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FROM SWORDS TO PLOUGHSHARES?: STRUCTURAL ADJUSTMENT PROGRAMMES AND REGIONAL SECURITY IN SOUTHERN AFRICA

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The views expressed here are the author's and in no way reflect those of SAIIA.

Recent and ongoing events in Zambia and Zimbabwe have prompted important responses from two sets of actors: the World Bank and IMF on the one hand and leaders of SADC countries on the other. The Bretton Woods institutions expressed concern over the hindrance these events may pose for the implementation of their structural adjustment programmes. For most leaders of SADC countries, the possible impact upon regional security and regional development efforts surfaced as a major concern. Attempting to make sense of what are clearly complex and multi-dimensional issues in Zimbabwe and Zambia, one must consider the role of important external actors such as the World Bank and IMF. A glaring omission from current inquiries into what is taking place in Zambia and Zimbabwe has been any consideration of the possible role of these institutions. In this post-apartheid era, as Southern African countries seek to address developmental concerns by pursuing regional co-operation objectives, the consequences of political and economic instability in any of the member states will be felt by the region. In other words, domestic political and/or economic turmoil in a single SADC country will resonate around the region and is likely to have a negative impact upon regional development efforts. Given what are already precarious conditions for regional co-operation objectives, it is important to identify potential obstructions or threats to regional co-operation.

This paper contends that the vigour demonstrated by the World Bank and IMF to implement structural adjustment policies has allowed them significant involvement in the domestic and political affairs of these countries. Therefore an inquiry into the role that these policies may have played in the development of recent events in Zambia and Zimbabwe and the likely residual impact on

regional security is warranted. Looking at a particular aspect or necessary condition for regional co-operation, namely regional security, this paper tries to point out how structural adjustment programmes may obstruct regional co-operation efforts.

STRUCTURAL ADJUSTMENT PROGRAMMES

As Africa's economic and political conditions drastically deteriorated in the 1980s, the World Bank and IMF responded by prescribing economic reform policies referred to as structural adjustment programmes. Several factors at the local and global levels contributed to this economic decline. It can be argued that the end of the Cold War and the ascendancy of the neo-liberal free-market development model played a critical role. Locally, increased corruption, and the rapid decline in the quantity and quality of life exacerbated the situation.

Structural adjustment programmes are basically economic reform prescriptions which seek to (a) achieve stability in the recipient countries' external and internal balances and (b) promote growth by devaluation, trade liberalisation, privatisation and producer price increases. An important instrument of these programmes which ensured that the state adopted and implemented the adjustment programmes was 'conditionality'. This was reinforced by cross-conditionality, which ensured that bilateral assistance to African countries would be given only if the recipient country met the strict guidelines of the World Bank and IMF.¹ Both sorts of conditionality had direct implications for the state. African policy-makers began to lose control over key aspects of economic decision-making and implementation to World Bank and IMF specialists.

As a result, a steady erosion of sovereignty set in, frustrating many African leaders and policy-makers. In addition, many leaders felt that adjustment programmes did not allow for their input and that the leverage exercised by the World Bank was unfair. At another level, the requirement for meeting the demands of conditionality meant that public officials were perceived to be more accountable to the World Bank and IMF and less to the general population at home. The sum total of all of this was that in many countries governmental effectiveness became impaired. According to Paul Gibbons '... the increasing 'donorisation' of many branches of government activity... added to ministerial administrative burdens'.² Most important of all though, was the concern expressed about the World Bank and IMF failing to take responsibility for the negative consequences of their policies. Critics of these programmes have pointed to the negative impact these policies have had on the social welfare of the recipient country's most vulnerable sector of the population, that is, the poor. Others have pointed out that the negative impact of these adjustment programmes have also been felt by the middle and upper classes who have experienced significant declines in prosperity.³

Summarizing its findings on the impact of structural adjustment programmes in sub-Saharan Africa, the Independent Commission on Population and Quality of Life (ICPQ) stated that '... the ... impact of the structural adjustment programmes on the quality of life ... was cruel ... these programmes required deep cuts in public spending, public employment itself, and reduced housing. These policies pursued could be characterized as adjustment at any cost'.⁴ Already faced with internal problems brought about by poor and corrupt leadership, these programmes to a large extent served to deepen the political turmoil. In a study on the effects of structural adjustment programmes on food security, Charles Mataya notes: 'Notwithstanding the effects of drought, ... structural adjustment have (sic) probably contributed more to food insecurity in the region than food security. In fact, all countries in Southern Africa except Mauritius, South Africa, and Zimbabwe are food insecure by FAO standards'.⁵

The most common response to such criticisms by the World Bank and IMF is that structural adjustment programmes are the appropriate reform prescriptions for African states. They only fail to produce their desired results because states fail to implement these programmes correctly. For example, in response to criticism which claimed that poverty levels in Africa in general have increased during the structural adjustment era, the World Bank and IMF argued that poverty falls with

a growth in living standards and rises with their decline. In other words, growth oriented policies are necessary to combat poverty. Since adjustment programmes are designed to induce or promote economic growth, they should benefit the poor. Therefore, the poor should benefit from more and not less adjustment.⁶

In Zambia and Zimbabwe, where structural adjustment programmes are being implemented, the negative aspects of these programmes have contributed to some extent to the political and economic malaise we are witnessing there. While it remains extremely difficult to attribute direct causation of the economic and political crisis to adjustment programmes, the argument can be made that the requirements of adjustment programmes have had a bearing on the political and economic conditions in these countries.

ZAMBIA AND ZIMBABWE

In Zambia, between 1980 and 1994, poverty levels increased dramatically from 45% to an alarming 80%. Between 1990 and 1996, poverty levels in Zimbabwe rose sharply from 33% to almost 60%. It is worth noting that Zimbabwe was a major food producer prior to adopting adjustment programmes. In 1990, in accordance with the requirements of conditionality, Zambia was forced to cut food subsidies. The result was spontaneous riots around the country which were referred to as 'IMF food riots'.

The privatisation of state-owned companies contributed to rising unemployment rates in both countries. In Zambia, Chiluba has set out to privatize most of the mines belonging to the Zambian Consolidated Copper Mines (ZCCM). Zimbabwe's ferro-chrome mine, the second largest in the world, has been subject to privatisation, the result being loss of jobs and manifestation of other poverty-related concerns. The reform of the civil service in both countries has also contributed to the levels of unemployment. An important area of the economies in both countries which have suffered as a result of these programmes has been the public sector. Real incomes in this area have fallen drastically as a result of repeated devaluation, spiralling inflation, subsidy withdrawal and sharp increase in utility tariffs. Most public sector employees now find themselves in a situation where they cannot support themselves or their families. They engage in various methods of survival or what one observer refers to as 'multiple modes of livelihood'. This has led not only to a decrease in efficiency but also to increased corruption. And it has had the effect of further weakening state institutions.

In sum, the impact of structural adjustment programmes has been the contribution to a precipitous drop in living standards and consequently to erosion of political support for the state. Unable to address the basic needs of the general population by providing an environment conducive to sustainable development, the state is now desperately seeking to hold on to power, either through its system of patronage clientelism, or simply by suppressing any voices of discontent. As political and economic conditions worsen in these countries, the impact is likely to be felt by neighbouring countries in general and SADC in particular. Whereas military conflicts threatened regional stability during the apartheid era, structural adjustment programmes and their impact on the development process are emerging as a new source of regional insecurity.

REGIONAL SECURITY

The concept of regional security remains a topic of extensive debate and discussion amongst scholars of international relations as well as most leaders in Southern Africa. The realities of a post-Apartheid Southern Africa, according to Maxi Van Aardt, require SADC leaders and other policy-makers to rethink regional security concerns and priorities. *This must be done she says, '... by rethinking the conventional conceptualization of security against a background of increasing interdependence, connectedness and need among Southern African states'.⁷* It is clear that regional security concerns in this post-Apartheid era are centred around the issue of development. Instead of maintaining security, which the traditional state did, to protect itself from external military threats, it is now incumbent upon the state to seek means of providing security for the general population. For Van Aardt, the provision of security means protecting, as best as possible, the general population from the possible consequences of threats such as; drought, AIDS, failed development ventures, international debt, unstable governments and ever-increasing population numbers.⁸

In their present form, structural adjustment programmes can be viewed as a threat to regional security. Increasing unemployment rates, lack of access to food, ever-increasing poverty rates, and political instability do not facilitate economic growth or lead to sustainable development. Instead, conditions may worsen. The implications for regional co-operation objectives are serious. Regional co-operation in Southern Africa is still at a precarious stage. An increasingly hostile and highly competitive international economic environment makes the consolidation of regional

co-operation extremely difficult. The presence of adjustment programmes which have had a questionable impact on the development process are also likely to have a negative impact on regional co-operation efforts. One such impact is the migration of people from one area of political and economic instability to a country which may provide them with basic needs and unemployment. For South Africa, the issue of illegal immigration is fast becoming a national problem. This type of problem creates political tensions between countries, as has been the case between South Africa and other countries in Southern Africa, namely, Zimbabwe, Namibia, Mozambique and Swaziland. Such political tension is an unwanted burden and serves to further impede progress towards regional co-operation.

The World Bank and IMF recently published a new report in which they argue the need to re-examine the role of the state in Africa's development process. The report admits that the approach of the minimalist state has not been successful in bringing about development objectives, and at the same time, concedes that the state does and must play a broader role in development. The question now is what programmes will be designed to incorporate this developing view, which has emerged as a result of increasing frustration by African leaders and others. More importantly though, given the emphasis on regional co-operation as a means of addressing development issues, particularly in Southern Africa, the World Bank and IMF must incorporate the interests of regional co-operation into their assistance programmes. It is no longer adequate to address the development issue of a single country without taking into consideration the implications for regional co-operation.

ENDNOTES

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5. Mataya C, 'Macro-economic Reforms and Regional Integration' in *Achieving Food Security in Southern Africa: New Challenges and Opportunities*. Washington DC: International Food Policy Research Institute, 1997, p.120.
6. Ravallion M & C Shaohua, 'What Can the Survey Data Tell Us About Poverty', *The World Bank Economic Review*, 11, May 1997, pp.357-382.
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8. *Ibid.*, pp.82-89.

STATEMENT OF PURPOSE

The South African Institute of International Affairs is an independent organisation which aims to promote a wider and more informed understanding of international issues among South Africans.

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