African government should make the effort to promote this goodwill.

Home-Governments

Home governments are also in a unique position to promote private foreign investment in Africa. They can provide information to their companies on investment opportunities in different African countries, provide incentives such as tax breaks and low interest loans, and provide various kinds of guarantees and investment insurance schemes.

Since private investment is an important aspect of the transfer of resources to developing countries, and since the industrialised countries are interested in promoting the development of such countries, providing inducements for foreign investment should be a priority. Particularly at a time when official assistance levels are dwindling, home-governments need to make an extra effort to encourage their multinational companies to invest in Africa.

It must also be noted that as there are a lot of crucial economic activities that the private sector, by its very nature, would not or could not undertake, the public sector in many of these countries is likely to play a key role in their economies. The public sector will have to provide what economists call public goods, that is, the necessary public investment and provision of services without which an economy cannot function. These services are the essential precursor of private sector activity, and the size of the public sector should not necessarily be seen as a measure of a country's disposition toward foreign private investment.

Multinational Corporations

Likewise, there are certain things that the multinational companies should do in order to facilitate their relationships with host-countries. Among other things :

Although MNCs have their own operations patterns and corporate goals, they should make the effort to understand the plans, programmes, and priorities of the host-government and, as much as possible, try to contribute to the development effort.

MNCs should make the attempt to select relevant and appropriate projects and technologies that fit the resource endowment and development priorities of the countries in which they operate.

MNCs should make a clear effort to reinvest part of their profits in the host-country. Such an effort will help minimise the suspicion that foreign companies usually take out much more than they put in.

MNCs should make the effort to find alternatives to the traditional investment patterns and be willing to enter into different innovative arrangements with host countries. In circumstances where direct investment may not be appropriate or is not likely to work, for example, joint ventures, service, contracts, production-sharing agreements and other arrangements could help.

MNCs should also make the effort to employ host-country nationals as managers and technical personnel. Besides, they have to try to establish R & D facilities and train local personnel.

Multilateral Institutions

The World Bank, the African Development Bank, and the International Monetary Fund can help African countries harness their indigenous private sectors as well as attract foreign investors. The World Bank, for example, can help African countries finance infrastructural development projects, help finance crucial imports and provide funds that will be used for structural adjustment. Countries that have adopted and will adopt policies that will lead to a fundamental restructuring of their economies will require more funds that can only be provided by institutions like the World Bank. Fortunately, the World Bank has recognised the magnitude of the economic problems that African nations face and has planned to substantially increase its assistance to Africa.

The International Monetary Fund (IMF), too, must continue to provide funds to finance the expected large balance-of-payments deficits and for the implementation of structural adjustment programmes. IMF loans and stand-by arrangements can help ease the economic problems of these countries and increase the confidence of foreign investors.

If, with the help of these institutions, African countries manage to restructure their economies and put their economic houses in order, they will improve their chances of attracting foreign investment.

Th World Bank can also further strengthen its efforts to promote co-financing and encourage private sector investment. The activities of its affiliate, the International Finance Corporation (IFC), has been especially important. The IFC has been engaged in lending to, and taking equity in, private sector projects that are relevant to development. In 1981, for instance, the IFC made an investment of more than $100 million in African countries south of the Sahara. The World Bank estimates that this $100 million has helped generate private investment of a total value of about $700 million. In addition to providing loans and equity capital, IFC involvement helps minimise the risks of private investors and provides additional crucial incentive to promote investment in Africa. The IFC involvement indicates that, with appropriate policies, international agencies can help expand private investment opportunities in the developing countries.

The World Bank's activities in the settlement of investment disputes have been helpful and should be expanded. Its International Centre for the

Settlement of Investment Disputes (ICSID) is an important mechanism for arbitration, conciliation, and fact-finding. Such arrangements could help allay the fears of potential investors and serve as an additional incentive to draw private investment.

Furthermore, since lack of information is an important obstacle to investment in Africa, the various studies and analyses of countries and projects that are undertaken by the Bank and the Fund can provide crucial information to potential investors.

Other UN bodies can also provide valuable informaton and services to the African countries. The UN Centre on Transnational Corporations (UNCTC) and the UN Industrial Development Organisation (UNIDO) are particularly relevant.

The UNCTC, for example, can help strengthen the negotiating capacity of African countries in their dealings with foreign investors. It can help in training people, in developing laws and regulations that govern multinationals, in screening and selecting foreign firms, in putting incentive mechanisms into place, and in providing essential legal and technical services. It can also provide information on specific companies, on groups of companies in a given sector, or on various alternative investment arrangements. Moreover the Centre's help and support in identifying foreign investment opportunities and in drafting agreements could be crucial.

UNIDO can also aid African countries by providing information on the kinds of alternative technologies available, by helping select the appropriate technology, and by assisting in formulating the terms of technology contracts. Such help from specialisd UN bodies can prove to be of great significance in the African countries' effort to attract and select foreign investors.

Conclusion

Africa has tremendous natural resources, a potentially big and growing market, and a promising future. The short-term problems should not obscure the fact that Africa has a great potential for foreign investment. Up to now the level of foreign investment has been very small. As I said earlier there are many African countries that are willing, indeed eager, to establish mutually beneficial relations with foreign enterprises. Foreign investors should seriously consider investing in Africa and should make the effort to identify suitable investment opportunities.

Further, multinational companies should make an effort to understand the history, values and philosphies that shape the motivation and form the political outlook of the countries in which they want to invest. The growing interest in international political risk analysis that some firms have recently begun to adopt is encouraging. Such activities surely will help dispel misunderstandings, facilitate communication and help reduce risk and vulnerability.

The relationship between developing countries and multinational corporations is not a zero-sum game; a gain for one is not a loss for the other. It can be, and should be, a mutually beneficial relationship. Multinational companies can greatly contribute to the development of African countries. The challenge is to be able to use the MNCs to one's advantage and to make the best out of the relationship.

In a world where MNCs are mobilizing resources on a global scale, African countries cannot afford to neglect their ties with foreign firms. they need much of the resources that the private sector offers. Most of the technology that is required by African countries, for example, is developed, owned and controlled by MNCs, and it is very costly and very difficult to acquire it from other sources. What is more, the MNCs do not only offer financial capital and technology but also a host of other resources that are essential for development.

The African continent, on the other hand, offers great investment opportunities for foreign firms. It has huge resources and a growing market that should be attractive to investors. Many of the governments are also willing to work with foreign investors and are ready to offer guarantees and incentives. They can use the services of multinational corporations now and the future potential is great.

The African countries and multinationals should make the effort to establish mutually beneficial relationships. Both sides should take the necessary steps that will allay their mutual suspicion and reduce any misunderstanding. Problems might arise every now and then, but given the sophistication and experience that both sides have acquired, I am confident that they can be solved. If both sides have the interest and goodwill they can overcome obstacles and avoid conflicts.

The opportunities are there for investors from all countries. There is particularly a great potential for South African investment. If it were not for the political problems, South Africa and the rest of Africa would have greatly benefited from a mutually-advantageous and useful relationship. African countries can use South African capital and technology, and South Africa can prosper from doing business with the rest of the continent. I hope that sooner or later the two sides will find ways to resolve their differences and begin to develop constructive ties.

I must hasten to add, however, that I realise that in the short-run the global economic condition is such that we cannot expect a massive increase of foreign investment in Africa. Given the recession in the industralised countries and given the unusually high interest rates, many corporations will have a difficult time raising money for foreign investment. Even those who have the cash will be tempted to put their money in the banks where the return from interest rates rivals any prudent rate of return from many foreign investments.

This situation, I believe, is bound to change when the economic conditions in the industralised countries improve. It is hoped that the economies of the developed countries will pick up soon and with it the level of foreign investment in Africa.

INTERNATIONAL ORGANISATIONS AND THE DEVELOPMENT OF AFRICA : A EUROPEAN PERSPECTIVE

Albert Bressand

Africa, the Last "ODA" Continent

The 1970s have witnessed a substantial decrease in relative terms of the role of international organisations and aid agencies in two of the three continents of the Third World. The exception is Africa. And the issue is now whether official development assistance of all sorts will remain available at present levels and, even if it does so, whether those external sources of support will be proportionate to the difficulties now confronting the continent.

Whereas the more advanced countries of Latin America and Asia were able gradually to substitute access to international capital markets and to foreign export markets for reliance on official developmentt assistance (ODA), only a handful of African countries were able to do so during what appears in retrospect to have been a much more favourable period of rapid development. Twenty of the thirty so-called "least developed" countries are situated in Africa, and official development assistance is bound to remain an essential link with the world economy.

The problem in the 1980s is likely to be compounded by the acute economic and financial problems now facing the few middle income countries which had managed, like the Ivory Coast, to achieve high growth rates. Plummeting commodity prices and rising debt service ratios are already compelling them to dramatic downward adjustments, more often than not under some form of international supervision. Even the recent oil-based wealth of the few African members of OPEC (Nigeria, Gabon, Algeria; and to a lesser extent Libya) is beginning to appear as much more fragile than anticipated as the world recession makes its impact felt on the oil market also. Only those countries which have been able to combine a strong agricultural base with sufficient energy resources and some form of economic and political prudence appear in a relatively favourable situation. Cameroun is one of the very few examples coming to mind.

Furthermore, the development of Africa can only become the overarching objective which it needs to be, once the various political, social and military sources of destablisation presently gathering strength have been brought under a modicum of control, a prerequisite which also calls for some type of international co-operation.

Both Africans themselves and experts on African problems are inclining to the view that the continent, which had sought through the Organisation of African Unity (OAU) to preserve stability, is entering into a period of conflict and destabilisation. The sheer scale of the social and economic problems points to the likelihood of breakdown; on the economic front any real chance of improvement is just not on the cards, and for many the situation is frankly catastrophic. Edem Kodjo, the OAU's Secretary-General, was led to declare at the first African Economic Summit in Lagos in April 1980 :

> "The future seems to be without future. And we are blithely told that if things go on in the same way only five to nine of the fifty or so African countries will be able to survive for any length of time. This is indeed an apacalyptic prospect but it reflects better than any speech what lies in store for us ... The very survival of Africa is at stake".(1)

In this increasingly gloomy context, the role of foreign governments and international organisations is bound to be more critical than ever. This is true not only in terms of supplying much needed financial resources but also in terms of the "conditionality" which increasingly accompanies, either at the macroeconomic or project level, official assitance.

Yet, the remedies proposed by the international organisations all too often suffer from a tunnel vision in which all reality is reduced to its economic dimension. In its simplistic zeal the new US Administration has in turn brought its own instant panacea : namely, that the "recipes" for economic success which have shown their worth in the United States, Korea, or Taiwan can be transposed en bloc to Africa. The outward-looking policies frequently advocated often run the risk of excluding whole segments of the population from the development process while the elites continue on the domestic front "to turn a blind eye to these contradicitions and present a picture *of uniform and common poverty to the outside world*".(2)

Sub-Saharan Africa and the World Bank

Africa has long escaped the spotlight of international attention, but today its very underdevelopment has brought it to front of stage. It is particularly significant that the World Bank, which, by virtue of its makeup has tended to direct its attention more toward the Indian subcontinent and Latin America, now places Africa at the forefront of its concerns. In September, 1981, it issued a report entitled "Accelerated Development in Sub-Saharan Africa : An Agenda for Action", written by the Bank's African Strategy Review Group and co-ordinated by the US African expert, Elliot Berg.

Although this report was the outcome of a request by the African governments themselves to Robert McNamara, it immediately provoked heated controversy. "Addressed to adult and responsible nations" in the view of some, it heralded for others the "policies to be implemented by the new US Administration", which was to condemn "the perverse effects of the transfer of resources from North to South". It thus ruffled many sensibilities by laying the blame for development faulures squarely on the economic policies pursued by the African governments. The report was indeed corrected and amended before being made public : it is easy to see that allusions, for the sake of form, to the Lagos Plan of Action (adopted by the OAU in April, 1980), were introduced at the last minute. A minor point, perhaps, but one that reveals how difficult it is for economists to frame recommendations in a political context that, in the last analysis, will determine what is to become of them.

This being said, the Bank's report presents a generally discouraging picture :

Of the world's 38 "low-income" countries, 22 are in Africa. The average annual growth rate in per capita GNP for African countries south of the Sahara was only 0,8% in the seventies compared with 2,7% for all developing countries : the low-income countries even registered a negative growth rate

(-0,3%). The volume of exports fell on average by 3,5% per year.

The human statistics are also grim, since life expectancy at birth (47 years) is 11 years less than for the developing countries as a whole and 27 years less than for the industrialised countries. In 1979 the death rate of children aged 1-4 years was 2,5 times higher for Sub-Saharan Africa than for the developing countries as a whole and 25 times higher than for the industralised countries.

From an international perspective, the danger now is that Africa seems to be headed for progressive exclusion from the world economic system.

In terms of their involvement in world trade, the share of the least developed countries - for the most part in Africa - is likely to remain at its current level of around 1%. Similarly, Africa's share in private capital flows to the developing countries is stagnating at around 4-6% or even declining. With banks and private investors losing confidence in Africa's future, countries are having to rely for their development plans almost exclusively on Official Development Assistance (ODA). But the most worrisome figures are those which show that since their independence non oil African countries have lost 60% of their world market share, far more than non oil developing countries in general.

AFRICA'S SHARE OF NON-FUEL EXPORTS

	Percentage of World Non-Fuel Exports	Percentage of Non-Fuel Exports by Developing Countries
1960	3,1	18,0
1965	2,7	18,0
1970	2,4	18,6
1978	1,2	9,2

Source : World Bank - World Development Report, 1981.

Can Monetary and Trade Liberalisation stop Economic Decline ?

The solutions advocated by the World Bank are centered on letting market forces play a greater role, a recommendation which tends to ignore that the markets have too often worked against Africa. In the absence of structural reforms of the world economy, (commodity price stabilisation notably) one may wonder whether the uncertain economic gains of such policies could offset their very certain social and political costs.

The African countries, says the World Bank report, tend to let official exchange rates become over-valued because of higher inflation at home than abroad. In all but one of the nineteen Sub-Saharan African countries exchange rates rose between 1963 and 1977-78; the increase was more than 100 percent in Uganda, Zaire, and Ghana. The main response to the resulting foreign exchange scarcity has been a policy of import controls backed up by import substitution, except in such sectors as food, capital goods, and raw materials for local industry. This has led to significant distortions at a number of levels. Local production prices are higher than those of imported products and militate against the development of other local industries, agriculture, and exports. Development tends to be geared to import-intensive industry, favouring packaging or assembly-type operations, while domestic industries relying on local raw materials and labour are discouraged. Economic integration within Africa itself is jeopardised by the over-protection of narrow national markets. Lastly, policies involving changes in exchange rates are difficult to implement, particularly for members of the CFA franc zone who enjoy the support of the French treasury and are subject to a common discipline, virtually ruling out individual parity adjustments.

One of the central ideas of the Bank report is therefore that a priority task is to correct the over-valuation of African currencies in order to create the conditions for outward-looking growth. This particulary applies to the currencies of the franc zone. "Devaluation, combined with tariff reduction or relaxation of import restrictions, enables the full effect of the exchange-rate change to be concentrated on exports", and Berg goes on to say that "such measures can work (though) they take time". Yet, today such a policy would be synonymous with higher consumer prices and ipso facto social unrest.

The Berg report also takes African governments to task for having too little faith in the capacities of the private sector. Most African countries are witnessing a rapid growth in the share of spending on public administration relative to GDP (12% for Mauritania, 6,3% for Chad). This poses serious problems in achieving an equitable balance between two competing priorities : the need to provide governments with sufficient resources to finance a dynamic development policy and the need to ensure that national activity, especially in agriculture, is not crippled by excessive taxation.

The main problem, however, is that in what are essentially agricultural countries, agriculture is insufficiently encouraged if not actively discouraged. It can be stated quite unequivocally that Africa's poor performance throughout the 1970s is largely the result of low growth in agricultural output. Climatic conditions aside, this situation is the consequence of political decisions that can be criticised from many points of view; on this point the diagnosis put forward by the World Bank and the recommendations of the Lagos Plan of Action converge.

The Lagos Plan of Action

Where the bank diverges from the Lagos Plan of Action is in its recommendation for an outward-looking approach to these problems, whereas the cornerstone of the Lagos Plan is the achievement of self-sufficiency in food.

In opposition to the main thrust of the World Bank's recommendations, the Lagos Plan advocates a restructuring of trade within Africa and preaches the merits of self-reliance. Steps in this direction include the various attempts at regional co-operation in West Africa (West African Economic Community and Economic Community of West African States) that have had some measure of success and the efforts toward increased co-operation in southern Africa since the independence of Zimbabwe.

The basis for such co-operation, however is as yet infinitesmal : intra-African trade represents less than 5% of total African trade. The exact proportion is difficult to gauge (the OAU put it at 3% in 1980), though the official figures could certainly be swollen by the flourishing trade in contraband goods, possibly the liveliest feature of intra-African commerce. The path traced out by the Lagos Plan undoubtedly calls for an uncommon measure of political courage in attacking the key problem of agricultural price fixing, which cannot be solved without some sacrifices on the part of the urban elites.

Less "ODA" Means Less Influence

The return to integration within the world economy advocated in the Berg report is realistic only if the rest of the world economic community is prepared to go some way toward meeting Africa's needs through a collective aid effort, stabilisation of commodity prices, and human resource development. The report is right to point out that "policy reform without substantially increased aid ... does not provide a satisfactory solution". But how can the World Bank propose that Africans adopt an outward-looking strategy at the precise moment when the means to implement it have been cut off at source?

The bank's difficulties, and particularly the 37% cutback in IDA recources due to the refusal of the US Congress to honor President Carter's commitments, put the credibility of the proposed strategy seriously at risk. IDA credits for Sub-Saharan African in Financial Year 1981-82 have had to be reduced from $1,1 billion to $900 million. President Reagan, that champion of capitalism for all, will with the backing of Congress have served to encourage the African countries to seek an African solution to their problems. If Alden Clausen, President of the Bank, finds himself unable to maintain and even step up aid by the poorest countries he would do well to reflect on the remark by John P Lewis, former Chairman of the OECD Development Assistance Committee, that "capacity to influence policy is a function not only of a donor's analytical resources and style but of the scale of resources he deploys".

Ventures in Partnership

The influence of Europe in Africa has been traditionally far more important than that of world organisations and other governments. Unlike the assistance from the World Bank, European involvement takes place in a broader framework of geographical, historical, cultural and political relations. It is not surprising therefore that it often goes together with more ambitious attempts at changing some elements of the structural relationship between North and South. Here again, however, the problem of the means available arises.

In addition to its bilateral relations with the Third World and its participation in global multilateral programmes, each of the ten members of the European Community also interacts with the Third World through Community channels. Although this type of interaction does not appear as central when assessed by certain traditional criteria (only one-tenth of the Ten's total official development assistance, for example, is channeled through the EEC), it is becoming increasingly relevant, and even crucial, now that the Community is endowed with exclusive responsibility for commercial policy, and as political co-operation on foreign policy matters gradually takes shape.

World Organisation and the Search for a European Identity

In spite of its growing importance, the role of the European Community as such in North-South relations still suffers from lack of a clear, operational definition of its specific role and ambitions. There are in fact three possible concepts for this purpose, all of which have some supporters and can at least be detected through the rhetoric of Community involvement in the Third World.

The first and most original of these concepts is probably the "inter-regional" approach to world politics of which Maurice Guernier, in his report to the Stockholm meeting of the Club of Rome, has been one of the most articulate advocates.(3) In this approach, the world should evolve toward a redistribution of power and a reshaping of world institutions based on a dozen or so large regions which would then regulate their interaction through a network of interregional agreements. The Lomé Convention appears, in this perspective, as the first element of a vast network to come.

The second concept, with which non-Europeans have in fact played more widely than Europeans, is, in a sense, a more conflictual and geopolitically originated version of the first one. In this approach, Europe would be seen as playing the role which Chinese diplomacy liked to refer to as "the second world", between the two superpowers on one hand and the Third World on the other.

The major element of present policies, however, can obviously be accounted for in the third type of concept, in which Europe is defined usually as a collection of Western powers, each of which has some specific divergence from the rest of the Western world, with which it nevertheless shares basic perceptions and interests. In this case, the room for independent manoeuver of each European state is rather limited, and the manoeuverability of the Community as a whole is only greater on those issues where European interests can be clearly distinguished from American ones. Even then its manoeuverability depends on the limits imposed by issues that link Europe and America, irrespective of occasional conflicts of interest.

Furthermore, rather than being simply an expression, among others, of whatever degree of co-ordination Europe has achieved, the common policies toward the Third World and notably Africa are also one of the potential moving forces behind the gradual process of European integration itself, and one of the possible sources of European identity. In talking to the Third World, Europe therefore is also talking to Europeans. This is true not only in the technical sense that better relations with the Third World can be an important asset in designing successful European common policies to cope with Europe's common problems in other fields such as energy, balance of payments, global economic recovery etc. It is also true in the sense that, in an increasingly open and complex world, Europe, which in the past looked for its identity within itself, will increasingly have to search for this identity through the common management of its external relations. It is interesting to note that this fundamental evolution in the conditions of regional integration has already been apparent for some time in the intellectual disarray of those schools in the academic world that devote their attention to the analysis of regional integration. One conclusion of the self-criticism process generated by the failure of previous "functionalist" approaches to regional integration is indeed that regional policy making can be distinguished less and less from the extra- and inter-regional calculations of the actors involved. A simple truth with which diplomats have been familiar long before theoreticians.[4]

Of course, one should not think that success in the area of relations with the Third World would be enough to maintain the dynamic process of European integration in the face of prolonged internal dissensions. But the story of Europe's relations with the Third World deserves to be studied not simply in foreign policy terms, but also as one important element of a more comprehensive search by European nations for their common identity.

The Gradual Emergence of North-South Issues in the French-EEC-African Triangle

At the time when the Treaty of Rome was negotiated, what we now refer to as the "Third World" (following Alfred Sauvy), was not perceived as a political and economic area in its own right, but rather as a mere appendage of the developed world, and particularly of Europe. Those articles of the Treaty (articles 131 to 136) which deal with this part of the world therefore restrict themselves to specifying how the Treaty should affect the relationship between the six signatories and the "overseas territories" over which four of them still exercised direct control at the time.

As European colonies became independent one by one, preferential links between Europe and its former empires - which in the Europe of Six meant mostly French-speaking Africa - were preserved. This procedure roused much reluctance on the part of those, notably in the Netherlands and Germany, who were bothered by the choice of a regional and political approach over a global and trade-oriented one. The continuity provided by preferential treatment, which some termed a "French backyard" policy, was clearly illustrated in the Yaoundé Convention signed on July 20, 1963. This was the original matrix of what was to evolve into a much more complex and ambitious European policy. The objectives of the six European states, and of the eighteen French-speaking African and Malagasy states that signed it, included not only the expansion of trade but also the development and industrialization of Africa, as well as progress toward intra-African co-operation.

Pressure to go beyond the coziness of French-black African relations did not abate after the signing of the Convention. A first attempt to extend the Yaoundé approach to non-French speaking African states was short lived, since the 1966 Lagos agreement with Nigeria was not acted upon. But the 1968 Arusha Convention did succeed in bringing the three members of the East African Economic Community (Kenya, Uganda and Tanzania) into preferential co-operation with Europe. Then, in the late 1960s and early 1970s, a second wave of "association agreements" under article 238 of the Treaty swept over the Mediterranean : Tunisia and Morocco in 1969, Malta in 1971, Cyprus in 1973. Preferential commercial agreements were also signed with Lebanon in 1965 and 1972, Isarael in 1970, and Egypt in 1973.

Hailed as a progressive approach and a model for relations between developed and developing countries, the Yaoundé Convention was, however, bound to fail to live up to all the expectations it had generated at a time of high hopes in the newly independent world. When it came to renewal in 1968, some African states went so far as to suggest that their association with the Community might end up looking like the Alliance for Progress, a dreadful vision indeed. Trade expansion between the two groups had been only marginally superior to that which had taken place between the European Community and the Third World at large, while no real dent had been made on crucial problems such as wide commodity price fluctuations, deterioration of the terms of trade, slowness of the industrialization process, et cetera. Such failures were most important because the emergence of a coherent set of Third World demands, at the 1964 and 1968 UNCTAD sessions, was beginning to provide a new yardstick by which to assess the relationship between rich and poor nations.

From this time on, the relations between the European Community and the Third World had to become more closely responsive to the overall politics of North-South relations. The implementation by the European Community on July 1, 1971, of a "generalized preference scheme", before any other industrialised country, clearly illustrated that relations between Europe and the Third World has entered into a qualitatively different stage. The principle of "reciprocity", one of the major pillars of the post-war economic order, was for the first time actively ignored, as tariff barriers on industrial exports from the less developed countries were suppressed without any offsetting concession on the part of the latter. This progress on the broader North-South front was not however necessarily welcomed by the associated African states as it had the effect of eroding the preferential treatment which the Yaoundé and Arusha Conventions were meant to give them.

Rising Expectations and Stabilized Export Earnings

The conditions for a conceptual breakthrough, which had not been achieved through either the technicalities and ambiguities of the Generalized Scheme of Preference or through a rather timid attempt at a Euro-Arab dialogue, were most closely approximated by the signing of the Lomé Convention.

This Convention, ratified on 1 March, 1975, was remarkable first of all for its extended geographical focus, compared to the Yaoundé Convention that preceded it. The first enlargement of the Community saw Great Britain's reluctance to accept a French-inspired association policy that ran contrary to her traditional worldwide trade approach and to her preferential links with Commonwealth countries, but this did not prove to be an insurmountable obstacle. A satisfactory cmpromise was opened to a group of forty-six countries, referred to as the "ACPs", composed of nineteen Yaoundé African associates, twenty-one Commonwealth members from Africa, the Caribbean, and the Pacific, and six other African nations. The Community, once this geographical compromise was put together, was able to maintain a common approach, while the forty-six ACPs also succeeded in developing a common negotiating position. Indeed, all participants were struck by the degree of symmetry achieved in a negotiation in which a group of Third World countries was able to speak with one voice to a not-too- disunited Community.

The result of these negotiations included an extension and strengthening of the type of package that had characterised the Yaoundé Convention : institutional measures, access to European markets, development assistance. But the Lomé Convention was most noticeable for two innovative features :

1. In an agreement on sugar, the Community commited itself to buying at least 1.4 million tons of sugar (which the ACPs commited themselves to produce) and to treating the ACP producers, for the first time, on a footing of equality with its own sugar beet producers in matters of price guarantees.

2. Much of the international attention that the Convention was to attract had to with its success in overcoming some of the stumbling blocks in the dialogue on commodities. By substituting the objective of maintaining the stability of the ACPs commodity export earnings for the economically much more controversial objective of price stabilisation, the Community was able to take a very significant step toward meeting some of the major demands of the less developed countries. Set up along Commissioner Cheysson's initial guidelines, the "Stabex" mechanism was created to compensate the ACP countries, above certain thresholds, for any decline in their earnings on the sale of any one of twelve major commodities. Such compensation was considered non-reimbursable for the thirty-four poorer countries, and for the other countries reimbursable only when market improvement made it possible.

Lower Expectations and Increased Supply Secruity

As the first Lomé Convention expired in 1979, one could then think of three distinctly different scenarios for its follow-up : a mere consolidation of existing agreements without any major addition, a globalization of this type of co-operation through the adoption at the world level of existing schemes such as Stabex; or a deepening of the existing preferential co-operation between the EEC and the ACPs, notably in the industrial field.

The preference of the African and ACP states went to the third option. In the worlds of PJ Patterson of Jamaica :

> "All too often yesterday's innovation becomes today's orthodoxy and tomorrow's anachronism ... To the ACP group therefore, the Lomé Convention always represented no more than a step, albeit a significant one, towards their goal".(5)

The Community however was not ready - in economic as well as in political terms - for another quantum leap. As Foreign Minister Genscher put it fairly bluntly in the name of the EEC in his opening speech :

> "The Convention has proved itself in practice. The negotiations will therefore not deal with sweeping changes of renovations, but with adjustments and improvements".(6)

The negotiations were therefore bound to be more difficult than had been commonly anticipated in Europe. They nevertheless ended up, with one significant exception, closer to the initial stance of the EEC delegation than to the ACP one. To some observers they were even caracterised by a "take it or leave approach which made few attempts to slip a velvet glove over the iron hand".(7)

The financial package which is at the centre of the Convention was re-conducted from Lomé I. A 62% nominal increase (from 3466 to 5607 millions of ECUS) was registered but it only offset, at best, the effect of inflation, the greater number of States (61 after the admission of Zimbabwe) and the fact that the life span of Lomé II is five years instead of four. The point has rightly been made that this represented a decrease in terms of aid per capita.(8)

In the field of trade, minor improvements were made on the subject of access of agricultural exports to the EEC, notably in favour of African beef exporters (Botswana, Kenya, Madagascar and Swaziland). The EEC was adamant on the subject of rules of origin, to prevent other countries from using the ACP countries as a mere transit zone for their exports to Europe.

Minerals were, however, the one area in which innovation did take place. Whereas iron ore was the only mineral covered in the Lomé I framework, Chancellor Schmidt during an official trip to southern Africa in 1978 had become a powerful proponent of an extension, with due adaption, of Stabex to such essential exports as copper. The invasion of Shaba a few months earlier had indeed unerlined the strategic importance of African producers for European economies.

The emphasis of the new mechanism - known as "Minex" or "Sysmin" - is however quite different from that of Stabex. Instead of giving itself the objective of maintaining export earnings for the ACP states (an objective, we shall see, which may have been over-ambitious even in the case of the commodities covered by Stabex), Sysmin is geared toward maintaining physical production capacities of important mineral producers in the face of very adverse world or local conditions.

Beyond its economic importance for the dozen or such African, Caribbean and Pacific countries concerned, it represents an attempt to preserve the security of European mineral supplies. Europeans are indeed witnessing with some anxiety the geographical shift presently taking place in mineral production away from Africa and in favour of a few countries such as Canada, Australia, the United States and Brazil. Not that these countries are unreliable suppliers (indeed a better political risk perspective is the cause of the shift of mining investment in their favour), but European buyers cannot hope to develop the same type of market position as in Africa. They worry therefore about not having access to those resources in the best possible conditions of price, information and supply security.

Five major mineral groups are covered by Sysmin : copper (including associated production of Cobalt), phosphates, bauxite and aluminium, manganese and tin (no ACP country however is a major producer of the latter two). In the last year of currency of the Convention, iron ore will be transferred from Stabex to Sysmin. The mineral must account for 15% at least of an ACP country's total export earnings (the threshold being reduced to 10% in the case of the least developed, land-locked and island states). Furthermore, contrary to Stabex where payments are automatic, once a specific ACP claim has been found (by the EEC Commission and European Development Fund) to be "receivable" under the Sysmin procedure, EEC authorities retain a discretionary right to decide upon the adequate level of financing. 56 million ECUS have been set aside for Sysmin over each of the five year periods of Lomé II.

The payments made for the years 1980 and 1981 do illustrate the desire of the EEC to substitute a discretionary approach to an automatic one. 55 million ECUs, almost the maximum allowed, have been allocated to Zambia. This forthcoming attitude reflects not only the importance of Zambia for EEC supplies (20% in the case of copper and 40% in the case of cobalt) but also the efforts made by the Zambian Government to help the mining companies by suspending fiscal levies since 1976 and providing equity participation. At the same time, the payment of 40 million ECU made to Zaire was less than the maximum because no similar efforts was made by the government to help Gecamines rehabilitate its production capacity. In both cases, these payments however do not cover more than 10% of the total costs involved in maintaining an adequate copper production capacity. The cost for example of upgrading the Gecamines facilities (of which 35% are 35 years old or more) would probably be of the order of 1 billion ECU.

Stabex : The Destabilized Stabilizer

The launching of Sysmin and the growing interest aroused by Stabex in the face of the very limited success of the efforts at commodity price stabilization (Common Fund, Commodity agreements) should not blind European governments to the limits of their contributions to raw material development in Africa.

As illustrated by the financial difficulties that have recently plagued Stabex, these mechanisms are not sufficient to deal with a generalized commodity slump. They work well when a few commodities are affected by cyclical and moderate price downturns or when a few producers experience very adverse local conditions. But it would clearly be over-ambitious for the EEC to hope to provide a global "safety net" for all African producers against the impact of a world-wide depression.

Indeed, when uexpectedly high claims (totalling 261 million ECU) were presented in 1980 by 27 ACP states, some observers did not hesitate to speak of a near collapse of Stabex and may be of the Lomé Convention itself. In the word of one of them :

> "Stabex is clearly not the insurance against lean years promised by its developers or hoped for by its beneficiaries".(9)

The level of 1980 claims was attributable mostly to depressed markets for groundnuts as well as to specific drought situations in Senegal, Mali, Gambia and Sudan (100 million ECUs worth of claims), to the slump of coffee prices (claims of 65 million ECU on the part of Ivory Coast, Tanzania, Rwanda, Burundi and the Central African Republic) and to lesser claims by banana-producing Caribbean states (ECU 15 million). Cocoa, cotton and copra producers also experienced smaller export earnings shortfalls.

Since total claims far exceeded the ECU 110 million ceiling written into the Convention (even after drawing the full 20% authorised on the 1981 budget), the EEC had to ask ACP producers to accept reduced transfers. An agreement was reached to operate smaller cutbacks in the case of the "least developed" ACP states (with a ratio of 1 : 1,3 compared to normal states approved by the ACP group). These countries therefore received 64,8 million ECU instead of the 106 million requested, while "normal" ACP states received 73 million instead of initial claims of 154 million.

On the whole, the Lomé Convention was left with only "half a Stabex" as one observer put it. The assessment made by Commissioner Claude Cheysson in the last year of Lomé I appears therefore, in retrospect, to have clearly identified the potential as well as the limits of Stabex, and may be more generally of EEC involvement in African development. According to Mr Cheysson, Stabex should be primarily conceived as an insurance against specific country "accidents".(9) Whereas local problems can be dealt with in its framework, deeper balance of payment problems resulting from world economic trends need to be addressed in a world perspective.(10)

Hence the opposition often seen between the Stabex approach (namely stabilization of export earnings) and the UNCTAD approach (stabilization of commodity prices through producer-consumer agreemeents) is in fact more a complementarity than a real opposition. Yet, on this subject, EEC governments remain more divided than ever with France in favour of such agreements and the UK and Germany opposed to their extension.

It remains true nevertheless that the EEC has the capacity to play a significant role in fostering African development and in helping African countries to overcome specific problems. But it is equally obvious that the EEC, whether at the national government or Community levels, does not have the means to protect Africa against the effects of the most prolonged economic crisis of the post-war period. A broader pattern of economic co-operation is required, involving the world community at large, both at the public and private levels. No insurance indeed can protect against a permanent state of crisis. The effort urgently required in favour of Africa must have to do with restoring economic growth world-wide, rather than simply with alleviating specific consequences of a low growth, high inflation environment.

In this context, the negotiations which should start in a few months for the third Lomé Convention can probably not be expected to break major new ground. Preserving the pre-set financial framework in real terms may already prove to be a challenge. At the same time, the stalemate of the "Global Negotiations" in the UN framework leaves little hope for rapid progress on the broader North-South front. Similarly, stubborn American opposition to more modest but concrete undertakings, such as the World Bank energy affiliate, will make the solution of critical local balance of payments and energy problems in many African countries more difficult.

On the whole therefore, international co-operation in the next few years does not appear to be forthcoming at the level called for by the deepening economic crisis in Africa. Those who are aware of the potential for economic, social and strategic disruptions implied by this gloomy assessment could work however toward a more efficient use of the limited means available, both nationally and internationally.

Although a full discussion of these issues would take us beyond the scope of this paper[11] the avenues to explore can be said to include :

a) the search for enhanced regional security, as a prerequisite to economic development. Southern Africa is obviously one of the critical regions in that respect. The long awaited independence of Namibia would be a welcome progress, but destabilization of the Mozambican and Angolan economies, with obvious outside interference, is also a short-sighted policy.

b) support of efforts at regional and subregional integration as a way to promote both greater stability and an economic zone more compatible with the search for such elusive objectives as greater food self-sufficiency, adequate transport infrastructure and, in the longer term, industrialisation. One of the interesting features of the Lomé Convention has been to earmark a portion of the aid package for regional projects (ECU 630 million for the Lomé II period). Support for the development of the Senegal basin and the efforts of the Southern African Development Co-ordination Conference created in April, 1980, are important examples of this attempt.

c) a redefinition of the conditionality that is bound to be the counterpart of financial support to troubled economies, away from short term IMF type of conditionality. Indeed only a "development conditionality" geared toward the solution of African structural problems can offer recipients as well as lenders a meaningful guarantee that foreign assistance works in their mutual best interest.

With little illusion on the possibility for greatly increased international co-operation, with a clear awareness that the economic problems now facing Africa are acute and deep-rooted, it nevertheless remains true that international organisations and development agencies can play a critical role in preventing the worst and preparing for the better.

Notes

1. Edem Kodjo, opening speech to the first Economic Summit of the African Heads of State, Lagos, April 1980.

2. Christophe Batsch, "la sagesse contre la lutte des classes", le Monde diplomatique, November 1981.

3. Maurice Guernier, Tiers-Monde : les trois quarts du monde, Dunod, 1980. Report to the Club of Rome.

4. See for example Ernst B. Haas "Turbulent Fields and the Theory of Regional Integration", International Organization, 1977.

5. P.J. Patterson, opening address to the ACP-EEC Ministerial Conference, Brussels, July 27, 1978.

6. H.D. Genscher, opening address, ibid.

7. Adrian Hewitt and Christopher Stevens, "The Second Lomé Convention" in EEC and the Third World : a Survey, Christopher Stevens editor, Hodder and Stoughton, ODC-IDS, 1981.

8. ibid.

9. Shada Islam "Commodity crisis tests Stabex" in South, September 1981.

10. See Europolitique No. 705, July 26, 1980.

11. For a general presentation of recent African development issues and of the global world economic situation, the reader is referred to the annual report of IFRI "Ramses 1982", published in France under the direction of Albert Bressand, by Economica; in the United States by the Ballinger Publishing Company, Cambridge, under the title Ramses 1982 : The State of the World Economy, and to be released in England by Macmillan Press.

C. RESPONSES FROM AFRICA

AFRICA'S RESPONSE TO FOREIGN INVOLVEMENT IN DEALING WITH ITS SOCIO-ECONOMIC NEEDS

Colin Eglin, M.P.

I trust that I will be forgiven for changing the title of my paper from "Africa's Response" to "Responses from Africa". I do so, for there has been no single, or uniform, or sustained African response. On the contrary the responses have been many and varied. While there have been certain common threads running through them, and while at rare moments they have come close to reflecting a collective African authority, the responses from Africa have varied from country to country, region to region, time to time and circumstance to circumstance.

What is more, but certainly not surprising, these varied responses to foreign involvement in the socio-economic issues of this continent have been dominated in the main, not by socio-economic, but by political factors. At times these political factors have been internal, at other times they have been regional or continental or even global.

In order to evaluate the responses from Africa, it is necessary to see the circumstances in which they were given in their historical perspective against the time-scale of developments which have been unfolding in Africa.

Trends in the First Post-Colonial Decade (1960-69)

For the past twenty-five years Africa has been living under the impact of two overlapping processes of transition.

The one has been the slow and often uneven process of development in the socio-economic fields. This has involved such elements as the transition from a subsistence to a cash economy, the migration of people from a rural to an urban environment, and the extension of loyalty and commitment from a limited communal base to a larger national entity.

While this process of transition has changed the substance of the lives of millions of people, because of its slow, evolutionary and, at times, imperceptible nature, it has not generated the same immediate political trauma, and as a consequence not made the same compelling impact on the decisions of African governments, as the other process which has been running concurrently.

And, of course, this other process is that of constitutional transition from a state of colonial subservience to one of sovereign independence.

In most instances the final stages of the process were crisp, precise and emotion-laden. They were usually marked by the playing of anthems and by the lowering and raising of flags at midnight. At sundown political authority was in the hands of the representative of the colonial power across the ocean. By daybreak it was in the hands of the indigenous leaders of the new independent state.

Because liberation from colonialism and the attainment of independence had such a high emotional content and because the transfer of sovereign constitutional authority was so manifest and so decisive, the transition from colonial to independent status was bound to have a profound impact on the people as a whole, and on the relatively few who suddenly found themselves wielding formal political power in particular.

The consequence was that the dominant political objective of new governments in the immediate post-colonial phase was to be able to demonstrate that independence was real, that it was not a sham; that it was not merely symbolic; that it was not limited to the constitutional field, but that it extended into all areas of national life - the strategic, the social, the economic, and even the cultural.

Foreign involvement which was perceived to be neo-colonial, or a hangover from the "bad old days", was resented and often rejected.

I use the word "perceived" advisedly, for African governments, especially in the early days of African independence from 1957 through to 1966, were divided amongst themselves in their perception of the extent to which foreign involvement was a manifestation of neo-colonialism.

Some states, mainly from the Francophone group, held the view that foreign involvement in the socio-economic fields was not evidence of continuing colonialism, or of dependency, but rather a reflection of the reality of the interdependence which existed between developed and underdeveloped countries around the world. They argued that whatever the benefits such international co-operation might bring to the countries that were strong, it would also bring considerable benefits to those who were economically weak. Indeed it provided for the less developed countries the only prospect of realising their aspirations for progress in the economic field without having to be dependent on continuing foreign aid.

Another group of states influenced considerably by Dr Kwame Nkrumah, who in those years was propounding the concept of pan-africanism, held a different view - one that perceived foreign involvement in the socio-economic field as evidence of dependency and as a form of neo-colonialism that was incompatible with the goals of the liberation struggle or with the concept of African independence.

So persuasive was the dependence cum neo-colonial argument of Dr Nkrumah that in spite of the United Kingdom having managed to negotiate association status with the European Economic Community (EEC) for her former colonies, this status was turned down by the African governments who attended the Commonwealth Conference in September 1962.

The arm's length relationship between the EEC and the Anglophone countries of Africa continued until, under the 1975 Lomé Convention - the successor to the two previous Yaoundé Conventions - arrangements for overall economic co-operation was established between the EEC and 46 African, Caribbean and Pacific (ACP) countries.

Gradually, as the harsh realities of economic survival, let alone economic progress, started to dominate over the heady excitement of newly gained independence, so the interdependence concept began to gain ground over the dependency concept and with this an increasing number of African states started taking a less negative attitude towards foreign involvement in the socio-economic fields.

Many countries, upon attaining constitutional independence, found their economies - certainly as far as trade and finance were concerned - locked into those of their former colonial overlords. While there was little that they could do about this, they were wary of expanding involvement which had its origins in the colonial era. When looking for new economic links, or for foreign involvement in the form of development aid, the newly independent states tended to turn away from their former colonial overlords, either to countries not "tainted" with colonialism or to multi-statal groups and international organisations.

Thus they turned to the Nordic countries of Sweden, Norway and Denmark, to the Netherlands, to Canada and, prior to 1973, to Israel.

Interestingly, they did not turn to either the USA or the Soviet Union to the extent that they might have considering the resources that were at the disposal of these two countries. This was not because the USA or the Soviet Union were perceived to be colonialist, but because at that time they were perceived to be both expansionist and imperialist.

Many African states were far more comfortable with Chinese involvement for, apart from the fact that China was not perceived as colonialist, expansionist or imperialist, China's efforts to overcome its own underdevelopment resulted in a considerable degree of empathy between Africa and China.

While bilateral agreements with individual developed countries existed, either as legacies from the past or as a consequence of newly forged associations, there was a strong predilection for multilateral agreements on a group or regional basis or through direct arrangement with international organisations.

Thus, the Anglophone states enjoyed the trade preferences by virtue of their membership of the Commonwealth. The Francophone states continued to have a special economic relationship with France. In July 1964 the first Yaoundé Convention brought eighteen African states and the six members of the EEC into a new economic association.

In 1958 the UN set up the Economic Commission for Africa with its headquarters in Addis Ababa. In 1960 the World Bank established the International Development Association - 87% of its commitments were to countries with a Gross National Product of less than US $ 360 per head. Also in 1960 the Development Assistance Committee of the Organisation for Economic Co-operation and Development (OECD) was formed. In 1963 the African Development Bank was established. In 1964 the first of the four yearly UN Conferences on Trade Development (UNCTAD) was held.

At the other end of the development spectrum, the Organisation of African Unity (OAU), formed in 1963, endeavoured, albeit with only limited success, to persuade its member states to adopt a common approach to development aid and to foreign involvement in meeting Africa's socio-economic needs.

<u>The Reaction of Individual States</u>

Thus far I have dealt with general attitudes and trends. Were the assertions that I have made left to stand on their own without relating them to individual states, they would be inaccurate over-simplifications of a diverse and complex series of responses to foreign involvement. For, the manner and extent to which the individual African states reacted to the political urge to demonstrate that independence was real and that colonialism was dead, depended on a number of factors bearing directly upon that state.

Let me discuss three of these factors briefly.

The first of these was the impact of the colonial and the liberation experiences. Put in another way, it was the nature of the relationship which existed between the colonial power and the people of the territory during the colonial era and the form which the process of decolonization or liberation took. Whether the colonial relationship was developmental or exploitative, whether it was geared to assimilation or exclusion, whether the attitude of the colonial power towards decolonization was acquiescent or stubbornly negative, whether the "liberation struggle" was dominated by confrontation or negotiation, whether it was violent or peaceful had profound influence on the attitudes of African governments towards foreign involvement in the post-colonial period.

France, whose relationship with its African colonies was on balance both developmental and geared to assimilation evoked the least resentment towards its involvement in Africa in the post-colonial era. The United Kingdom, whose relationship was on balance developmental but at the same time geared to exclusion evoked a mixed reaction to its involvement. The turbulent currents generated by its policy which had the effect of promoting highly emotional nation-state politics were, to an extent at least, channelled into calmer streams by that unique association known as the Commonwealth.

Belgium, whose colonial relationship was seen to be both exploitative and geared to exclusion, experienced a massive rejection once independence came.

The response towards Portugal's involvement was determined not so much by Portugal's colonial relationship which was a combination of exploitation and assimilation, but by the violent nature of the liberation struggle which took place in its colonies such as Guinea-Bissau, Angola and Mozambique. With the Western countries adopting a passive attitude towards the liberation struggle, the people in these three colonies turned to the countries of the Eastern bloc for support. Not surprisingly, the friendly relationships which developed during the days of the struggle against Portugal's colonial rule were carried over into the immediate post-independence era. Apart from the involvement of the Soviet Union and Cuba in the military field, the independent states who had formerly been

Portuguese colonies did not find Soviet, Cuban, East German and Chinese involvement in the socio-economic fields unacceptable.

The second factor which had a bearing on African responses was the attitude and stature of individual leaders, some of whom, in addition to directing the affairs in their own countries, had a considerable influence on regional and continental attitudes. Indeed, during the post-colonial era Africa produced a remarkable array of significant leaders.

In West Africa men like President Leopold Senghor of Senegal and President Houphouet-Boigny of Ivory Coast championed the cause of a close Africa/ France relationship and encouraged on-going French involvement in its former colonies. By way of contrast, next door, President Sekou Touré, on Guinea becoming independent, severed his country's relations with France and the French community. Also in West Africa, while Dr Kwame Nkrumah was propounding the cause of pan-africanism and branding foreign involvement as neo-colonialism, not far away Prime Minister Tafawa Balewa was working for closer ties with the United Kingdom in dealing with Nigeria's social needs and economic development.

In East Africa there was the contrast between President Julius Nyerere of Tanzania who applied the policy of non-alignment to the point of depressing his country's economy and exacerbating its social problems, and President Jomo Kenyatta who, in spite of the bloody conflict between the Mau Mau and the British forces, adopted a pro-Western stance and a laissez faire policy towards British involvement in post-colonial Kenya.

Further south men like President Kenneth Kaunda of Zambia and President Seretse Khama, in spite of their colonial experiences, did not turn their backs on British involvement - President Khama, undoubtedly because of his desire to reduce his country's economic dependence on neighbouring South Africa, and President Kaunda, probably because he was a sentimentalist at heart!

The third factor was the particular circumstances which obtained, both in Africa and the world at large, at the time when decisions relating to foreign involvement had to be made.

In Africa during the phase of pan-africanism, which coincided with the independence of Ghana in 1957 and the overthrow of Dr Nkrumah in 1966, foreign involvement, even in the socio-economic fields, was branded as neo-colonialism. At a later stage during the 1970s issues relating to "the wars of liberation" in the Portuguese colonies and in Zimbabwe/Rhodesia soured the African responses towards Western involvement in Africa.

Most African states, both individually and collectively through the OAU, adopted a non-aligned stance. The extent to which this stance was converted into action depended on a number of factors, not least amongst these was the perceived threat of big power imperialism. It was during the 1960s in the wake of the political withdrawal of the European colonial powers, when the USA and the Soviet Union were perceived to be trying to gain strategic control over areas in Africa, that Africa responded most intensely with its counter-strategy of non-alignment.

While this strategy related more directly to the global strategic situation, it had its implications in the socio-economic fields as well. Unfortunately, because non-alignment was essentially a political concept and because politically motivated decisions do not necessarily produce the best economic results, the extension of the political concept of non-alignment into the socio-economic fields had at times a disastrous negative effect on socio-economic development.

The 1970s - The Second Decade

By the time the 1970s arrived, most states had experienced independence for a decade or more. Except for some islands off and enclaves on the continent of Africa, the liberation struggle was confined to South Central Africa. With the independence of the Portuguese colonies in 1974 and 1975, the only independence issues unresolved were those of Zimbabwe/Rhodesia and South West Africa/Namibia - to which many African states linked the issue of apartheid in South Africa.

It was understandable that as the politically orientated emotional impulses of independence lost their current quality in favour of a more historic one, issues relating to the socio-economic needs of the people would start to carry great weight with national decision-makers. These decision-makers, very often with little knowledge of economics or experience in business administration, turned to dealing socio-economic problems of their nations by applying economic policies that were, in the main, variants of what became known as "African Socialism".

Many of these policies would have imposed severe strains on even the most robust of economies. When, in addition, the countries in which they were applied lacked the necessary resources and the essential infrastructure, these policies often failed to produce economic growth and succeeded only in spreading poverty more evenly.

As a consequence, whatever emotional aversion there might have been to foreign involvement, there was an increasing acceptance of the fact thatpoverty would not be eliminated and socio-economic development would not be achieved without some form of involvement by the foreign countries of the developed world.

Interestingly, although during this later cycle in the post-colonial era much of the foreign involvement was through multi-statal or international organisations, many African states turned to the countries of which they had formerly been colonies for involvement in the form of trade agreements, finance arrangements and development aid.

This was certainly the case in respect of France and Britain and, to a lesser extent, even in respect of Belgium. It is interesting to note that in June of this year, seven years after the end of the war of liberation, Prime Minister Francisco Pinto Bolsemao of Portugal paid an official visit to Mozambique at the invitation of President Samora Machel as part of a Mozambiquan effort to expand trade and co-operation between the two countries.

Through an interesting interaction of circumstances the trend towards the acceptance of more foreign involvement was also given some impetus as a consequence of African hostility to the policies of the South African Government.

African countries, having preferred to forego the socio-economic advantages which could have accrued to them as the result of a closer association with the economically strong and comparatively well-developed South Africa, found themselves turning more than they otherwise would have done to foreign countries outside of Africa for economic assistance and development aid.

In more recent years there has been a concerted move by a number of states in Southern and Central Africa to take collective action "to liberate their economies from their dependency on South Africa". This move led to the formation in April 1980 of the Southern African Development Co-ordination Conference (SADCC) with Angola, Botswana, Lesotho, Malawi, Mozambique, Swaziland, Tanzania, Zambia and Zimbabwe as members.

While the SADCC had its origins in a collective negative attitude towards the South African Government, it has certain positive objectives in the socio-economic field. These include :

> "to overcome imposed economic fragmentation" and
> "to co-ordinate our efforts towards regional and national economic development".

The SADCC has decided to give priority to transport and communications projects at an estimated total cost of US $ 1 920 million. Pledges of some US $ 650 million were received from Western countries and international agencies at the second meeting of the SADCC at Maputo later in 1980. At the meeting of the SADCC held in Gaborones in July 1982 the chairman, President Quett Masire, announced that these pledges had been increased to US $ 1 000 million of which US $ 870 million had already been raised.

Quite clearly, the very steps being taken by the SADCC countries to try to reduce their dependence on South Africa are going to result in greater foreign involvement in meeting Africa's socio-economic needs. An interesting prognostication for the future is that should the SADCC countries succeed in reducing their dependence on South Africa, the dependence of the past is likely to be replaced by a much healthier economic interdependence not only between the SADCC countries and those foreign states who have assisted them, but ironically also between the SADCC countries and South Africa! .

During the 1970s there was also a greater tendency to see foreign involvement in the development of the less developed Third World - and this has included large areas of Africa forming part of the world's "poverty belt" - in a global context.

The developed countries became increasingly aware of the dangers to world peace and stability inherent in the vast disparity in living standards between the people of the developed and the lesser developed world. The lesser developed countries in turn became increasingly aware of the dimensions of their own socio-economic problems and of their inability to overcome these problems with their own limited resources.

These two streams of thought, starting from different sources, became confluent in a new global approach which recognised that the international dangers and the internal problems inherent in the lack of development in many parts of the world could only be solved by a combined effort between the developed and the less developed countries - between the rich and the poor, between the First World and the Third, or, in the jargon that prevailed at that time, between the North and the South.

This new global approach to development based on a recognition of the mutuality of the interests of the North and the South was reinforced by two events in particular. The one was the endorsement by the member nations of the UN in December 1976 of the "Charter of Economic Rights and Duties of States" following the adoption by the General Assembly earlier that year of the "Declaration of a New Economic Order". The other was the publication in February 1980 of the report of the eighteen-member "Independent Commission on International Development Issues" under the chairmanship of the former West German Chancellor, Mr Willy Brandt.

There has been a general acknowledgement of the UN objective for development finance of "one percent of the Gross National Product of developed countries, including private flows, and within it 0,7 percent as a target for official development assistance". While, by the end of the

1970s, only four donor countries, viz. Sweden, the Netherlands, Norway and Denmark, were meeting the 0.7% target for official development assistance, the overall objective of 1% was being met because of large private flows.

What Progress has been made ?

I have outlined the responses of African governments and their leaders. But, how have the economies, the living standards, the social infrastructures of African countries responded to foreign involvement in the development field? What progress has there been?

Except in a few cases, notably Ivory Coast, Gabon, Cameroons and Nigeria, progress has been painfully slow. Indeed, when measured on a per capita basis, in many parts of Africa there has been retrogression rather than progress in economic activity, food production, living standards and social conditions.

Many reasons have been advanced for this unhappy state of affairs. Amongst these have been :

* A lack of resources and of infrastructure - and, to an extent, a lack of motivation.

* Bad judgement; weak management; and the abuse of power by the new political elite.

* Financial policies which maintained high currency exchange rates and low food prices - policies which were designed to ease the burden on the masses in the cities but which had a disastrous impact on food production and on rural development.

* The high population growth rate; politically instability; sustained droughts.

* Abject poverty which kept the society as a whole depressed below the threshold from which a developmental take-off was possible.

And from outside, there has also been bad advice, as well as well-meant but ill-conceived aid programmes. There has been evidence that in certain instances development finance has been directed to satisfying the market requirements of the developed contributors rather than to meeting the socio- economic needs of the under-developed recipients.

Added to these factors was the fact that during the 1970s, and more especially from 1973 on, the world economy as a whole was in a serious recessionary cycle. This means that attempts to induce socio-economic advancement in less developed countries took place at a time when the cost of manufactured goods and energy which these countries had to import was soaring, while the prices which they received for primary commodities such as agricultural products and base minerals which they were able to export, was falling. This, in turn, resulted in massive borrowings, massive debts and massive interest and loan repayment commitments.

The world-wide economic recession has also meant that at a critical stage in the development of lesser developed countries, many developed countries turned to trying to solve their own economic problems rather than to increasing their involvement in assisting to meet the socio-economic needs of others.

Yet, in spite of the most unfavourable circumstances, there has been progress.

In almost all African countries there has been significant expansion in the field of education. While this expansion has tended to be quantitative rather than qualitative, an important cadre of trained and experienced leaders is emerging.

In spite of malnutrition due to declining food production coupled with severe droughts, health standards and social services have improved. It is interesting to note that the expectancy of life around Africa has increased from between 6 to 10 years in the past decade.

While many countries are still plagued by economic stagnation, in some to which I referred earlier, there has been a sustained growth in development and in their Gross Domestic Product.

In many countries, infrastructural requirements such as power generation, roads, communications and harbour facilities have been improved.

Prospects for the Future

What are the prospects for the future?

I do not underestimate the magnitude of the problems posed by poverty and underdevelopment in Africa. But, let me say immediately that I do not share the view of those who, aparently with a degree of macabre satisfaction, enjoy playing the theme tune "Africa is dying".

The problems have been immense, and they remain immense. The coming decade will be critical for the poorest countries of Africa, which - in the words of the Brandt Commission - "are living on a slim margin between subsistence and disaster".

To my mind, the area in which the most hopeful signs for the future are to be found and where the most encouraging progress has been made, has been in the attitude, both within Africa and in the developed world, towards the need for socio-economic advancement and the means of attaining it. There are signs that a constructive maturity is developing in attitudes towards national socio-economic advancement on the one hand and international interdependence on the other.

Within Africa there are indications of a greater sense of realism in the balance between policies designed to make political statements, and those necessary for the achievement of socio-economic goals. In the developed world there is both an increasing awareness of responsibility for the advancement of people on a global scale and an increasing realisation that advancement cannot be achieved by trying to impose preconceived patterns of development on communities which are either racked by poverty or which lack the essential resources and infrastructure.

This new spirit is being assisted by the changing pattern of global economic activities and the changes which are taking place in the relative wealth of the nations of the world.

With the emergence on the global economic scene of such new elements as a number of newly industrializing countries spread around the world, the capital exporting oil producing countries, the growth in the economic activity in the populous countries of Asia, and the increasing role being played by the private sector in economic development and international trade, development and development aid can no longer be seen in terms of the simplistic bi-polar North/South syndrome of the 1970s nor can it be equated with the colonial/subject nation situation which preceded it.

Added to these factors, the increase in latter years of the private loans and investment flows to underdeveloped countries, together with heavy borrowings from commercial banks in the North particularly as a consequence of the recycling of funds from the surplusses in the balance of payments of the OPEC countries, has helped to diversify the South's economic relationship with the North and had the effect of further depoliticizing Africa's response to foreign involvement in the development field.

I hold the view that as the spirit of constructive maturity develops on both sides of the development line, on the one side foreign involvement will be undertaken with a greater degree of sensitivity and of positive purpose than in the past, while on the other side the responses from Africa to this involvement will be based more on an objective assessment of the benefits accruing and less on a view clouded by emotional and political hang-ups from the pre-independence era.

Because of the frustration of the past, because of the problems of the present, because of the challenges of the future, Africa in a strange and fascinating way tingles with excitement.

It is for this reason that I believe that at this stage in Africa's history, those of us who are not daunted by challenges, or demoralized by disappointments, but who share a sense of excitement of being of Africa, should not want to exchange our presence on this continent for any other in the world.

AFRICA'S RESPONSE

Sam Motsuenyane

In an attempt to depict how the people of Africa have responded to the involvement of foreign powers in Africa, and particularly to the peculiar problems which this involvement created, I propose to focus briefly on the major political, economic and cultural initiatives undertaken by Africans, especially during the post-independence era covering the period 1960 to 1980.

1. Creation of protest movements

The first reactions against foreign powers in Africa, manifested themselves in the rise of African nationalism which swept through the continent like a raging fire, and culminated in the formation of black nationalist protest movements all over Africa, during the past three to four decades. These movements, inspired to some extent by political developments from outside Africa, from countries such as the United States, were established primarily to unite the indigenous people to free themselves from European colonialism.

It is largely as a result of the immense pressure generated by these protest movements, under the leadership of a new breed of foreign-educated Blacks, that the colonial powers were ultimately compelled to surrender control of the former colonies to the indigenous people.

One of the sad and sobering historical facts to note about colonial Africa, has been the almost universal denial of basic rights and freedoms to the indigenous people.

In order to hasten their political and economic advancement, Africans have often had to resort to extreme measures involving violence or even defiance of authority, where normal channels of negotiation and persuasion had proved ineffective. Thus in many instances the colonial powers left the former colonies in a hurry and disenchanted after years of internal strife or even bloody warfare and open conflict. Under unhappy circumstances of this nature it can rightly be assumed that independence came to many African countries in an abrupt fashion, which allowed little time for a smooth and orderly transition or takeover. These protest movements automatically formed governments following the overthrow of the colonial powers.

2. <u>Links maintained with former colonial powers</u>

Notwithstanding their intense dislike for colonialism, it is interesting to observe that after the granting of independence, African leaders with very few exceptions acted so pragmatically as to maintain diplomatic and economic ties with the former imperial powers. Numerous bilateral treaties providing for technical, economic and even military assistance were accordingly signed in the aftermath of independence. Although in some political circles treaties such as these were viewed with suspicion, as being *neo-colonialist* measures aimed at prolonging foreign economic dominance over the former colonies, African countries had no other option, as their economies and administrative systems were very closely linked to those of the former governing European countries. Furthermore, the African states were at such a low stage of technological and economic development that they could hardly move forward without receiving some form of aid from either the East or the West.

A serious policy misconception which characterised the post-independence era in most African countries was the attachment of too much reliance on foreign aid, rather than on the promotion of internal productivity and trade, which sought to reduce the extent of dependency on foreign sources.

Another equally serious anomaly arose from the nature of assistance given which bore no relevance to the real needs of the developing African countries. For instance, the supply of expensive military equipment to economically distressed nations in my opinion represents a gross misapplication of resources as well as an obvious misplacement of priorities. These shortcomings and policy misconceptions in economic planning largely reflect the lack of practical business experience and training on the part of those African leaders, the majority of whom were brought up in an environment and at a time when Blacks were totally excluded from the business life of their countries. Most of the past and present political leaders in Africa were mainly civil servants, medical doctors, teachers and lawyers. Education and training in the technical, commercial and industrial sectors has only in recent years begun to assume some importance in Black Africa, and as a result, almost all African countries suffer from severe shortages of skilled manpower in these areas.

The well-known dictum of the late Dr Kwame Nkrumah; "Seek ye first the political kingdom, then all things will be added unto you", although expressing quite a simplistic and somewhat one-sided point of view, does in fact appear to have represented a fairly popular school of thought during his time.

3. Promotion of regional and continental co-operation

The attainment of independence by the African countries created new needs and demands, the most important of which were the devising of appropriate stragegies for effectively dealing with problems that were commonly facing these countries. The framing of desirable policies relative to issues such as; the promotion of African unity (Pan - Africanism) both at regional and continental levels; alignment with the East and the West; involvement in the fight against colonialism in South Africa; the reconciling of ideological splits which prevented common action; foreign aid; and the establishment of cultural and economic ties among these countries, received top priority.

The most important institutions created by African leaders to provide the necessary forum for hammering out the above policies were :

The Organisation of African Unity (OAU)

Established in Addis Ababa, Ethiopia, in 1963 by 38 countries. This organisation had the following main objectives :

i) To institute the collective defence of member countries;
ii) To fight colonialism in Africa;
iii) To harmonize political, economic, and cultural policies of member countries.

This body was primarily created to serve as the umbrella organisation for the promotion of co-operation on a continental basis. Although the OAU achieved some significant successes in its monumental tasks, it also experienced setbacks in certain respects.

The strongest point of accord among OAU member countries appears to have been their united and unwavering stand against colonialism in Africa. On this issue the African countries have fought together on many fronts and succeeded in attracting increasing international attention to the injustices and indignities suffered by Blacks in the former colonies, as well as in the present white-ruled areas of Southern Africa.

The fight against apartheid in South Africa, and for the independence of Namibia, are top on the list of OAU priorties. In other directions, such as the instituting of collective defence of member countries and the harmonizing of political and economic policies of member states, the OAU has made much less progress than would have been anticipated. However, there are agencies of the OAU, such as the African Development Bank which are making a noteworthy contribution to economic development in Africa. On the cultural front, the Organisation for the Promotion of Sports in Africa has played an important role, not only in uniting African sports activities, but also in the isolating of South Africa and the former Rhodesian state from African sports, for political reasons.

In addition to the OAU, further attempts were made at establishing other organisations designed to foster unity and co-operation at regional level. It must, however, be conceded that in many instances these structures were soon destroyed by regional conflicts and competition for leadership among member states.

The following regional groupings were created :

a) The Arabic States of North Africa

Namely Morocco, Libya, Tunisia and Algeria. Co-operation among these states is weakened considerably by "internal conflicts and competition for power especially over the weaker black states to the South". The present feud over the recognition of the new state of Western Sahara by the OAU has further exacerbated the split.

b) West African States

The former French Colonies formed what was called the "West African Federation" (AOF), an organisation which was subsequently dissolved. Bilateral rivalries between states at similar levels of development, e.g. Senegal and the Ivory Coast, was particularly strong and this factor contributed a great deal towards the collapse of the Federation.

After the Biafran War and the discovery of oil in Nigeria, this state has become a pivotal power around which "a number of smaller states of similar power and interest" are clustering. In 1970, Nigeria instigated the formation of an organisation called the Economic Community of West African States (ECOWAS), in which as many as 16 West African states participated. This was another effort at promoting Pan-Africanism in a rather diluted form. ECOWAS is still in existence and appears to be stabilising gradually.

c) East African States

The East African states of Kenya, Uganda and Tanzania formed an organisation called the East African Community (EAC). This organisation was primarily designed to promote economic co-operation among these countries. Although the community has not succeeded in getting off the ground, owing largely to differences in the political and economic policies of the countries involved, some of the projects started by this community, such as transport, were pursued even after the collapse of the organisation, because they are so essential.

The initiative for the setting up of these economic communities derived great impetus from the establishment of similar organisations in other parts of the world, such as the European Economic Cmmunity (EEC), and the Organisation of American States (OAS), which have both political and economic objectives.

d) Southern African States

Prior to the granting of independence to Zimbabwe, Malawi and Zambia, these former British colonies were amalgamated into a Federation which black leaders strenuously opposed. Eventually the Federation was dissolved, although the economies of these countries remained to a great extent interdependent.

The Black/White racial tensions in this region of Africa have militated strongly against the establishment of desirable institutions for the promotion of co-operation in the area. "There is in this region a visible struggle going on for structures, between the proponents of constellation and confrontation". (Zartman)

South Africa, the most economically advanced country in the region, desires to unite the less developed and less powerful states around it in order to form a non-political body - called the Constellation of Southern African States. The African response to this white South African initiative has up to now remained quite negative for two important reasons. First, the constellation idea is seen to be aimed at securing "control rather than co-operation". (Zartman)

Secondly, co-operation with South Africa is regarded by Africans as implied acceptance of the much-maligned and universally rejected apartheid policy.

Strong reaction against the constellation concept has manifested itself in the formation two years ago of what may be seen as a counter-constellation organisation, the Southern African Co-ordinating Council (SADCC). Nine states in Southern Africa;

namely Lesotho, Swaziland, Zimbabwe, Zambia, Mozambique, Angola, Botswana, Malawi and Zaire have formed this organisation for the sole purpose of reducing their economic dependence on South Africa by forging new economic ties among themselves and embarking on joint development projects for their mutual benefit.

Massive amounts of capital are now being made available by the OECD countries for various SADCC projects, mainly in the key areas of transportation, telecommunications, agricultural and industrial development.

Without drastic political reform taking place in South Africa, there is little hope of the proposed constellation idea spreading beyond the so-called independent homelands of South Africa. This will remain the case nothwithstanding the fact that South Africa's external trade with the African countries appears to be increasing. Much of this business will therefore continue to be conducted under the table as South Africa is presently regarded as an "unwelcome partner for any state on the continent".

The so called front-line states, namely Tanzania, Zambia, Mozambique, Angola, Zimbabwe and Botswana are likely to continue to play a dominant role in the socio-political developments in Southern Africa, especialy in the struggle for the independence of Namibia and the elimination of apartheid in South Africa.

Their effectiveness in what is seen as the final struggle against the remnants of colonialism in Africa will be mainly limited by the fact that these states are themselves having enormous internal ecnomic and political problems to contend with.

Economically Africa, and Southern Africa in particular, will for long continue to rely heavily on South Africa's contribution, regardless of the political climate prevailing.

e) Central African States

This region consisting of countries like Zaire, Central African

Republic, Cameroon and Burundi is politically unstable and incoherent; but has nevertheless great economic potential owing to its vastness of size, population, and mineral wealth. Zaire has every chance of becoming the polar state around which smaller countries in the region could cluster.

4. African Response to Western and Eastern Ideologies

Thus far it is quite obvious that the black people of Africa are not diehard communists nor are they inveterate capitalists. Their general attitude towards both capitalism and communism is one that can only be described as reserved, rational, unemotional and pragmatic.

During the years following World War II which characterised the great rift between the East and West, (the cold war), Africa came under great pressure to identify with one or other of these two opposing ideological factions.

Foreign aid was used as the vehicle for wining the hearts and minds of the people of the Third World of which Africa is part.

It is quite interesting to observe that the majority of the African countries opted for non-alignment, choosing neither the East nor the West; and for aid without strings attached. To this day, non-alignment remains the avowed policy of the majority of African countries, and there is presently no reason to believe that any sudden deviation from this course is possible.

In the case of Angola and Mozambique, and possibly at a later stage Zimbabwe; states which have clearly identified themselves as socialist; one must search for the underlying reasons before jumping to probably wrong conclusions about these countries. Seen against the background of the long years of conflict between Black and White and the general poverty and low living standards of the vast majority of the local people, the infiltration of communism into these countries is not altogether lacking some justification.

As far as capitalism or the free enterprise system is concerned, here again this system has failed even in the best of places because it has never really been practised. Capitalism is seen by Africans generally as a heartless and exploitive system which has helped to enrich a few people at the expense of the majority. It is associated, especially in Southern Africa, with racial discrimination, poor working conditions, low wages, and other forms of exploitation to which the Blacks in particular are generally exposed. Those of us who believe in free enterprise do so because we have seen it work elsewhere, and also because we realise how much the white proponents of this system in Africa have drifted away from the true objectives and spirit of the free enterprise philosophy.

Communism as practiced in the Soviet Union has really no place and no future in Africa, because the African people are basically religious and God-fearing. But Western interests in Africa will equally suffer if they are in any way seen to condone or promote those values which run contrary to cherished black aspirations for social justice, freedom, and equality of opportunity.

The Whites who live in Africa must see themselves as Africans and not as different or superior to the indigenous people. They will only have a secure future in an atmosphere of togetherness and brotherhood in which their colour or racial identity is not used as a barrier to prevent the structuring of a common society. If South Africa can persuade itself to abandon its present policies, the contribution the country can give to Africa can only be described as enormous and momentous. Africa has many problems which can only be solved by the Africans themselves using African solutions. If the Western and Eastern powers must assist Africa realistically over her development problems, it must be on Africa's terms and not on the basis of foreign concepts, ideologies and systems which cannot be adapted to the needs of the people of Africa.

As regards South Africa, our biggest adjustment problems lie in the political sphere. The country simply cannot afford arrogantly to pursue policies which not only bring it into conflict with the rest of the world, but also generate internal racial friction that undermines its long-term progress and stability.

The crucial political problems facing the country at the present time centre mainly around the following contentious issues :

i) Citizenship of Blacks

Blacks in South Africa claim that they are by right of birth citizens of South Africa and this right cannot simply be wished away from them. The granting of homeland citizenship to Blacks in no way compensates for this right.

ii) Ownership of Land

Blacks would like to own land anywhere in South Africa as bonafide citizens of the country. The colonialist laws, which presently confine over 70% of our country's population to 13% of the land, must be altogether scrapped from our statute books.

iii) Social and residential segregation

Racialism and all forms of institutionalised discrimination are unacceptable to Blacks, even to some Whites today. Laws which hamper the attainment of equal opportunity must certainly be done away with.

iv) Fundamental rights to all South Africans

Blacks are no longer prepared to live on sufferance like foreigners in their own land of origin. They demand the same democratic rights which South Africans of other races have, within the constitutional framework of South Africa.

I am aware that many South Africans have become conscious of the dangers which lie ahead of us. Many are indeed deeply concerned about the seemingly gradual pace at which change is taking place.

I am one of those who feel that a lot more ought to be done, not for, but with, Blacks in South Africa.

I believe that we can still resolve our problems peacefully provided we start now making structural changes which can be seen as fundamental in the existing laws and policies of South Africa.

Instead of always being regarded as a problem, the complexity of our country's racial composition should be rightly perceived as a strength.

During the coming decades, our country must be seen to move away from apartheid and blatant racialism towards becoming a true democracy in which merit, and not colour, is the important factor.

Only if we unite on this basis can South Africa play her worthy role in Africa and our country's future will be made immensely brighter and peaceful.