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Well into the second year of the Mandela-led Government of National Unity in South Africa, the Southern African region is calm. Elections in May 1994 also peacefully ended the 30-year dictatorship of Hastings Banda in Malawi. Mozambique remains peaceful after elections in October last year completed the United Nations monitored peace process. And, in Angola, the peace treaty signed last November in Lusaka seemed to be on the way to implementation after Unita leader Jonas Savimbi met with Angolan President José Eduardo dos Santos in May 1995.

Southern Africa's new era of normalcy makes it the region of Africa "most likely to succeed" in escaping the economic marginalization and renewed crises which have dominated what little news reaches the world from the rest of the continent. Yet just as the unrelievedly negative image of "Africa" is fundamentally flawed, so is its opposite media stereotype: that the "Mandela miracle" has brought change overnight to South Africa and its neighbors.

Constructive relations between the United States and the Southern African region, as indeed the rest of the continent, depends on an understanding of the details of particular situations, as people in both places face intractable problems of sustaining economic growth, solving social problems and making politicians accountable.

As one would expect, there are mixed results on the scorecard to date. *The Weekly Mail & Guardian* (April 21-27, 1995), in its one-year evaluation of the South African government, found that one major difference between sectors, was the capacity of ministers to both shake up inherited bureaucracy and set new directions versus the tendency to rely on the established order. Thus they gave high ratings to Trevor Manuel in Trade

## *Southern Africa: New Visions, Hard Realities*

and Industry, Tito Mboweni in Labour, Kader Asmal in Water Affairs and Dullah Omar in Justice, among others. Foreign Affairs and Defense, in which Alfred Nzo and Joe Modise have tended to rely on the establishment and were given particularly low ratings.

The Defense ministry has been particularly criticized for continued support of South African arms exports, for example. Foreign Affairs Director General Rusty Evans, a veteran of South Africa's destabilization campaign against its neighbors, has come under strong criticism in Parliament and from human rights groups for the absence of both transparency and reform in the foreign policy process.

In regional affairs, the new South African government's intention to play a constructive and non-domineering role has been clearly expressed in membership taken up in the Southern African Development Community and other regional organizations. But the range of practical problems is enormous, and the pressure to take conventional approaches is

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## New Visions, Hard Realities

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correspondingly strong. Illegal immigrants, in largest numbers from Mozambique but also now from around the continent, are being blamed for unemployment, crime and the growing drug traffic. Zimbabwean manufacturers, threatened by cheap South African goods, fear the country's industry will be devastated without a new more favorable tariff agreement with South Africa.

One hotly contested subject has been the establishment of the Truth and Reconciliation Commission, which was finally approved by Parliament in June, and should be appointed soon. As the commission begins to examine human rights violations of the apartheid era, new revelations may further implicate South Africa Vice-President F. W. de Klerk and other officials of the former regime, and, if they are noticed in

Washington, embarrass some U.S. politicians as well. A July 16 *Newsday* story revealed that the International Freedom Foundation, a prominent right-wing Washington lobby with good connections to members of Congress including

Senator Jesse Helms (R-NC) and Representatives Dan Burton (R-IN) and Robert Dornan (R-CA), was financed to the tune of \$1.5 million a year by South African military intelligence. But it is still an open question how much of the dirty tricks of that era will come to light.

This issue of *Washington Notes on Africa* gives the observations from two recent visits by U.S. journalists, one to South Africa a year after the elections, and the other to Zimbabwe after fifteen years of independence. We also include a short list of recommended periodical sources for keeping up on the region.

The Washington Office on Africa, along with other groups, is engaged in the day-to-day battles to preserve aid to Africa and to ensure U.S. responsiveness to crises such as those in Nigeria, Rwanda, Burundi and Sudan. We are convinced, however, that the collective capacity of Africa advocates in the U.S. to have an impact on policy depends on maintaining connections with the successful initiatives as well as the crises experienced in Africa.

Counting only from the initial divestment campaigns of the mid-1960s—and one could go even farther back—it took more than 20 years to communicate to a critical mass of the American public the simple messages that apartheid is wrong and that the world had a responsibility for it. It may take longer than that to communicate more complicated messages such as "Africa is not one place but many," "the U.S. and African countries are indeed part of one world," and "addressing inherited and structural injustices is a shared responsibility." The current U.S. political climate makes getting such messages across more difficult. It also makes it even more imperative. 🌍

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# Challenging Neoliberalism: Reconstruction and Development in the New South Africa

By Gerald Lenoir, Jr.

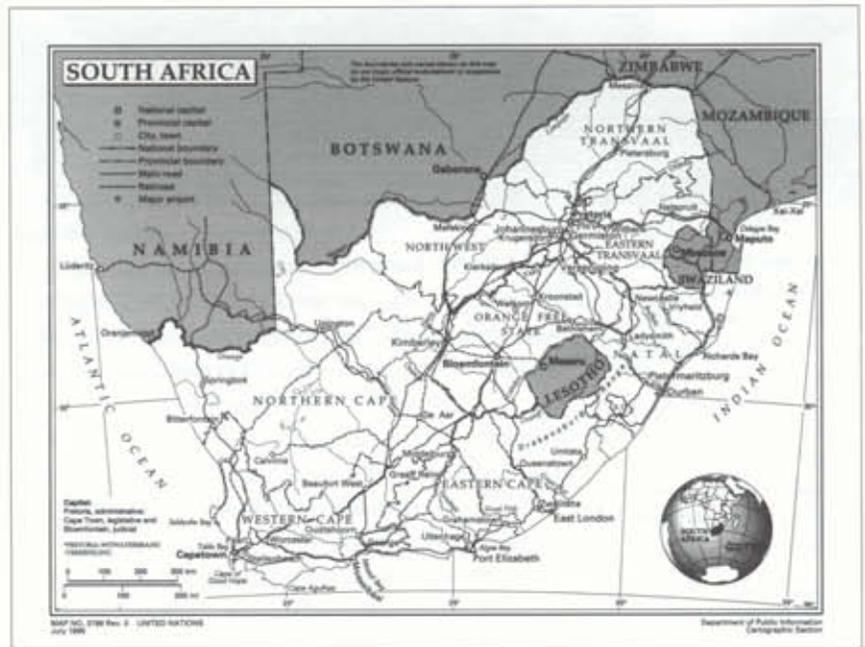
When the African National Congress (ANC) swept into office in the first democratic election in South Africa's history last year, many pundits in the country and around the world questioned the ability of the ANC to transform itself from a liberation movement into an effective governing party. After all, it's one thing to criticize a regime, it's quite another thing to be responsible for governance.

After a year of ANC rule, however, the Government of National Unity (GNU) can count a number of advances, not the least of which is the fact that the country did not descend into a Bosnian or Rwandan-type situation. Sitting in his Cape Town office, Reverend T.S. Farasani, a Member of Parliament from the Transvaal Province, commented, "One of our most important achievements has been the peace and stability the new government has created. It is true we still have a few flashpoints here and there, especially in kwaZulu Natal, but comparing this to what was happening before the elections, one begins to appreciate how much the government has achieved."

But more than peace and political stability has been accomplished in the country. Unlike a lot of political organizations which win elections on the basis of a blank check, the ANC fought and won office based on a fairly elaborate social and economic plan—the Reconstruction and Development Program (RDP). The underlying premise of this program is that in South Africa, there can be neither sustainable economic growth nor a long term political solution unless the GNU mounts an extensive effort to reverse the social and economic deprivation of the masses of people who had been so neglected and degraded during the apartheid era.

The RDP is now official government policy and focuses on meeting the basic needs of economically depressed communities, developing a skilled and educated work force, establishing peace and security within the country, building the economy and democratizing the society. In particular, the RDP promises to provide 2.5 million new jobs over the next ten years as part of a national public works pro-

gram to build roads, schools, clinics and housing and to supply electricity, water and telephone service; to establish a quality system of free and compulsory education for all children and access to health care.



How far has the government traveled over the past year in implementing this ambitious agenda? From the point of view of reorienting government institutions to carry out its new tasks, some important advances have been recorded. From the viewpoint of actual delivery of services, however, there is still a very long way to go.

For Lithol Suka, member of the provincial legislature (MPL) in the Eastern Cape Province, one of the most difficult aspects of moving into the government has been putting in place the structures that were not there, e.g., setting up the various administrations, ministries and departments.

"We were never before in government as the ANC and we had to start with a clean slate trying to put our house in order so there is transparency, accountability, accessibility," he commented. "But over and above, there is a challenge and a call for us from the people to deliver at the same time."

Novice government officials at all levels are struggling to master their new tasks. "The biggest



Scott Braley

*This elementary school has almost no books, and two outside taps for running water but a presidential decree has brought two pieces of bread with peanut butter—the “Mandela sandwich”—to each child in South African schools.*

problem for me has been to learn about the proceedings and the procedures of parliament,” Suka continued. “When we were revolutionaries, we just had to say we want houses; now if you say you want one house, there are certain legalities that you need to follow. So those are the challenges—to put the legalities coupled with the practical actualization of what we are promising outside of parliament.”

But it has been more than just inexperience that has slowed the progress of development. As part of the compromise which led to last year’s elections and the adoption of the interim constitution, the ANC agreed that civil service employees could retain their jobs for the five-year duration of the GNU. Facing a largely white and antagonistic civil service has meant the pace of change has been hindered. Within the South African Development Bank, for example, a scheme was uncovered to grant concessionary loans to the provincial government of the Western Cape, ruled by the National Party (NP), the architects of apartheid, and to deny loans to ANC-led provinces.

And, as expected, the ANC’s relationship to its junior partners in the GNU has been sometimes less than cordial, since the NP and the Inkatha Freedom Party (IFP) are trying to preserve past political and economic privileges. The NP is attempting to preserve economic apartheid, while the IFP and other former homeland leaders are trying to protect their relative positions of power and economic advantage.

“We have faced resistance from time to time from past administrations,” explained Suka.

“Here in the Eastern Cape, we had to merge three different administrations, two homelands [Ciskei and Transkei] and the old department. From some sections, they are very cooperative and there is a spirit of reconciliation and nation building, but in the two other areas that were administered by the past homeland leaders, there is resistance from them.”

The hurdles the new government must overcome are qualitatively different than just alternating between two political parties, as happens in the United States. The ANC inherited the inherently racist, colonial structures that had existed in South Africa for centuries. The major undertaking of the GNU has been the dismantling and reorganization of the vast apartheid government bureaucracy and the establishment of nine provincial governments to serve the majority of people. While advances have been made in restructuring government, there is still a certain amount of confusion, as the sorting out process continues.

Beyond the exposition of the RDP as a blueprint for change, the actual delivery of services is where the theories of development will be verified. A poster in the office of Raymond Mhlaba, the Premier of the Eastern Cape Province, sums up the feeling of many. It reads, “You can’t build a reputation on promises!”

So, the ANC struggles to deliver on its campaign promises. Several high-profile Presidential Lead Projects have been funded as pilot projects to jump start the development process and to provide models to be tested in the field before being implemented on a wider scale.

One impressive undertaking is the Moretele Water Supply Project at Maubane in the Northwest Province. It was the first of the twelve presidential RDP projects on rural water supply and sanitation, a part of a broader government plan to bring clean water to one million people in rural communities. The three-year project entails laying down 1,000 kilometers of pipeline to meet the basic water requirements of all 150,000 people in the Moretele region. Other projects include a housing development in Duncan Village, a township in the Eastern Cape Province; an electrification project in the Northwest Province; and a water project in Oukasie, a black township in the Northwest Province.

The most visible and popular presidential programs are the broad-impact feeding scheme in which all school age children receive a free

meal and the health care initiative through which pregnant women and children under five receive free prenatal and post natal medical care.

The "Mandela sandwich" of peanut butter and a cup of soup provide 25 percent of the minimum daily nutritional requirements and, in some of the poorest areas, represent the only regular meal the children receive. It is estimated that over 5.5 million children are receiving this benefit and an increase in class attendance is being attributed to the program.

One of the biggest success stories is the RDP's massive program of electrification by ESCOM, a parastatal (state-owned) public utility. Because of apartheid policies, half the people in South Africa do not have access to electricity. The goal was to electrify 300,000 houses and by May 1995 the government had electrified about 370,000 poor homes in townships and villages.

But despite these high profile projects, to date development efforts have not born much fruit. The average South African will not see tangible changes in his or her everyday life immediately. Job creation must keep pace with the thousands of young people pouring into the job market each year. And the intractable problem of inadequate housing can only be solved through a massive, nationwide building program. With the progress made over the last year, the GNU is preparing to seriously address development issues over the next few years.

In parliament and in the cabinet, plans are being developed to address the issues of affirmative action in education, the workplace and government contracting. Formal legislation will probably be introduced later this year. Public and private financing mechanisms are now in place for low-cost housing construction and ownership. In addition, the GNU has recently begun implementing an "offset" requirement for foreign corporation investing in South Africa. Offset, a form of government mandated countertrade, requires any foreign corporation which wins a government procurement contract to purchase export products from South Africa. Such programs have been successfully implemented in Asian countries to improve the balance of trade and stimulate domestic economic development.

The most exciting aspect of the South Africa experience is its potential to become a beacon for other developing countries in Africa and around

the world. In particular, as articulated by Jay Naidoo, the Minister responsible for the formulation and implementation of the RDP, the South Africa plan breaks with the logic of neoliberalism, which promotes an export-led, growth at any cost agenda and, as an afterthought, promises some kind of trickle down to the most needy. According to its proponents, the central thrust of the RDP is precisely **growth through development**, not having those things occupy two separate logical spaces, which experience in the global arena has shown does not work.

To the surprise of many economic forecasters, South Africa has recorded a small growth rate over the past year, reversing an eight-year trend of no growth or negative growth. Going against the grain of International Monetary Fund and World Bank proscriptions of market-led or external export-led growth and vast reductions in expenditures in the public sector, the RDP bases itself upon government-initiated infrastructural development and meeting basic needs as the means of stimulating a stagnant economy. Along with government infrastructure investments, foreign corporations are steadily returning to South Africa and domestic corporations are making plans for expansion.

This positive economic picture combined with an acceptance (with varying degrees of enthusiasm) by virtually all social forces in South Africa that the state has a definitive role to play in redressing the inherited inequities from the apartheid era is a clear indication that South Africa is progressing under the GNU. However, in order to sustain and accelerate development in the long run, South Africa will have to address the extreme concentration of wealth in the hands of the white minority, i.e., the incredible fact that over 90 percent of the stock on the Johannesburg stock exchange is controlled by six corporations. Whatever happens over the five-year life of the GNU and the RDP, the next five-year development plan will have to address this issue. 🇿🇦

*Gerald Lenoir, Jr. is a freelance journalist. He traveled throughout South Africa in May, 1995.*

*"One of our most important achievements has been the peace and stability the new government has created..."*

Rev. T.S. Farasani, M.P.

# Zimbabwe's Third Chimurenga

By Frances M. Beal

Fifteen years after freedom fighters successfully completed what was termed the "Second Chimurenga," or the "Second National War of Liberation," Zimbabwe is engaged in its "Third Chimurenga," the battle for economic emancipation. The principal foes are the International Monetary Fund and the World Bank, multilateral lending agencies which have forced president Robert Mugabe's ruling Zimbabwe African National Union-Patriotic Front (ZANU-PF) Party to implement a version of its notorious structural adjustment program in order to qualify for badly needed trade and development loans.

Zimbabwe, a country the size of France with a population of 10.5 million people, has vast mineral wealth and is one of Africa's most

developed industrial nations. However, for many years the economy has been declining because of a complex combination of factors—drought, world economic recession, a dramatic dive in the prices for Zimbabwe's main exports (agricultural products and raw materials for industry), soaring oil prices, economic and military destabilization by

the former apartheid regime in South Africa and the government's own mistakes and overreliance upon external funds for domestic economic development. The government owns and controls some sectors of the economy, while at the same time, strategic sectors, like agriculture, banking and mining, are still in the hands of domestic corporations controlled by white Zimbabweans or multinational corporations from western countries, most notably, Great Britain and Australia. Overall, foreign companies control over 70 percent of the economy.

The bitter pill that the IMF and the World Bank have prescribed for Zimbabwe to swallow is a package of reforms that include wholesale privatization of the economy, devaluation of the Zimbabwean dollar, drastic cuts in government

spending, a lowering of the corporate tax rate and of import quotas and tariffs, a scrapping of agricultural price supports and the liberalization of investment policies for foreign investors. Since 1990, the government has been implementing these policies with mainly negative results.

On the bright side, annual inflation rates are down from 45 percent to 19 percent, but the average wage is about 600 Zimbabwean dollars a month (U.S. \$75), well below the poverty level of 830 Zimbabwean dollars (U.S. \$100). "I earn 300 [Zimbabwean] dollars a month and my wife is pregnant. How can I afford 500 [Zimbabwean] dollars maternity fees at the hospital?", queried a resident of Kambuzuma, a nearby suburb of Harare, the capital city. But even Zimbabweans who are relatively well off are suffering under economic structural adjustment (ESAP).

Further, a 1994 report by the Confederation of Zimbabwe Industries indicates that capital investment in buildings has declined by 39 percent and in plants and machinery by 25 percent, as compared to 1993. Nearly half of Zimbabwe's manufacturers are operating below capacity and exports have plummeted by 67 percent, domestic orders by 9 percent. Exorbitant interest rates of 35–40 percent have dampened industrial investment and discouraged consumer spending.

In his recent address opening the first session of the fourth parliament, President Mugabe stated, "The current unstable macroeconomic environment characterized by persistent high inflation, high interest rates and high domestic borrowing tends to undermine the supply response to structural reforms and creates a hostile environment for both domestic and foreign investment to take place."

"Hence, the program to reform public enterprises will be intensified with the commercialization or privatization of parastatals being accelerated."

Mugabe also promised substantial cuts in the size of the military and "speedier ways" to land acquisition for peasants to meet the target of 8.3 hectares.

"In addition, efforts are being made to indigenize the economy through the utilization of

*Structural adjustment, practically, is going to make the poor very poor and the rich very rich. It simply means survival of the fittest.*

## Editor's Note:

The "First Chimurenga" refers to the war of resistance against settler occupation in 1896-97.

graduates from agricultural institutions and universities as well as more trained black farmers in the commercial farming sub-sector," Mugabe said.

Structural adjustment is not without its critics. Most prominent among them are trade unionists. Morgan Tsvangirai, general secretary of the Zimbabwean Congress of Trade Unions (ZCTU) has condemned ESAP and called the government social fund set up in 1993 to alleviate ESAP-related poverty as a case of "too little, too late."

"Structural adjustment, practically, is going to make the poor very poor and the rich very rich. It simply means survival of the fittest," according to ZCTU, which represents over 350,000 workers in the private sector, about 25 percent of the workforce employed by private corporations.

Zimbabwean economist Austin Chakaodza, in his book *Structural Adjustment in Zambia and Zimbabwe—Reconstructive or Destructive?*, concluded that ESAP "is a new form of re-colonization of African countries. The colonists are the bankers, economic consultants and international technocrats based in Washington, headquarters of both the IMF and the World Bank." He rejects ESAP and calls for a program of public works to create jobs and increase spending power; the restructuring and commercialization of parastatals (state-owned enterprises); a renewed focus on the development of human resources through increased expenditures on education and training; the alleviation of poverty through the reintroduction of price controls on basic commodities, subsidies to peasant farmers, and an increase in expenditures for social services; the "democratization of decision-making" in production, distribution and exchange; and a program of land reform.

The ZANU-PF government has committed itself to restructuring and commercialization of government-owned corporation and to a land reform program. The reform of parastatals is proceeding, while land reform has been plagued with false starts and scandal. However, public pressure is mounting for genuine land reform.

Zimbabwe has stepped up South-South cooperation to lessen its dependence upon exports to developed nations and to strengthen self-reliance in the region. Zimbabwe is an active participant in the Southern Africa Development Community (SADC), a group of nine countries dedicated to regional integration and cooperation. SADC is also developing regional infrastructure projects in the areas of telecom-

munications, transportation and electricity generation and supply.

With the newly liberated South Africa joining SADC and peace in Angola and Mozambique, there is great hope that the countries of southern Africa can make progress in forming a regional common market. However, there is also the fear that South African capital will dominate the region and further distort the economic development of other countries. At every opportunity, President Mandela and South African cabinet ministers have tried to



Scott Brinker

allay those fears. Mandela has stated that South Africa does not seek to dominate, but to cooperate with its neighbors. He has promised that his Government of National Unity will be sensitive to the needs and aspirations of other countries in the region.

Zimbabwe's Third Chimurenga, the struggle for economic independence, is taking place within the broader context of the regional struggle and, even broader, the struggle of the countries of sub-Saharan Africa to rid themselves of the legacy of colonialism and to democratize their societies and develop their economies. Zimbabwe's success in finding a solution to the quagmire of structural adjustment is thoroughly bound up with a regional and a continent-wide solution to the common problems that have plagued African nations for decades. 🌍

*A metaphor for the situation in Southern Africa, a man tries to fix his broken down truck in the middle of the street, at night, with a candle.*

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