PN-ABF-16

POVERTY, POLICY, and FOOD SECURITY in SOUTHERN AFRICA

Published in cooperation with the
Overseas Development Council, Washington, D.C.

POVERTY, POLICY, and FOOD SECURITY in SOUTHERN AFRICA

edited by
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Lynne Rienner Publishers — Boulder, Colorado
Mansell Publishing Limited — London, England

Published in the United States of America in 1988 by
Lynne Rienner Publishers, Inc.
948 North Street, Boulder, Colorado 80302

Published in Great Britain in 1988 by
Mansell Publishing Limited
6 All Saints Street, London N1 9RL

Library of Congress Cataloging-in-Publication Data

Poverty, policy, and food security in southern Africa/edited by Coralie Bryant.
p. cm.
Bibliography: p.
Includes index.
ISBN 1-55587-092-9 (lib. bdg.)
1. Food supply—Africa, Southern. 2. Poor—Africa, Southern. 3. Africa, Southern—Economic policy. 4. South Africa—Foreign relations—Africa, Southern. 5. Africa, Southern—Foreign relations—South Africa. 6. Apartheid—South Africa. I. Bryant, Coralie.
HD9017.A26P68 1988 87-32243
363.8'56'0968—dc19 CIP

British Library Cataloguing in Publication Data

Poverty, policy and food security in Southern Africa.
1. Africa. Southern Africa. Food supply. Political aspects
I. Bryant, Coralie
338.1'9'68

ISBN 0-7201-1972-3

Printed and bound in the United States of America

The paper used in this publication meets the requirements of the American National Standard for Permanence of Paper for Printed Library Materials Z39.48-1984. ⊗

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Preface

This book looks at poverty, policy, and food security in Southern Africa. Much of the discussion focuses on the political economy of food—its production, distribution, and the surrounding policy debates. In this troubled part of the world, however, a focus on food drives the analyst to larger questions: How does this region — Southern Africa, with South Africa at the vortex—function economically as well as politically? What are the relationships between transportation, trade, and food? Is there a future for a small-farmer strategy in Southern Africa? What is the role for the Southern African Development Coordination Conference?

The book grew out of a project at the Overseas Development Council on the political economy of food in Southern Africa. Many of the chapters (all except those of Mandivamba Rukuni and Carl K. Eicher, and Bernard T. G. Chidzero) were first drafted for a major conference on that topic held in Washington, D.C., in 1986. Minister Chidzero was the keynote speaker at the conference dinner, and I thank him for allowing us to reproduce his talk on that memorable occasion.

Subsequently, ODC hosted a second, smaller conference—in collaboration with the Friedrich Ebert Stiftung of West Germany—on development and security in Southern Africa. The initial year of the project was supported by the U.S. Agency for International Development. More recently, the Southern Africa work at the Overseas Development Council—the Southern African Policy Roundtable—has been supported by the Swedish International Development Agency. We thank these supporters. They have facilitated the research and information exchanges essential for informed policy discussions on choices and options in Southern Africa. They are not, however, to be held accountable for views expressed in this book.

This book is grounded in my experiences working in most of the countries of Southern Africa over the past thirteen years. It is informed by conversations and interviews with people in Southern Africa—farmers, urban squatters, students, businessmen, and officials.

Books grow, almost organically, as the result of help from many people. Central in this instance have been wonderful colleagues at the Overseas Development Council, and earlier, at The American University's International Development Program. At the beginning of the project, I was ably assisted by Anthony Gambino and Peter Hogan. Peter developed most of the tables in the appendix; Tony developed one of them as part of another ODC publication while working on the project. Terrence Lyons undertook the difficult task of editing the chapters, rationalizing footnotes, and ensuring that although the papers came from different countries and cultures, format and spelling were made consistent. I also want to thank my husband, Ralph C. Bryant, as well as my colleague, Valeriana Kallab, and an earlier collaborator, Louise White, for their special help. All are, however, to be exonerated from necessarily sharing my personal views, and from any errors.

This book provides the material and data explaining why I have come to believe a Southern African Regional Development Strategy is possible, and worthy of support. Southern Africa, with South Africa at its core, challenges the conscience of the international community. The region—with significant development potential—has its future held in check by South Africa's policy of apartheid. The aim of South Africa's foreign policy toward neighbors is destabilization and underdevelopment. Even when active destabilization is not under way, grinding poverty is the daily lot for most of the region's inhabitants, and even within South Africa's highly industrialized economy, poverty, and its consequences—malnutrition and low life expectancy—are pervasive.

Apartheid and destabilization are not only foreign policy problems, but also development problems for the international community and the United States; the usual demarcation between development and foreign policy does not hold in Southern Africa. Responding to the challenges that apartheid and destabilization present provides the international community in general, and the United States in particular with opportunities: chief among these opportunities is the real possibility of building a new relationship with the countries of this region while ameliorating poverty and eliminating underdevelopment.

Coralie Bryant

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CHAPTER 1

Overview: Poverty, Policy, and Food Security in Southern Africa

CORALIE BRYANT

The gathering storm in Southern Africa casts a dark shadow far beyond the borders of the region. East-West and North-South winds converge and gather speed in that storm, building upon currents within one another. Those observing, as well as those buffeted by the gales, are challenged to consider all possibilities—and their responsibilities. Much as lightning suddenly flashes upon places previously obscured, here too there are momentary glimpses of different landscapes. A South Africa without apartheid? Neighboring countries no longer plagued by famine or war? This book, motivated by a search for those "places," will start with what *appear* to be quite different subjects: the problems of hunger and poverty, and policy dilemmas in the search for food security. Yet these problems are part of the same subject, embedded as they are in how this region is tied to South Africa's present and future. The ties are an immense problem but they also present an opportunity—and that opportunity is the way in which a regional development strategy could be the key to a different future for the region.

Southern Africa (Botswana, Lesotho, Swaziland, South Africa, Zambia, Zimbabwe, Mozambique, Angola, Namibia, Tanzania, and Malawi) is a region of extremes in wealth, climate, opportunities, histories, and perspectives. As one of the world's richest areas in terms of physical and human resources, it could, under peaceful conditions, play a major role in international trade and commerce, creating for its peoples a widespread prosperity and, for the world economy, secure resources and growing markets. Currently destabilized by South Africa, and besieged by poor commodity prices, creditors, insurgency, drought, and mismanagement, Southern Africa is one of the world's poorest, most violent regions.

Within South Africa itself, these are turbulent times. Significant structural change, long needed to move away from apartheid, is postponed by an intransigent minority government determined to control history. At the local level, however, within communities and local organizations, multiracial cooperative efforts with potentially far-reaching consequences already are taking place. Black trade unionists, churches, and community groups are more organized, and committed, to democratic multiracial government than ever before. Yet the needed far-reaching national political reforms are not happening.

On the other hand, South Africa's economy, despite its strong past growth and future potential, is currently stagnating. Over a million people were unemployed by late 1986. The rand dropped from $1.14 in 1981 to $.44 in 1986; capital flight is only barely stemmed by tight rand regulations; and virtually no new investment is taking place. Its trade is not widely diversified but rather is heavily dependent upon gold, which accounts for 50 percent of exports. Yet South Africa's potential, were it to free itself of apartheid, would equal that of most of the successful newly industrializing countries.[1]

The small steps taken toward reform in 1986 have been stalemated by the widespread use of police coercion to quell local protest. Meanwhile, censorship and media blackout under the Emergency keep the West uninformed about, and hence less preoccupied with, the absence of progress toward reform

Southern Africa (the eleven countries) is a controversial part of the world. There is little consensus now, or in the foreseeable future, about what should be done and by whom. The chapters in this book were chosen to represent a range of political views held by observers from within and without the region on Southern African development. Resolving conflict in Southern Africa requires listening to different voices—each contributes to understanding the regional system.

Many (certainly the editor) believe that the likely scenarios now predicted for Southern Africa are intolerable. How then are they to be avoided? How might the rising tide of human immiseration be averted? There are possibilities; the challenge is to envision and then to actualize that vision. Before possibilities may be discussed, however, the general characteristics of the region need to be considered.

SOUTHERN AFRICA: CHARACTERISTICS AND PROBLEMS

Some 102 million people live in the region's eleven states. Approximately 32 million people are in South Africa and 70 million in its neighbors.[2] Predominantly small states with open, fragile economies, eight of these countries (the exceptions are Botswana, Lesotho, and Swaziland) are made up of widely heterogeneous ethnic communities with but a limited sense of national unity. National boundaries, largely determined by colonialism, cut through ethnic communities, adding cross-border cultural relationships to the complex interdependence. These countries' economies are dependent upon one or two major primary exports, thus they struggle with adverse terms of trade, as well as the problems coming from South Africa. Low commodity prices mean that even when they cut imports and increase exports, their balance-of-payments positions are not significantly improved. Many countries have undertaken significant reforms in recent years, but the legacy of past mistakes remains. They also are held hostage by the impact of apartheid and regional destabilization.

The physical destruction by South African-backed forces of economic and social infrastructure in neighboring states—bombing bridges, schools, clinics, medical transport, power lines—has severe human as well as economic consequences rarely discussed by decision makers in the international community. It diminishes productivity within these states, increases security budgets, and destroys resources available to most disadvantaged groups within those states. Angola and Mozambique have borne the brunt of South Africa's destabilization—over 2 million people have been deprived of health care, and schools for 300,000 school children have been destroyed.[3] Bridges, rail lines, and roads have been blown up.

Because of all the regional ties, economic stagnation inside South Africa has serious consequences for Southern Africa—unemployment results in pressure to restrict employment to nationals only, contraction spreads to the region, and recessionary pressures are felt, especially in those economies most integrated into that of South Africa.

South Africa's control and influence throughout the region has been exercised historically through social, political, and economic relationships in trade, finance, transportation, and labor migration. Many of these relationships have formal institutional arrangements, such as the South African Customs Union, the Rand Monetary Area, and the Chamber of Mines. The region's economies are integrated, and therefore changes in one country's factors of production have an impact upon the others.

The Southern African Customs Union (SACU) and the Rand Monetary Area mean that member countries (Botswana, Lesotho, and Swaziland in the former, and Lesotho and Swaziland in the latter) have no control over fiscal or monetary policy, as South

Africa sets the rand rates and determines duties. Lesotho and Swaziland, enclave states surrounded by South Africa, have their monetary and fiscal policy made by decision makers in Pretoria—a situation that would not change under a majority ruled South Africa unless the rules of operation of SACU or the Rand Monetary Area were revised. (Even the anomalous nature of Lesotho's and Swaziland's borders may be open to dispute under a majority-ruled South Africa.) However, not every economy in the region is equally tied into South Africa's financial orbit as these two. Tanzania is clearly the least linked to the Southern Africa region. Yet all eleven states are far more integrated through trade, transport, and finance than is widely understood.

South Africa maintains a favorable trade balance with its neighbors; it currently needs this favorable trade balance to offset some of the impact of sanctions. As the rand has depreciated in the past few years, it has been difficult for neighboring states to stem the increased attractiveness of South African goods to their consumers, thereby increasing their negative trade balances with South Africa.

The poverty within South Africa is far more severe and widespread than is commonly appreciated.[4] The myth put forth by the government of South Africa that black standards of living are higher than in other parts of Africa has been believed in spite of ever-increasing evidence to the contrary. By most calculations, black GNP per capita within South Africa is about $800, while it is $960 in Botswana and $760 in Zimbabwe and Swaziland. Even more important, there is some growth in each of these other three countries while growth is stalemated inside South Africa. Serious nutritional disorders are common among South Africa's black population, and there is evidence that rural hunger is worse than in rural areas of the neighboring countries.[5] Thus it is no surprise that the official life expectancy in South Africa—merging figures for blacks and whites—is fifty-five years. As the white life expectancy rate is considerably higher, one can only wonder at how low the black rate is to pull the average down to fifty-five years.

Hunger is pervasive throughout the region. It affects one-third of Lesotho's families, with the incidence of malnutrition greatest among the rural poor, children under five, crippled miners, and the elderly. Botswana continues to need drought relief assistance for 40 percent of the population. In the spring of 1987, the UN Children's Fund (UNICEF) estimated that four million people in Mozambique were facing starvation because of the destruction of food crops and transport capacity and the loss of export earnings to pay for imported food.[6] The UN Food and Agricultural Organization's

(FAO) projections of Southern African food needs contrasted with food production indicates that if current trends are not reversed, hunger and malnutrition will be so widespread as to be beyond international acceptability.[7]

As the region's major food exporter, South Africa uses food as an integral part of its foreign policy. It is the region's largest grain exporter. Pretoria subsidizes the country's inefficient maize production to enable South Africa to continue to export maize to neighboring countries. Wheat production is similarly subsidized and is a fast growing part of South African trade.

When South Africa experienced drought, its government imported U.S. corn in order to continue meeting the demands within the region. (It was necessary to mix the unfamiliar U.S. yellow corn with the locally preferred white maize to assure its acceptability.) In 1985, in a historic first, South Africa bought Zimbabwean maize in order to maintain its usual exports to Lesotho and Swaziland.

South African control over the supply of the whole range of food products—grains, cereals, dairy products, vegetable, fruit, and processed foods—determines much of the region's access to food. An array of marketing boards, subsidies, and pricing policies keeps these food exports highly competitive throughout the region. Double invoicing and special marketing arrangements are devised, when necessary, to evade sanctions.

Beyond exports of food, South Africa strongly influences trade in the region by its control of transportation. With six of the nine states in the region landlocked, South Africa's rail and road network is centrally important. (In this book, Stephen R. Lewis, Jr. includes some revealing maps of the transportation links—contrasting the map used by the Southern African Development Coordination Conference (SADCC) to that used by South Africa.) It has been estimated that South Africa earns approximately $500 million a year in income from transportation charges alone on goods in transit through South Africa en route to Botswana, Lesotho, and Swaziland. (Few people in the United States realize that all U.S. Food for Peace designated for Lesotho, Zambia, Mozambique, and Botswana is shipped by South African rail, adding to South Africa's already formidable earnings from control over transportation.)

The major impact of South Africa's policy of regional destabilization has been brought to bear on transport links—rail and ports. While South Africa's businessmen do not want to lose markets in the region, the South African Defense Force does want to destroy that part of the transportation system lying outside South African borders and increase the hegemony of South African rail and ports.

Historically, Mozambique serviced much of the region with rail lines to ports on the Indian Ocean. Recently, however, the South African Defense Force, working through Mozambican armed bandits, have blown up these rail lines. The revenue South Africa earns from transport charges on goods and services carried over South African rail, added to earnings from regional trade and finance, have become increasingly important to South Africa as sanctions take their toll.

Migration to the South African mines has been a major factor in the economies (and societies) of Lesotho, Botswana, Swaziland, Mozambique, and Malawi. Lesotho is the largest supplier of labor; in 1981, 86 percent of the wage labor of Lesotho worked in South Africa. Even though this number dropped to about 74 percent by 1985, dependence upon remittances was still the overwhelming characteristic of the political economy of this enclave state. Remittances accounted for 41 percent of Lesotho's GDP in 1983. Historically, Mozambique has been the second largest supplier of labor to South Africa. With the drop in earnings from the ports, the government of Mozambique has become more dependent upon remittances, some portion of which was paid in gold, to help meet the needs for foreign exchange. In Botswana's case, diamonds have helped to displace the need to export labor to South Africa. But 50 percent of the country's diamond mines are owned and controlled by South African interests. Diamond mining throughout the region—in Angola, Tanzania, Botswana—is managed by DeBeers, and diamond marketing is managed through the Central Selling Organization, a subsidiary of De Beers.

Botswana's coal, brewery, and most nonagricultural manufacturing are also owned by South African capital. In services, 90 percent of the wholesale and retail trade, as well as 100 percent of the freight-forwarding business, is owned by South African investors.[8] It is estimated that South African interests control about 60 percent of the manufacturing sector in Zimbabwe; brewing and estate agriculture in Zambia; all the freight forwarding in Mozambique; and much of the mining, brewing, and manufacturing in Swaziland. As a major UNIDO (UN Industrial Development Organization) study pointed out, one of South Africa's business strategies is to site plants generating little real value added in neighboring countries in order to gain access to other neighbors' trade for what are in effect South African-manufactured exports. Transfer pricing and other techniques are then used to return the profits to South Africa.[9]

Botswana is fortunate in having diamonds, as the declining prices of commodities other than diamonds have had an adverse impact on the region. To illustrate just how severe the deteriorating terms of trade are for countries in the region, consider Malawi's experience: In 1986 Malawi increased exports by 7 percent and decreased imports by 19 percent. In most years, that would have meant real improvement in foreign exchange earnings; in the current international economic climate, it has meant not maintenance, but a small loss in Malawi's balance-of-payments position.[10] As Bernard T. G. Chidzero points out, Southern African countries have about $16 billion of debt—an amount equal to approximately 60 percent of their GDP and 250 percent of their exports.

THE SOUTHERN AFRICA COORDINATION CONFERENCE

The region has taken an important step toward organizing for a postapartheid future. In 1980 in Lusaka, the Southern African Development Coordination Conference (SADCC) was formed at a meeting of the heads of state of Zambia, Zimbabwe, Mozambique, and Tanzania. SADCC membership was soon expanded to include the nine member nations in Southern Africa—Angola, Botswana, Swaziland, Lesotho, Malawi, Mozambique, Tanzania, Zambia, and Zimbabwe. The goal of SADCC is to reduce the dependence of these countries' economies on South Africa and to undertake projects cooperatively in order to strengthen the linkages between the member states. Nationalism, and hence rivalry, is a potent force among these countries, as it is elsewhere on the continent. Achieving the consensus for yet another effort at regional cooperation was extremely difficult. Keeping fully in mind both intraregional rivalries and the different political ideologies of their member states, the heads of state of SADCC members decided that SADCC would not be yet another multilateral or regional bureaucracy. SADCC is therefore not a treaty organization; it was launched as, and remains, a mutual commitment to work cooperatively on projects of mutual benefit.

Eschewing the costliness of an elaborate bureaucracy—in the early years SADCC lacked even much of a secretariat—the participating countries committed themselves to work together on those projects where agreements could be readily negotiated. The guiding concept was to let the agenda emerge from specific operational cooperative work. That agenda has grown as projects have begun to come to life. SADCC is reliant upon donor funding, but with an important difference: SADCC sets the priorities and facilitates indigenous project development, and it insists upon steering project direction through the consultative process of the Council of Ministers.

SADCC acknowledges international funding is essential; it also asserts that regional priorities must be set within the region through cooperation among the member governments. Priorities are set by the heads of state of all member countries at an annual summit meeting, which is followed up by the Council of Ministers meeting three times a year. Supporting the Council of Ministers is the Standing Committee of Officials, consisting of officials from all member states, which reviews progress on each of the sectors. All projects funded fully or partially from outside the region have to be negotiated through the sectoral secretariats, as well as bilaterally through the host countries. Different sectoral priorities have been assigned to different member states. Mozambique has been assigned responsibility for transportation; that sectoral secretariat in Maputo is now called SATCC—the Southern African Transport and Communications Commission. Zimbabwe has been assigned responsibility for food security, Swaziland has responsibility for manpower, and each of the other member governments have other sectoral assignments. Within those governments, a particular section within a ministry then works with counterparts in all of the other governments on that particular sector.

Toward meeting its SADCC responsibility on food security, the Zimbabwe Ministry of Agriculture has established a SADCC Food Security Unit that pulls together the consultative meetings of all member countries to plan food projects and programs. Food storage has recently been improved as a SADCC project; in another project, plant research in Zimbabwe will be shared with Botswana.

By August 1987, SADCC had identified 493 projects in seven sectors (agriculture, energy, industry, manpower, mining, tourism, transportation and communications), which would cost $6,401 million, for which it had raised $2,165 million, with an additional $322 million under negotiation. Of the nearly $2.2 billion raised, about 12 to 15 percent will be locally financed.

MAJOR THEMES AND POLICY ISSUES

The international community, shocked by the cruelty of apartheid, appears to be stalemated by South Africa's singular tenacity. Effective ways to coordinate international pressures for change in South Africa have yet to be discovered. South Africa's ability to evoke quarrels between brothers starts at home and reaches to the international community. Debates within the Commonwealth over the pressures to be brought to bear on South Africa are deeply divisive.[11] Tensions between the United States and European allies over policies toward the region, especially Angola and Mozambique, are equally sensitive.

This divisive environment does little to discourage the implementation of contradictory policies by major donors in the region. Thus the United States extends military support for the South African-backed insurgency in Angola, even while it simultaneously sends humanitarian support to the victims of that insurgency. The United Kingdom provides military assistance to the government of Mozambique, while the U.S. Congress imposes restrictions on development assistance to that same government. Other allies violate the internationally mandated restrictions on arms sales to South Africa.[12] In short, there is little consistency in international pressures to reduce regional destabilization in Southern Africa.

Meanwhile, inside South Africa, the use of emergency powers provides cover while police run amuck through black townships, and the South African Defense Force attacks neighboring states. South African decision makers both designed the integration of the region and continue to orchestrate it, wherever possible, to their benefit. On the other hand, South Africa cannot secede from the region, and that fact affords the international community some opportunities. Growth in the region could create a different context for change within South Africa itself, but whether the international community is ready and willing to support a regional growth strategy remains to be seen.

Three major policy themes emerge from the preceding description of the region's predicament, and they are central to this book. First, the Southern African region is more economically and financially interdependent (albeit asymmetrically) than is commonly understood. One aspect of that integration is that there is no way to analyze the region or to make recommendations for its development without squarely confronting the problem brought about by the regional economic policies of the South African government. Cogent analysis and recommendations must contain a *regional* emphasis; South Africa's role within the region must be an integrated part of that analysis.

Second, since the region is already linked together, and insecurity and instability are pervasive, one cannot uncouple security policies from those of development. The South African policy of regional destabilization forged that linkage, and development donors must come to terms with the manner in which these two policy arenas intersect. That poses great problems for donor countries, especially when their domestic politics tend to separate development work from security policy. For the United

States this linkage means that the domestic roots of foreign policy enter into consideration. The domestic constituencies supportive of development assistance are very often at odds with the domestic constituencies supportive of security policies in developing countries.

A corollary of this linkage between security and development is the issue of sanctions, and the use of sanctions as part of foreign policy. In the international community, the Swedish and Danish parliaments alone have accepted the inevitable connections between development and security policy and, opting for regional development, have enacted strengthened comprehensive sanctions against South Africa so that their security and development policies would be synchronized. Canada is entering into the debate over strengthened sanctions. Great Britain and West Germany have resisted sanctions legislation most strongly. In the United States, Congress passed a major sanctions law in October 1986, overriding a presidential veto. It is doubtful that Congress will strengthen that legislation with stronger sanctions in the near future. The opposition of the U.S. executive branch to those sanctions was reiterated in the president's report on the sanctions' first year. The United States also exercised its veto in February 1987 of the proposed UN Security Council sanctions.

Third, the international community has yet to decide what activities it is willing to support in a far-reaching and significant regional development strategy. It is not clear that international commitment to a regional development strategy in fact exists—partly because there is little definition as yet of the major elements of such a strategy. How should a regional development strategy be constructed? What should be done to respond to the need for growth in the productive sectors? How would that growth assist and facilitate increased security—food security and, beyond that, physical political security? How can improved development and security in Southern Africa encourage change in South Africa?

Part 1 of this book provides the essential background to trade, linkages, and food security in all of the countries in the region. Discussion of food production, and the access of poor people to that food, requires merging macro- and microlevel research.[13] Thus questions of trade and the macroeconomic environment will be covered in this book along with questions concerning household access to food, and the replicability of a small-farmer strategy. In the second chapter, Stephen R. Lewis, Jr. provides a detailed factual account of the impact and implications of Southern African trade and finance. He points to a rarely appreciated aspect of the region: South Africa needs the region's trade and the income South Africa earns from services. Others have pointed to aspects of this relationship—Joseph Hanlon, for example, claims that South Africa earns $1 billion a year from SADCC states for services.[14] But Lewis's account makes a special point: self interest alone could be evoked to limit South Africa's regional destruction.

Lewis argues that while interdependence is profoundly asymmetrical—and must be restructured—these are two-way relationships, and hence South Africa *needs* the region. It regularly runs a large trade surplus with the region. And growth for both South Africa and the other regional states is in their clear best interest; it is, in effect, currently prohibited by apartheid. South Africa's economic penetration of the region carries contradictory elements of its own.[15]

Michael Lipton introduces one of the central problems in the region (and in this book): the problem of food insecurity. He points out that the donor emphasis on increasing production as a response to hunger is limited, since a substantial part of the problem is that poor people cannot afford to purchase the food they need. The problem of hunger is rooted in poverty, and the fact that people cannot afford food is not wholly addressed by increasing trade in food, or even transport to carry food. His analysis is compelling, and the logic and evidence marshaled tells an essential part of the story. He points to the need for improved agricultural technology in order to achieve greater productivity, and singles out the misplaced emphasis on factors that consume resources and do little to improve people's access to food.

Speaking from within the region, and with a wealth of firsthand experience, Bernard T. G. Chidzero provides practical examples of coping with regional interdependence. He speaks candidly of the complexity of economic planning, given that interdependence. He details the major economic challenges he has had to confront in practice: problems of debt, blockages to agricultural development, problems of transportation and trade.

Part 2 of the book turns directly to food, farmers, and trade. Opening this section is a discussion by Carl K. Eicher and Mandivamba Rukuni of the food security equation in Southern Africa. Like the World Bank, they define food security as "access by all people at all times to enough food for an active and healthy life."[16] While agreeing that the hunger problem is a poverty problem and, hence, that there is a need for programs to raise rural per capita incomes, they maintain that there is also need for diversification of crops and attention to the *whole* of the rural economy—food, livestock, exports, and rural small scale enterprises. They point to components in the SADCC food and agricultural strategy that are headed in this direction.

One of the most dramatic success stories of increasing food supply by relying on a significant small-farmer strategy is that of Zimbabwe. In the 1980s, Zimbabwean officials decided to gamble on small farmers. This policy meant not only improving the prices paid for major crops (in this instance especially maize), but improving the access of small farmers to vital inputs—credit, fertilizer, seed—and to markets. The latter required deputizing local small stores in rural areas and within the communal lands as official purchasing points for the Agricultural Marketing Corporation. Zimbabwean maize production is now more efficient and competitive than South Africa's heavily subsidized maize production.

The strategy paid off, and Zimbabwe had a bumper crop. the problem that then emerged was marketing this crop. Mozambique, struck with famine, could not afford to purchase Zimbabwean grain. Other SADCC countries, with less famine, similarly lacked the essential foreign exchange. Against the background of Zimbabwe's recent success, Clever Mumbengegwi provides readers with a valuable perspective on Zimbabwe's small-farmer policies and their potential for replication elsewhere in the region. He argues that much of the small-farmer strategy was not as purposeful as he would have preferred, but rather was a product of inherited institutions and infrastructure. While not denying that pricing policy helped, as did increased access to markets, he is concerned that even more responsiveness is necessary to small-farmer needs, especially increased access to land. Nor is he sanguine about the replicability of Zimbabwe's policy to the rest of SADCC, as few other countries in Southern Africa have the farmer organizations that can effectively demand attention from the state to meet their needs.

Merle Lipton's chapter on South Africa's agricultural production and marketing provides important new evidence that South Africa has not been as productive agriculturally on a per capita basis as is widely believed. She sounds many cautionary notes, however, about assuming too readily that South Africa's food policies are conspiratorial toward the region, arguing that they are more self-interested and profit-oriented than that implies. She does, however, point to the real possibility that a postapartheid South Africa may well be a food-deficit country, as any postapartheid government will be subject to growing demands from the large majority that problems of hunger and malnutrition be addressed. Any expansion in domestic access to food will mean less surplus to export. This situation has interesting implications for future grain trade in the region.

Mudziviri T. Nziramasanga discusses the role of food aid, trade, and trilateral agreements in the region—agreements in which, for example, the United States or European Economic Community (EEC) provide needed grain to a country (e.g., wheat to Zimbabwe) that has a surplus in another crop (Zimbabwean maize) in order to trade the maize to a third country (Mozambique) needing that grain. He also points out that not all food aid need be antidevelopmental, but that if it is to be developmental, there must be skillful planning to put it to constructive, productive use. As Nziramasanga points out, the advantage of trilateral agreements is that local supplies of essential grain are traded rather than stored and potentially wasted. The disadvantage is that the donor has to go through an elaborate bureaucratic maze in order to achieve the objective. Additionally, to the extent that the donor wants to develop an eventual market for its own crop in the needful country, such arrangements are less likely. It comes as no surprise that there is serious reluctance on the part of donors, especially in the U.S. Department of Agriculture, to ease the path for trilateral agreements.

Part 3 turns to the Southern African Development Coordination Conference. Here, David Hirschmann adds a new perspective to the discussion with firsthand interview data on the attitude of black South Africans toward SADCC. His account is encouraging, in that black South Africans voice their concern over the treatment the region has received at the hands of apartheid South Africa. Hirschmann's respondents argue that the future will lie in greatly increased cooperation with neighboring states. Indeed, their responses are so favorable to the neighboring states that one cannot but wonder if they are naively underestimating the natural resentments that would exist toward a hegemonic postapartheid government.

Fantu Cheru's chapter expresses a radical's view of the role that donors have played in the past, and points to their acquiescence in South Africa's destabilization and their tolerance, if not support, for derailing land reform in Zimbabwe. He is equally critical of the governments in the region, and of SADCC, for their lack of responsiveness to more participatory planning, women farmers, cooperatives, and nongovernmental organizations. He points out, quite rightly, that some of the issues of special concern among development professionals—especially methods for including local-level participatory groups within an institution's network—are still being badly neglected by both governments and the SADCC Secretariat.

The tables in the appendix developed by Peter Hogan provide readers with the details of the official development assistance flows to the region, both by recipient country and by sending donor, and of food aid from both the United States and EEC.

SOME POLICY OPTIONS AND RECOMMENDATIONS FOR U.S. LEADERSHIP

The search for the key to a different future for Southern Africa requires turning to some broader questions beyond those of food and trade. The policy environment, the alternative transitions inside South Africa, and the choices available for those outside Southern Africa are but three of these broader questions.[17]

What are the choices for the United States in its relationships with this region? Few problems are more difficult for Washington than that of identifying when and how to exercise global political leadership in troubled parts of the world. When is it irresponsible to remain uninvolved? When is it irresponsible to remain deeply involved? Those U.S. domestic political groups that clamor for greater involvement in Southern Africa also argue against such involvement in Central America. The guideposts for appropriate and responsible involvement are not clearcut. Yet there are two important themes in common: first, not overreacting to regimes espousing socialist positions; and second, carefully identifying real national interests rather than national phobias.

One of the challenges for decision makers is not to be led astray by those crying "Soviet threat"—especially when the real threat level is very low. This is not to say that there are not threats inherent in communist states with imperial goals. But the number of such states is in reality severely limited. And many opportunistic and, sometimes, charismatic leaders in developing countries will of course play upon U.S. fears in order to garner support—and military hardware—for their particular movements.

The United States has a strong comparative advantage vis-à-vis the Soviet Union in technical assistance and cooperation for development. The Soviet Union, Eastern Europe, and China contribute little in the way of development assistance to Southern Africa, and the Soviet Union's failure in technical cooperation in Mozambique is well known to African political leaders throughout Southern Africa.

Moreover, U.S. interests at stake in South Africa warrant greater clarity about goals as well as commitment to development. There is no empirically grounded evidence that a majoritarian multiracial South African government would be a close ally of the Soviet Union.[18] There is, however, clear evidence that an all-white

Nationalist government is repugnant to U.S. values and U.S. commitments to civil rights and fairness. The longer Washington appears to support this government, the longer the United States loses legitimacy and potential allies throughout Southern Africa. And future postapartheid governments in South Africa will not soon forget the reluctance of the U.S government to take a strong stand against apartheid and stabilization.

U.S. commitment to human rights and struggle for freedom from racism has a long and deep history. South Africa's legalized racism assaults assumptions implicit in this heritage; hence it threatens a basic interest. Abdication of the issue in South Africa has domestic political implications inside the United States. As one scholar has said, "Black Americans are keenly interested in developments in South Africa and U.S. policy toward the minority regime. . . . So closely are U.S. relations with South Africa connected with domestic politics that any major policy initiative toward South Africa is likely to be construed as symbolic of the degree of an administration's commitment to racial equality in America."[19]

Millions of people in Southern Africa are interested in social and cultural contacts and trade—with the West in general and with the United States in particular. Even the most vociferous young black South African critic of the United States (dressed in denim and listening to rock) knows that she or he has love/hate feelings toward the United States because of the attractiveness of the people, in contrast to repugnant official policies.

The potential demand in Southern Africa for U.S. goods and services is very large. Even though the United States has needed, and will continue to need, access to essential minerals to import from Southern Africa, the future lies in the potential exports to Southern Africa when that region begins to experience real growth.

Security and Development

Proponents of any one of the sides of North–South and East–West divides tend to be myopic about that particular perspective and to neglect in South and Southern Africa the salience of the others. Those with an East-West perspective focus on the communist threat in South Africa's different political movements; a North-South view focuses on the extreme poverty and dehumanization in South Africa. For some, the unspoken assumption is that poverty breeds radicalism, hence communism is inevitable. (But poverty spawns as much political behavior on the far Right as it does on the Left.) Equally unfounded is the assumption that poverty alleviation directly addresses the security problem; poverty alleviation is a necessary, but not a sufficient, condition for political stability.

Political stability depends upon leadership, group psychology, and institutional capacities to resolve conflicts. Growth in production is essential, but not a guarantor. The combinations of elements for stability are elusive; the clearest requisite, however, is growth. The most serious challenge to stability in many developing countries is ethnicity. Yet ethnic conflict is invariably worse when there is no economic growth. In South Africa, where dependence upon the wage economy is widespread, the serious long-term threat to stability is urban and periurban unemployment.

Southern Africa itself has become the metaphor for coming to terms with issues long quiescent within U.S. foreign policies. Not the least of these is that of the relationship between development and security. Both are long-term goals; yet their impetus, motivations, and short-term trade-offs are different. And, important for U.S. policy making, their organizational and bureaucratic politics are also different. Because of the greater power of fear, and hence the greater drive for security—physical or psychological—most governments allot greater resources, influence, and control to their security organizations. Development organizations come second; they are commonly (although incorrectly) perceived to be less central to the role of the state.

In international relations, too, development is thought to be "low politics," while security (diplomatic and military affairs) is thought to be "high politics."[20] The problem with this distinction is that too little analysis is given to their interrelationship. Development can bring increased participation in the benefits of growth, and efficacy, and thereby increase governmental legitimacy (a prerequisite for security) as groups acquire assets, and thus interests, in the political and economic system.

Escalating violence in Southern Africa will adversely affect the security of the United States—not only because of U.S. reliance upon minerals available from the region generally, but also because the chances are high that escalating bloodshed in Southern Africa will induce greater U.S. involvement. Domestic U.S. political and humanitarian interests will not allow Americans to remain neutral. Would it not be less costly to make every effort *now* to prevent this escalation in violence? Surely choices over involvement *later*, after that escalation has heightened, will be highly charged and deeply conflictual for U.S. domestic politics.

This issue is part of the complex interweaving of development and security questions that this region poses. A recent work by David Baldwin points to the salience of economic statecraft as a central aspect of national security, arguing that the comparative utility of economic policy instruments has come about because of the changed global economy. Baldwin points to the increased use of economic instruments—trade, tariffs, investments, divestment, sanctions—to influence international relationships, and conceptualizes their use as economic statecraft.

Economic statecraft—the skillful use by statesmen of economic instruments to achieve preferred future outcomes—is becoming essential to security. A fast-changing aspect of statecraft in the late twentieth century, and one central to statecraft in the twenty-first century, is the increasing importance of managing economic policy so that development can keep pace with rising claims made by citizens. Development is an increasingly important component of economic management—both to increase stakeholding within countries, and to increase bargaining power in international relations. This holds for the countries of Southern Africa as well as for the major powers of the first world. Both increased stakeholding (hence legitimacy) and strengthened bargaining capacity enhance national security.

This logic is not just a restatement of the older argument that economically healthier states are less prone to political turbulence. It carries the further implication that relations between major powers and minor powers are less fraught with tension when domestic interests within both are incorporated into the polity by growth. International relations have altered dramatically in the past decade; the technological revolution and financial interdependence have changed the rules. Major powers can no longer assume that hegemony provides security, in large part because hegemony is no longer possible. Since in an interdependent, multipolar world, hegemony is not possible, development policies that determine stakeholding and bargaining become increasingly central to national security.

In future international relations, the capacities of states to improve economic performance, and to be seen to be effectively delivering basic needs to their populations, will affect international negotiating power. Ironically, managing improved economic performance has become more politically important just as it has become more difficult to deliver. Given increased financial and economic interdependence, control over the national economy is limited; hence this performance improvement is more difficult to pull off. States need more steering capacities; accelerators and brakes are more or less useful depending upon that steering—that mid-course correction when the indicators signal its necessity.

A regional development strategy for Southern Africa must merge development and security concerns not only because development and security are linked aspects of statecraft, but also because the present levels of insecurity throughout Southern Africa render development impossible. Poverty alleviation, increased food availability, income-generating opportunities, and protected physical environments must be the focus of development for the region. Providing safe passage on trains, roads, and to ports for people and goods must be a part of increased security. The loss of life and of leaders (such as Samora Machel), intermittent bombings, and the destruction of facilities cripple people and governments. This destruction generates a spiral of search activities on the part of leaders for policies and allies who can ameliorate the ever-present dangers of powerlessness, widespread hunger, and insurrection. Because of the threats to polities and economies, investments in growth strategies take a back seat.

Bilateral donors concerned with their own national interests—and the pressures on them at international meetings—focus more on the "conditionality" of their assistance and on how it will be perceived among their constituents than on its impact upon the host country government's constituencies. While multilateral donors—especially the World Bank—are relatively free of the bilateral national pressures, they are nonetheless concerned about winning the approval of the international community for their commitment to structural adjustment. Donors have illustrated, for example in Zambia, that they are far less concerned about how much insecurity is borne by host country government leaders, or adversely affected groups, than about their own preconceptions. That is not to argue that Zambian decision makers can be exonerated for their own mismanagement in past years, but that the domestic political and social implications of donor interventions also demand attention. Similarly, greater candor about the donor's political environment is warranted.

Leaders in Southern Africa perceive security as their most immediate problem and poverty alleviation as a good that can only be afforded in those brief times when security recedes as a problem. Donors may voice despair at this behavior, yet they behave in the same way. U.S. policy in Southern Africa is currently an *insecurity* policy: Neither the United States nor the SADCC membership derives security or development from U.S. support for destabilization in Angola, restricted aid to Mozambique and Zimbabwe, and limited support for small-farmer-oriented agricultural research and delivery.

Alternative Scenarios for Apartheid's End

One cannot turn directly to considering the desirability and feasibility of a Southern African regional development strategy without addressing the question of transition in South Africa. What kind of transition is likely? What are the implications of alternative transitions within South Africa for the Southern African region? What is the relationship between the transition process and the resulting South African state?

In fact, Southern Africa and South Africa are already in transition. Those "waiting for the revolution" could more usefully consider the present situation and its effect on future choices. The current state of emergency is destroying opportunities for change, as it muzzles criticism at home and abroad. It has cut off news to the West of repression and violence, and it has cut off news to internal groups of external support. It has also driven local democratic community organizations underground, further eroded the state's legitimacy, and increased the pressure on groups to compromise. (For example, discussions of various power-sharing arrangements in Natal have gotten more attention.) The heavy use of police power over long periods of time and widespread endemic violence are no school for democracy, which by definition requires high levels of trust and tolerance.

In short, the current transition is characterized by:

1. *Militarization of the Nationalist government.*[21] The police and army are in control; the Nationalists have only the appearance of civilian control.

2. *Strategic control of protest, and its coverage by the media, while some change occurs.* The Pass Law and Influx Control have been revoked; discussions are under way about citizenship; black trade unions are becoming increasingly influential. Prohibitions on mixed marriages have been rescinded and universities are more integrated than ever before. But no reactions or criticism is tolerated from Left or Right.

3. *The politicization of all institutions.* The fact that every institution is becoming politicized—community groups, families, churches, voluntary associations—is heightening tension, as there are no methods for legally ventilating anger.

Given these characteristics, what is likely to happen next? Will change in South Africa become more violent? Or will some leaders within the country throw forward new approaches to their old problems? Will that in turn lead to cycles of change, reaction, overreaction, crisis, clampdown?

Three likely (clearly not preferable) alternative scenarios merit attention.

1. *Increased repression.* In this scenario, there will be an ever-increasing reliance upon the instruments of coercion, and hence of mounting polarization. Simultaneously, communications with the rest of the world will continue to be manipulated so that few know about the extent of internal repression. The national security apparatus will become increasingly dominant, and the opposition (both right-white and left-black) increasingly committed to terrorism.

The implication of this scenario is state loss of legitimacy. Isolated change-oriented groups cannot discover commonalities. Recession is likely to deepen under this scenario, further abetting political problems. Capital flight becomes difficult to stem, unemployment soars, and trade within the region, as well as abroad, atrophies.

2. *Start-stop change.* In this scenario, there will be efforts to coopt black constituencies either through deepening "hearts and minds" campaigns or through incorporating black leaders who, in turn, lack much legitimacy. That leads to a tug-of-war between institutions that claim representativeness versus national security forces. There will also be constitutional debates over possibilities such as confederation, partition, etc.

The main implication of this scenario will be political volatility. Some economic growth will be required to make this option viable, however, and the South African economy is no longer growing.

3. *Slide into disintegration.* In this scenario, shifting coalitions will take place—on all sides. When unemployment soars, labor unrest will widen, and bloodshed escalates as the state disintegrates into anarchy.

The implications of this scenario are that it amounts to a twenty-first century revolution and is as different from the revolutions of the eighteenth to twentieth centuries as a typewriter is from a word processor. Technologically more sophisticated, it is more reliant upon mass communications, and their manipulation, less focused on singular confrontations with the state (as in the French or Russian revolutions), and more dispersed among multiple power centers around various issues in different parts of the country. Similarly, it is not resolved by any single leadership cadre, but rather by communications among ever-changing coalitions.

All three of these possible transitions involve violence and acute ethnic political struggles. (There are thirteen distinguishable ethnic groups in South Africa, in addition to the Asian and colored populations and the English and Afrikaner groups. Battles between

Chief Gatsha Buthelezi's Inkatha, with its predominantly Zulu membership, and non-Zulu groups are but one example of communal tensions.) Historical experience overwhelms dreams and aspirations; having been played off against one another for centuries, ethnic communities do not quickly become brothers.[22] The rivalry may assume new forms, but it will be a force to contend with long into the future.

The countries that are South Africa's neighbors have much to lose during any of these transition scenarios. Regional leaders will have to contend with refugees, foregone remittances, capital flight, and interrupted transportation and communications. They already have experienced some of this. SADCC estimates that South African destabilization and destruction in 1980–1986 cost the region $28 billion—or some $16 billion more than the total sum of all development aid over the same period. The human costs of destabilization to date—the 23,000 amputees who lost limbs from land mines in Angola, the bombed villages, clinics, and infrastructure in Mozambique, the coups d'état in Lesotho—cannot be calculated.

Unfortunately, leaders in the region know that they will continue to have problems with a postapartheid South Africa. They know better than any outsiders that their economic and financial situation will not suddenly be righted when apartheid ends. Landlocked states will still be landlocked. Banking, trade, and transportation will still be skewed in South Africa's favor. Even a well-intentioned, postapartheid South Africa will find that domestic needs displace beneficent foreign policies.

Unless there is more broad-based growth in the neighboring countries, there are problems ahead under any of there scenarios. One of the least discussed, yet lurking, issues is that of the demographic changes happening throughout the region. Rural-to-urban migration—already under way—will lead to increased demand for urban services. Boundary questions will be raised: Does Lesotho's boundary make sense with a majority government in Pretoria? Does Swaziland's? If a majority-ruled South Africa opts to use federalism to address its ethnic tension, borders and boundaries will become difficult issues for small enclave states.

The Alternative Option—Regional Development

An alternative, and much preferable, future course of events for Southern Africa can be envisioned. Consider the possibility of the international community allying itself firmly against apartheid—and its regional manifestation, destabilization—and committing itself to financial and political support for *regional*

Southern Africa. If a sufficient volume of assistance were extended—such as $5 billion annually rather than the current $2 billion annually—along with some form of debt relief, energies currently consumed by survival alone could be unleashed to work on growth, trade and productivity. Reinvestment in food production for both domestic consumption and export could begin anew. With insecurity diminished, attention could be focused on sustainable long-term growth. The components of sustainable regional development strategies—in agriculture, transportation, and human resources—could be reinvigorated. The current situation of chronic insecurity, little assistance, deep indebtedness, impoverished people, and degraded environments *could* be reversed.

Among the advantages brought about by SADCC is that each of the member countries is working on project and program identification and preparation. In the course of undertaking sectoral work for SADCC, members have identified future project possibilities. Recent reform pressures—from within by their own technical staffs and from without by the IMF and World Bank—have led to the members examining their own implementation capabilities. These factors add to the abilities of these countries to make effective use of increased levels of assistance.

A central question—one that cannot be fully addressed here but that must be recognized—concerns South Africa itself. If, as much in this book argues, Southern Africa is an integrated region with South Africa at its core, can or should a regional development strategy exclude the problem of poverty within South Africa from a major, internationally supported regional development strategy? This question will be hotly disputed. Some will argue that South Africa must be excluded from external support for regional development, as its poverty results from purposeful public policy decisions embedded in legalized racism. Others will argue that poverty within South Africa is just as degrading as poverty elsewhere and that furthermore—since it has implications for growth in the whole region—it warrants as much attention as poverty elsewhere. Should the international community make use of strong conditionality in South Africa (as it does elsewhere) and make development support inside South Africa conditional upon significant structural adjustment moving toward majority rule?

Why couldn't majority rule in South Africa be a prerequisite for participation in an internationally financed regional development strategy? What could donor concepts of structural adjustment and policy reform mean when applied to South Africa? Could the international community move beyond pronouncements of antiapartheid rhetoric to financing structural adjustment within

South Africa to achieve political and economic rights for the black majority?

The turbulence coming from inside South Africa, transmitted through all the linkages that exist within the region, is currently a powerful drag on any growth in the region. Reversing that role—unleashing the growth that could occur in a South Africa freed of apartheid—would be a real economic breakthrough for the region. Generating the political will in the international community for this strategy remains the major challenge. It is also important to note that more financial assistance than that discussed here would be required if South Africa were to be a participant in a regional development strategy. If, for example, the international community were to make $25 billion available for SADCC member states over the next five years, that figure would have to reach $30 billion over five years if South Africa were to be included. There can be no doubt that structural adjustment inside South Africa would be expensive.

Let us turn, however, from these issues (with their real, inherent opportunities) to the *surrounding states*: Economic development and increased security for the SADCC states are not *directly* helpful for removing apartheid, but they would help create a better environment in which that change could more readily take place. A regional development strategy (for the nine SADCC states alone) would provide strength now, as well as in the future, when there is need to withstand the disruptions and upheavals emanating from within South Africa. Furthermore, a Southern African regional development strategy would provide a positive climate for change, for people to acquire stakes in their own economies, for employment generation—in short, for the support necessary to build a different future.

The potential of an internationally supported transition, however, is extraordinary, and it is to that potential that decision makers must look. Development planners inside the countries of Southern Africa and inside donor organizations working with them need to factor in ways to strengthen the positive possibilities inherent in this change process.

The international community could make possible a widespread and significant regional development strategy that either includes or excludes South Africa. The areas of disagreement on this matter among the major powers are not insurmountable. (For example, the current disagreements between the United States and Great Britain over policies toward Mozambique *are* negotiable.) The international donor organizations already have both experience and "on-the-shelf" projects and programs that could be assembled into aspects of a strategy. Both Angola and Mozambique have made overtures to major international organizations to reposition themselves closer to mainstream international channels. Mozambique attended the recent Commonwealth Conference; Angola has applied for IMF membership. Nor would the Soviet Union—or China, as a Bank member— stop World Bank programs in this region.

Even with a Southern African regional development strategy launched, however, the smaller member countries in Southern African would have serious and long-term adjustment problems. The hegemony of even a majority-ruled South African might be resented by smaller neighbors. The political and ideological differences among the countries in the region will not disappear. Nonetheless, the new possibility of widespread economic growth would mean that attention to those problems could take place within a changed setting. Conflict resolution is invariably eased when resources area at hand to buffer the transition. Moreover, these beleaguered countries have already learned through their SADCC experience about cooperation under adverse circumstances. Thirty years ago, many thought that some of the countries currently prospering had little chance to do so. Southern Africa as a region has a larger and stronger base upon which to build, than did, for example, Korea or Singapore of the 1950s.

Development assistance affords poor people opportunities to begin to take charge of their own lives. It thereby creates opportunities for a stakeholding process whereby people acquire assets and hence commitments to their own societies and economies. No process is more important for the long-run future, not only for long-term economic and social welfare, but for global security. As national leaders take charge of their own affairs they may not always be "friends," but will at least have acquired interests in existing institutions and their maintenance.

Still Missing: International Commitment to a Regional Development Strategy

Acknowledgement of the fact that the countries in this region are interdependent means that development planning by anyone—in these countries' ministries of finance, or outside, in donor organizations—must take into account the systemic impacts of that interdependence. Neither economics nor political science provides adequate technical guidance for achieving optimality under complex interdependence. Regional linkages transmit the impact of policy change in one country to others to which their economies are linked. These transmissions can be multipliers positively affecting growth or, conversely, negatively transmitting recession.

To date the international community has either worked bilaterally through single member states, without much reference to their regional situation, or through SADCC. Yet multiple linkages within the region mean that development planning must be done with attention to changes taking place in all of the countries. The depth and nature of any one country's integration into the region varies by sector, the size of the home economy, and geography. For the two small countries most deeply integrated into South Africa's economy—Lesotho and Swaziland—development planning cannot be done without reference to changes in South Africa itself.

Factoring the regional dimension into development strategies has not been done either by donors or within the planning and finance offices of these countries. No one is charged with paying explicit attention, for example, to the way in which inflationary or recessionary influences in South Africa are transmitted to neighboring economies. Lateral linkages to comparable factors in neighboring countries are not addressed. Financial and economic planning is not done with complex interdependency built into the planning assumptions.[23] But there is also very little policy analysis of the linkages between microlevel project activity and macroeconomic policies. In short, only South African decision makers have thought about how to use the regional context—and then only with an eye to strengthening the asymmetrical flow of benefits. It remains to be seen if international donors, or SADCC members themselves, can seriously use the regional context *for regional growth*.

Given the political economy of Southern Africa, if SADCC did not already exist, it would have to be invented. It provides the mechanism for exchange of vital information, and hence anticipating consequences of changes within the region. Adding to SADCC's capacities is an important opportunity. SADCC currently has but limited muscle, and no legal base. Worse, it is overworked, stretched thin, and thereby vulnerable to criticism from all sources. The small Secretariat in Gaborone has illustrated its commitment to avoiding bureaucracy; nonetheless, constantly spinning off new functions to members' ministries can mean loss of programmatic coherence.

Support for SADCC exists in the neighboring states, but it is limited. The infrequency of the meetings of the Council of Ministers results in program lags. The assignment of different sectors to different countries puts a premium on telecommunications facilities, which, unfortunately, are not in good condition. There is currently no nongovernmental liaison office, even though the increased role for private voluntary organizations is much discussed by SADCC officials. Integrating the regional dimension into development strategies calls for more than any of the countries have done separately, to date, or that SADCC has done collectively. While much of SADCC's rhetoric is about lessening dependency on South Africa, much regional behavior is narrowly nationalistic.

Fortunately, support for apartheid and regional destabilization is eroding in South Africa itself, making the prospects for an internationally supported regional development strategy increasingly timely. South African leaders and businessmen have met with African National Congress (ANC) leaders in Senegal. Earlier meetings took place in Lusaka. Church and community organizations have increased the discussions taking place at local levels. Student organizations on several university campuses have demonstrated against destabilization. And trade unions, potentially the most powerful actors, have sharpened their focus on political issues.

Yet in Washington, and other capitals, the political will to build upon these opportunities has mostly been too little, and often too late. The major exception is that of the Nordic powers, whose commitment to development within the region is indeed outstanding —as is their politically astute combination of development assistance and sanctions. But their policy position seems to be the exception that proves the rule, and it is the unwillingness of Washington to take more comprehensive, or even less contradictory, action that demands attention.

Washington's stance during the Reagan administration has been rooted in its commitment to "constructive engagement." Although the policy was built on the admirable assumption that more change might be negotiated from the Nationalist party if its leadership, especially P. W. Botha, perceived the United States to be basically a friend urging reform, not an adversary threatening retribution, the policy blinded U.S. policy makers to the intransigence of the Nationalists, and the potent political force of the South African Defense Force.

Ironically, in both Washington and Pretoria, formidable military interests and their conservative political supporters were underestimated. In Pretoria, P. W. Botha has come to rely more heavily upon the military forces and their leaders.[24] In Washington, the conservatives gathered strength for their causes (e.g., support for RENAMO, arms for UNITA) following the congressional victory over sanctions. Throughout the Reagan administration, the share of U.S. foreign assistance committed to security or military assistance has continued to increase relative to development assistance. And the congressional Black Caucus, able to deliver a sanctions vote, has not been able to deliver votes for significant development assistance to Southern Africa.

Meanwhile, in both Pretoria and Washington, there have been indications of the pragmatism of business interests. In Angola, Chevron continues to work with the official government even though U.S. arms are being supplied to the insurgency fighting to topple that government. In South Africa, businessmen have continued to increase trade with the rest of Africa, while South African political interests (especially those on the Right and far Right) see businessmen as "unpatriotic," if not disloyal, when they trade with African governments.

In Washington, the absence of commitment to Southern African regional development is blocked by many forces, not the least of which is powerful (and well-financed) lobbying by South Africa. It is also blocked by the preoccupation of most Americans with domestic economic concerns. What constituencies have sufficient leverage to force any president's administration to adopt a long-term commitment of resources to development and social justice in Southern Africa? Would the congressional Black Caucus ever grant support to such proclamations were they to emanate from a Republican administration? Is this issue likely to be useful for an incoming, and new, administration free from the legacy of "constructive engagement"?

The report of the U.S. secretary of state's advisory committee on South Africa called for more attention to assistance to the region but did not expand upon this recommendation to call for a regional development strategy.[25] Nevertheless, that recommendation led to the changed behavior of the U.S. representative to the SADCC Donors' Conference in February 1987, where $93 million dollars over five years was pledged for regional development. Yet the Congress to date has not been willing to appropriate funds to honor this pledge.

The standoff between Congress and the president over Southern African policy is not likely to be resolved until after the 1988 elections. In few congressional districts will this foreign policy question be the most salient issue. Among the 1988 presidential candidates, Jesse Jackson alone considers Southern Africa a major issue; he understands that issue's real and symbolic value for millions of Americans. Its potential salience is too easily missed by those in Washington: If U.S. black voters perceive that they are not getting attention to their immediate needs—employment, urban programs, civil rights—the neglect of their foreign policy goals only deepens their anger and alienation.

Major Components of a Regional Development Strategy and Policy Recommendations

A broadly based and comprehensive development assistance strategy for the Southern African region, is—with U.S. leadership

—within the reach of the international community. The strategy must have European (including Portuguese), Scandinavian, Canadian, and Japanese support. The World Bank, currently the second largest single donor to Southern Africa, already has done some of the essential conceptual work on regional development, and it has a natural leadership role with the other multilateral organizations and specialized agencies in the United Nations.[26]

As Merle Lipton points out in her chapter, "a massive aid package encompassing all true states of Southern Africa could facilitate a political settlement and is likely, in the long run, to prove cheaper than a worsening regional war."[27] But donor assistance to Southern Africa has hardly been "massive," running as it does at approximately $2 billion a year (see tables in the Appendix). Falling commodity prices, debt, drought, and war have mean that this amount is far below any measure of need and, some argue, even below the gross flow of resources out of the region to the West. Furthermore, destabilization alone cost the SADCC countries more than the total of development assistance in 1980–1986. Little of the assistance given is coordinated among the donors, and even less of it is committed to regional development. The U.S. regional assistance frequently carries many conditions, and is restricted to only some of the SADCC member countries—in 1987, for example, none of the U.S. contribution to regional development could be spent in Angola or Mozambique.

What would it cost to put into place a regional development strategy on a scale sufficiently substantial to have a real chance of success? Given the serious constraints on budgets, what is possible? A little more than doubling of the assistance to the region from its present modest level would be essential. This would bring the total of all development assistance (multilateral and bilateral) to approximately $5 billion annually. At least half of that $5 billion is needed for regional projects; as SADCC has regional projects already identified and awaiting support, that should not be difficult money to disburse. The other half is needed for bilateral programs that must be redesigned with the regional implications in mind.

If that essential additional amount of support were available, what major components of a regional development strategy should be addressed? Careful attention must be devoted to trade-offs among the harsh choices the region confronts. Which problems must be tackled in the short run in order to have a chance for a better long run? For example, how much should a regional development strategy commit to meeting the challenge of hunger?—malnutrition with its brain-damaging effects on children cannot be reversed later. How much on meeting the challenge of a degraded environment?—lost soil cannot be made productive later. How much on resolving transportation blockages?—food, fertilizers, or exports cannot move without rail or roads or ports.

SADCC has already designated transportation and food security as the leading priorities. Their consultative process indicates that this is a widely shared perspective among the region's ministers. SADCC has indicated that environmentally sound agricultural development is a central goal. To facilitate that goal, among others, institutional strengthening of SADCC itself is in order. That strengthening would be best absorbed within the country sectoral secretariats, which would honor the SADCC mandate against a stronger central bureaucracy. Country sectoral secretariats —such as the Food Security SADCC Secretariat in Harare—need added capacity, and they need a nongovernmental liaison office.

The designation of agricultural development and food security as a priority means increased production for domestic consumption as well as for trade. Targeting programs so that people can get access to food entitlements—food for work, off-farm employment, rural small-scale enterprises, school feeding programs, food stamps—has to go hand in hand with assistance to small farmers. Where a majority of these farmers are women, attention to the needs of women farmers for credit, farm implements, land rights, training, and technology is essential.[28] So are crop diversification, improved yields, improved storage, and marketing.

Agricultural productivity and improvements in rail and road transportation facilities have to be addressed jointly and comprehensively; they are not complete trade-offs, since the movement of fertilizers, critical inputs, and eventual exports requires infrastructure. The objective here is to draw attention to the mix of needs for a creative and sustainable regional strategy rather than to detail specific needs in transportation, telecommunication, and agricultural productivity.

Increased agricultural productivity and access to food, and improved transportation and communication, in turn have prerequisites: (a) attention to human resources; (b) policies supportive of agricultural research, development, and marketing; and (c) improved organizational and political capacities to formulate and implement public- and private-sector development. Human resource development is critical, especially in agriculture, science, economics, health, engineering, and management. Equally urgent is the need for strengthening countries' institutional capacities for training in these fields. SADCC has designated human resources, training, and development as an area for major consideration, and it has turned down projects that were too heavily staffed (especially by expatriates) and likely to incur unsustainable, recurrent costs. The emphasis must be on sustainable and effective programs that reach larger numbers of people at lower costs.

While these components constitute the agenda for a large, internationally supported Southern African Regional Development Strategy, there is much that both bilateral and multilateral donors can do *now* to begin moving in that direction. The World Bank, a major supporter of the Beira Corridor and of agricultural programs in many SADCC countries, should take the lead in transportation projects, and could also begin new initiatives within each of the sectors discussed. The United Nations system—through the UN Development Programme (UNDP) and the specialized agencies could begin to assemble aspects of a regional development strategy. A special office at the UN to facilitate this happening could be established with access to the secretary-general. UNICEF, which has researched the impact of apartheid on children in the region, could facilitate the planning of food security programs targeted for children. The World Food Programme, FAO and the International Fund for Agricultural Development (IFAD) could support enhanced food security planning and programs. The U.S. Department of Agriculture could withdraw its opposition to trilateral agreements as part of regional trade generation, and work with USAID in facilitating them in order to encourage regional trade.[29]

Multilateral organizations—UNDP, the World Bank, UNICEF, the International Labour Organisation (ILO), and the World Health Organisation (WHO)—should also facilitate state-of-the-art improvements in current policy analysis and development planning in the region. The World Bank has supported strengthening ministries of finance and planning, but it has yet to support strengthening the capacity of countries to undertake regional analysis. Perhaps the African Development Bank could take on that assignment. All the countries in the region need institutional development so that they might more effectively build upon the work of indigenous private voluntary organizations, give attention to needs of small farmers, and to employment-generating microenterprises.

In short, a Southern African regional development strategy would be a major breakthrough in the current policy impasse in Southern Africa. To move in that direction, however, leadership in many different countries and organizations needs to come to the fore to dislodge the current policy stalemate. Public opinion will have to be marshaled to push politicians: just as public opinion pushed political leaders toward support for sanctions (in the United States as well as in Scandinavian countries), it will have to be mobilized for Southern African regional development.

People-to-people communication—most likely through the growing networks of private voluntary organizations, churches, unions, and students—will be essential. Only in that manner can the momentum for change be grounded in widespread popular support, and the risks of change be widely shared. For that to happen, an agenda needs to be proposed—one that is feasible and yet substantial enough to rally support.

Before turning to the rudiments of such an agenda, however, some of the assumptions that underpin them should be made explicit:

1. There is an important international role for U.S. public opinion in rallying support for development and social justice in Southern Africa.

2. Were such public opinion to be voiced by millions of Americans, otherwise reluctant allies (West Germany, Britain, Japan) are more likely than not to come along.

3. With U.S. leadership, and a special role for the World Bank, a Southern African Regional Development Strategy is best articulated through a wide range of organizations—including USAID, the World Bank, the specialized agencies of the UN, other bilateral programs, the private sector, and nongovernmental organizations worldwide.

What then might be the agenda around which groups could coalesce?

1. The United States should announce its opposition to South Africa's regional destabilization campaign, calling for an international task force to be cochaired by the United States and the United Kingdom to seek resolution of the regional conflicts, and the UN should be called upon to assume responsibility for monitoring the end of the destabilization.

2. If South Africa's regional destabilization did not cease in a timely manner following this announcement, the work of the international U.S.-U.K. task force and the UN as well as strengthened multilateral sanctions on South African trade and investment should be announced and implemented by all major international powers.

3. The United States should take the lead in establishing an internationally supported Southern African Regional Development

Fund (SARDF) for the SADCC member states of $25 billion to be disbursed over five years with initial U.S. support of $500 million in the first year.

4. The United States should convene regular international meetings with national leaders from within the region and representatives from major South African black leadership groups (ANC, COSATU, churches, and the United Democratic Front [UDF]) to discuss choices, options, and further steps toward comprehensive regional security and development.

5. The World Bank, working with FAO, IFAD, and the World Food Programme, should announce major support for SADCC food programs and projects through the Southern African Regional Development Fund. This agricultural and food program would include: credit and access to markets for small farmers, institutional strengthening for farmers organizations, agricultural research into food crops, livestock, irrigation, and improved agricultural extension.

6. The World Bank, working through a task force of the major bilateral donors, should announce that the Southern African Regional Development Fund will also support major transportation projects for the landlocked states. This transportation program should include upgrading of the Beira and Tazara lines, rebuilding of the Benguela line, port development, road upgrading, and technical training so that these systems can be maintained. Let it be known that destruction of these systems by the South African Defense Force would be an assault on the donors and international community; an international peace-keeping force should be kept ready to protect them.

This agenda, requiring discipline, courage, and commitment from the United States and the international community, would represent a turning point in the relationships between the West and Southern Africa. It would serve as a witness to the solidarity of the international community with the struggles in the region for peace and development.

Often those who live and work in Southern Africa have said that the kinds of changes that must occur there will lead the way for serious transformation of the rest of the African continent. That is true: The scale of the region's economic role, and the nature of its problems dwarf those of the rest of the continent. Southern Africa accounts for a total gross domestic product of $100 billion; its potential for generating wealth for its peoples is extraordinary. Debates over which development road to take will have an impact upon the rest of the continent. Leadership from within this region is now stronger than in much of the rest of Africa, because the complexity of political, economic, and social problems is more challenging.

South Africa considered alone, separate from the region, is a tragedy—a tragedy in the form of a self-fulfilling doom that might have been avoided. This country is riveting for those who come to know it, precisely because of the nature and scale of the questions it provokes. Its long journey into the human condition and hard choices are universal. Choices about security and development, as well as negative overreactions and positive constructive possibilities, are critically juxtaposed in South Africa.

South Africa, considered within its context, its environment, and as a part of the region, however, presents opportunities for change. Strength in the region will pull change along, generating capacity to cope with the turbulent transition. And the future, postapartheid South Africa clearly has a major role to play in reversing the impoverishment of Africa. The future, after all, belongs to those who see opportunities for good where others despair.

NOTES

1. For a convincing case, see the forthcoming book, Stephen R. Lewis, Jr., *Economics and Apartheid: The Impact of South Africa's Economic Policies* (New York: Council on Foreign Relations, 1988).

2. Definitions of which countries are, or are not, included within Southern Africa vary. For example, Eicher and Rukuni include nine countries in their definition. My more inclusive definition includes Namibia, since South Africa's occupation of Namibia is illegal. Occasionally a U.S. State Department publication will include Zaire as a member of Southern Africa. I do not, as Zaire is not a member of SADCC, nor does the SADCC leadership envision Zairean membership in SADCC in the near future.

3. Tom Brennan, *Shattered Land, Fragile Asylum* (U.S. Committee for Refugees, 1986). For one of the best accounts of the impacts of destabilization, see Phyllis Johnson and David Martin, *Destructive Engagement* (Harare: Zimbabwe Publishing House, 1986).

4. Carnegie Conference Papers, *Proceedings of the Second Carnegie Enquiry into Poverty and Development in Southern Africa* (Cape Town: University of Cape Town, 1984).

5. Frances D'Souza, Mpho Mashanini, Zwayi Pongoma, and Tumi Mashanini, *First Report on Estimating Vulnerability in Black Rural Communities in South Africa* (Operation Hunger, August 1987).

6. Reginald Green, Dereje Asrat, Marta Mauras, and Richard Morgan, *Children on the Front Line* (UNICEF, January 1987).

7. Food and Agricultural Organization, United Nations, *SADCC Agriculture Toward the Year 2000* (Rome: 1984, p. 2.10).

8. See C. W. Davids, "The Impact of Economic Sanctions Against South Africa on the SADCC States" (Canadian International Development Agency, February 1986), pp. 16–17.

9. United Nations Industrial Development Organization, *Industrial Cooperation Through the Southern African Development Coordination Conference*, Report No. IS.570, UNIDO (October 1985), p. 87.

10. Details of this account, and that of other SADCC members, can be found in *SADCC Annual Progress Report, July 1986–August 1987* (Gaborone: SADCC Secretariat, 1987).

11. See, for example, the address by Shridath S. Ramphal, Commonwealth secretary-general to the Council on Foreign Relations, Washington, May 1987, entitled "The Cost of Political Default in Southern Africa." Available from Commonwealth Secretariat, Marlborough House, London, England.

12. See the report available from NARMIC, The American Friends Service Committee, "Military Exports to South Africa—A Research Report on the Arms Embargo" (Unpublished ms., 1986).

13. The excellent analysis by Peter Timmer, "A Framework for Food Policy Analysis," informed much of my thinking as I developed this project. Timmer's paper is in Charles Mann and Barbara Huddleston, eds., *Food Policy, Frameworks for Analysis and Action* (Bloomington: Indiana University Press, 1986).

14. Joseph Hanlon, *SADCC, Progress, Projects, & Prospects* (London: *Economist* Intelligence Unit Special Report No. 182, 1984).

15. I. William Zartman, *Ripe for Resolution* (New York: Oxford University Press, 1985), pp. 160–163, discusses South Africa's subregional policy of a constellation of cooperation around South Africa with its economic power at the hub, and the contradictions inherent in this policy.

16. World Bank, *Poverty and Hunger: Issues and Options for Food Security in Developing Countries* (Washington, D.C.: World Bank, 1986).

17. The policy positions and recommendations argued here are those of the editor. While each of the chapters in this book contributes to this personal assessment—and while the contributors may well agree with much that is said here—this section is in no sense a consensus position; indeed, the authors were originally approached precisely for their diversity of views.

18. Thomas Karis goes into this issue in depth in "South African Liberation: The Communist Factor," *Foreign Affairs* (Winter 1986/87).

19. Richard J. Payne, "Black Americans and the Demise of Constructive Engagement," *Africa Today* (2nd/3rd Quarters, 1986), p. 72.

20. David A. Baldwin, *Economic Statecraft* (Princeton: Princeton University Press, 1985), *inter alia*, discusses this traditional distinction.

21. J. Kenneth Grundy, *The Rise of the South African Security Establishment* (Johannesburg: South African Institute of International Affairs, 1983).

22. The use of informants by the South African Security Force has exacerbated these tensions. Joseph Lelyveld, *Move Your Shadow* (New York: Times, 1986) details with compelling insight how ethnic tensions intersect with class conflicts in South Africa. An earlier excellent account is that of Gail Gerhart, *Black Power in South Africa* (Berkeley: University of California Press, 1978).

23. Ralph C. Bryant, *Money and Monetary Policy in Interdependent Nations* (Washington, D.C.: Brookings Institution, 1980) provides an analytical framework for the technical aspects of managing complex interdependency.

24. Just as this book went to press a most useful article, "Struggle for

Southern Africa," by Zimbabwe's Prime Minister Robert G. Mugabe was published in *Foreign Affairs* (Winter 1987/88). See the discussion in this article of the militarization of South Africa, the implications for the United States of the struggle for Southern Africa, as well as Prime Minister Mugabe's views on nonalignment.

25. U.S. Department of State, *A U.S. Policy Toward South Africa* (Report of the secretary of state's advisory committee on South Africa, January, 1987).

26. See, for example, Chandra S. Hardy, "Southern Africa Trade Study" (February 1987), IBRD staff paper, mimeo, for an excellent regional analysis.

27. See Merle Lipton's chapter's conclusion in this book.

28. For an excellent analysis of gender roles and technology, see Shubh K. Kumar, "Women's Role and Agricultural Technology," in John Mellor, Christopher L. Delgado, and Malcolm Blackie, eds., *Accelerating Food Production in Sub-Saharan Africa* (Published for IFPRI by Johns Hopkins University Press, Baltimore, 1987).

29. Ulrich Koester at the International Food Policy Research Institute in Washington has undertaken an empirical study of the impact of food security of increased regional trade in SADCC, and concludes that all countries stand to gain from increased trade, although Botswana gains the most and Tanzania the least. See his monograph, *Regional Cooperation to Improve Food Security in Southern and Eastern African Countries* (Washington, D.C.: IFPRI, July 1986). See also Elliot Berg Associates, "Regional Trade and Economic Cooperation in Southern Africa" (Unpublished ms., March 1987) for a discussion of the potential of regional trade in general.

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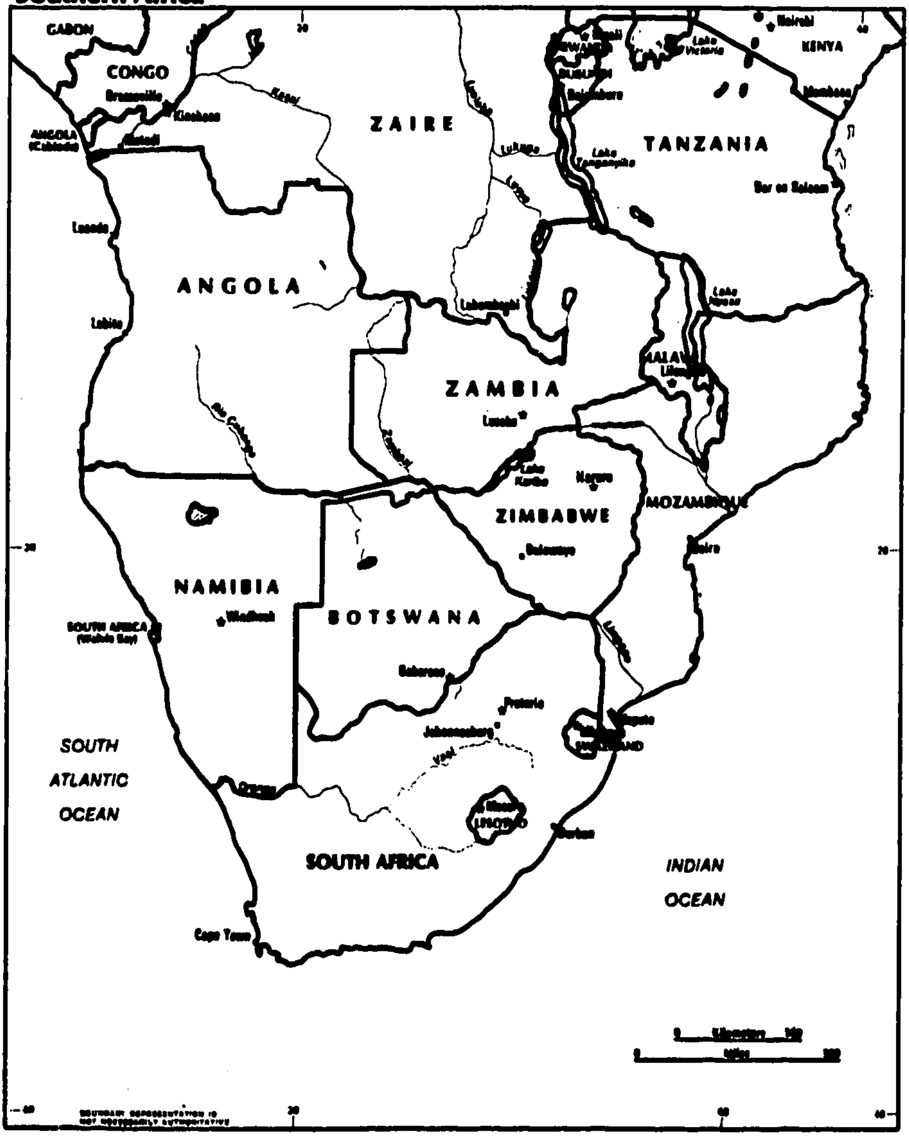
Southern Africa



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PART 1

South Africa, Southern Africa, and Regional Development

CHAPTER 2

Some Economic Realities in Southern Africa: One Hundred Million Futures

STEPHEN R. LEWIS, JR.

In recent years, Southern Africa has caught the attention of Americans and of the world to an extent unprecedented in the postwar period. While the main stage is South Africa itself, there is increasing realization in Europe, North America, and the Third World that the issues have extremely important regional dimensions—something that South Africa and its immediate neighbors have known for a long time. This chapter presents a summary analysis of the economic relationships among the countries of Southern Africa. It also suggests how these relationships affect options for countries in the region in the face of international pressures on the South African government.

A main theme of the chapter is that, in spite of the South African government's efforts to portray the independent countries in the region as dependent on South Africa (a glossy 1985 South African publication is titled *South Africa: Mainstay of Southern Africa*), the reality is a considerable degree of regional *interdependence*, and considerable South African benefit from that interdependence. An analysis of the web of trade, transport, labor, investment, and service flows in the region also provides some illumination of the nature of South African policies, and suggests some opportunities and constraints facing those outside the region who seek to influence the dismantling of apartheid. The key role played by the transport system is of importance to all parties.

I use Southern Africa to mean South Africa, Namibia, and the countries of SADCC—the Southern African Development Coordination Conference (Angola, Botswana, Lesotho, Malawi, Mozambique, Swaziland, Tanzania, Zambia, and Zimbabwe). Together, these countries had a population of just over 100 million in

1984—100 million futures. The region covers an area three-fourths the size of the continental United States, and has around 40 percent of the U.S. population. While total gross product of the region is less than 3 percent of U.S. G.N.P., Southern Africa is one of the world's richest areas in terms of minerals. And, under peaceful conditions, it would be capable of quite rapid rates of economic progress, as it has virtually all raw materials and agronomic-ecological zones and substantial basic infrastructure.

The chapter begins with a review of the economic "artifacts" on the region: the size, incomes, trading patterns, development record, and financial position of the countries.[1] A main focus is on the trading relationships between South Africa and the other countries of the region, as well as other intraregional trade. The regional transport system, which has in recent years turned some trade toward South Africa, and the flows of investment, workers, and services are also discussed. The principal institutional and intergovernmental arrangements in the region are explained and analyzed. Next is a review of South African regional policies, and the effects of recent economic, political, and military events in South Africa. Possible regional effects of various types of sanctions that might be imposed on the South African government are also discussed. Some summary observations end the chapter.

BASIC ARTIFACTS OF THE ECONOMIES OF SOUTHERN AFRICA

Size, Population, and Income Levels

Some of the basic information about the eleven countries of the region is given in Table 2.1: area, population, gross domestic product (GDP), imports and exports, and per capita income.[2] The range in the region is substantial. In population, Swaziland has about 700,000 people, while Tanzania and South Africa have 22 and 32 million respectively. Most countries in southern Africa are relatively small by international standards. The regional total of some 102 million people in 1984 makes Southern Africa the equivalent of Nigeria or Bangladesh. In area, Angola and South Africa stand out with over 1.2 million square kilometers each, while the smallest is Swaziland (again) with only 17,000 square kilometers. The aggregate size of the region, nearly 7 million square kilometers, is nearly the same magnitude as Australia and more than twice the size of India.

The region is significant economically, but it is not a powerhouse by international standards. South Africa alone, with a GDP of about $73 billion, would be equivalent in size to Argentina or Belgium. The region as a whole, with a combined GDP of just under $100 billion would be about the size of Switzerland or Sweden, and about half the total GDP of Brazil. In international trade, with total exports or imports in the $22–25 billion range, southern Africa would rank with Brazil, Mexico, China, Hong Kong, and Singapore—a diverse group, to say the least—and nearly twice the size of India.[3] Its share of some important minerals, however, is much greater.

South Africa dominates the region economically. With under 30 percent of the population, South Africa produces nearly three-fourths of the region's GDP and two-thirds of its exports (roughly $18 of $24 billion in 1984); about half the South African total is gold, and nearly 7 percent are exports to countries in the Southern African Customs Union (SACU).[4] The majority of income arising in South Africa accrues to or is controlled by the minority white population of some 4.8 million.[5] Thus, the 4 to 5 percent of the region's population comprising white South Africans receive or control at least half of the region's income—something of obvious importance in discussing the present realities and the future prospects of the region.

In per capita income, the region is again widely varied—and national figures hide enormous differentials within countries. South Africa tops the list, with a 1984 figure of $2,320 per capita, about at the level of Yugoslavia, Argentina, or Algeria; Botswana and Namibia come next, near $1,000 per capita—both based largely on rich mineral deposits that produce a very large share of income but employ very few people directly. Swaziland, the ministate of the region, weighs in at $770, based on a fairly diversified economy in agriculture, minerals, and agroprocessing manufacturing. Zimbabwe is the main regional alternative to South Africa so far as diversified manufacturing and agriculture is concerned, and the per capita income figure of $570 in 1984 reflects several highly productive sectors of the economy. Angola, by contrast, with a per capita figure of $470, is heavily dominated by oil, although in earlier years Angola, too, had a fairly diverse mining and agricultural economy that has been heavily damaged by war. Zambia is another country heavily dependent of mineral fortunes — copper; its $410 per capita figure for 1984 puts it near the bottom of the "middle-income country" list compile by the World Bank.

Lesotho is a special case. Based on GNP, Lesotho is a lower-middle-income country, with a per capita figure of $530. Based on GDP, the figure drops to about $240, well into the middle of the low-income countries categorized by the World Bank. The difference reflects the importance of migrant mine labor income to Lesotho's national welfare. Three countries in SADCC fall unambiguously in the low-income category in the bank's classification—Malawi ($160), Mozambique ($210), and Tanzania ($200).[6] They contain 60 percent of SADCC's total population, and they pull down the average per capita income for the SADCC countries in 1984 to about $320—in a range with Kenya, Ghana, or Sri Lanka.

The region as a whole, with a per capita income level of about $1,000, would fall into a range with Thailand, Peru, Ecuador, Jamaica, and Turkey. This is well above the $740 average for the bank's "lower-middle-income" countries, and would place Southern Africa, as a whole, above any other single sub-Saharan African country except the People's Republic of the Congo, Mauritius, and Gabon (with a combined population of 3.6 million). One must again recognize the extreme inequalities in distribution of income in Southern Africa.

Economic Performance and International Financial Conditions

While measuring economic performance is (and should be) a complex exercise, the information presented in Table 2.2 gives a variety of standard measures of recent economic performance of the countries of Southern Africa, with some data for all of sub-Saharan African for comparative purposes. The regional range of experience is wider than anywhere else in the world over the past twenty years. Botswana has the highest growth rate of GNP per capita (and a total BDP) of any country listed in the World Bank's *World Development Report, 1986*, while Angola and Mozambique have larger declines in income per capita than any there recorded. There was much less divergence among countries in the early years (1965–1973), but following the first oil shock, and with the continuing civil wars after independence in Angola and Mozambique, the experience from the years 1973–1984 was diverse in the extreme. Such data as are available indicate substantial deterioration in the economic conditions in Angola and Mozambique in the past several years. Furthermore, the effects of drought on most countries in the region in the 1982–1985 period also exacerbated food production and nutritional conditions.

With the exception of Zambia with its copper problems and the civil wars in Angola and Mozambique, the countries in the region generally did as well or better than their counterparts in the rest of Africa (although the averages for Africa include the countries with comparable commodity problems or civil disorders). In terms of two measures of welfare that go beyond income per se—life expectancy at birth and infant mortality—the countries of the region fare moderately well compared to their peers in Africa (with the principal exception again of the war-torn countries of Angola and Mozambique).[7]

Information on the debt position and on gross international reserves in Southern Africa are given in Table 2.3. Zambia, Malawi, and Tanzania stand out with the highest debt/GDP ratios, all considerably above the ratios for the rest of sub-Saharan Africa. In the aggregate, the SADCC region is about average for low-income sub-Saharan Africa (which is where SADCC as a whole would be classified). Angola, Malawi, Mozambique, Tanzania, and Zambia, in particular, have debt levels and structures that required reschedulings by their creditors. Debt service ratios (debt service payments as a share of visible exports) are not available for all countries, but Malawi and Zimbabwe had ratios of 20 percent in 1983, while Tanzania had a ratio of 14 percent. Only the BLS countries (Botswana, Lesotha, Swaziland), with ratios of 4 to 5 percent, were in comfortable debt positions. The well-published debt moratorium of South Africa, which began in August 1985, is a reflection of the short-term structure, rather than the overall level, of its external debt.

Regional levels of gross international reserves can hardly be described as generous. Nearly three-fourths of SADCC's gross reserves at the end of 1984 were held by Botswana and Zimbabwe, the only countries with more than 2.5 months of import cover. South Africa's gross reserve position is an overstatement of its real international liquidity, since the majority (usually more than three-fourths) of its reported reserves are gold holdings that could not be sold without depressing the gold price, which, in turn, affects nearly half of South Africa's export earnings.[8]

TRADING RELATIONSHIPS IN SOUTHERN AFRICA

One key element of the Southern African situation is the trading relationships of the countries, both within SADCC and with South Africa. Accurate data are not easy to come by, both because of difficulties of classification and reporting inherent in the statistics of lower-income countries and because of the highly political (and deliberately concealed) nature of some of the trading relationships —those of South Africa with the rest of Africa, trade in arms by many countries, including South Africa, trade in oil by South Africa, and trade with the Soviet bloc countries by several countries in the region. Such data as can be gleaned from various publications are summarized in Tables 2.4, 2.5, and 2.6, in an attempt to get an overall picture of the trading relationships, and particularly to show the relative importance of trade within SADCC and between the SADCC countries and South Africa. It should be stressed at the outset that changes in transport routings for SADCC countries over the past twenty years have had profound effects on the trading patterns in the region as well.

The most recent data available at the time of writing, for 1984, are shown in Table 2.4. Several points of importance arise from the data. First, intra-SADCC trade is very small in total volume (only $245 million each of exports and imports in 1984). Second, SADCC trade with South Africa is almost universally much greater than with other SADCC countries. Only Tanzania and Angola, with a total of only $18 million in measured trade with other SADCC countries, have more recorded trade with SADCC than with South Africa. Third, and of major importance, the net balance of trade between SADCC and South Africa produces a very substantial trade surplus for South Africa—$1.3 billion in 1984, or 44 percent of South Africa's recorded trade surplus for the year. SADCC as a market constituted almost 10 percent of South Africa's total exports, and nearly 20 percent of South Africa's nongold exports. Fourth, the BLS countries were the largest markets for South African exports—not surprising in light of SACU arrangements. Fifth, however, six of the nine SADCC countries had total trade with South Africa in excess of $100 million, six had trade deficits with South Africa of over $50 million, and four had trade deficits of over $100 million.[9]

Tables 2.5 and 2.6 summarize some trade data for the SADCC countries for the four years for which information has been compiled: 1970, 1979, 1982, and 1984. The small volume of intra-SADCC trade results in flip-flops in the trade balances of several countries in various years, as shown in Table 2.5. Zimbabwe shows consistent surpluses and Zambia fairly consistent deficits in intra-SADCC trade. The more interesting data for purposes of this chapter are for SADCC-South African trade. During the 1970s, the South African surplus expanded rapidly, while there has been some diminution of the South African surplus in the past several years. The growth of the south African surplus with SADCC in the 1970s resulted, as seen in Table 2.6, from the very rapid growth of the share of South African exports in SADCC imports. Part of the rising surplus was due to general inflation; part was due to increased oil prices (South Africa being a supplier to BLS, in particular); and, for some years, South Africa's grain surplus filled deficits due to droughts in the other countries of the region. Intra-SADCC trade grew much more slowly than total SADCC trade. These changes in trading patterns reflect several events: the effects of UDI in southern Rhodesia and the sanctions against the regime there, the civil wars and destruction in Angola and Mozambique, the rapid growth of the BLS economies, and the loss of transit routes for

SADCC countries through Angola and Mozambique. There was a corresponding rise of South Africa's importance as both a transport route and a trading partner.

The main reasons for the recent decline in the South African surplus with SADCC are (1) a substantial reversal of the Zimbabwean position from large deficit to modest surplus with South Africa, and (2) a general decline from 1982 to 1984 in the size of the deficits with South Africa for every country. This latter may be due in part to the decline in the value of the rand—to which we turn later—as well as a decline in South Africa's grain exports because of its own domestic drought.

If the intervening years had a trade experience similar to those shown in Tables 2.5 and 2.6, the cumulative financial and economic value of the SADCC trade to South Africa would have been extremely large. At over $1.5 billion per year for the most recent six years, the total net earning must have been in the neighborhood of $10 billion for that period alone. The value of this surplus to South Africa should be emphasized, especially since South Africa sources themselves indicate these transactions are largely on a cash basis. Given the problems of the economy (referred to more fully below), and given the foreign exchange situation in South Africa for the last several years, foreign exchange earnings have a higher multiplier value than any part of domestic demand because they release the balance-of-payments constraint on macroeconomic management. Indeed, in the late 1970s, the South African government's planners were using an implicit multiplier for export earnings of over 3:1, while that for increased domestic expenditure was only 2:1.[10] Therefore, the fact that the SADCC region makes a substantial net contribution to South Africa's balance-of-payments situation would be reason for South Africa trying to maintain the relationship, even if it had no other strategic interests in the region.

Data on regional trade are summarized in a different form in Table 2.6, giving the value of imports, exports, and total trade (imports plus exports) for global, intra-SADCC, and south African trade. Again, the difference between the 1970s and the more recent period is evident. The growth of the South African surplus with SADCC resulted from a fivefold increase in South African exports to SADCC between 1970 and 1979, while SADCC's total imports only tripled, resulting in a rise of South Africa's share of total SADCC imports from under 21 percent to over 35 percent. Since 1979 the slight decline in the South African surplus with the SADCC countries shows up in the falling share of SADCC imports coming from South Africa (from over 35 percent in 1979 to under 30 percent in 1984), and the relative size of intra-SADCC and South African trade has shifted somewhat toward the former. However, even in 1984, intra-SADCC trade amounted to only 4.2 percent of total SADCC trade (not yet back to the 4.9 percent of 1970), while trade with South Africa remained over 18 percent of SADCC's total trade (still well above 1970's 13 percent). If one excluded Angola and Tanzania from the calculation (since they have no recorded South African trade), the share of South African trade for the remaining seven countries would come to 30 percent of their total trade in 1984.

There has been relatively little study of the commodity composition of the intraregional trade, or the SADCC-South African trade.[11] Trade in foodstuffs is of substantial importance, both because of South Africa's general ability to run food surpluses and because of the rising food deficits of the SADCC countries. Of particular significance is the trade in energy. South Africa provides all the oil products for the BLS, and has been a substantial supplier for Zimbabwe from time to time. Its transport routes are also important for oil supplies for Zambia and Malawi. Lesotho depends entirely on South African electricity supplies; and Swaziland receives a large share of its electricity from South Africa. A new long-term hydroelectric and irrigation project being developed jointly by Lesotho and South Africa will change the balance there eventually, but it will be many years in development. Botswana's temporary use of South African supplies will end this year with the opening of its new, central coal-fired generating facility. The Cabora-Bassa hydroelectric project, developed to provide power from Mozambique to South Africa, has had its transmission lines cut by guerillas for most of the past six years.

Trade in manufactured goods is of two-way significance. South Africa is a major supplier of many manufactured goods to the SADCC countries. However, SADCC markets are quite important for some branches of South African industry as well. Data show that for eight industrial groups, South African exports to "Africa" (almost entirely the non-BLS SADCC countries)[12] accounted for between 19 and 46 percent of total export sales.[13] If the BLS exports were included as well, the significance to many South African industries would be much greater. By 1979 exports to the BLS alone accounted for almost 7 percent of South Africa's manufacturing value added and employment (nearly 100,000 jobs). During the 1970s, the growth of manufactured exports to the BLS accounted for 23 percent of the growth of manufacturing jobs and value added in South Africa. Since the BLS countries have continued to grow rapidly since 1979, while South Africa has been stagnant, the importance of the regional markets to South African manufacturing today must be considerably greater.

The terms on which goods are traded—prices, credit terms—are of obvious importance. A few points are worth mentioning. First, although there had apparently been some use of export credits by South Africa through the Credit Guarantee and Insurance Corporation (CGIC), the volume of such credits outstanding does not seem to have been large in relation to total trade. Figures of R200–250 million (about $80–$100 million at recent exchange rates) have been mentioned by South Africa, a small amount relative to the volume of trade indicated in the tables. The remainder of the balances with South Africa have apparently been settled in cash, or with normal trade credits (including arrears, which for Zambia may be sizable), which means very good value for the South African economy from a balance-of-payments viewpoint.

There is little evidence on the pricing of goods, although some fragments are available both within SACU and for the rest of SADCC. The pricing of traded goods in the customs union (to the BLS and Namibia) is uniform with that of South Africa. Protected prices are paid for goods subject to tariff and, to a large extent, for those subject to the quantitative import control system in South Africa. Thus, the trade balances that are shown between BLS and Namibia and South Africa are at prices above world prices—providing South Africa with a substantial transfer of resources from those countries. Payments from the customs revenue pool to BLS, discussed below, are an offset to this value. But, even after adjustment for the customs revenue transfers (which are made in rand), the South African economy has the benefit of substantial net dollar earnings from its customs union partners.

The sale of goods to other SADCC countries take place at prices that, broadly speaking, are set by the international competitive position. For the most part, foodstuffs and manufactured goods are sold at lower prices outside the customs union than they are inside it.[14] South Africa's proximity to the other regional markets, the importance of South African trading and freight-forwarding companies in SADCC, and, to some extent, "brand loyalty" to South African goods are the main reasons for the large share of South African exports in the imports of the SADCC countries. The pricing relative to other international suppliers has not, to my knowledge, been seriously studied. The effect of the changing value of the rand is discussed below.

In summary, the relative importance of South African trade in total SADCC trade, the substantial surplus that South Africa enjoys with the SADCC countries, and the persistence of these phenomena (despite some recent downward trends in the South African shares) all are important factors in understanding the economic relationships in the region. I turn to some implications of these phenomena for policy a bit later in the story.

THE TRANSPORT SYSTEM

A recent speech by the general manager of the South African Transport Services (SATS) began by recalling the inextricable link between railways and politics in Southern Africa as far back as the late nineteenth century, when both Cecil Rhodes and Paul Kruger saw railways as the key to their dreams of regional hegemony (Grove, 1986). The contemporary state of affairs in the region can be seen in similar terms of competing visions of the future linked, inextricably still, to the transport system, and especially to railways.

The two competing views—those of SADCC and those of South Africa—can be seen graphically on two regional maps. A South African presentation (from *Mainstay*, 1985) shows, in Map 2.1 "The Main Railroad Network in Southern Africa." It shows a flow from Zaire, Zambia, Zimbabwe, Botswana, Namibia, Lesotho, and Swaziland through the SATS systems of railroads and ports. Maputo sneaks in on the east coast, but no other rail links and no other Atlantic or Indian Ocean ports other than the South African and Namibian ports are shown. The lesson South Africa wants to convey is clear: disturb South Africa's ability to service these states and their economies must wither and die.

The SADCC presentation in Map 2.2 (from the 1985 SADCC papers) refers to "Regional Ports and Railway Network." The only ports and railways shown are those in the SADCC countries. the SADCC emphasis is on building an alternative to the SATS systems so that the SADCC countries have the option of trading directly with the rest of the world, rather than through South Africa (paying higher rates in the bargain because of the longer distances involved).

As of early 1987, the *Mainstay* map is not a bad description of reality. The Tazara railway linking Zambia with Dar es Salaam has never worked to its full capacity; the railways and ports in Mozambique have not functioned to full capacity since independence, and with the increased actions of South African-backed RENAMO forces, the rail lines are often disrupted and sometimes out of commission for substantial periods. The Nacala line to Malawi is cut; the Beira line operates at most a few trains a day; the Limpopo line to Maputo has been virtually inoperable since August 1984. The Benguela railway to Lobito in Angola has not been fully functional since 1975 because of actions by the UNITA forces, again with the active support of South Africa. What has happened, in effect, is that a pincer movement along the east and west coasts of southern Africa (north of South Africa and Namibia) has cut off the alternative routes from the center of the continent to the sea. The result is that the center must drain through, and be fed from, the SATS system. It is the result of this pincer movement that the SADCC transport program aims to counter.

The "natural" outlets for traffic from southern Zaire, Zambia, Malawi, Zimbabwe, Swaziland, and, for some commodities and destinations, Botswana, are the SADCC ports themselves. The SADCC system has about half the total kilometerage of railway of the SATS system; despite the much lower value of traffic carried, the SADCC system is a sizable one by African standards. Distances to various ports given in Table 2.7 make it clear that, if the railways and ports were functioning properly (not in some never-never land sense, but for the most part, as they had in the historical past), the bulk of SADCC trade with the world outside of Southern Africa would flow through SADCC rail and ports systems. Only Botswana and Lesotho would continue to have shorter distances moving via South Africa, and even then principally through Maputo as a port. For the other SADCC countries, SADCC ports should be more economical destinations. The distances give one indication of the higher costs involved in diverting traffic from SADCC rail systems and ports (principally in Mozambique) to the SATS system.

The data on transport flows seem to be harder to come by in a systematic form than some other economic data—or, at least, I have had difficulty finding data in which I had much confidence.[15] However, a few facts as reported from various sources indicate the extent to which the region's transport is now centered on the SATS system, some of the difficulties posed by the attempts to reroute traffic, and the interests South Africa and SADCC have in the transport alternatives.

The obvious outlet for much of SADCC trade would be the ports of Mozambique. In the early 1970s, Mozambique's ports handled nearly 15 million tons of cargo annually, about 14 million of it international transit trade for other countries (of which South Africa was providing over 6 million tons). The numbers have fallen steadily since independence, and by 1984 the ports were handling less than 6 million (of which South Africa was providing something over a million tons, most of it in low-tariff coal). By 1986 tonnages were even smaller. Traffic for other SADCC countries was only 3 to 3.5 million tons.[16]

Another SADCC port of value (to Zambia, in particular) would be Angola's Lobito, the terminus of the Benguela railway. This line has been inoperative for some years. The Tazara option is not viable as a major SADCC alternative in the present circumstances, as, (quite apart from the operational problems that are regularly reported on both the rail line and the port) its capacity at present is less than 2 million tons per year.[17] The distances involved also make it a much less attractive option than Mozambique, except for Zambia. The Nacala line should serve Malawi, but has been inoperative for some time.

As a result of the problems with the Mozambique and Angolian ports and railways and the lack of alternative capacity in Tanzania, the flow of transport and trade has been to South Africa. SATS figures indicate that in 1985/86 SATS handled something over 3 million tons of goods to and from the SADCC countries (excluding Mozambique), plus an additional 0.4 million tons to and from Zaire. In percentage terms, *Mainstay* (1985) states that "at least 45 percent of the combined total imports and exports of Malawi, Zimbabwe, Zambia, and Zaire are carried to and from South African ports by SATS. Virtually *all* imports and exports by Botswana, Lesotho and Swaziland are routed through South Africa."[18] Other sources (statements from SADCC and individual countries, as well as estimates from such sources as the *Economist* Intelligence Unit reports) suggest this is a minimum fcr the order of magnitude.

These figures suggest that the SADCC system needs to be upgraded, and protected from disruption, in order to nearly double the total tonnages that were being carried in 1984 (which is more than was being carried recently). And, when the economies of the region recover and resume the kinds of growth rates that they achieved in the 1960s and 1970s, the tonnage capacity would need to be larger. However, the figures involved—an added 4 to 6 million tons capacity—are not large relative to the amounts that were carried historically on the SADCC system.

The costs of the transport diversion are even harder to divine than the volume of it. SATS estimates suggest that about R300 million were earned by SATS on traffic from the SADCC countries in 1985 (although this may exclude BLS trade, as South Africa tends to report separate figures for the customs union members). SADCC's 1985 estimates suggest the the *added* cost of diversion of SADCC traffic to the SATS systems costs them $100 million per year. An estimate for Malawi alone suggest that added costs of closure of the Mozambique ports had reached $50 million by 1984, of which about 80 percent was high transport charges and the balance other costs such as higher interests costs of a longer pipeline. (Malawi's traffic through South Africa is carried largely by road, not rail, and would therefore be excluded from the SATS estimate of revenue.) More recent estimates have been over $100 million, as more traffic has shifted southward. Rail tariff rates on important individual items from Zimbabwe show transport costs can more than double by going through SATS instead of via Maputo.[19] If these estimates are approximately right, something in the range of $200 to $300 million per year must be added to South Africa's net balance-of-payments surplus with the SADCC region for freight alone. There would also be insurance costs, which are more likely to be handled by South African firms, along with clearing and forwarding charges. (This is another service industry in which there is a substantial South African interest regionally).[20] Finally, due to the problems that disruptions and uncertainties create for business, the losses to the SADCC countries are necessarily greater than the gains to South Africa.

In many respects, however, the size of the revenues earned by SATS, or the added costs incurred by the SADCC countries, are not the most important aspects of transport diversion. The real point is that, by having the majority of traffic diverted south, and by providing a reliable service when the alternatives are decidedly dicey, the South African economy also gains a privileged position as a supplier of goods (and services) to the SADCC markets. The expansion of South African trade with SADCC from 1970 to 1979, cited earlier, makes this point vividly. The surplus balance-of-payments position South Africa enjoys with the SADCC countries could be substantially eroded if the transport system were reconstructed and reliable suppliers outside the region could be found by the SADCC countries in substitution for South Africa. 'Oom Paul' Kruger saw his independence threatened by Rhodes's railways, and sought to open his options by building the railway line to what is now Maputo; the SADCC countries see the same problem, a century later, with alternative route a few hundred miles farther north. The transport issue is a key element of the overall contest for power in the region.

SERVICE, FINANCIAL, AND FACTOR FLOWS

Foreign Workers

An important element of South African economic and political history since the early days of large-scale mining in the late nineteenth century has been the use of migrant black (formerly called "native") labor from throughout Southern Africa. In recent years, as many as 350,000 citizens of the SADCC countries have worked on contract in South Africa, mostly on the mines. Such numbers make up close to 50 percent of the total black employment in the South African mines. The importance of the migration varies enormously from country to country, with Lesotho the most heavily dependent of the SADCC countries on this source of employment (130,000 to 140,000 people), but Mozambique (60,000), Malawi (30,000), Botswana (25–30,000), Swaziland (15–20,000), and Zimbabwe (5–10,000) also send significant numbers of migrant workers. In addition to the legal migrants from SADCC countries to South Africa, there are an undetermined number of illegal and seasonal workers (*Mainstay* gave a figure of 1.2 million, but its basis is not well documented)—presumably mainly in agriculture and domestic services where enforcement of documents is more likely to be lax than in the urban and mining sectors.[21]

The country most highly dependent on work in South Africa is Lesotho. Figures from the Lesotho national accounts indicate that in 1984 worker remittances were 507 million maloti (about $350 million at the ruling exchange rate), as compared with a GDP of M401 million. These represented the earnings (including imports brought back between contracts) of around 140,000 workers, mostly males. These remittances financed, or accounted for, 70 percent of the cost, insurance, and freight (c.i.f.) value of Lesotho's imports.[22] Clearly, Lesotho has the least leverage and fewest options and contributes the least by way of dollar export earnings to the South African balance-of-payments.

The financial figures for the other SADCC countries are a good deal less dramatic than those for Lesotho, although the orders of magnitude may be large relative to income and to the balance-of-payments in Mozambique and Malawi. In the case of Mozambique, a level of remittance of $500 to $800 per worker in 1984 (a range that seems plausible, based on the data from Botswana and Malawi, which report remittances rather than total earnings) would have amount to some $30 to $40 million, and would have financed about half the Mozambique trade deficit with South Africa. Some private estimates put the total earnings, including goods and remittances in the parallel market, at $75 million.

The South African balance-of-payments figures give a gross payments figure for private remittances for 1984 of R235 million, which would be about $165 million at the average exchange rate for the year. This would represent an average remittance for the approximately 350,000 legal workers from SADCC countries (assuming they were the only ones making remittances) of under $500, which appears to be low. (The fall in the rand relative to the dollar since that time has been greater than wage increases in South Africa, so the comparable current dollar figure would be somewhat less).

In addition to the figure for remittances, purchases are made by foreign workers in South Africa from their rand earnings. These would show up as South African exports and SADCC imports, but would not have been settled in hard currencies. And, to the extent that some of the earnings are taken out in goods rather than by transfer of funds, South Africa is able to sell at tariff-protected prices, and even to collect local sales tax, on such products (since there is no provision for rebate or refund of taxes on goods exported at retail from South Africa).

It is difficult to arrive at a hard figure for the value of worker remittances plus SADCC imports that represent goods brought back by returning workers and financed from their earnings in South Africa. I have used a range of $200 to $350 million, which would represent a range of $570 to $1,000 per worker in 1984. This seems to me a reasonable estimate, based on the various extant estimates and the arguments listed in the previous three paragraphs.

It is important to remember that employment of SADCC nations has economic benefits to South Africa, too. The Chamber of Mines, a private-sector organization heavily involved in the recruiting efforts, has made it quite clear in public statements that the threats of repatriation of SADCC citizens in the face of sanctions against South Africa would not be in the interest of South Africa. Since SADCC citizens account for around 300,000 of the total of just over 600,000 black mine workers in the South Africa mines, the problems of replacing SADCC workers would be significant, even in the face of South Africa's unemployment situation. New recruiting was cut back substantially some years ago, so the people now employed in the mines are experienced workers, and replacing them could not be done costlessly, either to the South African economy or to the mining companies. Indeed, the October 1986 decision not to review any contract for workers from Mozambique was strongly objected to, both by the Chamber of Mines and by farmers' associations in the eastern Transvaal, and was later modified by the South African government to provide for a reduction, not elimination, of workers from Mozambique.

There is also a long-run macroeconomic benefit to South Africa from the flow of migrant labor, especially to the mining industry and to government tax revenue. The original purpose of coordinated recruitment of labor by the gold mines was to avoid bidding up the price of black labor as employment increased. By recruiting as far away as northern Botswana, Malawi, and Mozambique, large numbers of worker could be found without raising wages; and, by recruiting centrally rather than competitively, the mines could keep wages down for all black workers, including those recruited from South Africa. Whether or not one wishes to put an ideological spin on this, economic analysis would conclude that the recruitment system has for decades enabled black wage rates to be maintained at low levels relative to white wages, post-tax profits, and taxes paid to the government.

South Africans are working in the SADCC countries, too. The largest numbers are probably in BLS, but other countries in the region also have skilled South Africans working there. While the numbers are smaller, the average pay levels are much higher. I know of no analysis of the numbers (or even the orders of magnitude) of these flows of people to the SADCC countries, or of the reverse financial flows as they remit their savings to South Africa. South African balance-of-payments figures show greater receipts than payments under the heading of "migrant worker funds, legacies, etc." A sizable portion of the R320 million of private-sector transfer receipts in 1984 would have come from the SADCC countries, especially since those include pensions from Zimbabwe. Botswana's balance-of-payments figures generally show twice as much paid by Botswana than received by it, although that includes payments to countries other than South Africa. Data available for Botswana, Zambia, and Swaziland on the gross remittances by foreign workers from those countries show payments of $103 million for 1984.[23] The nationalities and destinations are unknown, but one-third to one-half could well be South African (based on employment in both mining and other sectors in those countries). Malawi, Lesotho, and Zimbabwe would also have relatively large numbers of South Africans engaged in their private and parastatal sectors. Overall, $50, to $100 million flowing from the SADCC countries to South Africa in the form of worker remittances would be a conservative estimate.

Other Services

The data get more and more scanty as one works through the balance of payments from the visibles to the invisibles and to the capital account. The questions of transport services has already been mentioned, with its estimate of SATS earnings of some R300 million per year from the SADCC surface trade. This is small relative to SATS total revenue, but, again, the amounts must be settled in hard currency, and this is of significance to South Africa, especially in recent years. SATS also has sizable air freight and passenger earnings from the region. South Africa has been taking actions to increase its surplus on transport account, as it has been reducing the volume of transit trade it puts through Maputo, thus decreasing Mozambique's invisible earnings directly (as well as through RENAMO's disruption of transport lines).

Tourist earnings probably result in surpluses for the SADCC countries with South Africa. These are most important in relative terms for Lesotho and Swaziland, but have been large for Zimbabwe in the past too. Botswana's tourist industry is small, and Mozambique's has not been healthy for many years. Again, numbers would be nice to have, but are difficult to obtain, and are small in absolute terms.[24] In the context of regional issues, discussed below, it might be argued that quite apart from any direct earnings, which probably involve a deficit for South Africa, South Africa has hurt the tourism earnings of the SADCC states from third countries because of the South African government's generally disruptive activities. It would be very difficult indeed to put a number on this effect.

South Africa also provides a variety of other services in the region: insurance, management contracts, clearing and forwarding, transport via private road contractors and South African Airways, and, until recently, a considerable amount of the region's communications. These vary enormously from country to country, but have been substantial in Zambia, Zimbabwe, and Botswana for mining ventures, particularly through the Anglo American/DeBeers group of companies.[25]

It is possible to construct some figures for two countries that are important from the South African standpoint. Zimbabwe's invisible deficit with South Africa amounted to about U.S. $115 million in 1984, (earnings of $18 million and payments of $133 million). About half the payments were for freight, insurance, and related charges, and over $50 million were for pension payments to former Zimbabwe residents.[26] Comparable amounts in Zimbabwe dollars, but smaller amounts in U.S. dollars because of the depreciation of Southern African currencies, were reported to be likely in 1985.[27] Botswana's balance-of-payments figures show sizable deficits in factor services, including investment income and, especially, dividends and profits. In 1984, about $113 million was paid abroad in dividends and profits (less than $1 million was received). The dividends are mainly to South African companies, largely to DeBeers for its share of Debswana profits. A reasonable estimate would be a deficit with South Africa of $90 million for 1984.[28] For all of SADCC, a profit and dividend figure of $100 to $150 million would seem reasonable.

The data for the overall balance on nonfactor service accounts for the landlocked six SADCC countries for 1982–1984 all show deficits, with BLS at levels under $85 million, and Malawi, Zambia, and

Zimbabwe at high levels (averaging over $200 million per year each). The overall deficit averaged $785 million annually.[29] In view of South Africa's dominant regional position in provision of nonfactor services of all sorts, a sizable portion of that deficit would have been with South Africa. Transport was earlier estimated to comprise $200–$300 million; other nonfactor services must account for at least an additional $100–$200 million. Even the upper limit of these two estimates would suggest South Africa was earning less than two-thirds of SADCC's net deficit on nonfactor services, which is a relatively conservative figure.

An overall estimate for South Africa's current account balance with SADCC is given in Table 2.8. The visible balance in the mid-1980s would be between $1,300 and $1,500 million in South Africa's favor. Transport and other nonfactor services, as just discussed, would be about $300–$500 million per year in South Africa's favor. Profits and dividends would add another $100–$150 million to the South African surplus. $200–$350 million in gross remittances went from South Africa to SADCC, but with $50–$100 million in reverse payments from smaller numbers of much more highly compensated South Africans working in the SADCC countries, giving a net figure of $150–$250 million. Finally, there are the payments from the customs union pool to the BLS countries, which are around $300 million.[30] Overall, this results in an estimate for the current account surplus of South Africa with the SADCC countries of $1,250–$1,600 in the mid-1980s. Today, the decline in the value of the rand may have contributed to narrowing this surplus, while the continued diversion of transport from SADCC to the SATS system would have contributed to widening it. An overall figure in the range of $1.5 billion would be a plausible estimate for South Africa's overall surplus in visible and invisible trade with SADCC.

Investment and Capital Flows

While historically there was considerable private investment from South Africa in the SADCC countries, the flow recently has been relatively small, with the exception of DeBeers's investments in Botswana's diamond mines. Estimates of the historical cost of investment are not a particularly good guide to the present value of assets, but the historic cost must be in the range of 1 to 2 billion U.S. dollars.[31] The figures cited earlier on the credits from South Africa to the SADCC countries indicate that these are relatively small, since the official South African estimate lists total credits *extended* (not those still outstanding) at $80–$100 million. Clearly, the large current account surplus that South Africa is running with SADCC is not financed by a capital inflow from South Africa.

MAIN INSTITUTIONAL ARRANGEMENTS

The Southern African Development Coordination Conference

SADCC, the South African Development Coordination Conference, was established in 1980 at a meeting of heads of governments in Lusaka. SADCC grew out of the activities of the Front Line States in promoting the independence of Zimbabwe.[32] It was rooted in the belief that there could not be truly meaningful independence when the economic domination of the region by South Africa was so complete. From the beginning, however, it was made clear that SADCC was not just aimed at a racist South Africa, but that the problems of one country dominating a region economically would remain even after a transition to a nonracist regime in South Africa.

SADCC was based, in the terms used by international organization specialists, on "functionalist" principles. The aims were pragmatic and limited, and focused on relatively attainable goals—something important, given the extremely diverse economic and political ideologies spanning the nine member countries. There has been relatively little ideology connected with the organization apart from the need to establish great economic independence in order to reach meaningful political independence, and a strong stand against apartheid and its adverse effects on the entire region. SADCC has functioned as a rather loose organization in bureaucratic terms. It was several years before a permanent secretariat was formed, and even now it is very small and oriented toward serving the needs of the member states. Annual meetings form the main focus of activity, and SADCC has for the most part managed to keep the donors aimed at the projects and objectives of SADCC itself—not an easy thing when dealing with donor agencies.

Individual countries in SADCC were given responsibility for coordinating work in different sectors—transportation for Mozambique, energy for Angola, etc. This, too, has helped reduce the need for central bureaucracy. It has also limited the impact of strong positions of an ideological nature (whether one should depend more or less on market forces, for example). Position papers that do not command an obvious and clear consensus may stay on the agenda, but don't get much attention; they certainly are not represented in a strong central staff position, as happens in many international organizations. I must confess to having been a skeptic at the founding of SADCC, having watched numerous international ventures disappear into mindless paper pushing or disintegrate over issues that couldn't be resolved because of the inherent nature of the organization and the divergent interests of the member countries. However, SADCC has remained true to its lean administrative structure, its focus on those things where cooperation produces benefits for those involved, and its practice of minimizing ideological statements that don't have some practical relevance to the issues at hand.

As is evident from the foregoing discussion of the trading and transport relationships in Southern Africa, the fundamental requirement for increasing the international options of the countries in the region was the reconstruction and expansion of transportation and communication routes to make possible trade and communication without going through South Africa. Some $3 billion covered 200 projects in the transportation and communication sectors prepared by SADCC. Close to $1 billion worth of projects has either been completed or is under way, with substantial contributions from the donor community.

Perhaps the highest-profile project has been the Beira Corridor, aimed at rehabilitating the railway from Zimbabwe to Beira and upgrading the port, both in capacity and particularly in terms of reliability. The transport distances shown earlier make it clear that a functioning line to Beira would substantially improve the options for Zimbabwe, Zambia, and Malawi. Of major importance to this project is the security situation, since the Beira line has been a target of the RENAMO forces. The stationing of several thousand Zimbabwean troops along the corridor is indicative both of its importance to Zimbabwe and of the seriousness of the security situation.

In view of the fact that the countries of the region are so tied together by transportation and communication problems, SADCC is an important vehicle for the international community in providing assistance to the development efforts throughout the region. This would be true even if the problems of the transportation infrastructure in the region were simply those of a typical developing area, although a legitimate question can be raised about the extent to which investment should be devoted to more infrastructure, as compared with projects that produce more direct benefits for citizens of the region.[33] With the additional burden of the South African efforts to keep Southern Africa within its economic, financial, and military control, the need to ensure a focus on the regional transportation and communication issues is even greater.[34]

The Southern African Customs Union Agreement

The High Commission Territories of Bechuanaland, Basutoland, and Swaziland were joined in a customs union with the Union of South Africa at the time of the 1910 union agreements. The arrangement provided for a common customs tariff, decided by South Africa, and it gave the High Commission Territories a fixed share (totalling 1.3 percent) of the pool of customs and excise taxes. The Union Agreements provided for the eventual incorporation of the territories into South Africa, provided the territories agreed.

After Botswana, Lesotho, and Swaziland (as they became) attained independence in the mid-1960s, their governments entered into negotiation with South Africa to change the nature of the 1910 agreements. A new agreement, the Southern African Customs Union Agreement (SACUA), was signed in 1969. It has been the subject of a fair amount of literature, often passionate, on the issue of the net benefits of the new arrangements, and, in particular, whether the costs and benefits are suitably balanced.

The agreement provides, among many other things, for a sharing of revenue from the common customs pool according to a formula that makes revenue to BLS dependent on the level of imports into each BLS country from all sources—South African or outside the customs union.[35] The initial agreement specified that the rate of payment applied to the BLS imports would be the actual average rate of customs and excise duties in the Common Customs Area (CCA) as a whole, enhanced by an agreed multiplier of 42 percent (a figure that arose out of the negotiations). The amounts are paid to BLS two years in arrears, so that any increase or decrease in revenue due, as calculated from the formula, is delayed for two years. After the first oil price shock in 1974, BLS negotiated an amendment to the agreement, setting a floor of 17 percent and a ceiling of 23 percent on the enhanced rate that would be applied to the BLS imports.[36]

The agreement also provides for BLS to be able to protect an infant industry in its country by an additional duty against imports from other customs union partners (in practice, South Africa), although the revenue collected goes into the pool, not to the country imposing the duty. In practice this has been used quite sparingly by the BLS. The BLS countries can also propose to South Africa industries they wish to establish to serve the whole Common Customs Area, but that would require protection by the common external tariff in order to be viable.[37]

In addition to the financial provisions and the arrangements for protection to BLS industries, the agreement provides for free movement of goods, nondiscrimination in freight rates, nondiscriminatory pricing and quotas in agricultural marketing, and consultation on various matters such as veterinary or plant disease problems.[38]

Of some importance in a broader regional context, the 1969 agreement recognized the existence of earlier trade agreements, in particular one reached between the colonial governments in

Southern Rhodesia and Bechuanaland for a virtual free trade area between those territories. As a result, Zimbabwean producers are able to sell to Botswana consumers at South African protected prices.[39] Botswana accrues revenue from the customs union based on the value of its imports from Zimbabwe, even though they are not subject to duty.

As mentioned in the discussion of financial flows in the region, revenue from the customs union is of importance to the BLS countries. In the most recent five financial years, the customs union revenue received by the BLS countries has amounted to an average of just over $300 million per year.[40] The growth of their revenue has exceeded the growth of the revenue pool of the customs union, since as shown in Table 2.2, BLS economies (and their imports) have grown much faster than has South Africa over the past fifteen to twenty years. The BLS countries have argued consistently that the revenue sharing has undercompensated them for the disadvantages of the customs union arrangements, while in recent years South Africa has expressed growing concern that the financial costs of the customs union arrangements to South Africa are much too high.[41] Press reports have indicated for several years that discussions are being held regarding the customs union arrangements, but the state of play is not known, since none of the participants has made public the nature of the discussions or their current status.

There has been a lively, if sometimes not well-informed, literature on the BLS membership in the customs union. Critics of BLS argue that the membership per se places them in the pocket of the South Africans, and that the countries should withdraw from the arrangement. Some argue that not only are there no benefits to the BLS from membership, but indeed there are costs. The main cost is said to be greater competition to local industries from South African suppliers, which has depressed the rate of economic growth in the "peripheral" countries. Some critics suggest that, even if there are now short-term financial benefits to BLS, these could be replaced through appropriate import substitution polices, a separate external tariff for each of the BLS countries, and a switching of trade away from higher-priced South African goods to lower-cost international sources.[42]

Given the trade of other SADCC countries with and through South Africa, as well as the fact that Zimbabwe benefits from Botswana's membership, BLS should hardly be singled out for criticism of their arrangements in the customs union. The BLS countries, most especially Lesotho, are particularly vulnerable to South African actions. Botswana has increased its trade with Zimbabwe, but even if transport routes were markedly improved through Mozambique, longer distances for some routes would assure higher transport costs of buying goods from outside the region. If they were not in the customs union, BLS would forego the revenue received from the pool, but would be able to replace some of it by imposing their own customs and excise taxes without raising prices to domestic consumers. They would also have to introduce tighter levels of control at border points that are now mainly concerned with statistical checking rather than valuation and revenue collection. No publicly available studies give any basis for calculating the net effect on BLS with any serious attention to the balance of all factors.[43]

The Preferential Trade Area of Eastern and Southern Africa

After a number of years of preparatory negotiations, encouraged and staffed by the Economic Commission for Africa, the Preferential Trade Area for Eastern and Southern Africa (PTA) formally came into operation in the middle of 1984. It includes fifteen countries, among them six of the nine SADCC countries and two of the three SACUA countries.[44] The PTA aims at reducing trade barriers, particularly tariffs, among the member countries according to specified lists of priority commodities. It contains a variety of provisions on rules of origin. One set of rules concerns the ownership of equity in companies, and requires that local (i.e., PTA member country) ownership must exceed 50 percent before the commodities in question are eligible for the reductions in tariffs. This has raised problems for some countries, particularly Kenya and Zimbabwe (the latter having the benefit of some transitional provisions), where foreign companies are heavily involved in the manufacturing sectors, and where, as a result, the benefits of tariff reductions might be lost. Discussions are being held to provide for somewhat modified rules, such as a sliding scale of tariff preferences based on the share of equity ownership of foreigners and citizens.

The PTA recognized that a major barrier to regional trade was the foreign exchange situation: exchange controls and import licensing are prevalent, indeed dominant, throughout the region. As a partial response, the PTA established a Multilateral Clearing Facility, administered by Zimbabwe, to provide for clearing arrangements and settlement of outstanding balances in U.S. dollars every two months. However, countries can specify commodities to be paid for in hard currency rather than through multilateral clearing. The facility established maximum credit and debit limits for each country, based on historic levels of trade. These arrangements tend to favor the largest exporters in the region, namely Zimbabwe and Kenya. The facility is functioning at a fairly low level, since countries have insisted on hard currency settlements for most major exports.

The PTA has had a few conflicts with both SADCC and the membership of the SACUA states. There is a separate BLS protocol in the PTA that recognizes the special position of BLS and provides for some transitional arrangements.[45] There has been a certain amount of overt controversy between SADCC and the PTA. The PTA documents are, in my view, a good deal more ideological than the SADCC statements: the PTA takes a strong position on the virtues of free multilateral trade and payments, the evils of multinational corporations, and the dangers of doing business with South Africa, among other things. As Green (1985) points out, the PTA probably tried to nail things down too solidly in a world that was uncertain. SADCC, in contrast, has been much more pragmatic in its approach, moving carefully on trade, expressing mild preference for bilateral trade deals where these can improve production, stressing the importance of the basic transport and other infrastructure, and focusing on the bricks and mortar of development.

There is a potential complementarity of PTA and SADCC operations. If and when the other SADCC countries join the PTA, there would be some advantages for the other PTA countries from larger membership. There also would be some advantages to SADCC of having the Multilateral Clearing Facility available for all members. Indeed, to the extent that SADCC has been a catalyst for substantial new donor funds, there are possibilities of using the facility as a conduit for donor resources in the way that the European Payments Union was used in the Marshall Plan. One should recall that the EPU predated movements toward tariff reductions and the Treaty of Rome by many years.

In the broader regional terms that are the subject of this chapter, the PTA potentially provides a device for increasing intraregional trade, presumably at the expense of both regional nonmembers (of whom the most important is South Africa) and countries outside the region. Kenya and Zimbabwe would seem best suited to benefit from the trade diversion that would occur as a result of PTA successes, since they have the largest and most vigorous manufacturing sectors. They also have the largest share of foreign participation, which may limit their gains. South Africa stands to lose from any trade diversion that occurs; but, as an increasingly sophisticated producer of manufactured goods, it would be a potential beneficiary of economic growth in the region that was stimulated by PTA or SADCC. However, given the history of attempts by developing countries to liberalize their trade with one another, one should not expect to have startling results in the short term.

Other Regional Arrangements

There are several other regional trading arrangements in addition to SACUA, the PTA, and the bilateral deals that have been struck under the umbrella of SADCC; some are known to be either under strain or in the process of renegotiation.[46] The Zimbabwe-Botswana and Malawi-Botswana arrangements are continuations of those between the old Central African Federation (of Northern and Southern Rhodesia and Nyasaland), and provided for free-trade zones. This has resulted in a fairly large volume of trade (by regional standards) between Botswana and Zimbabwe, although there have recently been problems over "rules of origin" for goods to be admitted duty-free to Zimbabwe, as well as the imposition of quantitative restrictions on Botswana's exports to Zimbabwe. The other arrangements that has received some notice recently is that between Zimbabwe and South Africa, which provides for preferential tariff arrangements on both sides. This is an old agreements, but modifications to its provisions have been made several times, most recently in 1986.

THE IMPACT OF RECENT SOUTH AFRICAN DEVELOPMENTS

"Destabilization" by South Africa

A great many current economic problems of the SADCC countries, as well as the constraints on their future economic development, stem from the activities of the South African government. The generic term for these activities in the region is "destabilization"; it covers everything from overt military action (only Tanzania among the nine SADCC countries seems to have been spared), through support of armed groups opposed to the established governments (especially in Angola and Mozambique, but also in other countries), and interruptions of transportation arrangements and diversion of traffic through the SATS system. The history of such efforts goes back many years. South Africa was a main supporter both of the Portuguese colonies and of the Smith regime in southern Rhodesia, since they provided effective buffer states against opposition to South African government racial policies, from countries farther north. There have been incidents in all countries in the region—withdrawal of railway wagons and locomotives, temporary disruption of transportation and communication links, actions by South African agents against refugees in the neighboring countries, and many others—all of which date back into the early years of independence in the region.

The first estimate made of the economic costs of these activities was by SADCC in 1985. It suggested that the cumulative five-year costs of South African actions against the SADCC countries came to some $10 billion, or about $2 billion per year. This would have been slightly larger than the $1.8 billion in disbursements of official development assistance to the SADCC countries in 1984, and represents over one-third of their total export earnings and nearly 10 percent of their collective GDP.[47] The largest share of the costs are attributable to defense costs and war destruction, both of which result from South African government support of antigovernment groups in several SADCC countries. However, there are significant costs from higher transport costs of using the SATS system, losses in economic growth, and higher costs of South African goods purchased because of the interruptions of transport to other regions. Even if the amounts involved were overestimated by 100 percent in the SADCC estimate, the numbers would be large indeed; and the losses in income along in Mozambique and Angola are probably underestimates. In addition, this type of estimate does not capture the costs involved in the diversion of the time and effort of senior politicians and civil servants throughout the region from the business of running and developing their countries to the concerns of dealing with South Africa-related problems, nor the shocks to the relatively fragile democracies and national societies in the region. One does not have to be in one of the SADCC countries for very long before seeing the priority that must be given to regional political-economic-security issues.[48]

There has been substantial acceleration in South African belligerence in the region in the past several years. Among the major developments reported by the international press were the Nkomati Accord with Mozambique in 1984, the secret security agreement with Swaziland, the increased support for the UNITA forces in Angola and the post-Nkomati support for RENAMO in Mozambique, the threats of expulsion of foreign mineworkers in response to sanctions beginning in 1985, the coup in Lesotho following South Africa's virtual blockade in January 1986, the abortive raid on the Cabinda oil facility in Angola, the raids on Gaborone in June 1985 and on Gaborone, Harare, and Lusaka in May 1986. Further, there were the imposition of customs deposits on transit traffic landed in South Africa and destined for Zambia and Zimbabwe, as well as the delays "for purposes of statistical checking" of exports from Zimbabwe through the SATS system in August 1986, the October 1986 decision not to renew labor contracts of Mozambicans in South Africa (later partially rescinded), and the threatened closure of the rail line through Botswana by the device of one of the "homelands" requiring visas for train crews turning around in Mafeking. It is impossible to place an economic value on these to the SADCC countries. But the choice of instruments is generally aimed at imposing the greatest cost on the SADCC countries with the least cost (or perhaps even some benefit) to South Africa: the delays from "statistical checks" were on Zimbabwean exports, not on South African exports to Zimbabwe; and the customs surcharges were on goods from third countries destined for Zambia and Zimbabwe—they did not affect South African goods going to those markets.

South African Economic Problems and Policies

Quite apart from the fundamental political and social difficulties of the apartheid system, the South African economy has been having its problems in macroeconomic terms for some years. Some elements have to do with the international economy, some with the international reactions to South Africa's political-economic situation, and some with the inherent economic problems of apartheid and the South African government's attempts to deal with them.

The internal economic problems besetting South Africa as a result of its political-economic system are myriad, and this is not the place to analyze them in any detail.[49] However, it is clear that the economic and financial costs imposed by apartheid are very high: the loss of output due to the discriminatory system of education and employment over many years, the added costs of commuting to and from "homelands" or black townships, the diversion of skilled persons into agencies to enforce racial separation and related laws and regulations, the duplication of governmental bureaucracies for the "homeland" areas (whether "independent" or not), the security costs necessary to defend the system internally and externally by repressing both citizens and neighboring countries, the costs (real and budgetary) of schemes to subsidize the movement of capital to "homelands" when no added real output results from the investments made, the high real costs of "strategic" industries whose sole purpose is to provide South Africa with independence from world sources of supply of various commodities—the list could go on.

The cumulative costs of the South African political economic system run into the equivalent of several billions of U.S. dollars annually. These costs have not been fully recognized by the South African government; yet, they have had two major macroeconomic effects. First, the rate of economic growth has slowed because investments have yielded lower and lower real output as a larger share of investment has been in activities undertaken for political reasons. Second, the budgetary costs of the programs have resulted in a substantial growth of public sector activities to support apartheid (which, at best, contribute nothing to economic activity in the country). The government has been willing, or has felt itself compelled for domestic political reasons, to finance this growth in an inflationary fashion. The combination of low productivity of new investment and the growth of a (deficit-financed) public sector, would have proved costly for the macroeconomic performance of the South African economy even if the other two factors—international economic conditions and world attitudes toward South Africa—had not been adverse.

The world economy since the second oil shock has hardly been robust, and has been especially unkind to producers of primary products, which includes South Africa. Gold, diamonds, platinum, and coal kept their place in the sun somewhat longer than other commodities, but they too peaked in the 1980/81 period, and have slid substantially in the years since. Given the importance of these commodities to South Africa, the problem of macroeconomic management would have been severe even without the problems generated by apartheid, although a nimble government and central bank backed by South Africa's resources could have made a very respectable showing if not burdened by apartheid. One would have expected a period of slow growth at best; but given the diversity of the South African economy, it should have been possible to adjust to the commodity declines and the rise in world real interest rates without going through a serious recession. South Africa, with its increasingly complex and sophisticated industrial sector and its substantial natural resources, might have been able to match Korea's and substantially exceed Brazil's performance as aggressive exporters.

The final element in the picture is world attitudes toward the South African economy. A combination of (1) worries about the longer-term risks in South Africa (because of its apparent inability to solve its political problems) and (2) pressures on many multinational companies and banks to avoid further long-term investments in South Africa had the effect of squeezing South Africa out of the markets for longer-term capital—both debt and equity—for several years, even though South Africa had been a net capital importer through most of its history. With the drying up of longer-term capital and the financial problems brought on by both apartheid and the international economy, the South African authorities pursued monetary policies that had the effect of generating sizable foreign short-term credit to the private sector, including to South African banks. The pyramid collapsed in August 1985, with the decision of some commercial banks not to roll over short-term loans to the private sector. As all other banks followed suit (with good reason—no one could afford to be the last out the door), South Africa faced an impossible liquidity problem. In response, the authorities declared a moratorium on principal repayments of most loans and reintroduced controls on capital movements through the device of the "financial rand."[50]

These three major economic, or political-economic, forces operating in South Africa have produced a number of major effects on the economies of Southern Africa in recent years. These effects are conditioned, of course, by the other elements of the economic and transportation system of the region already referred to. The main effects of the South African *economy* on the rest of the region have shown up through the South African inflation rate and the international value of the rand.

South Africa has had relatively high rates of inflation for a number of years. During the period of the gold price boom and its immediate aftermath, there was considerable excess demand inflation caused by the high price of gold and associated high spending in both the public and private sectors in an economy facing limitations of capacity (in both capital stock and skilled labor), as well as a policy of import controls and tariffs to protect the domestic economy. From 1978 to 1980, the rand appreciated against the U.S. dollar by 12 percent, while South African inflation was 29 percent.[51] The result was an increase in the U.S. dollar price of South African goods of 44 percent. The countries of Southern Africa were faced, in their trade with South Africa, with a combination of acceleration in inflation and a rising rand, with the result that they suffered losses in their terms of trade. This increase in the relative prices of South African goods, combined with the limitations on alternative sources of supply imposed by the transport system, is doubtless one of the contributory factors in the rising share of South African trade with SADCC through 1982.[52]

Since the collapse of the gold price in 1980, and especially after other commodity markets went soft in 1981, the South African rand has been in a period of rather steady decline, from a peak value of over $1.35 in 1980 to a 1986 low of under $0.35. Through this period, the rate of inflation remained quite high because of a combination of excess monetary expansion, excess fiscal deficits, and the decline in the value of the rand, which raised the rand cost of imported raw materials and provided added protection (in local currency terms) for import-competing industries. The rate of depreciation of the rand has exceeded the rate of inflation in South Africa, however, so that the countries of the region that have had net deficits with South Africa have been able to settle these deficits with lower dollar earnings. Between 1980 and 1985, the U.S. dollar price of South African goods declined by nearly one-third.[53]

The decline in the dollar value of the balance of trade deficits of the SADCC region with South Africa from 1982 to 1984, shown in Tables 2.5 and 2.6, reflects this phenomenon.[54] While the data on individual countries have not yet been analyzed, it would seem likely that the decline in the value of the rand has resulted in increased quantities of exports going from South Africa to SADCC, but at lower dollar values. This gain on the terms of trade has been sizable, and is larger the greater is the size of th initial trade deficit with South Africa. The gain presumably also would have been made on the net purchases of services, including transport, by the SADCC countries, since these too are priced in rand.[55]

The negative side of the decline in the value of the rand, especially the speed with which it occurred, has three elements. First, to the extent that producers in SADCC countries compete with South African producers, the cheaper rand has led to increased competition with SADCC suppliers. This would mainly affect Zimbabwe as the principal supplier to other SADCC markets (especially Botswana). All non-BLS countries, with their comprehensive import control systems and highly protective tariffs, would be in a position to protect local industries supplying local markets through tightening of trade controls. The second problem that the South African economic situation has created in some countries, particularly in Lesotho and Swaziland, is that of continued high rates of inflation. This has complicated economic management problems in these countries. The third issue tied to the declining value of the rand is that of exchange rate management. Since several countries have significant, but not exclusive, trade relations with South Africa, the rapid decline in the value of the rand has complicated the questions of choosing an external value for local currencies. Allowing the rand to depreciate against the local currency increases South African competition with local industries, and also (especially, but not exclusively, for Zimbabwe) increases the competitiveness of South African goods with one's own exports both in South African and in third-country markets. Allowing the local currency to depreciate maintains competitiveness, but also has the effect of raising the local currency price of imports from, and exports to, all other sources, thus adding to inflationary pressure and having an effect (for good or for ill) on the distribution of income within each country.[56]

On balance, given the size of the trade deficits with South Africa, at least six of the nine SADCC countries must have benefited, on a net basis, from the decline in the value of the rand.

This conclusion is at variance with the statements made both by South Africa and in almost all of the international financial press at the time of South Africa's debt standstill declaration in 1985, when the declining rand was receiving considerable attention and the South African government was trying to illustrate the losses to the neighboring countries that resulted from actions that adversely affected the South African economy.

One completely unquantifiable cost of South African economic and political troubles to the SADCC region is the effect on the confidence of investors in the private sector both foreign and domestic. It is inevitable that the uncertainties created by South African policies and actions, and the decline in the region's largest economy, will have a negative effect on the perceptions of private investors, whether they are interested in direct foreign investment or debt financing. There has been some talk of private foreign investors shifting their regional operations from South Africa to SADCC countries, but this seems to have been talk without substance. The principal impact on investment in SADCC from the past several years of South African uncertainties has doubtless been negative, but it is impossible to estimate its extent.

A final aspect of South African policies on the countries of the region affects mainly the BLS countries: namely, the "decentralization" policies of the South African government. The generally damaging economic effects of these policies, which provide for extremely heavy subsidies to industries choosing to locate in the "homeland" or areas bordering these entities, have already been referred to above. But, in addition to the macroeconomic problem involved in subsidizing unproductive capital investments per se, there have been adverse effects on the BLS countries from firms choosing to locate in part of South Africa instead of in the BLS countries strictly because of the subsidies to be provided by the South African government. Again, it is not possible to quantify the effects, but anecdotal evidence suggest that a number of investments have been diverted from BLS to South Africa when the regional market could have been served from either place.

POSSIBLE EFFECTS OF FURTHER SANCTIONS ON SOUTH AFRICA

The Range of Possible Sanctions

One difficulty in trying to think through the impact of sanctions both on South Africa and on the region as a whole is that the potential range of added sanctions is extremely large. A variety of sanctions already exist, some multilateral and mandatory, such as the arms embargo, some bilateral and legally enforceable, as those imposed by the U.S. Comprehensive Anti-Apartheid Act of 1986, some either multilateral or bilateral but voluntary with regard to government enforcement, such as oil export restrictions from OPEC, and others the effects of private action by individual companies, banks, or unions, such as withdrawal of investment, refusal to roll over loans or extend credits, or refusal to handle cargoes from or to South Africa. Broadly speaking, one might want to distinguish between financial and trade sanctions, between mandatory and voluntary sanctions, and between bilateral and multilateral sanctions.[57]

South Africa has been subject to various sanctions for some time: oil must be purchased indirectly, arms must be purchased either illegally or through acquisition of the technology rights and by local manufacture, and, of major importance, the international financial markets have imposed their own form of "sanctions" on South Africa for some time—first with regard to long-term finance, and most recently with regard to virtually all bank finance.

It is probably unrealistic to consider a case of enforced, comprehensive, mandatory sanctions against South Africa in the near future. Despite the continued pressure to undertake such sanctions, the economic interests of many countries (not just the United States and major Western European countries) would not be served by such sanctions.[58] Even if they were to be voted by the UN Security Council, it would be extremely difficult to enforce them unless the major powers were willing to use a naval blockade. My judgment is that such an action is not in the cards in the short run. Without such effective enforcement, sanctions are likely to be "leaky." More likely is a continual increase in selective measures both in the trade and the financial field, as well as in services. These, too, will "leak," but provided that they are targeted, they are more likely to be enforceable than comprehensive sanctions.

The effects of the continual increase in the level of sanctions would, in effect, be a continuing loss in the terms of trade for South Africa, as the price of exports fell and the price of imports rose. The likelihood of increasingly effective financial sanctions would mean that South Africa would also have to continue on a pay-as-you-go basis for foreign trade and to forego inflows of foreign capital for purposes of financing domestic investment. Enforced disinvestment by foreign companies would have limited financial costs to South Af particularly those in computer and related fields.[59] [60] Overall, formal, and comprehensive financial sanctions might not represent very much change in the financial situation as it has been since August 1985, but would instead codify it and make it permanent.

Possible South African Responses and SADCC Reactions

If sanctions took the form of a continual tightening of both trade and financial restrictions, rather than some dramatic event in which comprehensive and mandatory (and effective) sanctions were imposed, there is likely to be a continual winding down of the South African economy. Investment has lagged with a continued lack of business confidence in the government; the costs of the apartheid system are rising; the prospect of a continual loss of the terms of trade, with no possibility of capital inflow, would keep business investments low and white emigration rising.[61]

In these circumstances, it would be very much in the economic interest of the present South African government to maintain, and even increase, its trade with the SADCC countries, in light of their current and potential importance as a market for South African goods and services and as a source of hard currency earnings. It would also be in South Africa's interest to use its neighbors as a way of beating sanctions, with relabeling of products, final touches made in the SADCC countries, etc. In order to maximize the likelihood of being able to take such actions, it is important for South Africa to continue the diversion of SADCC trade through the SATS system.

There are few further long-term actions the South African government could take that would have the effect of harming the SADCC countries, and passing along costs of sanctions to them, with out doing considerable damage to the South African economy at the same time. The damage to alternative transports routes has already been done; it is an essential part of the package of actions that keeps South Africa from benefiting from the SADCC economies. On the other hand, a long-term border closing, for example, would reduce SATS earnings and reduce South African exports; such an action makes no sense for any sustained period of time.

What is more likely is for South Africa both to continue its activities to disrupt SADCC's alternative transport system in order to keep trade going through south Africa, and to continue its long-standing practice of short and sharp reminders to the countries in the region about where the real economic and military power lies. South Africa has a variety of instruments that can be used for this purpose, and it has shown an ability to use those that impose greater costs on its neighbors than on itself. Continued support for UNITA and RENAMO, as well as an unwillingness to move toward genuine independence for Namibia, would be rational parts of the South African reaction to increased sanctions. At the same time as these actions are taken to keep the SADCC countries in line, South Africa is likely to continue its practice of fairly aggressive activities to increase trade with the SADCC countries. There is little doubt that *if* the transport situation is taken as given, an increase in trade between SADCC and South Africa makes economic sense for both parties, especially if there are increased economic sanctions on South Africa.

SADCC Options and Alternatives

When SADCC was established, its first priority was to generate significant transportation and communication options that did not depend on South Africa. Considerable progress has been made on some parts of this effort, but the principal problem of transport dependence on the SATS system is even greater in 1986 than it was in 1980. Assuming (correctly I believe) that SADCC countries are not going to engage in substantial amounts of sanctions-busting and are not going to throw themselves into the arms of the South Africans in response to increasing sanctions, the only realistic thing for them to do is to develop the transportation options through Angola, Mozambique, and Tanzania that have been, since the beginning, a main focus of SADCC's efforts. What is essential, however, is that the transport options need to be really operational and relatively secure. The record of Tazara railway and the Dar es Salaam port, as well as the effect of the local security situation on transport operations in both Angola and Mozambique, are painful reminders that more than hardware is needed in order to provide a transportation alternative.

As a related point, it should be clear that actions to eliminate the civil wars involving South African surrogates in Angola and Mozambique are an important element in the effort to restore more secure transport options for the SADCC countries. Economics simply cannot be separated from politics and security considerations in the region. SADCC knows this well, as does South Africa. Actions that prolong the civil wars are those that prolong the regional hegemony of the present South African regime.

The substantial differences in the vulnerability of the countries should be recognized, even if major progress is made in providing reliable and secure railway and port facilities to the north. Lesotho has an almost completely untenable position, and its needs must be attended to on an ad hoc basis quite different from other SADCC countries. Botswana seems to be the other most vulnerable country, since it is the only SADCC country that would have its transport distances increased, rather than decreased, by a use of a SADCC rather than SATS systems.[62] Botswana also has two highly sensitive export commodities: chilled beef, which requires specialized facilities and must meet strict veterinary requirements, and copper-nickel matte, for economic reasons.[63] Swaziland has the highest percentage of its exports sold to South Africa, and Zimbabwe has the largest absolute amount of exports to South Africa. Both would require more than simply a shift of transportation options to replace the South African market.

CONCLUDING OBSERVATIONS

Since Southern Africa is an area of the world that generates passions on a grand scale, it has been my intention here to be as dispassionate as possible and to assess the evidence, such as it is, on the economics of the region. Proponents of various solutions to the region's problems tend, naturally enough, to emphasize those "facts" that support their position. While this chapter has not been comprehensive, I hope it has been thorough enough to make clear a few of what I believe to be the realities in the region. Among these are the following:

First, South Africa is a substantial beneficiary of the trading and transport arrangements as they presently exist in Southern Africa, and it would not be in the South African government's economic interest to impose its own (further) long-term economic sanctions on the countries, or to pass on the costs of further sanctions that might be imposed by the rest of the world. Indeed, under increased sanctions, it would be in South Africa's interest to increase the trade with its neighbors, not decrease it.

Second, the damage that has been done to the countries of the region both directly and indirectly as a result of South African policies has been and continues to be substantial. South Africa is already imposing high costs on Southern Africa. One of the key elements is South African support of armed opposition to the governments of Angola and Mozambique. And, despite the unlikelihood of long-term trade disruption, South Africa will continue to use its control of transport routes and other elements of its economic muscle to remind the SADCC countries of their vulnerability.

Third, while rational calculation would lead one to conclude that the South African government would not take actions that impose major costs on itself, there is no guarantee that its government will behave in such a rational fashion. Indeed, several actions toward the region in recent years suggest a fairly high degree of irrationality.

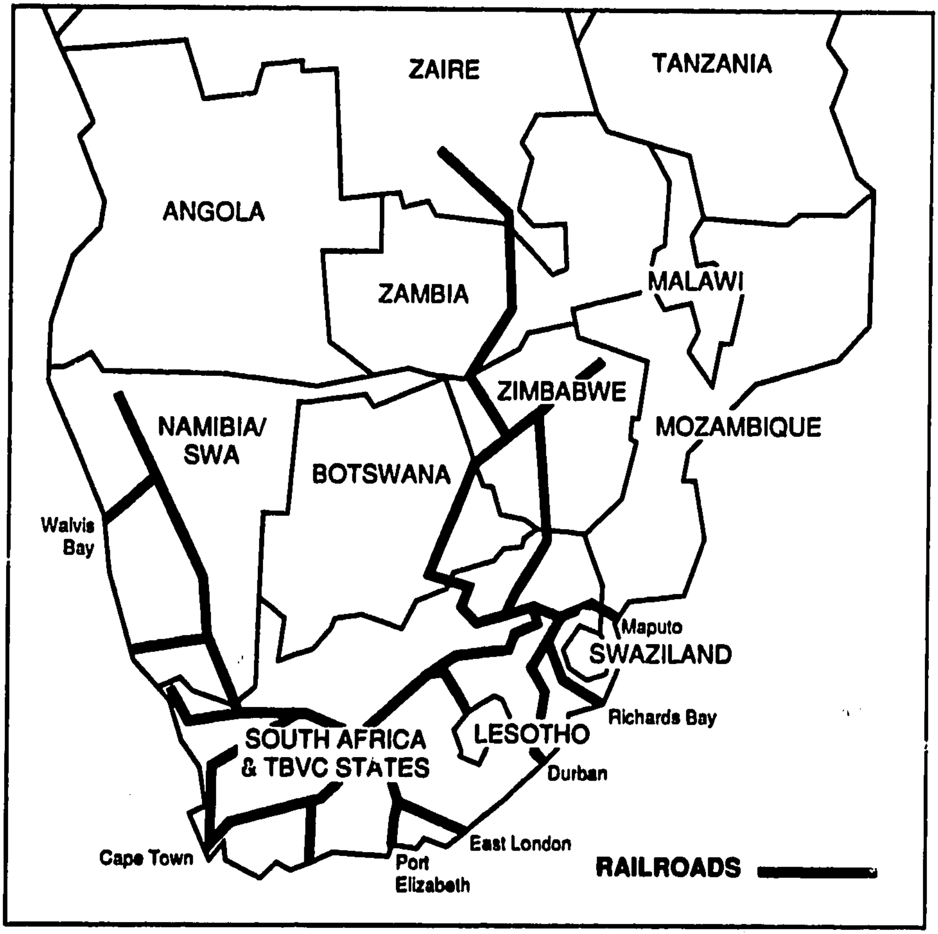
Fourth, transportation is a key variable in the region. The cutting off of transport links of the interior through Mozambique and Angola has been a major source of the increased trade with, and transport dependence upon, South Africa over the past fifteen years. If the SADCC countries are to gain greater independence of action, they must restore (not create) the transport links that existed and operated effectively before the wars of Southern Africa of the past decade or more. A resumption of regional growth would create additional demand for better regional transport.

Fifth, the troubles of the South African *economy* and its financial position of the past several years have not imposed large costs on the rest of the region, as has been assumed or asserted. Because of the substantial surpluses of merchandise and invisible trade that South Africa runs with the SADCC countries, the fall in the value of the rand has benefited, rather than harmed, the region as a whole.

Sixth, unless the South African government begins to make genuine progress toward an internal political solution of its problems, the political, security, and economic situation in South Africa is bound to deteriorate over the years ahead. As that deterioration accelerates, the SADCC countries will be pulled further into the vortex. Without alternative and secure trade and transport routes, disintegration in South Africa will impose increasing costs on the SADCC countries.

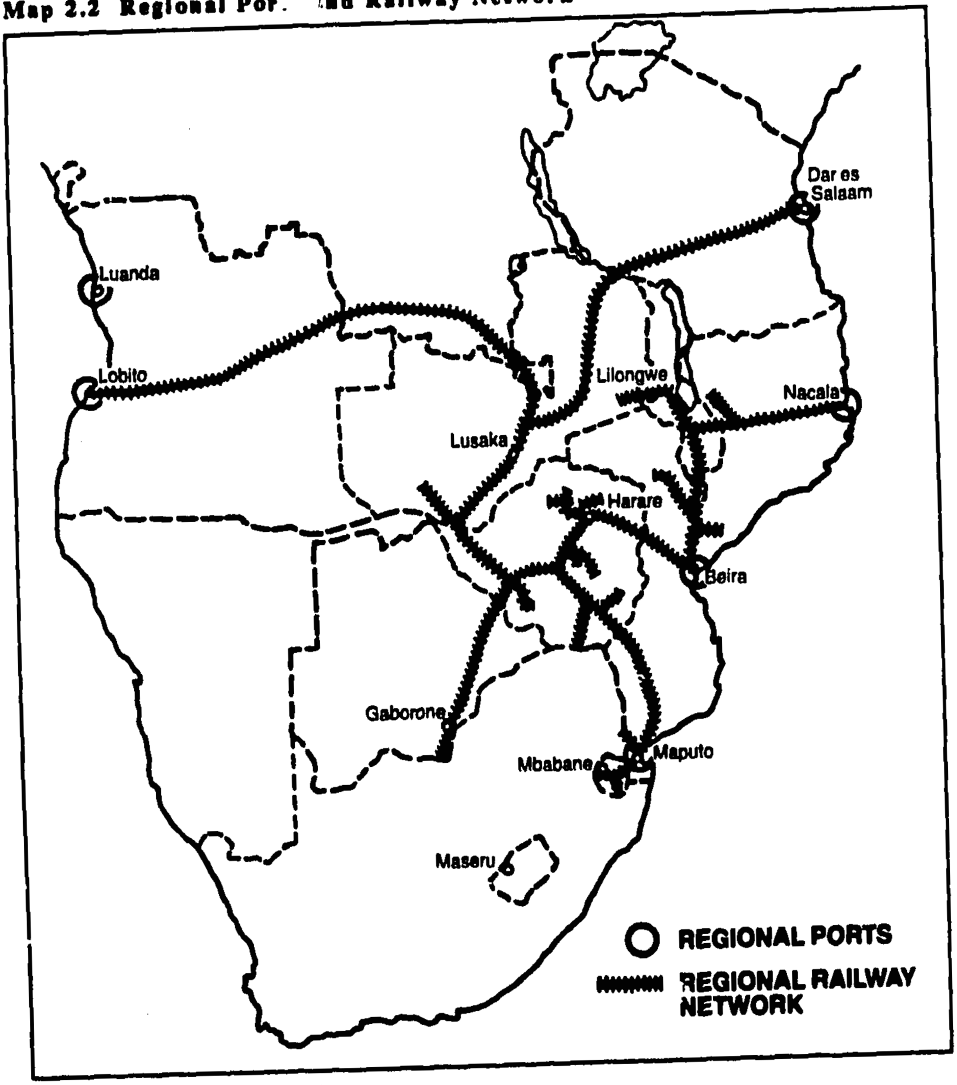
Finally, the independent countries of the region, through SADCC, have managed a degree of regional practical cooperation that is unusual in the developing world. The efforts of SADCC are genuinely international and regional, and the individual countries of the region will have much less chance for improving their economic position without SADCC. This is particularly true of transportation, but SADCC also hold promise in a variety of other areas, including improving the flow of international trade and payments in the region. Outsiders should keep this firmly in mind when considering options in the region and their own possible roles.

Map 2.1 The Main Railroad Network in Southern Africa



Source: *South Africa: Mainstay of Southern Africa* (Pretoria: Department of Foreign Affairs, 1985).

Map 2.2 Regional Por. ..nd Railway Network



Source: SADCC papers, 1985.

Basic Artifacts on SADCC and South Africa

	Area (1,000 sq. km.)	Population (Millions, 1984)	GDP (Billions	Exports of U.S. Dollars,	Imports 1984)	GDP/Capita (1984 US$)
Angola	1,247	9.9	4.7	2.10	1.10	470
Botswana	600	1.0	1.0	0.67	0.55	990
Lesotho	30	1.5	0.4[a]	0.02	0.43	240
Malawi	118	6.8	1.1	0.31	0.27	160
Mozambique	802	13.4	2.8	0.18	0.55	210
Swaziland	17	0.7	0.6	0.27	0.35	770
Tanzania	945	21.5	4.4	0.38	0.85	200
Zambia	753	6.4	2.6	0.68	0.61	410
Zimbabwe	391	8.1	4.6	1.16	0.95	570
SADCC total	4,903	69.3	22.2	5.77	5.66	320
Namibia	824	1.1	1.2	0.75	0.76	1,100
The Ten total	5,727	70.4	23.4	6.52	6.42	330
South Africa	1,221	31.6	73.4[a]	18.03	15.04	2,320
Southern Africa total	6,948	102.0	96.8	24.55	21.46	950

Sources: Most data taken from the World Bank's *World Development Report, 1986*. The following exceptions apply:

GDP figures for Mozambique are my estimate based on the World Bank's *World Tables*, third edition, and information from the *Economist* Intelligence Unit (EIU) reports and other sources.

GDP and trade figures for Namibia are based on various Namibian sources cited in *Economist* Intelligence Unit reports and elsewhere.

Trade data for other countries come from IMF *Direction of Trade Statistics Yearbook, 1986* or from the IMF *International Financial Statistics*, recent issues. Both sources report both imports and exports on an f.o.b. basis.

The South African trade statistics have been adjusted from the published data, since IMF and World Bank data give imports and exports for South Africa as reported by South Africa, which means for the Common Customs Area of the Southern African Customs Union: South Africa, Namibia, Botswana, Lesotho, and Swaziland. Trade *among* the five countries is not included in the South Africa figures, only trade between the customs union, as a whole, and the rest of the world. Based on the trade data for the smaller four countries, their trade with the rest of the world was eliminated from the published South Africa data, and the trade between the four and South Africa was included in the South Africa data. As a result, reported South Africa exports of $17,377 million were adjusted to $18,030 million, while reported South Africa imports of $14,963 million were adjusted to $15,042 million.

[a]1983 data

Table 2.2
Measures of Economic Performance: SADCC and South Africa

	Annual Real GNP/Capita: 1965–1984	Economic Growth Rates Total GDP: 1965–1973	1973–1984	Life Expectancy at Birth	Infant Mortality[a]
Angola	–4.6	3.1	–6.3	43	144
Botswana	8.4	14.8	10.7	58	72
Lesotho	5.9	3.9	5.0	54	107
Malawi	1.7	5.7	3.3	45	158
Mozambique	–3.7	6.7	–5.6	46	125
Swaziland	4.1	7.6	3.8[b]	54	NA
Tanzania	0.6	5.0	2.6[b]	52	111
Zambia	–1.3	2.4	0.4	52	85
Zimbabwe	1.5	9.4	1.7	57	77
South Africa	1.4	5.1	2.7	54	79
Sub-Saharan Africa:					
Low Income	–0.1	3.7	2.0	4.8	129
Middle Income	2.4	8.5	1.6	50	107

Source: World Bank, 1986a and 1986b. Angola and Mozambique growth rates estimated from World Bank *World Tables*, third edition, 1981, with extrapolation by the author to 1984 based on information from national sources cited by various publications of the *Economist* Intelligence Unit.

[a]Deaths per thousand live births. South African figures are believed to be understated for the black population (as defined by the South African government) but accurately measured for other racial groups.
[b]1973–1982

Table 2.3
Measures of External Financial Position: SADCC and South Africa

	Long-Term Debt	Net ODA Disburs.	Gross For. Ex. Res.	Debt	ODA Disb.	Debt Service as Percent of Exports	Gross For. Ex. Res. in Months of Import Cover
	(Millions of 1984 U.S. Dollars)			(as Percent of GNP)			
Angola	2,279[a]	93	NA	48	2	NA	NA
Botswana	276	103	474	31	12	4	6.3
Lesotho	134	97	49	24	18	5	1.2
Malawi	741	159	61	64	14	20	1.9
Mozambique	1,217[b]	259	NA	43	9	NA	NA
Swaziland	178	18	80	31	3	5	2.2
Tanzania	2,654	559	27	70	15	14	0.3
Zambia	2,802	238	55	115	10	11	0.6
Zimbabwe	1,523	298	260	30	6	20	2.0
SADCC	11,804	1,824	1,006[c]	53	8	NA	2.8
Namibia	560[d]	NA[e]	NA[f]	47	NA	NA	NA
South Africa	24,000[g]	—	2,511[h]	33	—	NA	1.4
For Reference, Sub-Saharan Africa:	55,737	7,121	NA	NA	NA	18	
Low Income	29,037	5,508	NA	54	9	14	1.9
Middle Income	26,700	1,613	NA	26	2	20	1.4

Sources: Most data taken from World Bank 1986a and 1986b. Footnotes indicate where alternative sources or methods were used.

[a]Banco Nacional de Angola, as reported by *Economist* Intelligence Unit; includes debt to Soviet bloc countries.
[b]Excludes Soviet bloc debt, which is estimated in various sources, including the *Economist* Intelligence Unit reports, to be an additional $1 billion.
[c]Excludes Angola and Mozambique from estimates of both reserves and import cover.
[d]This only refers to public sector debt, and is entirely in rand. The estimate of R690 million by the *Economist* Intelligence Unit is for 31 March 1984, which at the exchange rate then prevailing would have been $560 million, or 47 percent of estimated GDP.
[e]The 1984 budget estimated transfers to Namibia from South Africa at R300 million, or $209 million, about 17 percent of GDP. Since Namibia is administered by, and to a large extent for the benefit of, South Africa, this can hardly be called development assistance, and so no figure is reported in the table.
[f]Estimated bank deposits and advances in Namibia are estimated by EIU as R714 and R308 million, respectively, at the end of 1983. This would leave R406 million of liabilities in excess of domestic assets. On the assumption that the corresponding assets were held as deposits in South African banks, this would mean about $330 million (plus the equivalent in rand notes in circulation in Namibia), which would have been Namibian foreign exchange reserves had not Namibia been part of the Rand Monetary Area—and equivalent of over five months import cover.
[g]Estimate based on South African Reserve Bank data and news reports at the time of the August 1985 standstill on debt repayments by South Africa. Since it probably excludes gold swap arrangements, it may be an underestimate.
[h]Note that (a) Namibian reserves were estimated to have been the equivalent of at least $330 million at the end of 1983, and are included in the South African total, and (b) on most reporting dates, including this one, the vast majority of the reserves are gold holdings.

Table 2.4
Regional Trade of the SADCC Countries, 1984 (millions of U.S. dollars)

	Exports			Imports			Trade Balance		
	Total	to SADCC	to South Africa	Total	from SADCC	from South Africa	Total	with SADCC	with South Africa
Angola	2,061	0	0	1,018	2	0	+1,043	–2	0
Botswana	674	27	59	706	62	552	–32	–36	–493
Lesotho	24	0	8	498	1	370	–474	–1	–362
Malawi	314	27	23	270	30	109	+44	–3	–86
Mozambique	180	21	8	549	28	64	–369	–7	–56
Swaziland	270	4	100	350	1	315	–80	+3	–215
Tanzania	377	7	0	847	9	0	–470	–2	0
Zambia	678	28	5	608	45	129	+70	–17	–124
Zimbabwe	1,156	131	212	955	67	184	+201	+64	+28
SADCC	5,734	245	415	5,801	245	1,723	–67	0	–1,308
Namibia	753	0	188	761	0	685	–8	0	–497
The Ten	6487	245	603	6,562	245	2,408	–75	0	–1,805
South Africa	18,030	1,723	0	15,042	415	0	+2,988	+1,308	0

Sources: Based on the IMF *Director of Trade Statistics Yearbook, 1986* (DOTS) with the following exceptions:
Botswana, Lesotho, and Swaziland, as well as Namibia (collectively NBLS) are not included in DOTS, as South Africa reports for the whole of the Common Customs Area (CCA). (See notes to Table 2.1.) Therefore, the South African figures were adjusted by subtracting NBLS exports to and NBLS imports from countries outside the CCA, and then adjusted by adding NBLS exports to and imports from South Africa itself. BLS trade data were taken from country statistical publications, supplemented by data from the *Economist* Intelligence Unit publications. The Namibian data are from official publications as reported by the EIU. The Botswana trade with Zimbabwe is based on Botswana data rather then the DOTS data, since I believe the former are more accurate. DOTS report both imports and exports on an f.o.b. basis; BLS adjustments report imports on a c.i.f. basis and exports f.o.b.

Table 2.5
Trade Balance of the SADCC Countries (millions of U.S. dollars, current prices)

	With SADCC Countries				With South Africa			
	1970	1979	1982	1984	1970	1979	1982	1984
Angola	+1	–26	–7	–2	–8	–95	—	—
Botswana	–3	+8	+16	–36	–31	–426	–542	–493
Lesotho	—	—	–1	–1	–13	–426	–488	–362
Malawi	–18	–7	–1	–3	–9	–155	–90	–86
Mozambique	+1	–14	–19	–7	–29	–76	–80	–56
Swaziland	+3	+1	+5	+3	–38	–344	–317	–215
Tanzania	+16	+26	–6	–2	0	0	0	0
Zambia	–47	+3	–13	–17	–63	–76	–140	–124
Zimbabwe	+47	+7	+27	+64	–60	–160	–147	+28
SADCC	0	0	0	0	–251	–1,757	–1,808	–1,308

Sources: 1970 data from Sollie, 1982; 1979 and 1982 data from UNIDO, 1985; 1984 data are from Table 2.4 above.

Table 2.6
Measures of Regional Trade (millions of U.S. dollars, current prices)

	1970	1979	1982	1984
Intra-SADCC Trade				
Total (imports plus exports)	212	310	544	490
SADCC-South Africa Trade,	562	2,463	2,618	2,138
of which:				
SADCC Exports to SADCC	156	353	405	415
South Africa Exports to SADCC	406	2,110	2,213	1,723
Total SADCC Trade				
(Imports plus Exports)	4,315	11,497	12,899	11,535
of Which:				
SADCC Exports	2,366	5,508	5,878	5,734
SADCC Imports	1,949	5,979	7,021	5,801
Percent of SADCC Exports:				
To SADCC Countries	4.5	2.8	4.6	4.3
To South Africa	6.6	6.4	6.9	7.2
All Other Countries	88.9	90.8	88.5	88.5
Percent of SADCC Imports:				
From SADCC Countries	5.4	2.6	3.9	4.2
From South Africa	20.9	35.3	31.5	29.7
All Other Countries	73.7	62.1	64.6	66.1
Percent of Total SADCC Trade:				
Intra-SADCC	4.9	2.7	4.2	4.2
With South Africa	13.0	21.4	20.3	18.5
All Other Countries	82.1	75.9	75.5	77.3

Sources: Same as Table 2.5

Table 2.7
Rail Transport Distances in Southern Africa (nearest 100 kilometers)

	Country and City of Origin or Destination							
	Zambia		Zimbabwe		Botswana		Malawi	South Africa
	Lusaka	Ndola	Harare	Bulawayo	Francistown	Gaborone	Blantyre	Johannesburg
SADCC ports:								
Dar es Salaam	2,000	2,000	2,500/ 3,500[a]	2,800	3,000	3,600	1,800[b]	
Beira	2,000	2,300	700	1,200	1,400	1,800	600	
Nacalm							800	
Maputo	2,000	2,300	1,200	1,100	1,300/ 1,700[c]	1700/ 1,300[d]		600
Lobito	2,700	2,400						
South African ports:								
Durban	2,800	3,100	2,100	1,900	1,700	1,400	2,500/ 3,500[e]	800
East London	3,100	3,400	2,400	1,900	1,700	1,300		1,000

Sources: SADCC documents, 1985; Hanlon, 1984; World Bank reports; the *Financial Gazette*, March 27, 1987.

[a]Road and rail combined, through Lusaka, total 2,500; rail alone must go through Bulawayo first.
[b]Road and rail routes combined, through Tanzania.
[c]1,300 kilometers via Bulawayo and SADCC routes, 1,700 kilometers via South African routes.
[d]1,700 kilometers via Bulawayo and SADCC routes, 1,300 kilometers via South African routes.
[e]Routes through Zambia, Zimbabwe, Botswana and South Africa vary depending on use of road or rail, and vary with commodities.

Table 2.8
Summary Estimate of South Africa's Net Account Surplus with SADCC Countries, Mid-1980s (millions of U.S. dollars)

	Net Receipts	Net Payments
Visible trade	1,300–1,500	
Invisibles		
Transport	200–300	
Other nonfactor services	100–200	
Labor remittances, pensions, etc.		
From South Africa		200–350
From SADCC	50–100	
Profits and dividends	100–150	
Customs union[a]		300
Total	1,750–2,250	500–650
Overall balance	1,250–1,600	

Source: See text.

[a]These represent gross payments from the common customs pool. Taxes paid by BLS to the pool are partially included in the cif value of their imports from South Africa as reported in other tables. Payments into the pool (a) for excise duties paid on exciseable production in BLS, and (b) for import duties or import surcharges on goods imported from outside the customs area by BLS, are not available, but represent flows to South Africa from BLS.

NOTES

Thanks are due to a number of colleagues at Williams, Sussex, and in Botswana, as well as to seminar and conference participants for suggestions and corrections. I would particularly like to thank Michael Farber, Baledzi Gaolathe, Reginald Herbold Green, Charles Harvey, and Michael Lipton for making detailed comments on an earlier version. Support from the Overseas Development Council, the Institute of Development Studies, and Williams College is gratefully acknowledged. The responsibility for views expressed and for errors is my own.

1. *The Penguin Pocket English-Dictionary* defines an artifact as "a product of human workmanship," while a fact is "a piece of information presented as having objective reality." Given the quality of much of the information on African economies, even where data are not intentionally falsified, it generally deserves to be referred to as a set of artifacts.

2. Americans in particular are used to see gross national product figures. Domestic product refers to the value of goods and services produced for final use in public or private consumption and investment *in the geographic region of the country,* while national product refers to the value of goods and services produced for final use *by the residents of the country*. The difference is net factor payments for labor and capital (salary remittances, dividend payments, interest payments, etc.) paid or received by the country in question. If a great many foreign factors of production are used in producing the output of a country, GDP will be greater than GNP—as in Botswana with large private equity capital in its diamond-mining industry. Alternatively, substantial citizen employment abroad may result in GNP exceeding GDP—as in Lesotho, where well over half the adults in modern employment work in South Africa, from which they bring back both goods and cash.

3. This is true after eliminating intraregional trade, which was almost $2.5 billion of exports (and equivalent imports).

4. There is an important technical point about South Africa's trade statistics. The foreign trade figures appearing in the publications of the IMF and the World Bank for "South Africa" are footnoted correctly, but few people read the footnotes. South Africa reports trade of the Common Customs Area (CCA) of the Southern African Customs Union—South Africa, Namibia, and Botswana, Lesotho, and Swaziland (BLS)—with the rest of the world. The "South African" figure *includes* such things as diamond exports from Botswana and Namibia to the Central Selling Organization in Europe. A misreading of this fact led the *Economist* to overestimate South Africa's actual diamond exports by about 100 percent in a lead editorial in June 1986 concerning sanction on diamond sales. The "South African" figures as published *exclude* South Africa's exports to Namibia and BLS, as well as South Africa imports from those same countries. The figures in the tables adjust for this anomaly, but readers and commentators, as well as policy makers, need to be careful about which figures they are using as "South African" foreign trade figures.

5. This represents a combination of (1) white earnings from labor, (2) locally owned profits and dividends in the private sector, which virtually all accrue to whites, and (3) taxes and the income of parastatal bodies or state-owned enterprises, which are controlled by the government of South Africa. Alternative calculations could be made by looking at white/non-white share

of disposable income, which show about 60 percent in white hands. This excludes income to the state, which is white controlled.

6. The figures for Mozambique and Angola are even less reliable than those of other developing countries because of the war situation and the long lag in published official figures of output. I have made my own guesstimates based on the most recent World Bank figures (for 1981) and reports of changes in output and income in the two countries, as cited in the notes to Table 2.1 The Mozambique figure, in particular, is undoubtedly much lower in 1985 and 1986 than the $210 figure estimated here for 1984. See R. H. Green, "Cutting Off the Flowers: The Macroeconomic and Human Cost of War to Southern Africa," (Unpublished manuscript, Brighton, U.K. 1986) for both quantitative and qualitative comments on the situation in Mozambique.

7. For a rich range of comparative data see World Bank, *World Development Report, 1986* (Washington, D.C.: World Bank, 1986).

8. On the other hand, South Africa has been able to use gold as security for short term borrowing through "gold swaps," particularly with Swiss banks. South Africa has rebuilt its reserve position substantially by early 1986, partly through its unilateral debt moratorium and partly through a substantial current account surplus.

9. The situation of Namibia is a close parallel to the BLS countries, since Namibia is a part of the customs union area. The Namibian deficit with South Africa was nearly $500 million in 1984. Although there was substantial South African transfers to Namibia in terms of budgetary support, as well as substantial defense expenditures in Namibia, the surplus South Africa runs on its trading relations with Namibia must be of importance to Pretoria in the present international financial circumstances. If one adds the surplus with Namibia to that with SADCC, the total regional trade surplus for South Africa amounts to 60 percent of South Africa's visible surplus for 1984, while the region's share of South African exports, *including* gold, is over 15 percent.

10. See the analysis of this situation by E. L. McFarland, Jr., "The Benefits to RSA of Her Exports to the BLS Countries," in M. A. Oomen, F. K. Ingangi, and L. D. Ngcongco, eds., *Botswana's Economy Since Independence* (New Delhi, Tatta: McGraw Hill, 1983), and also the 1979 South African *Economic Development Programme* issues by the Office of the Economic Advisor to the Prime Minister.

11. The composition of intra-SADCC trade and of South African trade with SADCC is discussed by the United Nations Industrial Development Organization, *Industrial Cooperation Through the Southern African Development Coordination Conference SADCC*, (Vienna: UNIDO, 1985), with a particular emphasis on the possibilities for trade in industrial products within SADCC. See also the chapters by Merle Lipton and Michael Lipton on regional food trade in this book. G. M. E. Leistner, "Sanctions Against South Africa in Regional Perspective," (Unpublished paper, Pretoria: African Institute of South Africa, 1986) also refers to the commodity composition of South Africa's trade with Africa, which is largely with the SADCC countries excluding BLS.

12. The peculiar nature of South Africa's trade data must be mentioned again here. South Africa reports exports and imports, as noted earlier, for the Common Customs Area as a whole. Therefore, South African exports to the BLS countries and Namibia are *not* shown in the South African trade data as exports to Africa. Given the relative size of exports to BLS and to the

rest of Africa, this means understating African trade by more than 100 percent.

13. The 1983 trade data (the South African *Monthly Abstract of Trade Statistics* was indicated by Leistner as the source) showed the following percentages: vehicles and transport equipment, 19 percent, miscellaneous manufactured articles, 21 percent, optical and other instruments, 21 percent, chemical and chemical products, 39 percent, footwear and millinery, 42 percent, plastics, resins, and rubber products, 46 percent, nonmetallic mineral products, 46 percent, and machinery, 47 percent. A similar point is made by C. W. Davids, *The Impact of Economic Sanctions Against South Africa on SADCC States* (Unpublished paper, Ottawa, 1986).

14. This occurs in part because of the normal international practice of rebating or remitting import duties paid on imported inputs to exporters on production of documented export sales and in part because of pricing policies of ISCOR (the state-owned iron and steel works) and the relevant agricultural marketing boards in South Africa, which subsidize export sales relative to those in South Africa and other customs union markets.

15. Some of the problem comes from the fact that rial and road transport are both important, but data tend to be more readily available for rail transport. Some data refer to tons moved, other to ton-kilometers. Some seem to refer to goods by value and others by weight; and since there are enormous differences in weight-to-value rations in the railage rates charged, one can draw very different conclusions depending on what data one has. As a related point, although it may be sensible to reroute high-value, low-bulk commodities and pay somewhat higher costs, it may be uneconomical to reroute commodities with the reverse characteristics — something quite important for coal and some other mineral products.

16. These data are largely from *Economist* Intelligence Unit reports on Mozambique, but see also J. Hanlon, *SADCC: Progress, Projects and Prospects* (London: *Economist* Intelligence Unit, 1984). Leistner, the director of the Africa Institute of South Africa, states the "even though Maputo is the natural harbour for the Transvaal," SATS dropped its traffic through Maputo from 6.8 to 1.1 million tons between 1973 and 1983. See Leistner, "Sanctions Against South Africa."

17. The causes of the low capacity on the Tazara line are much in dispute, with poor management, lack of foreign exchange for spares, the failure of Zambian customers to pay their bills, and a systematic "disinformation" campaign about the system's reliability all prominently mentioned.

18. Emphasis was in the original text. Individual country figures given by South Africa, Department of Foreign Affairs, *South Africa: Mainstay of Southern Africa* (Pretoria, 1985) for late 1983, were that SATS carried 70 percent of imports and 40 percent of exports for Zambia, 60 percent of imports and 50 percent of exports for Malawi, and 68 percent of imports and 65 percent of exports for Zimbabwe. 1985 estimates made by C. W. Davids, *The Impact of Economic Sanctions Against South Africa on SADCC States* (OHawa: unpublished paper, 1986) and a total trade volumes being handled by SATS were: Malawi 95 percent, Zambia 60 percent and Zimbabwe 92 percent. These changes reflect further disruptions of the Mozambique system by RENAMO.

19. Estimates of tariff charges for different routes for steel, sugar, tobacco (all exports), and jet fuel (imported) on the Maputo routes, and via Durban and Port Elizabeth, are given in D. Martin and P. Johnson,

Destructive Engagement: Southern Africa at War (Harare: Zimbabwe Pub. House, 1986).

20. A number of reports of what amounts to collusive behavior by South African freight-forwarding companies have been published, suggesting that the companies have been involved in diverting traffic to the SATS system that might have gone through SADCC ports. See, *inter alia,* Martin and Johnson, *Destructive Engagement.*

21. Data presented by the South African minister of manpower for June 1983, for example, give a total figure of 358,000 people registered under the Black Labour Act of 1964, of whom 298,000 were in mining. The countries of origin, in order of total size, were Lesotho (146,000), Mozambique (61,000), Malawi (30,000), Botswana (26,000), Swaziland (17,000, Zimbabwe (8,000), and another 70,000 who were improperly categorized or were from other neighboring countries. *Mainstay* referred to "about 350,000 foreign Blacks" in 1984, with the main sources being Lesotho (130,000), Mozambique (60,000), Malawi (30,000), Botswana (26,000), and Swaziland (17,000). National data from the countries in the region give the same orders of magnitude for recent years, although the trend is downward for most countries.

22. These figures were taken from the Central Bank of Lesotho Annual Report, (Maseru: Central Bank, 1985). Given the average wage rates for blacks in South Africa, these figures appear to include the total earnings, not just the amounts remitted in the form of cash or goods to Lesotho upon return at the end of the contract. The Botswana figures for deferred earnings come to less than R1,000 per worker (around $750), while those for Lesotho amount to over R3,000 per worker, which is close to the average wage reported for black workers in the South African mines. Malawi reports about $350 per worker remittances in 1984 in the balance of payments.

23. J. Hanlon, *Beggar Your Neighbour: Apartheid Power in Southern Africa* (London: State Mutual Books, 1986), provides estimates country by country, which suggest a relatively small size for the total flows, and, on balance, a surplus of earnings for SADCC. The data in Hanlon, and similar data cited by Davids, *The Impact of Economic Sanctions,* need to be interpreted with some care. In Botswana, for example, a very large share of the "South African tourists" recorded in the statistics are black South Africans of Tswana origin visiting relatives on the Botswana side of the border, not South African whites visiting casinos or game lodges.

25. A major source of earnings for the Anglo American group (AAC) has always been its provision of services—management, engineering, purchasing—for mines it administers, whether or not it is a majority shareholder. AAC/DeBeers has directly or indirectly maintained various advisory, management, or marketing relationships with other SADCC countries, through diamond interests in Angola, Tanzania, and, until recently, Lesotho, and various commercial interests, including its freight-forwarding operations (now only a minority interest) in most SADCC countries. Hanlon, *Beggar Your Neighbour,* lists some of the principal commercial and corporate links of South African companies, largely in the Anglo American group, in SADCC countries.

26. In 1986, there were comments from Zimbabwe that they might block the payment of pensions to those who went to South Africa. As part of the Lancaster House agreements under which Zimbabwe became independent, the governments of the United States and United Kingdom undertook to guarantee those payments. The possibility of a rather messy interchange exists over this issue.

27. The figures are cited in the *Economist* Intelligence Unit's first *Quarterly Economic Report* on Zimbabwe for 1986.

28. See the balance of payments figures reported by the Bank of Botswana in its *Annual Report*. The improvements in the diamond market and the general economy by 1986 had pushed the total value of profits and dividends paid abroad by Botswana would push the deficit with South Africa higher for recent years.

29. The relevant figures (in millions of U.S. dollars) are:

	1982	1983	1984
Botswana	–72	–84	–79
Lesotho	–2	–2	–1
Malawi	–132	–172	–243
Swaziland	–43	–58	–22
Zambia	–287	–244	–209
Zimbabwe	–254	–258	–196
Total	–790	–818	–750

30. Recall that the BLS import data are on a duty-inclusive basis, so some of the $300 million is effectively a refund of duties paid into the revenue pool by BLS importers. Further, the $300 million figure is gross, and would not take account of payments of excise duty paid on excisable production in BLS, as well as import duty (and, in some years import surcharges) paid by BLS into the common revenue pool on imports from outside the customs area and which are not shown in any available statistics and would not be included in the cif value of BLS imports from South Africa reported in the tables in this chapter. The customs union is discussed in great detail below.

31. Anglo American and DeBeers in Botswana alone would account for R500 to R800 million; recent press reports on Zimbabwe put the book value of South African investments there at R1–1.5 billion. The majority shareholdings of the main Anglo investments in Zambia were bought out in the early 1970s; the Zambian mines have produced no profits or dividends for several years. DeBeers's interests in Tanzania were transferred from DeBeers to Minorco, a company in the AAC/DeBeers group, which is domiciled in Bermuda and has substantial private shareholdings from Europe and North America. Bits and pieces remain in other SADCC countries, both by the AAC/DeBeers group and from other South African investors, large and small. See Hanlon, *Beggar Your Neighbour*, for an inventory of main companies, although no values are placed on investments.

32. The Front Line States were formed during the war for independence in Zimbabwe, and played an active role in the events leading up to the Lancaster House agreements. They have also been actively concerned with Namibian independence. The group includes Angola, Botswana, Mozambique, Tanzania, Zambia, and, since 1980, Zimbabwe.

33. Michael Lipton, *Employment and Labour Use in Botswana*, two volumes (Gaborone: Ministry of Finance and Development Planning, 1978) and "Regional Trade and Food Security in Southern Africa" in this volume, argues cogently for greater attention to food production and to local production of manufactured goods as regional import substitutes that reduce total trade while raising local incomes. This is surely a sensible approach for high-bulk, low-value commodities such as basic foodstuffs.

34. Among the useful references on SADCC that are relatively accessible are Hanlon, *SADCC*, and R. H. Green, "SADCC, PTA, and East African Cooperation," in C. Legum, ed., *Africa Contemporary Record, Annual Survey and Documents, 1984–1985* (London: Africa Research Ltd., 1985).

35. Strictly speaking, the revenue depends on the imports from all sources plus the production of excisable products within the BLS countries, but imports are much more important for BLS.

36. The actual rate varies between these numbers depending on the actual enhanced rate applicable in the particular year. It should be emphasized that the revenue going to BLS depends on the value of their imports from all sources, not what happens to the size of the customs revenue pool. A statement is made in *Mainstay* that "if the South African economy were to be damaged by sanctions to the extent that the flow of imports ['into southern Africa, notably South Africa,' the report makes clear] is substantially diminished, *this most important source of revenue to the BLS countries would be eroded*, with serious consequences for the economies of these countries." Emphasis was in the original. This statement is at variance with the way the revenue sharing actually works. Leistner, "Sanctions Against South Africa," makes the same error.

37. No industries have yet been established under this clause, but a soda ash project in Botswana has been under examination for the past several years. Press reports have indicated from time to time that South Africa has been dragging its feet for political reasons.

38. The importance of the free movement of goods provision was brought out in early 1987 when one of the "independent homelands" of South Africa attempted to force train crews from Botswana to obtain visas before entering what they claimed to be their territory—thus effectively interfering with rail traffic from Botswana to South Africa. Botswana took the matter to South Africa, claiming a violation of the customs union agreement. In early April, the issue was settled in Botswana's favor and the "visa requirements" were dropped.

39. This is a factor of substantial importance to Zimbabwe at the present time; it also explains some of the growth of Zimbabwe's intra-SADCC exports in the past few years.

40. Total revenue in rand from 1980–1981 to 1984–1985 was: R262, R244, R318, R395, and R462 million, based on the government revenue statistics cited in the central bank bulletins of the three countries. Based on the rand/dollar rates ruling for those periods, as given in the IMF *International Financial Statistics*, the amounts in dollars were $327, $272, $287, $344, and $284 million.

41. When South Africa began creating "independent homelands," it first proposed that these become members of the customs union, a position unacceptable to the BLS countries. South Africa then began treating the homelands on the same terms as the BLS countries (although how one established trade figures for the homelands is an interesting question, and one to which outsiders are not privy). With the increase in the number of independent homelands to four (Transkei, Bophutatswana, Venda, and Ciskei, or "TBVC" as South Africa refers to them), the share of the customs pool being transferred under revenue sharing has risen substantially. In the 1984–1985 period, total revenue sharing had reached 35 percent of gross customs and excise revenue, of which only 14 percent was going to BLS, while the remainder was being distributed to South Africa's "homelands."

BLS took between 3 percent and 4 percent of the pool of the renegotiation in 1969, and were still taking as little as 6 percent as late as the mid-1970s. The first of the "homelands" took a share in the 1977–1978 period. Data on the gross customs and excise revenue and the transfers "under customs union arrangements" are given in the South African Reserve Bank *Quarterly Bulletin*.

42. Among the sources on the customs union, see D. J. Hudson, "Botswana's Membership in the Southern African Customs Union," in C. Harvey, ed., *Papers on the Economy of Botswana* (London: Heinemann, 1981) for a basic description and analysis; McFarland, "The Benefits to RSA of Her Exports to the BLS Countries," J. H. Cobbe, "Integration Among Unequals: The Southern African Customs Union and Development," *Journal of Modern African Studies* (1983); P. Mosley, "The Southern African Customs Union: A Reappraisal," *World Development* (1978); Hanlon, *Beggar Your Neighbour*; and R. H. Green, "Political Economies in Conflict: SADCC, South Africa, and Sanctions," in D. Martin and P. Johnson, eds., *Destructive Engagement: Southern Africa at War* (Harare, 1986) for a fairly full range of views.

43. Hanlon, *Beggar Your Neighbour*, p. 89, for example, appears to clearly advocate the withdrawal from the customs union and to implicitly condemn BLS for remaining in; but he concludes *en passant*, "Unfortunately, the costs [of withdrawal] are short-term, whilst the gains are largely farther off and harder to calculate with any certainty."

44. The PTA members are Burundi, Comoros, Djibouti, Ethiopia, Kenya, Lesotho, Malawi, Mauritius, Rwanda, Somalia, Swaziland, Tanzania, Uganda, Zambia, and Zimbabwe. Four other states are eligible to join under the terms of the PTA: Angola, Botswana, Madagascar, and Seychelles. Tanzania joined in 1985. Tanzania's initial skepticism may have been based on its view of the former East African Community common market, in which it saw the benefits flow to the most developed partner (Kenya) at the expense of the least developed (Tanzania). It is of some interest, however, that the "ins" and "outs" of PTA are not divided on lines of belief in the virtues of the market and free trade.

45. Since the PTA was a new trade agreement, and since Lesotho and Swaziland signed it, the South African government must have given its agreement; such agreement is required under the terms of SACUA. given the hostile attitude toward South Africa in the PTA treaty, that in itself is an interesting event.

46. See, in particular, Hanlon, *SADCC*, and G. Sollie, "Trade Patterns and Institutional Aspects of Trade: An Empirical Study of Trade in Southern Africa" (Bergen, Norway: Chr. Michelsen Institute, DERAP Working Paper No. A267, 1982) for a review of the various trading arrangements in the region.

47. Annex B of SADCC's *Overview* for the Harare meeting in 1986 gives the following figures (in millions of U.S. dollars): direct war damage $1,610; extra defense expenditure $3,060; higher transportation and energy costs $970; lost exports and tourism $230; smuggling $190; refugees $660; reduced production $800; lost economic growth $2,000; boycotts and embargoes $260; and trading arrangements $340. While some of these numbers seem to involve double-counting, the losses in output appear to be underestimates, based simply on the Angola and Mozambique disruptions cited earlier. Green, "Political Economies in Conflict," puts the costs about $4 billion higher. He also makes the point that the losses have risen in 1985 and 1986,

especially for Angola and Mozambique, and that these two countries were suffering the effects before SADCC was formed in 1980. Hanlon, *Beggar Your Neighbour,* also puts the estimates higher for Angola and Mozambique in recent years.

48. There is an interesting continuity of history that strikes one in Botswana. The Bechuanaland Protectorate was initially declared in the late nineteenth century largely because the major chiefs were concerned about the expansionist intentions of the Boers in the Transvaal, and the commercial adventurism of Cecil John Rhodes. A century later, the principal concerns of the senior politicians and civil servants of the Botswana government are dealing with the Afrikaner government of South Africa and with DeBeers—Rhodes' company.

49. Some elements are suggested in more detail in S. R. Lewis, Jr., *South Africa: Has Time Run Out?* (Williamstown, Mass.: Williams College, 1986).

50. There are now two exchange rates for South Africa—one for the "commercial rand" and one for the "financial rand." Anyone wishing to take capital out of South Africa must purchase foreign currency through the medium of the financial rand, for which there is a separate market. Foreign exchange for the financial rand market is supplied by those making investments in South Africa. When there is a greater capital flow out of then into South Africa, the value of the financial rand will fall. In the extreme case where everyone wanted out and no one wanted in, the value of the financial rand would fall to zero, and the price of foreign exchange would approach infinity. In practice, the financial rand has at times sold at a discount of over 50 percent from the value of the commercial rand, and at times has dropped below U.S. $0.20.

51. The combination of inflation and currency appreciation, and their adverse effects on the international competitiveness of other domestic sectors, was first diagnosed in the Netherlands in response to the rise in North Sea gas prices; as a result, this phenomenon is often called "the Dutch disease."

52. From 1979 to 1982, the net change in the U.S. dollar price of South African goods was an increase of about 16 percent, (composed of South African inflation of about 50 percent and a decrease in the dollar price of the rand of 23 percent). The calculations both here and in the preceding and succeeding paragraphs are based on data from the IMF *International Financial Statistics* and reproduced in the next note.

53. The relevant data for the dollar value of the rand and the rate of increase of the South African consumer price index (CPI) in recent years are as follows:

	1978	1979	1980	1981	1982	1983	1984	1985	1986
Percent change in CPI over previous year		13.1	13.8	15.2	14.7	12.3	11.7	16.1	18.7
Average US$ price of rand for the year	1.15	1.18	1.29	1.15	0.92	0.90	0.70	0.46	0.43

54. In the two years between 1982 and 1984 the dollar price of South African goods dropped by about 6 percent because of an inflation in South Africa of 25 percent and a decrease of the dollar value of the rand from $0.92 to $0.70.

55. The gain for Botswana, the country with the largest visible deficit with South Africa, for the last three years (1984–1986) was over $500 million. Dollar earnings from copper-nickel matte and diamonds of $540, $600, and $700 million in the three years, were used to purchase rand-priced goods, whose dollar price had declined by 13 percent, and 25 percent in the relevant year, as compared to 1983 levels.

56. In principle, any assets and liabilities that SADCC countries hold in rand would have depreciated in value, but these are, by and large, quite small. The largest assets are the amounts owed to BLS under the delayed payment of customs union revenues. However, as the BLS countries are net purchasers of rand, the decline in the dollar value of the customs union revenue would be matched by a comparable decline in the dollar value of South African goods purchased. The decline in the value of rand creates no *added* loss beyond that of the interest foregone, or the decline in the purchasing power of the rand due to inflation, over the same period. Those are losses to BLS regardless of what is happening to the international value of the rand. On the rand liability side, it has already been pointed out that the amount of outstanding credit from South Africa to the SADCC countries is quite small, so the gains from a depreciation in the rand would also be small. Foreign exchange reserves held in non-rand currencies, which eventually are used to purchase rand-priced goods, gained in real value.

57. Anyone seriously interested in Southern Africa today should know something about the history of economic and other sanctions as they have operated in the past. An essential, if heavy, piece of reading is G. C. Hufbauer and J. J. Schott, *Economic Sanctions Reconsidered: History and Current Policy* (Washington, D.C.: Institute for International Economics, 1985), which reviews over 100 historical cases and draws some lessons about the conditions under which sanctions have been more and less effective.

58. The explicit rejection of sanction against South African coal exports by the European Communities and the exemption of strategic minerals by the U.S. sanctions package are but a few recent examples of why comprehensive sanctions are unlikely.

59. A number of these issues are examined in a recent study by D. Hauck, *U.S. Corporate Withdrawal from South Africa: The Likely Impact on Political Change* (Washington, D.C.: Investor Responsibility Research Center, 1986), which present a realistic assessment of the impact of U.S. corporate withdrawal. In addition to the economic or financial point, however, there may be important political/psychological issues. One the one hand, withdrawal of Western companies may increase the sense of isolation within South Africa (which would not necessarily be harmful for the South African economy). On the other hand, the lack of a Western investment presence would remove "hostages" to developments in South African and would also remove some of the real or imagined self-interest of the Western powers in political developments there.

60. The main area where financial sanctions have not received much attention has been in portfolio investment: purchases of South African shares by foreign investors. This would be a particularly difficult area to enforce, but portfolio investment by foreign investors constitutes a large share of total South African foreign liabilities, and flows of funds into and out of South African equity markets have a major impact on the value of the financial rand.

61. Again, psychological reaction is important. By the end of 1986, much

of the South African business community seemed to have accepted the fact of selected sanctions, and was making new investment plans based on that assumption—a development that could well lead to increased investment in projects for further import replacement and for greater regional exports.

62. For northern Botswana, the Limpopo line to Maputo would be shorter, but, for southern Botswana, routes through South Africa are the shortest. Also, it should be noted that, when freight was still moving via Zimbabwe and Maputo, freight rates were higher and turnaround times were longer via Zimbabwe than via SATS to Maputo, even from northern Botswana.

63. The copper-nickel project has already been through four financial restructurings since it opened in 1975, and is headed for another, according to the most recent public statements. Added transport costs and a longer transit pipeline to finance could put the project out of business; and it is Botswana's largest private-sector employer.

CHAPTER 3

Regional Trade and Food Security in Southern Africa

MICHAEL LIPTON

Expanded SADCC intratrade in food staples (SIFS) involves transport of bulky, low-value products, often over long distances or insecure routes. Rising food productivity and rising rural incomes are necessary before major expansion of SIFS makes sense. Rising food productivity both spreads transport costs and enables different areas to produce surpluses of different products, ready for exchange. Rising rural incomes are necessary to enable some 80 percent of SADCC's *poor* people—of those hungry enough to need extra staples provided by SIFS—to afford them. Until recently premature overemphasis on SIFS, and on transport and trade in general, has, ironically, diverted SADCC's time, energy, personnel, and cash away from the essential preconditions for SIFS: expanded food supply (availability, productivity) and expanded food demand (entitlements, rural incomes). This chapter will discuss SADCC's continuing change of emphasis away from SIFS and toward meeting the preconditions for it.

The second section of this chapter argues that SIFS has advantages, but will do little to combat pervasive food insecurity (FI). The third section shows that SIFS is small, has dubious growth prospects, is seldom reaching the poor, and is readily disrupted; these problems will remain unless high costs are incurred. The fourth section questions the current importance in SADCC of policy errors (on pricing, marketing, and trade) to which SIFS could be relevant—and stresses the importance of a production approach via improved technologies, institutions, and foreign exchange positions. The last section explores eight areas in which this approach, to which SADCC is now rightly turning, might reduce its FI.

SIFS: ADVANTAGES AND DRAWBACKS

FI is lack of safe access, among households and nations, to enough food staples on acceptable terms.[1] *Nations* in SADCC with a normal surplus of staples do not, except in very bad years, suffer FI. Deficit nations do; their national FI is reduced by extra staples supply (via output, SIFS, or other imports) to the extent it is stable, affordable, and storable. The second and third sections of this chapter show that extra SIFS, while it has advantages, will probably not meet these criteria. But, even if it does, will it help FI *households*?

These gain from their nation's extra supply of staples only to the extent that they grow it, can afford it, or get it concessionally. Perhaps 80 percent of them in SADCC are small growers; their FI decreases if they grow more staples, but not from SIFS, unless they can specialize in a new crop and sell it to buy their imported staple —seldom swiftly possible for the poorest, especially if non-SIFS trade is disadvantaged. The 20 percent or so of FI households that are urban, herding, or near-landless may gain from SIFS, but only if they acquire entitlements to the extra food imports, or (in Zimbabwe or Malawi) are employed to grow or process the extra food exports.

Outside Botswana, household FI is "an unchartered area in terms of research and policy experimentation" in SADCC. "At least three-quarters of [its food security research is on] food availability, i.e., production and storage, [whereas at least half should be] on food access," nutrition, and entitlements.[2] Nutrition information is scarce (and sometimes semisecret). However, regional health data, and estimates from other regions, suggest that household FI is serious in SADCC countries. It helps to kill perhaps one-third of the the 100 to 150 babies per 1000 born; they die in their first year. It damages mainly under-fives, in big families, and in the quintile of rural households with lowest income per person.

In wartime and in isolated places during drought or epidemic, household FI can be due to inadequate food *availability*—but SIFS cannot help much. Most pervasively in Angola and Mozambique, but quite seriously throughout the SADCC countries (not only those in staples deficit, but Malawi and even Zimbabwe), household FI is also due to inadequate food *entitlements*, interlocking with illness. Most such FI is chronic—national infant mortality rates probably do not fluctuate greatly. More SIFS, while perhaps helping to raise market supply during acute FI affecting households in deficit countries, does not suffice here. Its usefulness against acute household FI due to entitlements failure depends partly on its success in cutting or stabilizing food prices to affected households. Household FI of any sort is unlikely to be much advanced by SIFS, unless complemented by direct measures to identify at-risk households, followed by direct production or consumption measures to raise their access to food. Production measures would increase their holding of land (or another asset), or the productivity of such a holding. Consumption measures would increase FI households' claims on food or cash, e.g., via a right to work, as with Botswana's "Pula-for-Work" scheme (although this is backed by the cheapest staples available, mainly food aid rather that SIFS).

Furthermore, SIFS comprises mainly maize. But FI households mostly have land too poor to cultivate, and purses too poor to buy, maize reliably. They can afford mostly sorghum, millets, or cassava. Unsubsidized SIFS of maize—although less than for wheat and rice—go mainly to not-so-poor urban buyers. Households facing FI might gain via knock-on effects (lower prices of staples, higher demand for labor); but periodic, commercial, largely townward maize SIFS seems a roundabout, doubtful, and cost-ineffective way to reduce household FI that is mostly chronic, and affects mainly poor, rural sorghum eaters.

Returning to national-level FI, could SIFS help? Unrecorded and unofficial cross-border flows cannot be effectively restricted anyway. If they, or official SIFS, were artificially stimulated, it could divert capital resources from producing more staples to transporting and perhaps storing them. Recorded SIFS—the basis for plannable expansion, of the sort that could reduce national FI—is almost all from Zimbabwe, where a growing population and limited technical prospects will restrict its expansion.[3]

If achieved, expanded SIFS does have advantages for SADCC. It might permit more diverse diets, more specialization in the staple of comparative advantage, lower current costs of grain transport and storage, and—the main motive—healthier balances of payments for SADCC's grain surplus countries.[4] However, staples intratrade seldom does these things as well as the attainable combination (using up similar resources) of extra local production of staples with extra worldwide trade.

Above all, *expanded SIFS does little to reduce FI.* Without help, most hungry households lack "entitlements" to the food made "available" by such trade. As for nations in acute FI, they can seldom afford—or swiftly obtain—food staples from equally stricken SADCC neighbors; food aid donors, or even commercial food trade creditors, offer more hope. Chronic FI, especially where transport and stockholding are costly or militarily insecure, is usually best handled by increasing local capacities to grow and afford food; acute FI, by developing more robust crop-mixes, seeds, and water systems. Where comparative disadvantage in staples production suggests imports (for current consumption or for stocks), these should normally be the cheapest readily available, especially during acute FI.

SADCC has been moving from SIFS-based toward production-based (and to a lesser extent, consumption-based) approaches to FI.[5] SADCC commissioned, but wisely did not implement, two reports proposing costly support of SIFS. The first report advocated regionally controlled stocks. The second report confronted two issues: that surplus SADCC countries wanted to control stocks, while deficit countries often lacked cash "entitlement" to buy them during acute FI. It proposed nationally controlled stocks, plus a donor guarantee to help each deficit country to obtain them in need.[6] Even without such guarantees, Zimbabwe could "negotiate 'triangular' trade deals with . . . the World Food Council, EEC, Australia, and USAID [involving] the export of Zimbabwe maize to a SADCC maize deficit country in return for a matching supply of [donor] wheat."[7]

However, such deals depend on continuing big wheat deficits, and matching maize surpluses, in Zimbabwe.[8] Its wheat policy imperils the former, its population growth the latter.[9] SADCC is increasingly using its advantages—scale economies in research, aid management, regional coordination—to stimulate not intratrade in staples, but enhancement and stabilization of food production by smallholders; of consumption by at-risk households; and of early warnings and information on national stocks and crop prospects, since "risk reduction is a public good that is cheaper" at SADCC level than nationally.[10]

This is wise, for progress in food production and consumption is usually the cause, not the effect, of expanded intratrade. In normal development, better local technology increases farm output—surplus to local needs—for specialization and exchange. This is mainly within the nation; sometimes, as trade overseas; and occasionally, when land transport to neighbors with sufficiently different comparative advantages so indicates, as regional intratrade. Only at higher income levels does trade (or a customs union) among nearby nations—Viner's "happy union of similars"—increasingly promote their specialization and trade in subtly differentiated products: Renaults for Volkswagens, maize for wheat.[11]

In a general development context, there are reasons to question the emphasis on trade among nearby countries. In an African context, it has fueled the desire to construct capital-intensive marketing structures, diverting resources from the necessarily prior task of raising farm output so that there is something worth exchanging.[12] In a Southern African food context, there are five particular reasons to doubt the role of SIFS.

First, there has been little technical progress in food production.[13] Without such progress, growing intratrade will not draw forth extra output, but will divert existing land and labor away from nonfood crops, or from food production for local needs. *Second,* except for Malawi and parts of Zimbabwe, the SADCC region is especially unattractive for intratrade of grain, with its high weight/value ration, because the region combines dispersed populations with low farm productivity.[14] *Third,* uncertainties involving the Republic of South Africa (RSA), combined with the dependence of most exports on the "blessing and co-operation of South African Railways," make it even more problematic for regional grain importers to depend on growing SIFS for food security.[15] *Fourth,* there is an attractive option in free or cheap grain via food aid, especially from the European Economic Community (EEC).[16] *Fifth,* the region wide droughts of 1983–1984, which turned Zimbabwe and even RSA into net grain importers, point up the high covariance among regional sources of grain supply—hardly "food security."

This is not to attack intratrade, but to question its *subsidization* at the expense of outlays to support production for local use, and to point to its weakness as a source of regional food security. Intratrade is normally the *effect, not the cause,* of local food surpluses.

Rural gross sales of staples, especially over long distances, are probably 20 to 45 percent of total food production in most SADCC countries, although output data are effectively unavailable, for obvious reasons, in Angola and Mozambique, and are almost worthless in several other countries for want of systematic smallholder surveys.[17] Rural gross grain sales, however, are considerably offset by rural buy-back in deficit households, areas, or seasons; this leaves net marketing in any SADCC country much lower than the large gross sales series published by marketing boards.[18] Also, maize enters more into marketing than roots or millets. Thus—although *gross* smallholder marketing in Zimbabwe has risen from barely 10 percent of "guesstimated" *maize* output in the 1970–1974 period to about half in 1985 (and similarly from 5 percent to almost half for sorghum[19]—*net* marketing, even in Zimbabwe, is much less relative to *staples* output. Only commercial farms market almost all output; but even they buy some back to feed their laborers and other rural dependents.

For all SADCC countries (except Zimbabwe in some years), the balance of regional foreign trade in cereals is probably small relative to staples output, foreign trade, or GNP. It is liable to decline as population increases. Official grain flows, which are the most likely to be marketed for intratrade, have trended downward in response to price disincentives, to payments delays,[20] and, recently, to the shrinking role of parastatals. Thus, not only are net official rural sales of food staples usually a small part of staples production;[21] external trade in staples is usually small relative to net rural sales. A big and growing proportion of such net sales in each country must feed its growing urban populations.

Further, SIFS is small, relative to SADCC's world trade in food staples, often to its trade with RSA,[22] and (especially in an emergency) to its food aid. Thus, even if SIFS were itself secure, it has a minor role in regional food security—and even in SADCC intratrade, of which it comprises below a fifth. Total SADCC intratrade is below 5 percent of SADCC trade worldwide. So *SIFS is below 1 percent of SADCC world trade.*

SADCC's gross sales of food staples by rural areas might constitute some 30 to 40 percent of output. But most SADCC countries' net rural sales of food staples are much smaller, owing to buy-back. Of such net rural sales, a large, probably growing, part is not recorded or plannable. External trade in staples is small relative to net rural food marketing. SIFS is small relative to SADCC's external food trade. Trying to illuminate regional FI by analyzing SIFS, therefore, is like trying to infer an elephant's size, position, and prospects by observing a small "benign mark" on the tip of its tail. Moreover, production, minus consumption, leaves tradable surplus as a residual. Marketing is the tail that is moved, not the elephant that causes the movement. Food intratrade is the *regional* part of *external trade* in food, which is part of *net rural food marketing*, which, in turn, is part of the "elephant" of *rural food output.*

PROBLEMS WITH SIFS

Apart from the parlous state of food output statistics (see note 17), analysis of SADCC trade and food security issues faces severe data problems. Exports are valued f.o.b. and imports—except for Zambia, Zimbabwe, and, to some extent, Botswana—c.i.f. Imports are supposed to be net of transit goods, and exports of value-added not of local origin; but there are many errors or exceptions.[23] "At least in a few cases, the unrecorded trade between SADCC countries may be of a size comparable to the recorded trade."[24] This is also true for some flows between RSA and SADCC. Both RSA and SADCC traders, including governments, have an interest in disguising the scale, direction, or composition [25] of many mutual trade flows.[26] "Official [RSA trade] statistics are not [disaggregated]; . . . other countries' are out of date and those published, for example, by the IMF are totally unreliable . . . with the decimal point sometimes in the wrong place."[27]

Depending on whether import or export data are used, reported SADCC intratrade in 1982 (almost half from Zimbabwe) was $276–$316 million. Its real value, allowing for change in dollar values and for inflation, fell slightly in the period 1981–1984. It constitutes about 5 percent of SADCC exports (as against 7 percent to RSA) and 4 percent of imports (30 percent). SADCC handles significant shares of trade only for Botswana, Zimbabwe, and Malawi (10 to 12 percent of exports, 6 to 9 percent of imports) and for Mozambique's exports (12 percent).[28]

Food and animals make up about a quarter of recorded SADCC intratrade—$66.7 million in 1982 (averaging importers' and exporters' data). Just over half went to Zambia, Mozambique, and Botswana, for which it accounted for respectively 36 percent, 53 percent, and 38 percent of imports from SADCC. Of the $66.7 million, 80 percent was from Zimbabwe, and made up 38 percent of all its exports to SADCC. Some $47.0 million (70 percent) constituted food security transactions: Zimbabwe's sales of unmilled maize to Angola ($3.1 million), Botswana ($0.3 million), Mozambique ($7.2 million), Tanzania (7.3 million), and Zambia ($5.9 million), and of cereal preparations—presumably maize flour—to Zambia ($11.7 million); we also include Zimbabwe's sales of sugar and honey to Botswana ($11.5 million), although some went into jams and other luxury foods, and thus did not reduce household FI. Nor did non-Zimbabwean food exports within SADCC in 1982: $7 million worth of meat from Botswana to Angola and $1 million worth of fish from Tanzania to Zambia, nor even $1 million worth of rice from Malawi to Zimbabwe. These foods seldom reach poor or hungry people. In some years, Malawi's maize surplus can help somewhat to reduce FI elsewhere. However, the role so far of SIFS boils down mostly to maize and maize-linked exports from Zimbabwe to Zambia, Botswana, Angola, Mozambique, and Tanzania.[29]

We have considered the impact on FI at household level; and have shown that SIFS is small, especially compared to other sources of staples. Do the data in other respects support our doubts about the role of SIFS in reducing national FI? In other words, are these flows (1) *stable* in face of climatic fluctuation, (2) *growing* despite rising demands in Zimbabwe, (3) *affordable*, or (4) *safe from disruption* if, for example, RSA retaliates against sanctions by weakening regional transport systems? We take up these issues in turn.

1. The unreliability of surpluses from Zimbabwe or Malawi in drought years—the high covariance of outputs among SADCC

countries—explains why their experts increasingly see SIFS (for example, at the December 1985 meeting in the University of Zimbabwe) only as a means of disposing of, and absorbing, random surpluses; FI was to be countered by greater local self-sufficiency in food staples.[30] Indeed, Zimbabwe's recorded maize sales to Angola, $3.1 million in 1982, fell off rapidly to zero by 1984. Sales to Botswana peaked at $1.3 million in 1983, but fell to zero in the 1984 drought year. Sales to Mozambique, $7.2 million in 1982, fell to $4.3 million in 1983 and $0.4 million in 1984. Sales to Tanzania, $7.3 million in 1982, did not exceed $0.6 million in any other year in the period 1980–1984. Sales to Zambia, nil in 1980 and 1984, reached $5.9 million in 1982 and $11.5 million in 1983. Plainly, Zimbabwe's maize sales switch off when it shares in regional drought. Costly and possibly cost-ineffective extra stocks would thus be needed if intratrade based on Zimbabwean maize exports were to be a reliable weapon against regional FI.[31]

Moreover, even when Zimbabwe's stocks accumulate, its need for quick payment—unless an aid donor permits swift triangular arrangement (EEC's procedures for this have in 1986 improved somewhat)—leads it to look outside SADCC for rapid stock disposals. Ironically, even in 1986, with Zimbabwe's official maize reserves swollen well beyond the government's wishes, it was drought-affected RSA that bought about 500,000 tons, partly in exchange for tractors and diesel engines.[32] Neither in dearth, when Zimbabwe must give its own people priority, nor when stocks are high and it must look hard for a decent export price, can Zimbabwe commit its maize reserves primarily to attacking regional FI.

2. What of the likely growth of Zimbabwe's net staples surplus? Commercial maize output since 1974 shows no uptrend. The recent "dramatic" growth in smallholder maize output and marketings may have been overstated; it has certainly been overextrapolated by "food optimists" and proponents of SIFS.

Comparing average annual maize *output* (on weak data, see note 17) across pairs of good years, we find 1.75 million tons in 1971 and 1972; the same in 1974–1975; 2.25 million in 1981–1982; and 2.75 million in 1985–1986. The upsurge, however, was due to once-for-all factors. About a third of it in the 1974–1985 period (according to two microstudies) came from refugee resettlement and natural increase of population. Nationally, communal maize area doubled in the 1979–1985 period to 1.2 million hectares. Yields rose, both because of initially high residual nitrogen on new maize lands, and as hybrids spread to 85 percent of communal (and all commercial) maize land.

Such improvements cannot be extrapolated. Good spare land is running out; the upsurge of output from hybrids, initial soil nitrogen, and probably fertilizer (note 63) is largely over. And recent maize output growth has increasingly diverted land from other crops (notably groundnuts) as relative prices of maize became more attractive to farmers.

As for *marketings*, rising official gross marketings accompanied in the periods 1975–1979 and 1980–1986 by "falling retentions [and] probably . . . a decline in unofficial maize sales"[34] imply both a later rise in buy-back (reducing net marketings: see note 18), and a slower growth in total marketings than in official purchases. Without new technology, rising demand within Zimbabwe—as population and income grow—will increasingly erode exportable staples surpluses; so would any shift toward state or cooperative farming. Diversion of underused European lands into African smallholdings should raise output, but also the proportion retained rather than marketed.

Such obstacles to growth in *supply* of intra-SADCC maize exports could be overcome by Zimbabwean policies to expand output. Such policies, however, are at least as open to maize-importing countries in SADCC, who have, so far, done much less to mop up "obvious" sources of growth (hybrids, etc.). If they succeed, it would decrease SADCC *demand* for Zimbabwe's grain exports. If they fail, are such exports the likeliest recourse? They have been dwarfed in recent years by SADCC deficit countries' receipts of WFP and EEC food aid, and, in some years, of subsidized RSA maize.[35] While the very long-run future (and effect) of food aid is dubious, the momentum of applied agricultural research in developed countries, plus their accumulated grain reserves, seem likely to maintain their preferred position as suppliers to SADCC.

3. SADCC importing countries, especially in bad years, have trouble paying for food import requirements. Drought often goes along with general recession, and with intensification of chronic foreign exchange shortages in the region. In such conditions, even if a SADCC country can export grain, its need for quick payment will render it a less affordable source of commercial imports to nearby drought-affected countries than EEC or even RSA. "Most SADCC countries . . . are so short of hard currency that they limit the credit their exporters can extend . . . and buy preferentially from those who offer the longest credit . . . . Various guarantee schemes ensure that South African firms can give one year's credit."[36] RSA exports maize at a loss to reduce stocks or if foreign policy considerations so indicate.[37] Zimbabwe followed a similar course in 1986, but such sales are unlikely to be feasible regularly. The financing of SIFS is thus likely to require, as in the past, help from triangular WFP or EEC food aid arrangements. Donors agreed to such triangular schemes, whereby they supplied Zimbabwe with wheat in exchange

for maize provided to neighbors as food aid, a dozen times in the years 1981–1985.[38] But these schemes seem to some Western surplus countries to displace their own food exports. The aid flows on which the schemes (and hence the affordability of SIFS) depend are partly at the expense of other aid, and may be too insecure themselves to help SIFS guarantee food security.

4. Other chapters in this book assess the risk of deliberate RSA or other disruption of SIFS as compared with similar risks to other potential sources of food security. Plainly, the more that such sources are controlled by the local poor, the less the risk of outside disruption. Although extreme aversion to disruption risk would prevent trade altogether, Southern Africa's recent experience of disruption should perhaps induce at-risk smallholders, and governments, to modify trade-oriented policies in favor of some concessions toward local self-sufficiency, even at the cost of efficiency. This view is implicit in SADCC's approach to regional cooperation, as is the coordination of research, aid seeking, and to some extent transport and other investment planning—but it is in sharp contrast to PTA's quest for freer regional trade, implying greater specialization along comparative-advantage lines.

However, while the "elephant" of agricultural production must wag the marketing "tail" (and the SIFS "mark on its tip"), disruption of intra-SADCC food trade is not obviously in RSA's interests. It would involve winding down RSA maintenance and other support for railway links among SADCC countries and RSA-SADCC trade. But RSA's big trade surpluses with SADCC mean that its exporters would lose, much more than SADCC's, from this. South African Railways would be another big loser. The two losses would coalesce. If, for example, RSA closed the Zeerust-Gaborone-Bulawayo-Lusaka rail link, this would raise the cost of Zimbabwe-Botswana maize movements, but also of the two-thirds of traffic on that link now going in transit between RSA and onward destinations in Zaire, Angola, or overseas via Lobito. Similarly, RSA could readily cut Mozambique's rail link for maize from Zimbabwe and Malawi, but at high cost to itself.[39] Although disruption of SIFS would damage RSA interest, Pretoria might undertake such measures, possibly to "show the world" that sanctions will induce responses that hurt her neighbors.

The main problem with SIFS to reduce FI, however, lies not with potential disruptions, but with the actual nature of such trade which comprises, almost wholly, Zimbabwean maize exports—commercial, or backed by (unpredictable) triangular aid—to Angola, Botswana, Mozambique, Tanzania, and Zambia. For reducing national FI, such exports have proved unstable; their growth is doubtful; they are seldom the importers' main sources of grain; and they are harder to finance than other sources. For reducing household FI, these transactions represent the wrong staples at the wrong times, places, and prices.

There are other potential sources of SIFS. Could they reduce national FI? Malawi's maize surplus remains small, and Zambia's infrequent; Zimbabwe's sorghum surplus is both. Cassava faces high processing costs and weight/value ratios. Zimbabwean wheat and Malawian rice are still some way from being in reliable surplus; exposed to intense and growing market competition; and capital-intensive (in irrigated production). As for household FI, wheat and rice are mostly eaten by the better-off and are grown by bigger farmers. Perhaps above all, extra output of nonmaize staples (especially millet and sorghum) is at least as feasible a strategy for SADCC food importers to replace SIFS, as for Zimbabwe and Malawi to increase it.

SADCC'S SIFS POLICY

There are two main "positions" on Africa's development problems since 1970. The first, outlined by the World Bank in *Toward Accelerated Development in Sub-Saharan Africa: An Agenda for Action* (1981), blames the problems largely on African governments. The state, according to this perspective, has financed its excessive activities by measures that discourage agricultural production: taxing farmers by offering artificially low prices for agricultural commodities, overvaluing domestic currencies, and operating inefficient, monopolistic marketing parastatals. The main remedies are a smaller state, devaluation, shrinkage of marketing parastatals, and a greater reliance on market-determined prices for agricultural inputs and outputs.

The second perspective, identified with the Institute of Development Studies (IDS) and its *Accelerated Development in Sub-Saharan Africa: What Agenda for Action*? (1983), blames the failures mostly on external shocks (such as worsening terms of trade and RSA's destabilization activities), plus states that are too weak and do too little. Governments have worsened the effects on agriculture by devoting too few resources to infrastructure. Until these problems are corrected responsiveness to price changes will be small.

A rapprochement can be seen in the World Bank's *Toward Sustained Development in Sub-Saharan Africa: A Joint Program of Action* (1984) and IDS's *Sub-Saharan Africa: Getting the Facts*

Straight (1985). One persisting disagreement, however, is about the importance of markets and prices. Partly because intratrade is part of marketing, this disagreement is crucial to the role of trade, and SIFS, in SADCC food security.

Both parties have learned from evidence. Most holders of the World Bank view now accept that total price elasticities of agricultural supply in most of Africa are small.[40] Price and marketing remedies, therefore, can achieve a lot only if accompanied by improvements in technology or institutions to enable farmers to respond better to incentives. Analogously, most holders of the IDS view now agree that, while it is false that "only prices matter," "prices matter too," and that some African governments (e.g., Ghana, Uganda) had so distorted prices that correction was a necessary precondition for success in other policies. But, on the whole, the "World Bank school" still blames state distortions of marketing for many, and the "IDS school" for few, of the ills of African agriculture.

The debate has raised three main complaints against grain-marketing boards—the main agents of "plannable" SIFS as a tool against FI. First, the boards allegedly reduce private farm investment by being extractive from agriculture; this reduces farmers' income, and hence their capacity and incentive to invest.[41] Second, the boards are allegedly inefficient, because profit incentives are absent in the public sector and/or because private competition is either illegal or made unviable by subsidies to the parastatals.[42] Finally, they are allegedly so heavily subsidized by taxpayers that public expenditure crises are created and few resources remain for farm investment.[43]

A highly tentative taxonomy of grain-marketing boards in or near SADCC might look like this:

	Very Extractive from Farmers[a]		Not Very Extractive from Farmers	
	Heavily subsidized	Not heavily subsidized	Heavily subsidized	Not heavily subsidized
Efficient	(impossible)	Malawi (South)	Zimbabwe	Botswana Malawi (North)
Inefficient	Non-remote farms in Tanzania & Zambia	Kenya?	Remote farms in Tanzania & Zambia	(impossible)

[a]Except to the extent that they can cheaply use parallel markets or switch crops.

Panterritorial grain procurement pricing in Tanzania, Zambia, and increasingly, Zimbabwe, affects this taxonomy by reducing efficiency, and increasing the need for subsidy, because it encourages remote farmers to shift toward crops with a high weight/value ratio. However, any abolition must be phased, and combined with help to grow higher-value crops—and, perhaps, assisted migration —if great hardships, and disappointments of legitimate expectations, in remote areas are to be avoided.[44] However, panterritorial pricing is an inefficient way to help the (not always poor) remote farmers. Also, it discourages private exports, especially SIFS, because surplus farmers near borders and far from main national markets are artificially encouraged to sell to the board, rather than to their neighbors across the border.

Many grain parastatals are extractive, inefficient, or prone to divert public funds from production to subsidization. The experience of Botswana (and of the Food Corporation of India) shows, however, that this is reformable. Most African governments will retain the functions of parastatals mostly in the public sector, partly to preserve patronage, but mainly because governments need reserve control over food to reduce the damage from famine. Moreover, some services provided (albeit inefficiently) by grain parastatals might not pay private traders, especially in remote areas.[45] Experience in Zambia and Tanzania suggests that rushed or dogmatic attempts to decontrol grain marketing can lead to institutional instability with responsibility shifted and divided among cooperatives, marketing boards, and the private sector, and with no predictable ground rules.

None of this is to deny that extractive, inefficient, heavily subsidized, quasi-monopsonistic grain marketing parastatals impede food security in much of the region. Improving this is important, especially if intratrade is to play a significant role in food security. Zimbabwe's experience shows that active participation by farmers' organizations in marketing policy can help prevent much of the harm done by such policy to farmers.[46] However, conflicts between small and large farmers will surface as land reform looms larger, and as parastatals are pressured to market small farmers' sorghum at the cost of tighter margins upon commercial farmers' maize.

Is "participation" essential? Botswana's experience shows that efficient, nonextractive, nonsubsidized maize-marketing parastatals can operate top-down too. Malawi's ADMARC follows this formula as well (although extractive in southern Malawi), yet coexists with far better smallholder output performance than is found in most of Botswana.

Grain output and food intake can respond dramatically to improvements in food prices, marketing, methods of storage, transport, or processing. These responses, however, require spare land *and* labor—or potentially profitable new techniques for managing biological, chemical, or water inputs. Rural institutions must encourage, or at least not prevent, such responses.

Except in parts of Zambia, Swaziland, and Botswana, surplus land *and* farm labor are rarely available at the same time and place. New inputs are increasingly the path to rural growth throughout SADCC, via increased output expansibility. Policies for this are the keys to long-term output responses to policies to improve markets, prices, or stores. Improving the incentives to growers—e.g., by raising prices, or otherwise encouraging SIFS—can seldom greatly raise the availability of food staples, or farm output, without prior measures to raise aggregate supply elasticities.[47] With land getting scarcer relative to growing regional populations, this has to mean a land-saving emphasis, and increases, in investments for irrigation, fertilizer distribution, seed improvement, and agricultural research.

SADCC AND THE REDUCTION OF FI

This section outlines the case for reducing FI in SADCC, not solely by exchange, but also by local self-sufficiency. I next ask whether some areas in the region "require" solutions other than either food production or trade. Then I sketch changes in production technology, and institutions, likelier to reduce FI than is increased dependence on food marketing, including SIFS.

Any FI strategies in Southern Africa that concentrate on increased long-distance marketing are questionable for several reasons. It is not provided for many crops and areas by competitive private enterprise, even if free from all state interventions, partly because of high transport costs in most of the region.[48] Thus, long-distance food marketing requires a substantial role for parastatals. We have reviewed their reformable difficulties, but, in Southern Africa, they face two basic problems: price prediction and real operating costs. Price prediction presents the worst problems in Malawi, Tanzania, Zambia, and Zimbabwe, which swing between years of net maize surplus and deficit. The parastatal can then hardly escape costly errors in choosing whether to offer farmers import or export parity prices.[49] To reduce the losses from such errors, parastatals often announce producer prices too late to affect the farmer's crop mix, or amend them at harvest time; or payments are delayed, often until it is too late for the farmer to afford key inputs for next season.[50] Real operating costs to parastatals are pushed up by central storage[51] and transport. These problems of grain-marketing parastatals in *any* long-distance trade strategy are additional to the *specific* risks and the small base of SIFS strategy, as discussed above.

None of this is to denigrate marketing. The gains from trade, however, should be the natural fruits of growing outputs and surpluses in environments that do not actively discriminate against exchange. If, instead, the gains from trade result from artificial stimuli, provided before growth has led to surpluses sufficient to reduce unit transport costs, then the costs of providing the stimuli will normally exceed the gains from trade. Opportunity costs also arise; money poured into trans-Kalahari railroads, for example, is unavailable for microirrigation or crop research to increase production for subsequent exchanges.

Indeed, the subsidies to transport links for exchange with SADCC's "peripheries," if undertaken at the expense of helping such peripheries develop competitive activities, will provide South Africa's large-scale exporters with subsidized access to new markets. This is the exact opposite of the goal of providing SADCC with alternatives to trade with RSA. Such imports from RSA may temporarily cheapen consumption in the peripheries, but their potentials for production growth will be undercut. One may dispute the case for protecting infant industries in the periphery, but their deliberate deprotection (by subsidizing transport to a powerful competitor) replaces infant protection with infanticide.

What production-oriented alternatives exist for food security in these peripheries? Such alternatives will be based initially on raising secure local access to food produced locally and/or on secure local output of goods with value/weight ratios and amount sufficient to justify longer-distance exchange. It is not admitted often enough that *no feasible solutions exist along these lines for some areas*. Within a country, an area with a big absolute disadvantage in producing everything loses population via migration until there are sufficiently few people left for output per worker to be reasonably attractive in comparison to other places. Sometime, "sufficiently few" is zero, or nearly so. Hardly anybody still lives (in truly nomadic conditions or otherwise) in large, arid, undeveloped areas of the Kalahari Desert.

Should governments impede this process? Its dynamics are seldom spelled out. The SADCC region (although increasingly short of good land) is by world standards very sparsely populated, because it has large areas with very few people and proportionately even fewer resources, where major investment will probably never be efficient *or equitable*. Botswana, for example, has courageously sought to advance regional equity by its location policy—on water, health posts, primary schools—ever since its independence in 1966. However, even if the only criterion is poverty reduction, should states pour resources into unresponsive or remote areas such as western Botswana—or northern Malawi, or the far south of Tanzania (or northwestern Kenya)? Not only more GNP, but more food for the poor, more inoculated infants, and lower death rates could be achieved by putting the same outlay into equally poor places that are less sparsely populated and have better resource potential.

To assert this is not to advocate "triage."[52] It is to say that the problems of a small minority of the world's poor are best met, not by production (let alone trade) at home, but by assisted migration. For SADCC, this minority is less small than in most countries. Assisted migration should be voluntary, planned *with* the affected people, and steered toward places both promising and socioenvironmentally acceptable. However, to refrain from breathing these words and to insist on the pretense that production or trade solutions exist everywhere will not avoid such disasters as have characterized some attempted resettlements (RSA, Ethiopia, Indonesia). It will make it likelier that these histories will be repeated when the pretense collapses, production in hopeless environments is discredited, and the residents (because they "cannot be left to rot") are pushed into unplanned and unconsidered resettlement. SADCC, with donor help, might usefully grasp this nettle *with* some of its least favorably located people now, rather than be compelled to do so against them in ten years' time.

In most places, however, the outlook is much less gloomy. It would be absurd, in this space, even to summarize the options, for food production and local exchange, in nine SADCC countries. I merely refer to seven important policy areas: (1) irrigation; (2) fertilizers; (3) improved varieties of food crops, in the context of national agricultural research; (4) production-nutrition linkages; (5) the crop mix; (6) tenure and common property; and (7) food information systems.

1. Most of SADCC features populations that are 60 to 80 percent dependent on farming—the *proportion* is falling, but this merely increases the need for growth in agricultural productivity to avoid FI. Meanwhile, *absolute* person/land ratios are pushed up by population growth (at over 3 percent a year) that increasingly shifts the balance of advantage from extensive to intensive farming. Widespread hunger coexists with precarious dependence for food security, in part, on imports from or via RSA. Off-farm growth options are few (and far from employment-intensive). Markets for

export agriculture are fluctuating and mostly price-inelastic. This combination increasingly mandates land-saving growth in food farming. Policies and investments take time to mature; when they do, person/land ratios and land degradation will have increased even further. Agricultural research, especially, must aim at rising labor/land ratios, to allow for growing workforces (even net of urbanization) during the 10-to-15-year gap between research project initiation and widespread farmer benefit. "Land-savings patterns of food farming," in the present state of knowledge, means the combination of water control, fertilizers, and modern varieties of food staples.

While increasing workforces in humid areas can often provide the labor to make better water control pay without irrigation, this is rarely true of the semiarid farming that typifies most SADCC countries. Around 1981, eastern and southern Africa irrigated about 2.1 percent of cropped land, as against 0.7 percent and 1 percent, respectively, in west and central Africa. "Developing Asia," however, irrigated 31 percent of cultivated land.[53]

The recent FAO analysis of irrigation in Africa was unduly pessimistic,[54] based on large, unsuccessful, bureaucratic, ill-maintained, and "price-undermined" systems, with capital costs often above $10–$15,000 per hectare. Insufficient emphasis was given to farmer-controlled microirrigation, such as *fadama* in Nigeria, valley bottom schemes in Sierra Leone, *molapos* in Ngamiland, Botswana, and self-help diversion schemes in Malawi, all normally costing below $2,000 per hectare.[55] The report underrated prospects for cheap upgrading, rehabilitation, and spread of existing irrigation.[56] Above all, the pessimistic conclusion highlighted the prevalence among us all of an *illusion of knowledge* about the scale, costs, and benefits of controlled use of water, especially groundwater, by African farmers: an illusion that masks our almost complete ignorance about the *local* economics of microirrigation, especially combined with fertilizers, improved varieties, and the increasingly prevalent economics of intensive farming.

There is every reason to look hard for the chance to expand irrigated land areas. Around major river basins, this will involve seeking new sources, and improving, but often not increasing, off-take from old ones. For example, in 1981, irrigated production already contributed 30 percent of Zimbabwe's agricultural GDP, mainly in sugar cane, cotton, tobacco, and wheat. In some river basins, extra water off-take may not be feasible. However, irrigated production is now almost all on big commercial farms; irrigation appears to produce higher yields on smaller plots.[57] Gravity-flow systems rather than costly sprinkler schemes, supplementary rather than would-be "rainfall-replacing" irrigation,[58] and, above all, awareness of the institutional requirements for successful farmer-based management of irrigation schemes[59] are components of the cost-cutting approach needed to make irrigation in the region more attractive.

Given the high covariance of output from rain-fed farming among countries and regions in SADCC[60], the spread of irrigation is not just more promising than SIFS as a medium-term route to food security. It is also a promising route to enhanced and secure surpluses that are the proper basis for longer-term SIFS. Irrigation, of course, is only part of the answer. Many modern cereal varieties can flourish if reliably rain-fed. But it is very hard to expect long-term confidence in crop farming, among farmers or finance ministers, for places as drought-prone as eastern Botswana or parts of Zimbabwe, without some irrigation. Yet, as land exhaustion and population growth render open range, no-crop cattle farming less and less economic, what alternatives exist (other than migration) to water-controlled crop farming? A "lean" toward irrigation, over and above what benefit/cost ratios might indicate,[61] is justified to create the necessary confidence in intensive food farming. Especially in the politically exposed SADCC countries, some improvement in water security may be a precondition for food security.

2. Big rises in smallholder cereal output require substantial rises in fertilizer use. In the most favorable case, Zimbabwe, the highest smallholder use so far (1984–1985) was about eighty kilograms per hectare, totaling 115,000 tons of fertilizers, for about 720,000 farming households covering some 1.43 million cultivated hectares.[62] Data for smallholder fertilizer use in other SADCC countries are few, but the numbers are probably much lower. High and economic yield responses to increased fertilizer use in Zimbabwe are clear overall,[63] but for maize this stems from better-watered areas; matters are obscure elsewhere.[64] In Zambia in mid-1985, there was two years' spare supply of fertilizer, due perhaps more to apparently low yield response[65] than to the (real) problems of transport, timely delivery, and smallholder credit. In Botswana as well there is (rather outdated) evidence of weak yield response, although the quality of many fertilizer response trials in the region leaves much to be desired.

I hope that most readers were worried while reading the above paragraph, because (a) plants use not "fertilizer," but nutrients (notably N, P, and K) at different times from different sources; (b) economic return from specific crops to specific sources and timings of added NPK, not "yield response," is what farmers are interested in;

and (c) we *know* that, at least, modern varieties of major regional cereals normally respond economically to appropriate sources, even allowing for delivery and other costs. With my South Asian background, I am rather shocked at the technocratic, farmer-unresponsive, paternalist, underspecified, and noneconomic nature of most fertilizer research, advice, and policy in Africa. For example, the frequently exclusive supply of compound fertilizers—often, as in most of Zambia, it is one particular compound or nothing—compels each farmer to buy the same preset mix of N, P, and K, and hence to apply some nutrients with quite uneconomic yield responses for his or her particular crops and soils, in order to get some of a (no-option) package with an overall adequate return. This bludgeon approach greatly reduces farmers' economic returns from, and hence use of, fertilizers. The absence of locally crop-specific and soil-specific guidance—plus a hobbled market, with fertilizer delivery entrusted, often monopolistically, to ill-informed and rapidly changing persons and institutions—makes matters worse. A wider choice of fertilizers, with-better-researched advice to farmers in their use, is needed if the potential of NPK supplementation is to be exploited for food security.

Both generally and in an emergency, expanded fertilizer use may be a promising alternative to SIFS. Zimbabwe is over 80 percent self sufficient in N fertilizer and over 90 percent in P, but must import all K fertilizer. Few if any regional imports are *from* (although some may be *via*) RSA. Zimbabwe's N, P, and sulphur capacity is apparently underused and expandable.[66] Fertilizer imports, to produce a given grain quantity, cost less to distribute than grain imports, and, unlike these, complement labor in growing crops; it thus earns income to buy food.

This is not to advocate subsidized or protected domestic fertilizer production or bulking. In small markets, this will remain a sickly "infant industry," lacking adequate economies of scale, and raising farm costs. Expansion of fertilizer use from all sources, however, can reduce FI for many rural households. Such expansion should spread alongside, and be encouraged by, research into raising economic yield response, via methods and timing of placement, choice of fertilizer types, and complementary inputs. Only if water policies, varietal choice, and/or crop mixes reduce risks in bad years, however, can fertilizer-based approaches improve not only chronic, but also acute, undernutrition through greater local grain self-sufficiency.

3. Improved grain varieties, and greatly improved national research systems to test them for safety and profitability at farm level, are an essential part of the yield-enhancing thrust required

almost everywhere in the SADCC region to reduce FI in the face of both growing populations and uncertainties involving RSA. For many years, "improved grain varieties" meant one long-season maize hybrid, SR-52, released for commercial maize farmers in the colony of Southern Rhodesia in 1960, and still dominating their activity today—although clearly with growing pest and disease risks. The short-season 200 series in Zimbabwe, like long-season SR-52 in several countries, has spread widely to smallholders. A wider range of maize hybrids recently has been made available to farmers in Zambia.[67] But hybrids require timely, annual seed distribution, which is liable to pose severe strains even on efficient parastatals such as ZAMSEED, especially in remote areas. For smallholder-use composites, for which the farmer can retain seed corn for three to five years, merit much more attention; the population approach of Certo Internacional pera la Meijoramiento de Mais y Trigot (CIMMYT) and Tanzania, in 1965 through 1974, had great virtues, and still has.

Moreover, the great emphasis in cereals research upon maize—plus wheat in Zimbabwe and Zambia, and rice in Malawi, both, at present, luxury foods, and at present (but not by nature, as Asia proves) mainly irrigated commercial farm crops—has meant major switches by farmers out of sorghum and millet, although these are more robust in face of delayed or inadequate rains. Hence, average grain output gains from hybrid maize have been achieved at the cost of lower local (and sometimes national) grain output in years of bad rainfall. Donor-aided "storage policies," to address this via extracting grain from at-risk areas into centralized urban grain silos, are often not merely costly but counterproductive. On-farm storage improvement can help a bit, but what is most needed is cost-effective results from research into rain-fed sorghum and millet. Experience in very unpromising parts of semi-arid India appears to be confirmed by initial results for the SADCC region, suggesting that for sorghum and finger millet (important in Zimbabwe)[68]—although not as yet for other millets—this is a fruitful route to go.[69]

There is neither space nor time to rehearse the inadequacies of agricultural research in much of the region[70] or the promising initiatives under way, under SADCC auspices and with CIMMYT and International Crop Research Institute for the Semi-Arid Tropics (ICRISAT) cooperation, in Zambia and Botswana. Vital to success are improved national capacity to train and retain scientific personnel; stress upon farm-level testing and on innovations consistent with farmers' own systems and motivations; sensible allocation of most research resources among a few policy-related tasks, teams, and crops; and, above all, a donor strategy to withdraw support unless recipient governments implement clear financial, personnel, and organizational commitments to maintain and improve the research systems proposed by them for donor finance.

In 1980 Southern Africa (excluding RSA)—despite much higher agricultural research outlays, per acre of farmland and per scientist-year, than non-African developing regions—obtained fewer research publications, and a much smaller output effect.[71] Therefore, although numerous studies show that agricultural research in non-African developing countries normally has high returns, throwing money at it in the SADCC countries is unlikely to suffice. However supported, its long lag between organization and widespread innovation means that land-saving research emphases—based on yield-enhancing combinations of selected modern varieties, fertilizers, and water management—will be much more appropriate strategies than might now seem the case.

4. Issues of production-nutrition linkages are dealt with in detail elsewhere.[72] EEC-backed national food strategies have given improved nutrition rather low *practical* status, as compared with other policy goals, especially import displacement.[73] Choices of agricultural policies during a drive toward *national* food security can easily undermine the nutritional status of some at-risk groups; for example, the switch from groundnuts to maize in SADCC apparently shifts work and income from women to men, possibly harming nutrition, especially in poor female-headed households.[74] Yet, the nutritional concerns even of the very best crop researchers and policymakers often seem misguided—e.g., labor-saving maize dehullers (reducing employment income, and hence command over food); lysine enhancement in sorghum (proved in other contexts to be a useless sacrifice of other goals, since FI diets normally possess ample lysine but lack calories); and avoiding excess bulk in maize diets (again at the cost of yield and robustness research).[75] Involvement is not yet apparent in SADCC national or regional planning, except, to some extent, in Botswana and Zimbabwe.

5. Policies toward the crop mix illustrate this issue. SADCC countries have become increasingly dependent on wheat, which only Zimbabwe and perhaps Zambia and Lesotho can grow in some places as a cost-effective, unsubsidized alternative to other crops, and on maize, with its great sensitivity to moisture stress, at least in higher-yielding forms. Income-elasticities of demand and urbanization may militate against sorghum and millet, but their relative research neglect, as compared with maize hybrids, plays a bigger role.[76] Interesting SADCC-based work suggests that

incorporating these crops into acceptable and low-cost flour mixes with maize and/or wheat—e.g., up to 15 percent of sorghum in wheat mix—might increase nutritional security and save imports.[77] Meanwhile, price polices should be scrutinized to avoid discrimination against millet and sorghum. Panterritorial pricing (stimulative of maize production in remote areas), transport subsidies, and trading and producer price differentials from marketing boards for maize to the disadvantage of sorghum (as until recently in Zimbabwe) should be minimized.

6. Institutions of tenure and common property management remain areas of ignorance, requiring more knowledge to improve policy against FI.[78] Probably, tenure in most of the region has in practice long been much more individual, heritable, and transferable (within the tribe) than is widely believed. Tenure is now increasingly unequal, with both tenancy and landless labor increasingly important, especially where person/land ratios are high (or where land is irrigated). As for common property management, the breakdown of traditional systems of trust[79] pervades many areas of rural life in SADCC, above all the management of common grazing lands and of irrigation systems.

7. This chapter stresses the technologies needed for better and less RSA-dependent food security. Pinero makes one of his characters observe that, if sex without love is lust, then love without sex is neurosis. Institutional change without developing rural technology is, in this respect, like love without sex—which probably explains the neurotic switches among "unsuccessful" rural organizations (cooperative, public, and private; top-down and bottom-up) that have characterized so much recent African rural history in technologically unprogressive areas. But a central institutional need, even for setting priorities for technology, is a much improved *food information system*. Outside Botswana and perhaps Malawi, probably no SADCC government knows (at the 95 percent confidence interval) its smallholders' grain output in a particular year + 30 percent. This cannot be remedied by computers, nor by grandiose information centers. Better manipulation of useless data (as apparently envisaged by some donor-backed projects for the region[80]) is even harmful, as it lends them spurious trustworthiness.

The SADCC countries urgently need a system to collect, process, and present to users in timely fashion and with known and tolerable ranges of error, yearly output data for main food crops by region and season. The technical methods, local cadres, and field-force management systems required to achieve such series are familiar, and leading African agrostatisticians are agreed on needs and priorities.[81] What is needed is not a Rolls-Royce system, Rwanda-style,[82] but national cadres to manage an affordable core system. It can be supplemented by case-study (or separate sample) work on food inputs, prices, farm systems, fertilizer responses, and, above all, on nutrition. However, none of this should be allowed to distract the management of the field-force from its basic task, a sample survey of the food output data.

Without such data, the setting of priorities for inputs, prices, or research—and hence for food security—will remain largely guesswork for the region as a whole. So will the assessment of past or current policies on these matters. Donors who divert national statistical resources into analyzing "their" projects, thereby undermining the fledgling national food information systems that they should be supporting, bear a heavy responsibility. So do recipients who, because knowledge is not costless, prefer uncosted ignorance.

NOTES

I am grateful to Drs. M. Blackie, R. H. Green, C. Harvey and S. R. Lewis for correcting errors and suggesting ideas. The usual disclaimer applies.

1. "Acceptable" terms are those freely agreed, and not implying durable subservience, between buyer and seller—e.g., not compelling Botswana, or its people, to accept South African political conditions or starve. On "household" versus "national" food security, see A. Valdes and A. Siamwalla, "Introduction," in A. Valdes, ed., *Food Security for Developing Countries* (Boulder, Colo.: Westview Press, 1981).

2. M. Rukuni and C. Eicher in this book. Policy confusion results: "It is not clear whether SIFS proposals to redistribute maize surpluses . . . have market supply stabilization objectives or consumption objectives," in R. Hay, "Emerging Food Security Strategies in the SADCC Region" (Oxford: IFPRI-FSG Workshop, 1987, Mimeo). On chronic and acute undernutrition, see S. Reutlinger et al., *Poverty and Hunger* (Washington, D.C.: World Bank, 1986). On "availability and entitlement," see A. K. Sen, *Poverty and Famines* (Oxford: Clarendon Press, 1981). For evidence, see M. Lipton, *Poverty, Undernutrition and Hunger* (Washington, D.C.: Staff Working Paper No. 597, 1986).

3. See "Problems with SIFs" in this chapter. Zimbabwe's population is growing by 3.6 percent a year. All commercial maize, and 85 percent of communal maize, is already hybrid: D. Rohrback, "A Preliminary Assessment of Factors Underlying the Growth of Communal Maize Production in Zimbabwe," in M. Rukuni and C. Eicher, eds., *Food Security for Southern Africa* (Harare: UX/MSU Food Security Project, University of Zimbabwe, 1987), p. 169.

4. Estimated in U. Koester, *Regional Co-operation to Improve Food Security in Southern and Eastern African Countries* (Washington, D.C.: International Food Policy Research Institute, 1986); and M. Nziramasanga, "Food Aid, Trade and Development in SADCC," in this book.

5. For a perceptive discussion of SADCC research and policy needs and Asian precedents, see Rukuni and Eicher, pp. 27–32. On Botswana's pioneering efforts since 1979, see R. Hay, "Famine Management: Has Botswana Anything to Teach Africa?" (Oxford: IFPRI/FSG Workshop, 1987, Mimeo).

6. R. Hay, "Emerging Food Security Strategies," explains the sequence. See Technosynesis/SADCC, *A Regional Food Reserve* (Harare: SADCC, 1984); Vakakis Associates, *SADCC Food Reserve/Food Aid Study* (Harare: SADCC, 1987). The latter proposal is based on the widely quoted demonstration in Koester, *Regional Co-operation*, pp. 41–44, that the coefficient of variation of total cereal output in the period 1960–1980, around trend, was significantly smaller for SADCC as a whole than for all but two of its members—implying that expanded trade would significantly stabilize country-level food availability. However, the output data are mostly worthless (see below, note 17); moreover, stabilized national food availability may well not stabilize or reduce FI for households at risk.

7. M. Blackie, "The Elusive Peasant: Zimbabwe Agriculture Policy, 1965–1986," in Rukuni and Eicher, *Food Security*, p. 136.

8. If the latter only were present, donors might give SADCC deficit countries cash to buy them; but such cash would be at the cost of other aid, not of (almost costless) spare donor food reserves. Some food aid donors fear that any increase in SADCC "demand for food from within the region may be at the expense of demand for [their own] agricultural surpluses," especially from Angola (Hay, "Emerging Good Security Strategies," pp. 8, 17).

9. On wheat policy see J. Longmire, P. Ngobese, and S. Tembo, "Wheat Policy Options in Zimbabwe and SADCC countries," in Rukuni and Eicher, *Food Security*, pp. 216–217, show that 85 percent of demands for wheat were met by Zimbabwean production in 1985 (preliminary reports in 1987 suggest over 100 percent). They conclude, however, that it will not "keep pace with growing demand" (p. 241).

10. Koester, *Regional Cooperation*, p. 27; on SADCC's approach to these issues, see C. Thompson, "Regional Economic Policy Under Crisis Conditions: The Case of Agriculture within SADCC," *Journal of Southern African Studies*, 13:1 (October 1986): pp. 10–14; on research, see H. Sigwele, "The Role of the Southern African Centre for Cooperation and Research (SACCAR, Sebele, Botswana) in Promoting Research Capacity in the SADCC Region" (Harare: First Southern African Food Security Conference, 1985, Mimeo); on entitlements, see Hay, "Emerging Good Security Strategies," and *SADCC's Policy and Strategy for Food, Agriculture and Natural Resources* (Gaborone: SADCC, 1987).

11. S. Linder, *An Essay on Trade and Transformation*, (Stockholm: Almqvist, 1961); M. Lipton, "The Fear of Trade: Equity Considerations in the Analysis of Marketing," in M. von Oppen, ed., *Agricultural Markets in the Semi-arid Tropics* (Pantancheru, India: International Crops Research Institute for the Semi-arid Tropics, 1985).

12. M. Lipton, "Agriculture and Physical Grid Infrastructure in Sub-Saharan Africa," in J. Mellor, M. Blackie, and C. Delgado, eds. *Accelerating Food Production Growth in Sub-Saharan Africa*, (Baltimore: Johns Hopkins University Press, 1987).

13. The major exception is the spread of hybrid maize in parts of Zimbabwe, Malawi, and southeast Botswana.

14. Dispersed populations mean low person/land ratios, and hence

high unit costs of transport. Low productivity means *high* ratios or persons to arable land in "efficiency units," and hence little output value to meet high transport costs.

15. This quotation is from J. Shepherd, "South Africa's Emerging Food Policy in Southern Africa" (Paper presented at the African Studies Association Conference, Boston, 6–10 December 1983), p. 18.

16. If food aid depresses price incentives to farmers, or is at risk of phasing out, it is a questionable substitute for more and safer food nearby. In 1986 EEC simplified the use of its aid to shift *local* food (e.g., in Zimbabwe) to meet deficits (e.g., in Mozambique).

17. C. Eicher and F. Mangwiro, "A Critical Assessment of the FAO Report on SADCC Agriculture," in Runkuni and Eicher, eds., *Food Security*, pp. 50–53, especially on Tanzania; M. Lipton, "Report on FAO Expert Consultation on Production Statistics of Subsistence Food Crops in Africa" (Harare: FAO, 1985). Even in Zimbabwe, "reliable production data for the small-scale sector are nor available [but are] based on . . . crop forecasting . . . returns submitted by regional agricultural extension officers" (J.L. Stanning, "Contribution of the Smallholder Sector to Marketed Output in Zimbabwe, 1970–85" [Harare: Working Paper, Department of Land Management, University of Zimbabwe, May 1985], p. 5). In Zambia, "there are no national time-series data on subsistence production of a quality to warrant further discussion" (J. Kydd, "Zambia," in C. Harvey, ed., *Agricultural Pricing Policy in Mozambique, Tanzania, Zambia and Zimbabwe* [Brighton: Institute of Development Studies, December 1985], p. 126). Among the other SADCC countries, only Botswana since 1978, and perhaps Malawi, have usable smallholder food output series.

18. For microevidence on buy-back, see J. Stanning, "Household Grain Storage and Marketing in Surplus and Deficit Communal Farming Areas in Zimbabwe," in Rukuni and Eicher, eds., *Food Security*, pp. 281–286. In most African countries, but less so in the SADCC region, the role of roots and tubers in the diet, and the exchange of grains of different types, would modify this argument, but not change it fundamentally.

19. Stanning, "Contribution of the Smallholder Sector," p. 5.

20. See M. Mackintosh, "Mozambique," in Harvey, ed., *Agricultural Pricing Policy*, p. 30, for maize and rice in Mozambique; F. Ellis, "Agricultural Price Policy in Tanzania," in Harvey, ed., *Agricultural Pricing Policy*, p. 75, for details on Tanzania.

21. This could become less so if, in the distant future, Zimbabwe becomes a regular net exporter of wheat, or Malawi of rice. That would permit exchange of these crops, perhaps in the context of increased crop specialization by various countries in the region. However, households in need of food security seldom eat much rice or wheat in this region.

22. To contrast only years of high exports (with production on or slightly above trend), South Africa in the period 1979–1980 shipped 400,000 metric ton of maize to Zambia and Mozambique alone—about the same as Zimbabwe's exports of maize to all destinations in 1982. See Shepherd, "South Africa's Emerging Food Policy," pp. 9, 16.

23. P. Granberg, *Some Estimates of Intra-PTA Trade*, (Working Paper No. A350, Bergen, Norway: Christian Michelsen Institute, 1985), pp. 3–4.

24. Personal communication, 1986.

25. Shepherd, "South Africa's Emerging Food Policy," p. 9.

26. The OAU has called for comprehensive mandatory sanctions against RSA. Although BLS is linked to RSA via SACU, and to Zimbabwe

and Mozambique via other formal trade agreements, Zambia, Tanzania, and Angola formally claim to have no trade with RSA, although much takes place *sub rosa*, often via BLS and/or Zimbabwe. SADCC countries wish to downplay this. RSA fears that pressures to end such trade would be applied to the firms or governments concerned, if sufficient details became known.

27. W. Holtes, "The Future of Trade Between South Africa and Black Africa," *ISSIP Strategic Review* (August 1983), p. 2.

28. For this and the next paragraph, see Granberg, *Some Estimates of Intra-PTA Trade*; J. Hanlon, *SADCC: Progress, Projects and Prospects* (Special Report No. 182, London: *Economist* Intelligence Unit, 1984); Rukuni and Eicher in this book; C. Bryant, "Issues Paper: 3rd Seminar; The Political Economy of Food and Institutional Development—The Role of South Africa Within the Southern Africa Region" (Washington, D.C.: The Overseas Development Council, 1986); and personal communication.

29. Kydd, "Zambia," p. 128, shows it as able to avoid major grain imports in 1985. While removing an outlet for Zimbabwe, such exceptional years when Zambia—and even Tanzania—escape major imports hardly justify dismissing as "food pessimism" (C. Eicher and F. Mangwiro, "A Critical Assessment," p. 58) continuing alarm about SADCC's medium-term grain position: growing hunger, growing imports.

30. M. Blackie, personal communication. Yet the mathematical proof of all-around gains from SIFS has to assume that "fluctuations in production are independent" between the countries. See U. Koester, "Regional Co-operation among Developing Countries to Improve Food Security" (*Quarterly Journal of International Agriculture* 23:2 (April-June 1984): p. 102.

31. Data from Granberg, *Some Estimates of Intra-PTA Trade;* personal communication.

32. Stanning, "Contribution of the Smallholder Sector"; A. Thomson, "Agricultural Price Policy in Zimbabwe," in Harvey, ed., *Agricultural Pricing Policy*; Bryant, "Issues Paper," p. 5; R. H. Green, personal communication.

33. These 1982 sales were worth $24 million. We assume a border price of $80 per ton. Thomson, "Agricultural Price Policy in Zimbabwe," p. 211; R. H. Green, personal communication. See note 22.

34. Stanning, "Contribution of the Smallholder Sector," p. 8. Evidence on output, etc., from Rohrback, "A Preliminary Assessment," pp. 148, 155, 159, 162, 169, 179, 186–191; and G. Makombe, R. Bernstein and D. Rohrback, "The Economics of Groundnut Production by Communal Farmers in Zimbabwe," in Rukuni and Eicher, *Food Security*, pp. 192, 204, 213.

35. Shepherd, "South Africa's Emerging Food Policy," p. 10.

36. Hanlon, *SADCC: Progress, Projects and Prospects*, p. 77.

37. Shepherd, "South Africa's Emerging Food Policy," pp. 10, 19.

38. P. Murphy, "The Zimbabwe National Grain Reserve and Grain Trade Policy Issues with Special Reference to Barter Trading" (Harare: Ministry of Lands, Agriculture and Rural Resettlement, 1985), p. 9; G. Homewood and M. Blackie, "Grain Marketing in Southern Africa: Illustrations from the Zimbabwe Grain Marketing Board" (Harare: University of Harare Department of Land Management, 1985), p. 25.

39. I am grateful to Drs. C. Harvey and R. H. Green for some ideas used in this paragraph.

40. See M. Bond, "Agricultural Responses to Price in Sub-Saharan Africa," *IMF Staff Papers*, 30 (1983); K. Cleaver, *Impact of Prics and Exchange-Rate Policies on Agriculture in Sub-Saharan Africa*, (Staff

Working Paper No. 728, Washington, D.C.: World Bank, 1985); M. Lipton, "Agricultural Price Policy: Which Way at the World Bank?", *Development Policy Review* (June 1987).

41. An extractive Board reduces farm income not only via lower receipts per unit of crop sold, but also by discouraging some production.

42. Kydd, "Zambia," p. 127.

43. In Zimbabwe in the period 1982–1985, "over half the agricultural budget" went "to keep consumer prices low and/or product prices high." Thomson, "Agricultural Price Policies in Zimbabwe," pp. 218–220.

44. Kydd, "Zambia," p. 156.

45. It is amazing how little is known about private grain trading in much of Africa, even by its most ardent advocates.

46. Thomson, "Agricultural Price Policy in Zimbabwe."

47. Lipton, "Agricultural Price Policy."

48. Homewood and Blackie, "Grain Marketing in Southern Africa," pp. 1–2, 6, 32; Rukuni and Eicher in this book. Terrain, dispersed populations, and climate create very high *real* costs of transport use, maintenance, and investment; in contrast, there is much exaggeration of phenomena (genuine enough) of marketing costs inflated because of public or private monopoly, inefficiency, or theft.

49. Murphy, "The Zimbabwe National Grain Reserve," p. 6; Koester, *Regional Cooperation*, p. 25.

50. Thomson, "Agricultural Price Policy in Zimbabwe," p. 208; Kydd, "Zambia," pp. 116, 149–150.

51. It is a recurrent misperception (well discussed in Eicher and Mangwiro, "A Critical Assessment," pp. 55–56) that substantial postharvest losses of cereals, especially in storage, exist on smallholdings and can be efficiently reduced by centralized grain stores. The error still influences policy in Zambia (see C. Muntanga, "National Grain Reserve and Trade Policy Issues in Zambia," [Harare policy seminar, 1985, Mimeo,]) and to some extent in Zimbabwe (see Homewood and Blackie, "Grain Marketing in southern Africa,"p. 26). In reality, (a) centralized stores have huge annual costs—in the (efficient) case of maize in Zimbabwe, $32 per ton, or 25 to 30 percent of the maize price, per year; and (b) evidence from many countries shows that smallholders are highly efficient storers and processors of cereals (see M. Greeley, "Farm-Level Post-Harvest Food Losses: The Myth of the Soft Third Option," *Bulletin of the Institute of Development Studies* 13:3 [June 1982]). An important criterion for any policy on FI (or intratrade) in SADCC is that it should not compel the countries—or donors—to tie up, in excessive centralized food reserves, capital that could be raising output and incomes. given covariant intraregional drought risks, plus governments' need to secure the supply of food, some central access to stored grain is necessary; but the more the storage function can be decentralized to farmers the better.

52. The idea—obscene at prevailing levels of world income (and food output) per head, let alone its potential in African and Asia—is that donors should divide the world into those who can survive without aid, those who need it, and those who will die anyway.

53. H. Rukuni and M. Blackie, "Irrigation and Food Security in Southern Africa" (Harare: University of Zimbabwe, Department of Land Management, 1985), p. 5; M. Lipton, "The Place of Agricultural Research in the Development of Sub-Saharan Africa," *Discussion Paper No. 202*, (Brighton: Institute of Development Studies, 1985), p. 31.

54. Food and Agriculture Organization, "Irrigation in Africa South of the Sahara" (Rome: Investment Centre Technical Paper No. 5, 1986).

55. P. Richards, *Indigenous Agricultural Revolution*, (London: Hutchinson, 1985); Rukuni and Blackie, "Irrigation and Food Security in Southern Africa", pp. 5–9; M. Upton, *Botswana: Employment and Labour Use* (Gaborone: Ministry of Finance and Development Planning, 1979); D. Kratz and A. Stoutjesdijk, "Self-Help Irrigation Scheems in Malawi", in M. Blackie, ed., *African Regional Symposium on Smallholder Irrigation*, (Wallingford: Hydraulics Research Institute, 1984).

56. P. Oram et al., *Investment and Input Requirements for Accelerating Food Production in Low-Income Countries by 1990*, (Washington, D.C.: International Food Policy Research Institute, Research Report No. 10, 1979); Rukuni and Blackie, "Irrigation and Food Security," p. 22.

57. Ibid., pp. 30–31, 40; on offtake limits, R. Green, personal communication.

58. Ibid., p. 43.

59. Wade, "The Social Response to Irrigation," *Journal of Development Studies* 16, 1, (1979).

60. Homewood and Blackie, "Grain Marketing in Southern Africa," pp. 4–5.

61. Not that these are so bad. See F. Hotes, "World Bank Experience with Irrigation Projects," in I. Carruthers, ed., *Aid for the Development of Irrigation* (Paris: OECD, 1983).

62. Stanning, "Contribution of the Smallholder Sector," p. 2 and Appendix Table 4.

63. L. de Swart, "Fertilizer and Food Security in Zimbabwe," (Harare, 1985), pp. 18, 41–44. Better watered areas are already quite highly fertilized: see Rohrback, "A Preliminary Assessment."

64. Ibid., pp. 171–173.

65. Kydd, "Zambia," pp. 118, 133.

66. De Swart, "Fertilizer and Food Security in Zimbabwe," pp. 8–10.

67. Kydd, "Zambia," p. 142; Rukuni and Eicher, *Food Security*, p. 15; Rohrback, "A Preliminary Assessment," pp. 169–171.

68. N. Rao, ed., *Sorghum in the Eighties*, (ICRISAT, Patancheru, 1982); A. Rajpurohit, "Recent Trends in Agricultural Growth Rates in Karnataka," *Indian Journal of Agricultural Economics* 38, 4 (1983); L. R. House, "Sorghum and Food Security in Southern Africa," in Rukuni and Eicher, *Food Security*.

69. This is not to endorse a strategy of transferring Indian genetic materials directly. They will need crossing with selected local varieties and economic field testing.

70. On Malawi, see Gilbert, et al., *A Review of the Agricultural Research System of Malawi* (The Hague: ISNAR, 1982); generally, see Lipton, "The Place of Agricultural Research in the Development of Sub-Saharan Africa." See also note 10 above.

71. Ibid., pp. 3–6.

72. M. Lipton and E. de Kadt, *Agriculture-Health Linkages*, (Geneva: World Health Organisation, in press).

73. C. Heald and M. Lipton, *African Food Strategies and the European Community's Role: An Interim Review* (Brussels: Centre for European Policy Studies, 1984).

74. Makombe, Bersten, and Rohrbach, "Economics of Groundnut Production," p. 198. The shift may also displace labor in low potential areas (ibid., p. 197).

75. Ibid., p. 185; House, "Sorghum and Food Security," p. 332; M. Gomez, M. Mutambenengwe, and H. Moyo, "Research on Sorghum and Wheat Flour Composites," in Rukuni and Eicher, *Food Security*, p. 344.

76. Stanning, "contribution of the Smallholder Sector," p. 9.

77. Gomez, Mutambenengwe, and Moyo, "Research on Sorthum and Wheat Flour Composites," pp. 346–347.

78. A major recent contribution is R. Noronha, *A Review of the Literature on Land Tenure Systems in Sub-Saharan Africa*, (Washington, D.C.: World Bank Agriculture and Rural Development Department, Report No. ARU 43).

79. M. Lipton, "Prisoner's Dilemma Vs. Coase's Theorem: A Case for Democracy in Less Developed Countries," in R. C. O. Matthews, ed., *Economics and Democracy* (London: MacMillan, 1985). The decline of trust is possibly less serious for microirrigation in Tanzania (R. Green, personal communication).

80. SADCC, *Regional Food Security Program: Strategies to 1990* (Harare: SADCC Food Security Unit, 1985), pp. 19, 22.

81. FAO, *Expert Consultation on Production Statistics.*

82. E. Tollens, "The Cost of Statistics in Support of African Food Stretegies" (Brussels: Statistical Office of the European Communities, 1986, Mimeo).

CHAPTER 4

Challenges to Development in Southern Africa

BERNARD T. G. CHIDZERO

It is necessary to examine the political economy of food in Southern Africa because of the importance of agriculture in total output, the large numbers employed in the sector, the role of agriculture in contributing to export earnings, and the growing importance of food as a political weapon. Building self-sufficiency in food is important not only as a defense against the political uses of food, but as a necessity in sustaining a viable economic base. The issue of food is of increasing concern to the international community as a whole because of the need to adequately feed the world's population, to eliminate starvation in so many parts of the world, and to prevent sociopolitical upheavals and disruptions that endanger world peace and security.

Before beginning an analysis of the general economic situation in Southern African and the prospects for development, it is necessary to highlight the importance of food and agriculture in the region, especially within the context of the Southern African Development Coordination Conference (SADCC).

The nine independent Southern African states that make up SADCC—Angola, Botswana, Lesotho, Malawi, Mozambique, Swaziland, Tanzania, Zambia, and Zimbabwe—together cover an area of 4,884,000 square kilometers and have a population of more than 65 million. Close to 80 percent of the total labor force is engaged in agriculture, and this sector contributes 34 percent of total GDP and 26 percent of export earnings for the region. There are, of course, important variations within SADCC, but these figures indicate the significance of agriculture for the region as a whole and, therefore, the critical importance of agriculture in development and security.

Despite the region's rich endowment in land and surface water, there has been a disturbing trend of declining production of food per capita. Food production is estimated to have grown at an average of 2 percent per year over the past decade, while the population has increased at a rate of over 3 percent a year. These two trends have forced the states of the region to supplement production with imported grain, which diverts scarce foreign exchange from general development.

Against this background, SADCC as a region has accorded high priority to the development of the food and agriculture sector. Major constraints to achieving this goal include the persistent droughts, inadequate research, shortages of skilled manpower, the prevalence of animal and crop diseases, inadequate linkages with the local manufacturing sector, and shortage of inputs arising , in part, from the dependence on imported inputs and the accompanying foreign exchange shortage. In recognition of these constraints, the focus of development efforts since 1980 has been on increasing food security, agricultural research and training, livestock production and animal disease control, soil and water conservation, and forestry, fishery, and wildlife projects.

ECONOMIC STRUCTURE AND DEVELOPMENT

It is evident that for policies on food and agriculture to work, these sectors must be linked appropriately to developments elsewhere in the region's economies. The combined GDP of the nine countries totals approximately US$27 billion, while per capita incomes vary from $250 to $900. The degree of industrialization and the linkages between manufacturing and agriculture vary among the regional states. A significant degree of industrialization has already taken place in Zimbabwe, with manufacturing contributing an average of 25 percent to GDP, while agriculture makes up only 14 percent. A considerable range of products is produced by the manufacturing sector for use by other sectors in this state. Broadly speaking, however, minerals, agricultural products, and energy are the basis of the region's wealth and exports. Some of the region's major exports include oil, coal, electricity, gold, diamonds, asbestos, copper, chrome, cobalt, tobacco, meat, tea, and coffee.

During the period from 1980 to 1984, the only SADCC state to experience steady real growth was Botswana, with an average annual rise of 13.2 percent, largely due to increases in diamond production and improved access to the European Economic community's market for its beef. Zimbabwe had an average growth of approximately 4 percent, Malawi 1.2 percent, and Tanzania 0.5 percent. Overall, real GDP for member states fell in 1982 and 1983. This situation, in view of the population growth rate, implies declining per capita incomes and therefore calls for decisive national and regional action. But efforts to improve the economic picture easily can be stymied by a hostile international environment or the absence of international support. In this context, it is important to emphasize that the economies of the SADCC region have been, and continue to be, adversely affected by South African military aggression and economic destabilization, the devastating effects of three to five years of drought since 1981, and by an economic environment characterized by falling commodity prices, rising protectionist barriers, and heavy debt service burdens.

As a consequence of the severe drought, agriculture's share of GDP dropped from 1980 to 1984 in all member states except Malawi, Tanzania, and Swaziland. While agricultural production per capita from 1980 to 1983 increased in only 3 of the SADCC states, it declined in the other six, including Zimbabwe, normally a surplus food producer. As a result, the region experienced net increases in the importation of food products, although the situation recently has improved, particularly in Malawi and Zimbabwe, thanks to better rains in 1984 and 1985.

Looking at other sectors, recent trends in industrial growth within SADCC indicate a somewhat static situation, albeit with quite high growth rates in some of the countries. The trends have been a direct result of the balance-of-payments crisis, which led to the cutback on imports, especially machinery, equipment, and general fixed investments. The average import content for goods manufactured in the region is estimated to exceed 60 percent. Economic destabilization and military aggression by South Africa have not only necessitated reallocation of resources away from industry, but some of the existing industrial capacities and their supportive structures have been physically destroyed. The region has also suffered from reduced aggregate demand because of drought, competition from South African goods, generally inadequate investment, skilled manpower shortages, and lack of systematic planning for industrial development within the region.

In the mineral sector, over 92 percent of production was exported from 1983 to 1984, mostly in unprocessed form; and only one country has a sizeable manufacturing sector that uses local mineral products. There are possibilities for increasing intraregional trade in order to reduce external dependence. Major constraint in this area include the shortage of foreign exchange and the existing economic structures. The most important factor that has influenced mineral production in the region in recent years has been the protracted decline in prices caused by the downward shift in consumption of most minerals in the industrialized countries, reflecting the widespread grip of recession and the growing substitution of synthetic materials for minerals.

As a result of stagnating growth in GDP, formal employment expansion in the region has not been sufficient to absorb a labor force that has grown an average of 3.4 percent per annum. A number of countries, notably Lesotho and Mozambique, and to a lesser extent, Malawi, Botswana, and Swaziland, are still dependent on South Africa for wage employment opportunities. The SADCC member with the largest number of workers in South Africa is Lesotho with over 140,000 followed by Mozambique with approximately 60,000. This is clearly a matter of great concern, and can only be tackled realistically over time through development and growth in the SADCC countries. In the short term, some of the SADCC countries must continue to rely to a considerable extent on remittances by migrant workers for budgetary support, while South Africa reaps the benefits of a cheap supply of labor.

On the external accounts, the balance-of-payments and foreign exchange positions of most of the economies of the region have been under strain because of the falling prices and shrinking markets for some of their major export commodities, together with increasing prices of imports. This position, coupled with an increasing external debt service ratio and rising transport and insurance costs, acted as one of the major constraints on growth performance. Recent estimates place current SADCC regional debt at some $16.5 billion, which is over 60 percent of GDP and approximately 250 percent of the region's exports—a very high level of debt, considering the stage of development and per capita incomes in the region.

An estimated 7 percent of SADCC's total exports go to South Africa, while 30 percent of total imports originate in South Africa. Most of the remaining trade is conducted with partners outside of Africa. With the exception of Swaziland's exports to South Africa and Malawi's imports from South Africa, the amount of trade between SADCC and Pretoria has declined in recent years. The level of trade within SADCC, in contrast, has increased. Zimbabwe's exports to other SADCC members, for example, increased from 10.8 percent in 1981 to 11.5 percent in 1984, while exports to South Africa declined from 21.6 percent to 18.1 percent over the same time period. The country's share of imports from SADCC has increased from 7.8 percent in 1981 to 8.1 percent in 1983. These trends are a result of the changing political-economic environment in the region and deliberate efforts to increase intra-SADCC cooperation and reduce dependence on South Africa.

DEPENDENCE ON SOUTH AFRICA

The major aim of SADCC is to enhance regional development and lessen the member countries' dependence on, first and foremost, South Africa. The major areas where this dependence endangers the development of the region are transport and trade, while some countries are also affected by the fact that South Africa employs a not unimportant part of their labor force.

With regard to transport, the situation is most critical for the landlocked countries. Despite the fact that the nearest harbor for all SADCC countries—except Lesotho—is situated in another SADCC country, the dependence on South African ports was so serious that the transportation sector was given the highest priority in 1980, and the Southern African Transport and Communications Commission (SATCC) was set up to coordinate activities in this area. Although important achievements were reached during the first part of the 1980s, South African-backed attacks, combined with a South African-dominated forwarding sector and other factors, forced the SADCC countries to rely even more heavily on South African routes.

The success of the strategy to reduce dependence on South Africa will greatly depend on SADCC's ability to increase intraregional trade, the availability of new export markets and new sources of imports, and the availability of foreign exchange to increase intraregional trade. The cooperation of the international community will be required to supplement regional collective self-reliance efforts. The figures on trade cited above indicate that, although some positive restructuring has already occurred, the pattern has not changed significantly since SADCC was established. An important part of imports from South Africa consist of capital and intermediate goods, and South Africa has already demonstrated that import cuts and delays set off a chain reaction in the countries of destination. This situation is further complicated by the significant proportion of investment in SADCC member countries owned by South African countries.

In view of the extent of SADCC countries' economic dependence on South Africa and the costs of destabilization, some might take the view that SADCC will never work. Despite this pessimistic attitude, it must be remembered that SADCC constitutes a real alternative to South African domination. The violence and instability inside South Africa and the growing moral pressure on the regime may force capital to leave that country. It is more than likely that the potential and stability of the SADCC market will attract these investments, as well as new ones, because SADCC in the long run, has a potential—not only as a market, but also in regard to mineral and energy resources—which is equal to that of South Africa.

REGIONAL COOPERATION: PRIORITY AREAS AND PROSPECTS

The Lusaka Declaration of 1980 established SADCC and stipulated four main objectives:

- The reduction of economic dependence, particularly, but not only, on the Republic of South Africa
- The forging of links to create a genuine and equitable regional integration
- The mobilization of resources to promote the implementation of national, interstate, and regional policies
- Concerted action to secure international cooperation within the framework of our strategy for economic liberation

SADCC has identified a number of sectors in which cooperative projects and programs can be initiated. These include transportation, food and agriculture, energy, industry and trade, manpower development, mining, and tourism.

In the area of transportation, the infrastructure is already largely in place. South Africa's policy of destabilization, however, has disrupted SADCC's transport network. In 1981, 50 percent of the regional overseas trade passed through South Africa. By 1985 this figure reached an alarming 85 percent. The SADCC countries paid a total of $1 billion more in transportation costs in 1984 because of South Africa's destabilization activities.

It has been envisaged that only 8 percent of SADCC overseas trade would pass through South Africa by 1990. But the present level of South African military and economic sabotage suggests that for this target to be achieved, effective regional action with concerted international support will have to taken to ensure security, rehabilitation, construction, and operational efficiency. The first priority has been the rehabilitation and upgrading of existing transportation links. Projects costing $193 million have already been completed. This is, however, a far cry from the planned $3,172 million that the already selected projects in this sector are expected to cost. In all of this, clear priority must be accorded to certain key routes, including the Beira Corridor, the Nacala line, and the Chicualacuala-Maputo line.

A new sector of industry and trade has been created under the coordination of the government of Tanzania. The total cost of the projects selected is estimated to be $1,648 million, which is only about half of the costs of the planned projects in the transport sector. It is expected that a new intra-SADCC trade promotion program will create a more favorable climate for implementation of projects in this sector.

The prospects for overall development in Southern Africa will depend on many factors, ranging from the countries' own ability to deploy their own resources and sustain self-reliant collective efforts, to international support, and developments in South Africa. The determination by SADCC member countries is solid, but it is obvious that South Africa will do whatever is in its power to weaken if not destroy SADCC. Yet one also suspects that from an economic point of view South African capital might perceive benefits from the development of the SADCC market. Although this market does not at present account for more than approximately 7 percent of South Africa's exports, the future potential is no doubt considerable. It should be remembered that South African capital's involvement in some of the member states is extensive and that it would be in its interest to protect these investments.

Donor response to SADCC has been very positive and most encouraging to date and projects of crucial importance have been funded. Donor assistance, however, has been on a project basis with strong weight toward transport and communications. These projects are limited in time and space and often satisfy the commercial and national interests of the donors.

It is now important that aid extends beyond project assistance into multiannual programs and arrangements that correspond as much as possible to the perspective of SADCC's strategic five-year plan. SADCC also needs export credit facilities, export financing schemes, help to restore import capacity, and debt rescheduling. Earlier SADCC programs have emphasized the development of physical infrastructure, and the donors' response has been positive. Let us hope that the next phase of development and the new needs will be met with the same enthusiasm from bilateral as well as multilateral donors.

Prospects exist within SADCC for the development of the main productive sectors, namely agriculture and industry. The region has an enormous potential for expansion in agriculture, as only 5 percent of total arable land is at present under cultivation. Development in the medium term, however, is hampered by the constraints of capital shortage, inadequate transportation, and shortages of economic inputs and requisite manpower. The magnitude of the problem has been highlighted by some international organizations. According to FAO projections, for example, even a gradual improvement in farming practices and use of modern inputs cannot prevent the food self-sufficiency ratio from falling from 95 percent in the 1979–1981 period to 88 percent in the year 2000. If nothing is done, however, the percentage could be as low as 64 percent by the year 2000.

This pessimistic prediction may be preventable. Through concerted efforts the region could become completely self-sufficient. However, because of the importance of building food self-sufficiency, and given the fact that agriculture is a major contributor to export earnings, an important part of SADCC's food and agriculture strategy must consist of balancing production for food versus production for export.

The manufacturing sector should be developed to support agricultural development by producing the necessary inputs and consumer goods. One of the main problems facing the region at the moment is the underutilization of existing capacity, reflecting the supply constraint imposed by contractions in import allocations. The lack of complementarity within the different countries' patterns of internally manufactured goods, however, implies that new capacity also has to be created. It is important to strike a balance and, perhaps, focus first on better use of existing capacity before embarking on the import-intensive extension of capacity.

A successful industrial strategy for the region will depend on a coherent technology policy, aimed at pooling the region's resources and mobilizing them for maximum exploitation of available technology. It is also necessary to set priority investment areas on a regional basis. These priorities could focus on industries primarily using indigenous resources and those enhancing export earning capacity, as well as those that meet basic needs requirements. Investment should then be deliberately and selectively attracted.

This chapter attempts to give a multi- and cross-sectoral picture of the development potential in the SADCC countries as a region and with regard to the role played by South Africa. The countries are richly endowed with natural resources. The political will and requisite development policies exist or are being fashioned. Links between the agricultural, manufacturing, mineral, transportation, and other sectors must be coordinated. Development is indivisible. Collective self-reliance in the region is a sine qua non, yet concerted and sustained international action will be required by both multilateral and bilateral development organizations and agencies. There is also room for public and private investment from both foreign and domestic sources. Above all, SADCC can serve in Southern Africa as the fulcrum of interracial amity and dynamic social change through growth and prosperity.

PART 2

Food, Farmers, and Trade

CHAPTER 5

The Food Security Equation in Southern Africa

MANDIVAMBA RUKUNI and CARL K. EICHER

In 1976, two economists—Reutlinger and Selowsky—published an influential monograph on *Malnutrition and Poverty.*[1] The authors challenged the assumption that higher rates of economic growth, food production, and market forces would bring about an improvement in nutrition in the Third World within an acceptable time frame.[2] They also contended that researchers probing the causes of malnutrition have to address the distribution of food among different groups in the population. In 1977, an Oxford economist, Amartya Sen, published an influential paper on entitlements and famine that reinforced the view that poverty, or what Sen called the lack of food entitlements (land, credit, income, family support systems), is a major cause of famine and hunger.[3] Sen challenged the prevailing view that famine was caused primarily by a food production shortfall. Sen later expanded his entitlement thesis in his celebrated book *Poverty and Famines.*[4]

Food policy and food security came of age in the early 1980s.[5] In an influential collection of essays edited by Alberto Valdes, *Food Security for Developing Countries,*[6] food security was defined as "the ability of food deficit countries, or regions within countries, to meet target consumption levels on a year-to-year basis," a definition that incorporates the effects of both supply and demand.[7]

In 1986, the World Bank issued a food security policy paper, *Poverty and Hunger,* in which food security was defined as "access by all people at all times to enough food for an active and healthy life." Two essential elements are "the availability of food and the ability to acquire it."[8] We believe the bank's definition will gain wide international acceptance because it is simple but comprehensive and it reminds one that there are two interacting parts of the food security policy and research agendas in the SADCC region: (1) food availability through domestic production, storage and/or trade and, (2) access to food through home production, the market, or food transfers.

All in all, it has taken about a decade for the results of research on the link between poverty and hunger, famine and malnutrition to gain acceptance in policy circles. This time lag is about the same—a decade—as technical scientists require to develop improved plant varieties.

To date, SADCC and donor agencies have given priority to the supply or food availability side of the equation. For example, food production research (e.g., ICRISAT/SADCC research on sorghum and millet), food production campaigns, early warning systems, and expanded grain storage capacity have been emphasized in the first six years of SADCC's history from 1980 to 1986.

On the food access side of the equation, Botswana has taken the lead in the SADCC region, and probably in all of Africa, in implementing four innovative programs to cope with drought and household and national food insecurity. Botswana made a strategic decision, following the 1979 drought, to develop a permanent institutional capacity to cope with drought and to ensure that all members of society have access to a calorie-adequate diet. When the present drought (1982–1986) started in 1982, Botswana expanded its "Pula-for-Work" program, supplementary feeding for underweight children, school feeding programs, and developed irrigation projects to reduce the dependence on rainfall.[9] In 1986, about 600,000 (60 percent) of Botswana's total population received some type of assistance from these food security programs at some time during the year.

With the exception of Botswana, the food access or demand side of the food security equation is an uncharted area in terms of research and policy experimentation in the SADCC region. There is a need for food surplus member states to expand their policy analysis capability to determine how to achieve adequate food consumption for groups of the population who are inadequately nourished. In food deficit countries, a key research topic is how to develop efficient food production systems, including cost-effective ways to increase the index of food self-sufficiency of key staple foods, while reducing the need to import food under present emergency conditions in the region.

In summary, each SADCC state should address the key policy question: What is the most cost effective mix of domestic food production and storage, trade and/or food aid to meet national food security needs in both the short and long run? Blanket endorsement of concepts such as food first, food self-reliance, and food self-sufficiency do not answer this crucial question. However, food self-sufficiency can be a useful operational concept if it is supported with underlying economic analysis. For example, if Botswana wants to increase its self-sufficiency index of sorghum from 30 to 80 percent through subsidized credit, mechanization, and irrigation projects, researchers should find out what these programs will cost in real terms. How much additional employment will be generated? What is the political value of reducing the ratio of food dependence? These are hard political economy questions that can only be answered by in-depth research.

THE CHANGING FOOD AND AGRICULTURE SITUATION IN THE WORLD ECONOMY, AFRICA, AND SOUTHERN AFRICA

The thesis of our chapter is that current research on food security in Southern Africa is heavily biased in favor of increasing food availability. This production/storage bias is understandable in light of the 1982–1985 drought in the region, and the continuing drought in Botswana in 1985 and 1986. However, because of the rapidly changing global and regional food outlook, it is important to reexamine the food security research agenda.

Global Overview of the Food Situation

The world food pendulum has swung widely every decade or so. India's disastrous harvests of 1965/66 triggered the 1966 world food crisis that was followed by the Sahelian drought and world food crisis of the early 1970s. But the doomsday predictions of the mid-1970s have been followed by a much more optimistic assessment of the world food outlook in the 1980s, punctuated by the great African famine of 1985 where a conservative estimate of 300,000 people died in Ethiopia alone. The global food outlook is as follows:

- If food in the world were becoming more scarce, its real price would be trending upward. But the real price of wheat in the world markets has been falling for well over a century. By the beginning of the 1980s, the real price of wheat in world markets was roughly half of what it was 120 years earlier in 1860. Moreover, the price has declined significantly since 1980.[10]
- The real price of maize in world markets started to decline after World War II with the spread of hybrid maize. Global

maize stocks in 1986/87 are 160 million metric tons (a twenty-five-year high) compared with 40 million metric tons in the period 1983/84.[11]

- The export quotation for No. 2 yellow maize at U.S. gulf ports was US$70/ton in late 1986 as compared with $100 in 1985 and $160 in 1980.[12] Maize is at an all-time low in real terms.
- The production of rice is running ahead of demand in several large countries in Asia—e.g., India and Indonesia, requiring large adjustment programs to shift to alternative crops.
- The production of sorghum is running ahead of domestic demand in China, India, and Zimbabwe.

In summary, the code word of food scarcity has been replaced by the appealing phrase that the world is "awash with grain" because of the near-record production and world stocks of all major grains. As a result, there is a need for expanded policy adjustment research. However, only 2 percent of the operational research budgets of the thirteen International Agricultural Research Centers (the CGIAR System) is for policy research. Despite global food abundance, there are an estimated 300 to 900 million people suffering from malnutrition in the Third World.[13] The FAO estimated that 100 million, or roughly one-fourth, of the total population of sub-Saharan Africa were not receiving a calorie-adequate diet in 1985.

The central question that flows from this paradox of global abundance and malnutrition is whether malnutrition is primarily a food production or a poverty problem? There is now overwhelming evidence that among the forces that cause malnutrition, one stands out above all others—a lack of purchasing power or poverty,[14] or what Sen calls a lack of food entitlements.[15] The central message that flows from these studies is that, since poverty is the main cause of malnutrition, food security can be increased by raising the real incomes of poor households so that they can afford to buy enough food or by helping farmers acquire the resources (e.g., land, credit, etc.) to produce enough food for their families.

The Changing Food Situation in Africa

In 1960, when seventeen African states won their independence, sub-Saharan Africa was a modest net exporter of food mostly because West Africa was a large exporter of groundnuts and palm oil.[16] But Africa became a net food importer in the late 1960s because of the Sahelian drought, rapid population growth, and declining crop yields. In 1985, sub-Saharan Africa imported 12 million tons of grain, and three commodities accounted for 87 percent of grain imports: wheat, 50 percent; rice, 22 percent; and maize, 15 percent.[17]

Africa's food crisis in the fifteen-year period from 1970 to 1984 can be captured in a single statistic: food production grew at half the population growth rate during this period. The most important change in Africa's food import picture over the past two decades is the increasing importance of food aid. In the late 1960s, food aid accounted for 5 percent of the total grain imports, increasing to 18 percent in the mid-1970s and 40 percent in the period 1983-1985. From 1980 to 1985, food aid increased fivefold, while commercial food imports were stagnant. In 1985 food aid accounted for 7 of the 12 million tons of Africa's food imports. But in 1985, food production made a dramatic recovery because of near normal rainfall throughout most of the subcontinent. Table 5.1, at the end of the chapter, shows that indices of per capita food production increased in 1985. In 1986 the food situation continued to improve except in a few countries such as Botswana.

The Changing Food Situation in Southern Africa

Today, there are 70 million people in the nine SADCC states, an increase of 12 million since SADCC was established in 1980. The population is growing at about 2 million per year, and by the year 2000, there will likely be 100 million people in the region. Even though the rate of population growth is projected to level off at 2.9 percent by the year 2000, the population in the SADCC region will likely double from 100 to 200 million sometime between 2020 and 2030.

With 50 to 80 percent of the population in the region deriving their employment from agriculture and rural nonfarm employment, it follows that raising the productivity of the agricultural sector is essential for raising the average standard of living in the region.

Presently, there is no definitive assessment of food and agriculture in the SADCC region. The FAO report *SADCC Agriculture: Toward 2000*[18] is a hurried piece of work that has been overtaken by events.[19] SADCC's *Macro-Economic Survey,* draws heavily on the FAO report for information on food and agriculture through 1984.[20]

The short-term food situation is optimistic in the maize belt in the SADCC region—Zimbabwe, Malawi, Tanzania, and Zambia. Maize accounts for half the calories consumed in Zimbabwe and Zambia, and 70 percent in Malawi. The maize belt has a backlog of farmer-tested varieties capable of producing a surplus for intraregional trade under normal weather conditions.

In early 1987, Zimbabwe had 2.1 million tons of maize in storage, which is equivalent to about three years' normal domestic sales by the Grain Marketing Board (GMB). A major question is why has communal (smallholder) maize production in Zimbabwe tripled from independence in 1980 to 1986? Rohrbach has shown that the growth of white maize in Zimbabwe cannot be attributed to any single factor such as higher prices or favorable weather.[21] The surge in communal (smallholder) maize production in Zimbabwe is the cumulative outcome of agricultural research, an array of institutional improvements, and price increases beginning around 1980. Today, all commercial farmers and approximately 85 percent of the communal (smallholder) farmers planting maize in Zimbabwe use hybrid varieties that have been developed through decades of local research starting in 1932. In 1950 Zimbabwe became the first country after the United States to introduce hybrid maize varieties. Another decade of research led to the release of a high yielding variety—SR-52—to commercial farmers.[22]

Since Zimbabwe (formerly Southern Rhodesia) and Zambia (formerly Northern Rhodesia) were members of the Federation of Rhodesia and Nyasaland when the SR-52 maize variety was released in Zimbabwe in 1960, it was made available to Zambia where it was quickly adopted by commercial farmers. Maize production has recently expanded in Zambia because of new varieties,[23] higher producer prices,[24] and the reorganization of the seed parastatal along the lines of a public/private corporation. In 1986 maize production reached 1.1 million tons, enough for domestic consumption until the next harvest begins in June of 1987. In Tanzania, maize production recovered in 1986 to the point where Tanzania is self-sufficient in maize, but it is still importing rice and wheat, mainly for urban consumption.

In Malawi maize is the staple food. The government has given high political priority to expanding maize production, and maize has been exported for seven of the past ten years. About 90 percent of maize production is based on open pollinated varieties because hybrids acceptable to consumer tastes have not been developed. Malawi's maize expansion appears to be a function of dramatically higher producer prices, increasing the price of maize relative to other crops, large fertilizer subsidies, and a vigorous extension program.[25]

To sum up, the hallmark of the maize expansion in SADCC's maize belt is a balanced package of technology generation, price incentives, and institutional improvements. However, there are still a number of puzzles about maize. For example, why do consumers in Malawi resist hybrid varieties? Why is maize replacing sorghum in low-rainfall areas, southern Zimbabwe, southern Zambia, and parts of Botswana? What are the household food security implications? Do these changes reflect a permanent shift in consumer tastes from sorghum to white maize, or can they be reversed by higher yielding sorghum varieties, price policy, and improvements in village sorghum-processing technology? Empirical research is needed to answer these questions.

Policy makers are now faced with some important adjustments in the maize belt. Zimbabwe and Malawi can no longer rely on the Zambian market for disposal of several hundred thousand tons of maize each year because Zambia achieved self-sufficiency in 1986. Tanzania is now self-sufficient in maize. The challenge for SADCC states with maize surpluses is to diversify to oilseeds, higher valued export crops, import substitution crops for local industries (e.g., natural rubber), and expand livestock feeding. In addition, considerable thought should be given to policies to convert some of the maize in silos to feeding people—especially the poor, the malnourished, and the underemployed. The food access side of the maize equation in Southern Africa has generally been ignored by policy makers and researchers, except in Botswana. Now is the time to pose the question: How can the maize surpluses be used to combat malnutrition and household food insecurity in the region?

SADCC's food-centered regional agricultural research program should be reexamined in light of the need for crop diversification in the maize belt. For example, should SADCC develop a regional fruit and vegetable research program? Should SADCC invest in research on jojoba, nitrogen-fixing trees, and horticulture? Although some 3,000 different fruit species are found in Africa, Asia, Latin America, the Caribbean, and the Pacific Islands, "only four—bananas, pineapple, papaya and mango—have ben developed into major crops."[26] To restate, SADCC should pose the question: What are the strategic long-run investments in basic science, postgraduate training, applied research, and infrastructure to speed agricultural diversification and rural industrialization in the maize belt over the next ten to fifteen years? But in the short run, the maize surplus in SADCC states poses several tough questions for SADCC and for donor agencies.

1. What can be done by donor agencies to assist the food-deficit SADCC states with foreign exchange constraints in acquiring maize from Malawi, Zimbabwe, and Tanzania?

2. Can the backlog of maize varieties be transferred to some of the food-deficit countries?

3. How long will it take the ICRISAT/SADCC sorghum and millet research program to generate white sorghum production technology for low-rainfall areas in the region where maize is a risky crop? In short, can research help white sorghum achieve the same genetic potential of maize in the SADCC region?

4. Should SADCC's food-dominated regional research portfolio (e.g., millet, sorghum, and grain legumes) be expanded to include

research on import substitution crops such as natural rubber and export crops such as jojoba, spices, cut flowers, etc.

5. What can be done to convert some of the maize surpluses to jobs (e.g., food for work, school feeding programs) and other programs to combat hunger and malnutrition?

No discussion of SADCC agriculture would be complete without a discussion of South Africa—especially its historical role as a major maize exporter in Southern Africa. The objective of maize policy in South Africa is to maintain self-sufficiency and generate a surplus for export during normal weather conditions. Whereas maize production in Zimbabwe normally ranges from 2 to 3 million tons, maize production in South Africa reached a peak of 14.6 million tons in 1981, with about 50 percent used in livestock feed. The 1981 production record was the culmination of large price increases and extremely favorable weather.[27] In 1981 and 1982, maize and maize product exports made up nearly 30 percent of the total value of agricultural exports. In the 1982–1985 period, because of the drought, South Africa imported maize, and in late 1983, it became a net food importer for the first time since World War II. Maize production returned to normal in 1986 (9 million tons). South Africa will consume about 3 million tons and have 6 million available for export in 1987.

In summary, SADCC agriculture is composed of a maize belt of four countries with a backlog of maize technology and five food-deficit countries. This emergence of food surplus and food-deficit countries has important implications for SADCC's food and agriculture policy and food security researchers.

SIX CHALLENGES FOR FOOD SECURITY RESEARCHERS IN SOUTHERN AFRICA

We now turn to a discussion of challenges for food security researchers in Southern Africa. Before proceeding, it is important to clear up several issues:

- The definition of food security
- The need for a balanced research program to address both sides of the food security equation
- The need for multidisciplinary research
- An appropriate time frame

We propose adopting the World Bank's definition of food security, "ensuring that all members of society have access to enough food throughout the year to lead an active and healthy life."[28] The two key components of food security are *food availability* (through domestic production, storage and/or trade) and *food access* (through home production, purchase in the market or food transfers).

It is important that food security is not defined as being synonymous with food self-sufficiency or agricultural development. Food self-sufficiency is a narrower concept than food security. Food self-sufficiency can be narrowly defined as the ability of a nation to supply 100 percent of its staple food needs from domestic production and/or storage under all weather probabilities. Increasing the food self-sufficiency index of a particular crop may be a valid national policy objective. The challenge for food security researchers is to compute the real cost and the reduction of risk associated with increasing the self-sufficiency index of a particular commodity, such as wheat in Lesotho or Zambia. Few SADCC countries currently have the data, analytical skills, and time to carry out such exercises. The University of Zimbabwe/CIMMYT study of the wheat industry is an example of the type of research that is needed to add more "substance" to debates of food self-sufficiency.[2]

Food security should not be confused with agricultural development—a process of increasing per capita agricultural output. If food security researchers define their research agenda as broadly as agricultural development, they will become bogged down with research on credit, land tenure, processing, etc. In sum, the food security research agenda should be restricted to a limited number of key policy questions, and focus on both sides of the equation—food availability and access to food.

The second important issue is the balance between research on food availability (supply issues) and food access (demand issues). Even though the issue of the proper balance must be sorted out in a country specific context, we estimate that at least three-fourths of continuing food security studies in Southern Africa are focused on food availability issues, i.e., food production and storage issues. We believe there is a need to shift the ratio to at least 50 percent on food availability and 50 percent on food access research in the near future.

The third background issue is the need for a multidisciplinary team to pursue research on both sides of the equation. Although it is easy to achieve a multidisciplinary exchange of views at an international conference, it is difficult to bring researchers together from the appropriate mix of disciplines to carry out food security research. We are well aware that the discipline of economics is incapable of providing the breadth of analysis for the range of problems included in the food security research agenda. For example, the University of Zimbabwe's research team on household food security in low-rainfall areas requires inputs from anthropologists, sorghum and millet breeders, agronomists, microeconomists, agricultural engineers, macroeconomists, food scientists, nutritionists, and others.[30]

The final background issue is the time frame. We believe there is a need for forty to fifty scientists from numerous disciplines to develop a food security research network for Southern Africa and carry out a program of comparative studies within a ten-year time frame. Plant breeders readily admit that it will take around a decade, on average, to develop a new plant variety and test it before it is ready for release to extension agents. Why should a food security team working on malnutrition promise results in two to three years when they know it will take five to ten years to answer some of these difficult questions? For example, researchers studying the nutritional impact of shifting from food to export crops have been plagued with the lack of longitudinal data. Most studies have been carried out by a member of a single discipline over a short time span. We are not aware of any study in the region that has examined this problem from a multidisciplinary perspective over a period of five to ten years.[31] We believe there is a need for multidisciplinary research on household food insecurity problems, in which nutrition is included as one of the major variables addressed over a ten-year period.

We have chosen to organize our remarks on food security research priorities in Southern Africa around six challenges:

1. The food and agriculture production challenge
2. The marketing, rural infrastructure, and storage challenge
3. The challenge of raising rural per capita incomes and generating employment in rural areas
4. Food access and nutrition challenge
5. National food security policy analysis
6. Regional food security policy analysis

1. The Food and Agriculture Production Challenge

Today, some donors are raising questions about the need to continue investments in agricultural research in light of good harvests in 1986 and 1987 in most of Southern Africa. However, research is needed on how to increase food and agriculture production in SADCC countries for the following reasons: (a) SADCC's population will increase by around 30 million (e.g., 70 to 100 million) by the year 2000;[32] (b) five SADCC states are facing food deficits; (c) annual population growth of 3 percent and income growth of 1 to 2 percent translate into an annual increase in the demand for food of 4 to 5 percent per year—rates that few countries have sustained for a decade or more;[33] (d) there is a lack of proven sorghum and millet packages for smallholders in low rainfall areas where household food insecurity is a major problem; and (e) the expansion of agricultural exports is central to foreign exchange and rural employment generation.

Research is needed on three production issues: (1) increasing food and agricultural production with emphasis on food deficit SADCC states, (2) reducing crop production instability, and (3) diversification away from grain, especially in the maize belt. First, let us examine the food and agriculture production challenge. Under conditions of rapid population growth, SADCC states will have to make large investments in agricultural research, human capital, infrastructure, and develop a favorable economic policy environment in order to increase and sustain food production growth rates of 4 to 5 percent per annum. Food security researchers—especially in food-deficit countries—should join forces with farming systems researchers in carrying out research on constraints on increasing food and agricultural production. The second aspect of the food and agricultural production challenge is reducing crop instability.[34] Since cereal production is volatile in the SADCC region, the ICRISAT/SADCC research program on sorghum and millet is timely and much needed. Also, research on irrigation should be expanded with due note taken of the vast number of failures of irrigation in eastern and western Africa. The third type of production research is the development of new production technology to diversify away from grain. This will require stepped-up research on new industrial crops (e.g., natural rubber), export crops (horticultural products, cut flowers), and high-value crops such as spices.

2. Marketing, Rural Infrastructure, and Storage Challenge

The emergence of maize surpluses in Zimbabwe and Malawi, self-sufficiency in Zambia and Tanzania, and the red sorghum surplus in Zimbabwe throw the spotlight on the need for marketing and trade research, topics neglected by agricultural economists relative to research on farming systems and production problems.[35] The need for marketing research is reinforced by data showing that farmers in Nigeria, Malawi, Tanzania, Kenya, and Sudan received 40 to 50 percent of the final consumer price of grain from 1975 to 1980, a substantially lower percentage that the 71 to 87 percent received by farmers in four Asian countries.[36] Lower returns to African farmers were attributed to high marketing board charges and higher rural transport costs.[37] Presently, most studies of marketing, transportation, and storage in the region are being carried out by independent teams. We believe that an integrated research program on marketing infrastructure, transportation, and grain storage is needed in SADCC states.

3. The Challenge of Raising Per Capita Incomes and Generating Employment in Rural Areas

Since much of the hunger and malnutrition in African countries is a poverty problem, the challenge for food security researchers is to help develop policies, programs, and projects to raise rural per capita incomes in farming and rural nonfarm activities. One of the most direct ways of raising rural per capita incomes in food-deficit countries is to increase food and agricultural production. Expanded food production can increase household food security, generate income from the sale of food, or release resources (land and labor) to produce nonfood crops or food crops or off-farm employment. Much of the increase in incomes that farmers will receive will be spent on locally produced goods and services. In food-surplus countries, expanded food production can benefit the poor—especially net food purchasers—by driving down the cost of food so that families may eventually spend 20 to 30 percent of their disposable income of food rather than 40 to 60 percent—a common range in Africa.

SADCC's updated food and agriculture strategy explicitly recognized that a direct attack on rural poverty must be broadly conceptualized in a rural economy framework that includes food, export crops, livestock, and rural small-scale industries (SADCC, 1987).[38] SADCC's present regional research programs on food crops such as sorghum, millet, and grain legumes is being expanded to include research on export crops, industrial crops, etc., in order to generate new production technology capable of producing new income streams and employment for rural people. SADCC's updated food and agricultural strategy was prepared because of the growing awareness among SADCC policy makers that its food-centered strategy would not end hunger and famine, the maize surplus in the maize belt, and a growing understanding that both sides of the food security equation must be addressed.

Closely related to research on raising rural incomes is research on rural employment generation. In the 1950s and 1960s, most development economists assumed that rural-to-urban migration was a desirable and inevitable feature of the development process. Today, few economists argue for government policies to stimulate rural-to-urban migration because of the pervasive degree of urban unemployment and underemployment, and the inability of rural to urban migrants and school leavers to find jobs in the industrial urban sectors.[39] For example, in Botswana, around 20,000 school leavers are coming on the market each year, while 7,600 new jobs are forecast in the industrial-urban sectors over the 1985–1991 development plan. In Zimbabwe's Five-Year Development Plan (1986–1990), high priority is given to rural employment generation because roughly 85,000 school leavers have been added to the labor force for each of the past three years. Only 6,000, or less than 10 percent, are estimated to have jobs in the industrial-urban sector.[40] The challenge is how to find productive employment for the remaining 90 percent in the rural economy until there is an expansion in industrial-urban jobs.[41]

4. The Food Access and Nutrition Research Challenge

The FAO estimates that roughly one-fourth of the people in sub-Saharan Africa, or 100 million, were malnourished in 1985. But data are scarce on the incidence of malnutrition by age, sex, income group, and within households. The topic of malnutrition is a politically sensitive issue, especially in food-surplus countries. Although some of the nutrition surveys are "classified" in the SADCC region, malnutrition is a problem in the region, even in food-surplus countries.

It is commonly assumed that 20 to 40 percent of the children in Africa are malnourished. But the data are scarce and rarely reported on a seasonal basis, by agroecological zone, or by an administrative unit such as region, province, district, etc. An exception is Botswana, where there is a deep political commitment to increasing household food security. Botswana is the only African country to our knowledge that publishes a monthly nutrition surveillance report that covers each region of the country. In November 1986, for example, 17.6 percent of the children in Botswana were underweight for age (less than 80 percent of "normal" weight for age) even though Botswana has a well-administered national school feeding program.

Nutrition research is complex and fraught with conceptual difficulties. For example, Field describes the state of the art of nutrition as the "soft underbelly of applied knowledge."[42] Surveys of seasonal food availability are fraught with conceptual difficulties in disentangling the separate effects of disease and low food intake on weight, height, and nutritional well-being.

Nutrition improvement programs are running far ahead of the conceptual understanding of the determinants of malnutrition. For example, although economists such as Reutlinger and Sen have emphasized poverty reduction as the key to improved nutrition, posing the malnutrition problem either as a food production (i.e., lack of available food) or a poverty problem is a vast oversimplification of the issues involved. For example, in a sample of 4,000 families in Nicaragua, Behrman and Wolfe found that higher income was a strategic factor in improving household nutrition at low levels of income.[43] But as income levels increased, the income impact on nutrient demand faded, and other factors such as women's schooling and nonnutritive characteristics of food such as taste, convenience, status conferral, and time intensity all played a role in influencing the nutrition status of households.

Because of conceptual and operational problems, some donors are pulling back from nutrition improvement projects.[44] Donors have found that nutrition interventions are dependent on other factors, such as improved health and clean water for successful execution. Moreover, the administrative and professional capacity of ministries of health to plan and implement nutrition projects is in short supply in many African countries. In sum, most donors are in a quandary on how to proceed with nutrition interventions.

What is the nutrition research agenda? In order to design effective food security programs to combat malnutrition, one must first know who the malnourished are, what they eat, and why they are hungry.[45] In much of Africa, basic information is sparse on the incidence and causes of chronic malnutrition and on the socioeconomic characteristics of the malnourished. Methodological advances are needed to design cost-effective means of gathering such information; traditional nutrition studies usually fail to elicit information on the relationship between income and consumption. Conventional income expenditure studies, especially when conducted in rural areas, are extremely costly. Yet, without such information, it is impossible to determine the most cost-effective way of increasing caloric intake in a given rural area: Is it through improving home food production, reducing postharvest losses, or expanding nonfarm employment, coupled with improvements in the food marketing system? In urban areas, knowledge of the consumption patterns of the poor is needed to design programs that protect the poor from bearing an undue burden of the painful structural adjustments that many African countries are undergoing.[46]

Because of the coexistence of malnutrition and overflowing grain silos in the maize belt in the SADCC region, researchers should give urgent attention to the institutional puzzles on how to convert grain to calories via food for work, school feeding programs, etc.

5. National Food Security Policy Studies

The economic analysis of national food security policy options is the crucial link between household and regional food security studies. Because of the vast differences in ideology, institutions, and opportunities for development, each SADCC state should develop its own in-house food security policy analysis capability in government ministries, or assist in developing this capacity in local universities. A critical question is: Where is the optimum location of a food security planning/research unit—the Ministry of Agriculture, Ministry of Economic Planning, or in the office of the president?

There is no guideline on this issue except to point out that the Botswana model is appealing because four interministerial committees feed information on drought, malnutrition, and food insecurity into a coordinating unit in the Ministry of Finance and Economic Planning. Currently, there is untapped capacity in planning units in ministries of agriculture in most SADCC states that could be mobilized for food security policy analysis. Most planning units are smothered with project aid, consumed by its attendant reporting requirements, and have modest analytical capacity to carry out policy studies.[47]

Because of intraregional trade linkages, it follows that national and regional research programs should be developed as a unified package and undertaken in a regional framework. Moreover, since African economies are integrated into the world economy through trade and exchange rate linkages, a logical question is what type of economic model is needed to capture these linkages? Computable general equilibrium models (CGE) have been used for this purpose in Egypt, India, and South Korea. De Janvry reports that:

> The trade-offs implied between growth of different sectors, security of food entitlements for different social groups, and short-run versus long-run effects are far from obvious and were partially captured in the results we presented from multisector, multiclass economic models for India and Egypt. In this new context, Third World countries must, consequently, design their agricultural policies and their strategies of security of food entitlements with a clear understanding and an explicit quantification of these trade-offs.[48]

But the number of macroeconomists with modeling skills to carry out general equilibrium studies in sub-Saharan African countries is extremely small relative to the number available in countries such as India and Egypt. Moreover, the data base is inadequate for CGE modeling in sub-Saharan Africa.

Most SADCC states do not have an adequate data base and local policy expertise to carry out comprehensive studies of food security policy options. For this reason, food security researchers in Southern Africa should initially concentrate on partial equilibrium and subsector studies.[49] Priority for subsector studies should be given to one or two staple foods in the national economy.[50] For example, because maize accounts for roughly half of the calories consumed by the average Zimbabwean, the University of Zimbabwe research team is carrying out a comprehensive study of the maize and wheat subsectors, including primary data collection for twelve months. After maize and wheat, the sorghum and oilseeds subsector will be studied because of the importance of these crops in meeting household food security objectives among communal (smallholder) farmers in low-rainfall areas.

What is the record of national food strategies? We are of the opinion that most of the thirty national food strategies that have been prepared in Africa since 1979 on the recommendation of the World Food Council have been shallow exercises.[51] Most have relied on secondary data of dubious quality. Most of the food strategies have been prepared with the assistance of expatriate teams over a short period of time. Most of these donor-financed national food strategy exercises do not include continuing financial and technical assistance to help strengthen local capacity for policy analysis over a five-to-ten-year period. In sum, the World Food Council has failed to provide conceptual and intellectual leadership in showing how to prepare a national food strategy and to convince African states to allocate their own resources to carry out food security policy studies after a national food strategy has been published and put on the shelf.

To our knowledge, there is no local agricultural economist in the SADCC region carrying out research on agricultural trade and exchange rate problems. Since trade and exchange rate policies may be more important than domestic agricultural policies (e.g., agricultural credit) in influencing the performance of the food and agriculture sectors in national economies, a logical question is: What can be done to train a new generation of agricultural economists and economists to devote their career to teaching and research on the macroeconomics of food and agriculture?[52]

Because numerous Asian countries have decades of experience in dealing with food policy issues, including alternative institutions to increase access to food, it is important for researchers in the SADCC region to examine the Asian experience. Two institutional innovations in Asia—the Famine Codes of India and the free rice ration in Sri Lanka—are of special interest.

In 1880 in India, the Famine Commission appointed by the British government issued a report that was a landmark in the history of famines and famine prevention. Soon after the report was issued, the codes were enacted into law. The Famine Codes provided compulsory guidelines to the local administration throughout India for the anticipation, recognition, and relief of famine, including detailed contingency plans to deal with a food crisis within a legal framework.[53] Subsequent Famine Commissions of 1898 and 1901 refined the Famine Codes based on practical experience in providing a dole, cooked food, food for work, etc. The backbone of famine prevention and relief in India today remains the same as 100 years ago—the organization of massive public works in food-deficit areas that offered a subsistence (cash) wage. This method was successful in drawing food into deficit areas. The aim of the strategy was to "provide employment at a subsistence [cash] wage and at a reasonable distance from the homes to all who came forward for it."[54] For those who were unable to work, food was provided in the form of doles or kitchens.

Botswana is the first country in Africa to set in motion what India did 100 years ago—establish a permanent institutional capacity to deal with drought and hunger. We believe that a SADCC conference should be convened to study Botswana's pioneering food security programs that are detailed in Botswana,[55] Holm and Morgan,[56] Hay, Burke, and Dako,[57] Holm and Cohen,[58] and Mokobi.[59]

The second Asian example is Sri Lanka's experiment with a general subsidy (free rice ration for all citizens) and, later, with a targeted subsidy program to the poorest half of the population. Sri Lanka has been intensely studied because the advocates of basic needs have asserted that three social policies—subsidized food, free education, and a free universal health care service—have enabled Sri Lanka to achieve upper-income country standards of health, literacy, and life expectancy while still a poor country. For example, with 16 million people and a per capita GDP of $360, Sri Lanka had a higher life expectancy at birth (seventy) in 1984 than all but two of the seventy-six low- and lower-middle-income countries in the world.[60]

Sri Lanka's general rice subsidy policy was started in 1960 when a free rice ration (two pounds per week) was made available to every member of society.[61] In 1970 a new government supplemented the weekly free rice ration by providing an additional two pounds at a subsidized price. In 1977 a new government replaced the general rice subsidy with a targeted program restricted to the poorest half of the population. (Since incomes were based on self-declaration, some leakage to wealthier households was inevitable). The replacement of the general subsidy with a targeted program starting in 1977 was effective in reaching the poor (almost 70 percent of the bottom half of the population received food). Moreover, targeting reduced the net food subsidies from a level of 14 percent of government expenditures in 1970 to 11 percent in 1979, and to less than 4 percent in 1984.[62] Sri Lanka's twenty-six years of experimentation with general and targeted food subsidy programs should be closely examined by SADCC states.

In summary, research on national food security policy options in SADCC states is in its infancy. Research in progress is heavily weighted toward the food availability side of the equation. The challenge for each SADCC state is to develop a research program to accumulate a body of knowledge on the central food policy security question: How to assure adequate consumption of food for the entire population throughout the year at the least possible cost?

6. Regional Food Security Policy Studies

The starting point for reviewing regional research priorities is to take stock of the studies being carried out by the Southern Africa Development Coordination Conference. When SADCC was established in Lusaka in 1980, the aim of the organization was to accelerate regional cooperation by the nine member states, further social and economic development, and reduce the dependence on South Africa. Seven regional food and agriculture sector programs were established by SADCC in 1980. Zimbabwe was requested by SADCC to provide leadership in designing and implementing one of the seven programs—regional food security. The initial SADCC meeting in Lusaka in 1980 did not provide Zimbabwe's Ministry of Agriculture with a definition of regional food security, but from 1980 to 1986, it was assumed that regional food self-sufficiency meant increasing food production in the SADCC region and increasing national food storage capacity.[63]

In 1980, the Economics and Markets Branch of Zimbabwe's Ministry of Agriculture was only given six weeks to develop a regional food security program of work for SADCC.[64] One of the first steps taken by the branch was to set up an Interministerial Committee. Subsequently, two technical-level meetings comprised of officials from agriculture ministries of all nine SADCC countries were held. Over a period of several months in mid-1980, the various committees reached the following conclusions about the nature of food insecurity in the SADCC region and steps to meet it:

1. Regional food security was interpreted to mean that "the countries of the SADCC region should be assured of food supplies adequate in both quantitative and qualitative terms to feed their populations."
2. Food production in the region was considered about 10 percent below food needs.
3. Since the region had the potential to attain food security by increasing its own food production, this should be the strategic principle on which to base its future food security policy.
4. A number of measures [proposals] would be necessary which, taken together, would have the effect of reducing constraints to, and encouraging increase in, food production throughout the SADCC countries.

5. Nine regional food security proposals were approved by the Council of Ministers at Maputo in November 1980. These proposals were later developed into projects and they became the region's basic food security policy and program of action.[65]

In December 1982, Zimbabwe established a Food Security Administration Unit in the Ministry of Agriculture to replace the Economics and Markets Branch in administering SADCC's regional food security program. Over the 1983–1986 period, considerable energy was spent in raising funds from donors to carry out feasibility studies for SADCC's food security projects.

The coexistence of malnutrition and food surpluses highlights the need to step up research on regional marketing, trade, nutrition, and access to food. Moreover, since food insecurity in the SADCC region can originate in international price movements, it is important to include research on both intraregional and international trade. Research is also needed on managing foreign exchange, food aid, and trade.

SUMMARY

In the long run, economic growth is a powerful instrument for raising per capita incomes and helping the poor purchase a better diet. But there is substantial evidence that it may take a long time before growth will cure poverty. Therefore, some African governments—like governments in industrial countries—are slowly beginning to realize that they have an obligation to intervene in the short run to ensure that all people have access to a calorie-adequate diet throughout the year. But the research base to guide government debates on food security policy options is severely lacking in SADCC states.

We have highlighted the importance of defining the food security research agenda to include both food availability and food access issues. Presently, three-fourths of the scientific man-years are carrying out research on one-half of the equation—i.e., food availability issues. A more balanced research program is called for—i.e., one that devotes at least one-half of research resources to each side of the equation.

The immensity of Africa, the complexity and diversity of its agriculture, and the weak data base on food consumption, nutrition, and marketing should be taken into consideration in laying out national and regional research programs on food security. In the SADCC region, increasing food production in food-deficit states is a major challenge for food security researchers working in combination with farming systems researchers. At present, there are no rules, models, or guidelines on cost-effective policies and institutions to increase food access in SADCC states. The lack of research on alternative institutions to increase access to food should come as no surprise because, as Myrdal notes, the institutional issues are avoided by "most ordinary economists."[66]

We believe that food security researchers should argue for parity with plant breeders in terms of length of funding for their research programs. For example, ICRISAT has cogently made the case for a long-term (ten to twenty years) research program on sorghum and millet for both the Sahelian and the SADCC regions. If it takes ten years, on average, to develop and farmer-test a new plant variety, why shouldn't food security researchers lay out an initial ten-year research program on malnutrition, household food insecurity in low rainfall zones, food access, etc.? At the end of the day, policy makers and donors should realize that the food security research agenda is complex, difficult, and requires long-term financial support.

Table 5.1
Indexes of Per Capita Food Production by Country, 1976–1985 (1976–1978 = 100)

Country	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985
Angola	105	101	94	93	92	85	85	83	80	79
Benin (Dahomey)	98	101	100	102	90	87	83	77	93	102
Burundi	99	100	99	96	92	95	93	92	83	85
Cameroon	103	103	93	96	93	92	86	82	86	89
Ethiopia	94	96	108	115	104	102	113	99	89	93
Ghana	106	98	95	102	100	95	89	74	87	88
Guinea	101	99	98	95	95	91	96	92	93	96
Ivory Coast	95	101	102	112	118	120	110	103	120	120
Kenya	99	102	97	88	86	89	93	89	75	82
Liberia	101	102	97	98	100	100	98	100	101	99
Madagascar	105	103	92	95	95	90	90	92	89	88
Malawi	99	97	103	99	99	102	106	101	100	98
Mali	99	93	106	102	98	110	107	99	82	97
Mozambique	96	100	102	100	99	99	96	73	78	84
Niger	97	98	103	108	111	102	99	96	61	88
Nigeria	99	100	100	101	103	99	98	84	93	97
Rwanda	102	99	98	105	100	104	105	105	84	93
Senegal	110	78	110	83	73	97	98	69	72	80
Sierra Leone	99	103	97	96	92	88	86	89	80	79
South Africa	96	101	102	96	101	109	94	80	85	90
Sudan	97	102	100	80	88	103	82	78	67	98
Tanzania	100	99	100	100	96	96	93	94	90	95
Togo	101	93	105	109	104	103	98	89	98	102
Uganda	100	98	101	92	87	90	94	96	96	95
Burkina Faso (Upper Volta)	96	100	103	103	94	104	102	94	87	109
Zaire	102	101	96	97	97	100	101	100	95	96
Zambia	109	101	90	81	84	93	84	91	87	92
Zimbabwe	102	100	96	81	83	99	86	64	71	95
Africa, Sub-Sahara	100	100	100	99	99	101	97	89	90	95
Sub-Sahara less South Africa	101	100	99	99	99	99	98	90	90	96
Algeria	109	94	96	94	102	95	91	84	85	102
Egypt	102	99	98	99	99	98	99	98	98	98
Libya	104	95	100	91	91	97	98	95	97	98
Morocco	109	85	105	99	99	78	98	90	91	93
Tunisia	106	96	97	95	101	106	117	108	119	141
Africa, North	106	94	100	98	100	92	99	95	95	101
All Africa	101	99	100	98	99	99	98	90	91	97
Africa less South Africa	102	99	100	99	99	98	98	91	92	97

Source: USDA, *Sub-Saharan Africa*.

NOTES

1. Shlomo Reutlinger and Marcelo Selowsky, *Malnutrition and Poverty: Magnitude and Policy Options* (Baltimore: The Johns Hopkins University Press, 1976).

2. Reutlinger notes that "I do not think it is realistic to expect that general and agricultural development in the developing countries will proceed at the pace which would be required to reduce malnutrition substantially within the next 20 years." Shlomo Reutlinger, "Malnutrition: A Poverty or Food Problem," *World Development*, vol. 5 (1977), p. 720.

3. Amartya K. Sen, "Starvation and Exchange Entitlements: A General Approach and its Application to the Great Bengal Famine," *Cambridge Journal of Economics*, vol. 1 (1977).

4. Amartya K. Sen, *Poverty and Famines: An Essay on Entitlement and Deprivation* (Oxford: Clarendon Press, 1981).

5. See C. Peter Timmer, Walter P. Falcon, and Scott R. Pearson, *Food Policy Analysis* (Baltimore: the Johns Hopkins University Press, 1983).

6. Alberto Valdes, ed., *Food Security for Developing Countries* (Boulder, Colo.: Westview Press, 1981).

7. A. Valdes and A. Siamwalla, "Introduction," in ibid., p.1.

8. World Bank, *Poverty and Hunger: Issues and Options for Food Security in Developing Countries* (Washington: World Bank, 1986).

9. The pula is the unit of national currency. In 1985 workers in rural areas received two pula (about US$1.20) for a six-hour day working on infrastructure projects.

10. G. Edward Schuh, "Accomplishments and Challenges: Policy Environment Issues" (Paper presented at the Symposium Honoring CIMMYT's Twentieth Anniversary, CIMMYT, Mexico, 22–25 September, 1986).

11. John Longmire, CIMMYT, November 1986.

12. Ibid.

13. There is no standard international agreement on what constitutes a malnourished person.

14. Reutlinger and Selowsky, *Malnutrition and Poverty*; Reutlinger, "Malnutrition"; Shlomo Reutlinger, "Project Food Aid and Equitable Growth: Income Transfer Efficiency First," *World Development* 12, no. 6 (1984): 901–911; Shlomo Reutlinger, "Poverty and Malnutrition Consequences of Structural Adjustment: World Bank Policy," (Paper presented at the SCN Symposium on Economic Secession, Adjustment Policies, and Nutrition, Tokyo, April 1986).

15. Amartya K. Sen, "Starvation and Exchange Entitlements"; Sen, *Poverty and Famines*; Sen, "Food, Economics and Entitlements," *WIDER Working Papers*, no. 1 (Helsinki: WIDER, 1986).

16. Leonardo Paulina, *Food in the Third World: Past Trends and Projections to 2000* (Washington, D.C.: IFPRI, 1986), p. 33.

17. United States Department of Agriculture, *Sub-Saharan Africa: Situation and Outlook Report* (Washington, D.C. ERS, USDA, RS-86-9, July 1986).

18. Food and Agriculture Organization, *SADCC Agriculture: Toward 2000* (Rome: FAO, 1984).

19. Carl K. Eicher and Fidelis Mangwiro, "A Critical Assessment of the FAO Report on SADCC Agriculture," in Mandivamba Rukuni and Carl K. Eicher, eds., *Food Security for Southern Africa* (Harare: University of

Zimbabwe/Michigan State University Food Security Project, 1987).

20. SADCC, *Macro-Economic Survey, 1986* (Gaborone: SADCC Secretariat, 1986).

21. David Rohrbach, "A Preliminary Assessment of Factors Underlying the Growth of Communal Maize Production in Zimbabwe," in Rukuni and Eicher, *Food Security for Southern Africa.*

22. Carl K. Eicher, "International Technology Transfer and the African Farmer: Theory and Practice" (Harare: University of Zimbabwe, Department of Land Management, Working Paper 3/84, 1984).

23. Zambia's maize research team has introduced two hybrids and two open pollinated varieties in the past three years.

24. Nominal producer prices were doubled from 28 kwacha per 90-kg bag in 1985 to 55 kwacha per bag in 1986.

25. For example, the nominal producer price of maize in Malawi was increased 144 percent from 1979 to 1984.

26. Noel Vietmeyer, "Lesser-Known Plants of Potential Use in Agriculture and Forestry," *Science*, vol. 232 (13 June, 1986): pp. 1379–1384.

27. Nominal maize prices were increased 230 percent from 1976 through 1984.

28. World Bank, *Poverty and Hunger.*

29. Jim Longmire, Peter Ngobese, and Solomon Tembo, "Wheat Policy Options in Zimbabwe and SADCC Countries: Preliminary Findings," in Rukuni and Eicher, *Food Security for Southern Africa.*

30. See the following in Rukuni and Eicher, *Food Security for Southern Africa*: L. R. House, "Sorghum and Food Security in Southern Africa: Present and Future Research Priorities and Technical Scientists"; M. I. Gomez, M. Mutambenengwe, and H. Moyo, "Research on Sorghum and Wheat Flour Composites"; Charles Mbwanda, "Sorghum and Household Food Security in Low-Rainfall Areas of Zimbabwe: A Research Proposal"; and Kay Muir-Leresche, "Comments on the Sorghum Papers."

31. For a review of the literature, see Per Pinstrup-Andersen, "The Impact of Export Crop Production on Human Nutrition," in Margaret Biswas and Per Pinstrup-Anderson, eds., *Nutrition and Development* (Oxford: Oxford University Press, 1985). See Elizabeth Colson, "In Good Years and in Bad: Food Strategies of Self-Reliant Societies," *Journal of Anthropological Research* 40, no. 1 (1984): pp. 18–28, for an anthropologist's view on household and village food insecurity.

32. The population growth rate in the SADCC region (about 3.2 percent) is roughly triple the annual rate of growth in some industrial countries (e.g., the Netherlands and Norway from 1850 to 1900 and Japan from 1878 to 1912) at a comparable stage in their economic history. Carl K. Eicher, *Transforming African Agriculture* (San Francisco: The Hunger Project, 1986).

33. Most Third World countries have found it difficult to achieve and sustain annual food and agricultural production growth rates of 4 percent or more for one or more decades. Lloyd Reynolds, *Economic Growth in the Third World: An Introduction* (New Haven: Yale University Press, 1986).

34. For more information on crop production instability in SADCC states for the 1960–1980 period, see Ulrich Koester, *Regional Cooperation to Improve Food Security in Southern and Eastern African Countries* (Washington, D.C.: IFPRI Research Report No. 53, 1986).

35. Carl K. Eicher, "Food Security Research Priorities in Sub-Saharan Africa" (Keynote address presented at the OAU/STRC/SAFGRAD

International Drought Symposium held at the Kenyatta International Centre, Nairobi, 19–23 May, 1986).

36. Raisuddin Ahmed and Narendra Rustagi, *Agricultural Marketing and Price Incentives: Comparative Study of African and Asian Countries* (Washington, D.C.: IFPRI, 1985).

37. John M. Mellor, "The Changing World Food Situation—A CGIAR Perspective,"*Annual Report* (Washington, D.C.: IFPRI, 1984) reports that rural transport costs per ton-mile in Africa are typically double those of Asia.

38. SADCC, *Food, Agriculture and Natural Resources* (Gaborone: SADCC Secretariat, February 1986). For a summary, see SADCC, "SADCC's Updated Policy and Strategy for Food, Agriculture and Natural Resources," in Rukuni and Eicher, *Food Security for Southern Africa.*

39. A school leaver is someone who has finished school (primary or secondary), or drops out of school and is searching for a job.

40. Republic of Zimbabwe, *First five-Year National Development Plan, 1986–90,* vol. 1 (Harare: Government Printer, April 1986).

41. For an early statement on the need for expanded research on rural employment generation, see Carl Eicher et. al., *Employment Generation in African Agriculture* (East Lansing, Mich.: Michigan State University, Institute of International Agriculture, Research Report No. 9, 1970).

42. J. Osgood Field, "The Soft Underbelly of Applied Knowledge: Conceptual and Operational Problems in Nutrition Planning," *Food Policy* 2, no. 3 (1977): pp. 228–239.

43. J. R. Behrman and B. L. Wolfe, "More Evidence on Nutrition Demand: Income Seems Overrated and Schooling Underemphasized," *Journal of Development Economics* vol. 14 (1984): pp. 105–128.

44. For example, in fiscal year 1986, the World Bank approved only one new nutrition project worldwide—a US$33.4 million nutrition and community health project in Indonesia. World Bank, *Annual Report, 1986* (Washington, D.C.: World Bank, 1986), pp. 129–130.

45. In Malawi, several national nutrition survey shave been completed by the Centre of Social Research of the University of Malawi. See William Ettema and Louis Msukwa, *Food Production and Malnutrition in Malawi* (Zomba: Centre of Social Research, University of Malawi, April 1985).

46. Carl K. Eicher and John M. Staatz, "Food Security Policy in Sub-Saharan Africa," in A. Maunder and U. Renborg, eds.,*Agriculture in a Turbulent World Economy: Proceedings of the Nineteenth International Conference of Agricultural Economists, Malaga Spain, August 24–September 4, 1985* (London: Gower, 1986).

47. In 1985, in Kenya there were roughly 1,000 different development projects covering all sectors. Carl K. Eicher, "Famine Prevention in Africa: The Long View," in *Food for the Future: The Philadelphia Society for Promoting Agriculture Bicentennial Forum Proceedings: 1785–1985* (Philadelphia, Pa., 1985).

48. Alain de Janvry, "Food Security and the Integration of Agriculture: Options and Dilemmas," *Ceres* 19, no. 1 (January-February, 1986): pp. 33–37.

49. See James Shaffer, "On the Concept of Subsector Studies," *American Journal of Agricultural Economics* (May 1973): pp. 333–335, for a discussion of a methodology to study subsectors such as the maize subsector of Malawi.

50. For example, domestic resource cost (DRC) analysis is useful in analyzing the real cost to a nation of increasing the self-sufficiency index of

wheat. Derek Byerlee and Jim Longmire, "Wheat in the Tropics: Whether and When?" *Ceres* 19, no. 3 (May-June 1986): pp. 34–39.

51. See Maurice Williams, "National Food Strategies: A Response to Crisis," *Journal of Development Planning*, no. 15 (1985): pp. 85–98.

52. See de Janvry, "Food Security and the Integration of Agriculture"; Jonathan Kydd, "Changes in Zambian Agricultural Policy Since 1983: Problems of Liberalization and Agrarianization," *Development Policy Review*, vol. 4 (1986): pp. 233–259; and Edward G. Schuh, "Accomplishments and Challenges," for an elaboration of needed studies.

53. Jean Dreze, "Famine Prevention in India" (Paper presented at a conference sponsored by the World Institute for Development Economics Research, Helsinki, Finland, 1986).

54. Ibid, p. 18.

55. Botswana, *National Food Strategy* (Gaborone: Government Paper No. 2, November 1985).

56. John Holm and Richard Morgan, "Coping with Drought in Botswana: An African Success," *Journal of Modern African Studies* 2, no. 3 (1985): pp. 463–482.

57. Roger Hay, Susan Burke, and D. Y. Dako, "A Socio-Economic Assessment of Drought Relief in Botswana" (Report prepared by UNICEF/UNDP/WHO for the Inter-Ministerial Drought Committee, Gaborone, 1985).

58. John Holm and Mark S. Cohen, "Protecting the Poor in Time of Drought: Progress in Botswana," *Ceres* (forthcoming).

59. K. F. Mokobi, "Policy Considerations and Instruments for Food Security in the Context of Botswana" (Paper presented at the Conference on Food Security Issues in Southern Africa, Maseru: Institute of Southern African Studies, the National University of Lesotho, 12–14 January 1987).

60. World Bank, *World Development Report* (Washington, D.C.: World Bank, 1986).

61. This case study is drawn from Surjit Bhalla and Paul Glewwe, "Growth and Equity in Developing Countries: A Reinterpretation of Sri Lankan Experience, "*The World Bank Economic Review* 1, no. 1 (1986): pp. 35–63.

62. Ibid., p. 54.

63. Peter Murphy, "The SADCC Food Security Program," in *Executing Food and Nutrition Programmes in East, Central and Southern Africa: Experience and Practice* (Netherlands International Nutrition Institute, 1983), p. 219.

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65. Ibid.

66. Gunnar Myrdal, "International Inequality and Foreign Aid in Retrospect," in Gerald Meier and Dudley Seers, eds., *Pioneers in Development* (Baltimore: The Johns Hopkins University Press, 1984).

CHAPTER 6

The Political Economy of a Small-Farmer Agricultural Strategy in SADCC

CLEVER MUMBENGEGWI

This chapter examines three interrelated questions:[1]

1. Is Zimbabwe following a small-farmer strategy?
2. Are there prospects for a small-farmer strategy for countries in the SADCC region?
3. Is the Zimbabwean experience replicable in other SADCC countries?

These questions shall be addressed against the backdrop of the emerging debate on the role of the small farmer in food production and the political economy of food and institutional development in sub–Saharan African countries. All the countries making up SADCC have adopted food security and self-sufficiency as an objective of national agricultural policies, and SADCC, as a regional organization, has endorsed these objectives as the cornerstone of regional policy coordination in agriculture.[2] SADCC agricultural sectors, especially food production, are dominated by small-scale peasant farmers. Despite this, agricultural policies and strategies pursued by respective SADCC states, over the twenty years since independence, systematically neglected the small farmer.[3] At last, SADCC has admitted to this fundamental policy error.

> Present food production is largely in the hands of small farmers . . . and the failure of general policies to address the problems of the small farmer has been a major part of the more general problem of declining agricultural production.[4]

A significant aspect of this neglect has been the failure to pay attention to the importance of small-farmer-oriented institutions. As a result of this neglect, coupled with general macroeconomic policies with a strong antiagriculture, antipeasant bias, the majority of SADCC states have experienced stagnant or declining trends in food and agricultural production per capita. For the decade preceding SADCC's formation (1971–1980), regional food production rose by 0.9 percent while food demand and population grew at 3.6 percent and 3.1 percent respectively. These trends imply a growing food deficit of 2.7 percent per year unless corrective action is taken to arrest the growth in food demand or to increase food production in line with population growth rates. The individual country positions with respect to this issue are depicted in Table 6.1.

This chapter assesses the prospects for increased food production in the SADCC region, paying particular attention to the role of small farmers. Zimbabwe, which has often been presented as a successful small-farmer model since independence, is subjected to careful scrutiny. The relevance of the Zimbabwean experience to other SADCC countries and its replicability is analyzed. We conclude the chapter by evaluating the prospects for a small-farmer strategy in the region.

SADCC REGIONAL POLICY OBJECTIVES AND INSTITUTIONAL DEVELOPMENT FOR FOOD PRODUCTION

The Southern Africa Development Coordinating Conference (SADCC) was conceived, and has functioned largely, as a forum for discussion of regional development problems. Its main focus is on coordination of national efforts rather than harmonization of domestic policies or integration of national economies into a

Table 6.1
Population, Agricultural, Food Production, and Food Demand Growth Rates for SADCC Countries, 1971–1980

Country	Population Growth Percent	Agricultural Production	Food Production	Food Demand	Food Gap
Angola	2.6	-3.9	0.4	2.9	-2.5
Botswana	3.1	-3.7	-3.7	6.5	-10.2
Lesotho	2.5	—	0.5	6.0	-5.5
Malawi	3.4	-2.8	2.0	4.5	-2.5
Mozambique	2.7	-2.1	-1.7	0.6	-2.3
Swaziland	3.1	4.0	3.2	4.2	-1.0
Tanzania	3.2	2.3	3.9	3.4	0.4
Zambia	3.4	2.1	2.1	2.0	0.1
Zimbabwe	8.5	1.2	1.2	2.2	-1.0
SADCC	3.1	0.3	0.9	3.6	-2.7

supranational entity. This coordination is achieved through regular consultative meetings of technical committees of experts, relevant ministry officials, and, ultimately, summits of the heads of states. The pursuit of coordination of national efforts, rather than integration of national economies, has its own advantages and disadvantages. SADCC justifies its approach on the basis of past experiences with regional cooperation.

> Experience has shown that joint ventures between groupings of states . . . risk failure if they are overambitious or are aimed at promoting uncompensated investment transfers from one country to another.[5]

SADCC is thus a rational, "step-by-step" process of moving toward regional cooperation. This approach was necessitated by the ideological, economic, and political diversity of the member states. It is a unique attempt at maximizing the benefits from cooperation while minimizing the potential conflicts and contradictions that inevitably arise from cooperation among politically diverse and economically unequal partners. However, the attractiveness of this approach is also its potential weakness. Since the decisions of the SADCC summits are not mandatory for member states, the programs and projects agreed upon can be stalled at the national level by a member state with other priorities. Since most of the implementation of projects is at the national level, the SADCC Secretariat deliberately has been kept small, and SADCC, therefore, relies more on national institutions to achieve its regional objectives. Given the initial inequalities in institutional development among SADCC states, this may serve to deepen the inter-country differentials.

So far, the institutions established under SADCC have concentrated on coordination, information-gathering, analysis, and research. While progress has been made on these levels, there has been virtually no effort to translate these into operational forms that could reach the farmer at the grass roots level. The SADCC Council of Ministers recently have expressed concern over the "nature, content and institutionalization of the regional food and agriculture programme." The "lack of productive projects and programmes and the seeming proliferation of both studies and new institutions" is a particular problem. The ministers noted, furthermore, the lack of an "agreed overall strategy" in the food and agricultural sector, and called for a special meeting devoted to "formulation of a coherent overall strategy" for this sector.[6]

The thrust of institutional development has been the creation of new organizations at the regional level aimed at bolstering national institutions to increase their capacity and effectiveness in responding quickly to the existing crisis in food supply. The process of institutional development is determined by SADCC's ethic of noninterference in internal policies of member states, the step-by-step movement toward greater cooperation, and the primacy of mutually beneficial projects and programs at each and every conjecture, while the specific type of institutions are determined by SADCC's diagnosis of the root cause of the current food crisis and, to some extent, preferences of foreign donor agencies.

SADCC sees the causes of the food crisis largely as the result of technological deficiency and shortage of local expertise to reorient production levels and patterns toward desired goals. Political, social, and economic factors are not given any direct attention despite the fact that their importance to farmers' responses and ability to produce food has long been recognized in the literature. More specifically, SADCC has identified the constraints to improved food production as poor soils, variability and unavailability of rainfall, inadequate and high-cost fertilizers, pests and diseases, lack of improved seeds, labor supply constraint, farmers' reluctance to adopt new farming techniques, and poor infrastructure in marketing, credit, distribution, and input supply systems. Similar constraints for livestock production are the low carrying capacity of pastures, lack of supplementary feeds and fodder, overgrazing and land degradation, and livestock diseases and parasites.[7]

Having adopted this technology-determinist explanation of the existing constraint to food production, the SADCC institutions at the regional level were established largely to conduct studies, research, and training to alleviate these constraints and raise the region's technological capacity to effectively combat these problems. Thus, the long-term thrust in food security lies in the agricultural research subsector (coordinated by Botswana), while the short-term constraints are in the food security sector (coordinated by Zimbabwe). The objectives of the new institutions particularly concerned with research are to develop technological packages that combine improved, drought- and disease-resistant varieties integrated with appropriate pest management systems and an agricultural research capacity oriented toward the major problems affecting the bulk of small farmers engaged in food production.

For operational purposes, SADCC's goals in the food and agricultural sector are subdividied into seven subsectoral programs, each coordinated by a designated member state: food security (Zimbabwe), agricultural research (Botswana), livestock production and animal diseases control (Botswana), forestry (Malawi), fisheries (Malawi), wildlife (Malawi), and soil and water conservation and land utilization (Lesotho). The process of institutional development therefore is taking place in two complementary directions. The first is related to establishing institutions related to the political and organizational harmonization of the regional cooperation program, while the other is related to specific institutions for project and program implementation. However, a significant feature of both directions is that they operate at the regional and national levels, not at the grass roots. Direct contact with the farmer is the responsibility of each national government.

Given the dominance of small farmers in SADCC agriculture, the effectiveness of these new institutions in addressing the problems of the small farmers must be examined. Past neglect of small farmers is reflected in the failure of economic policies regarding pricing, marketing, credit, extension services and access to land, capital, and technical know-how. This is an area where SADCC is virtually silent and unlikely to make progress in the foreseeable future. The critical institutional constraints facing small farmers are the land tenure system, access to suitable land, macroeconomic policy-induced constraints over pricing, marketing, and credit provision, poor infrastructure, transports and distribution networks, inadequate agricultural backup services, and the lack of access to suitable technology. Attention to easing these constraints is vital to stimulating food production from the small farmers. Policies relating to small farmers are delegated to national governments. Given their past record with small farmers, it is legitimate to ask whether and how those same national institutions can reorient themselves to redressing the past neglect. Even if we were to assume that the regional programs would develop suitable technological packages for small farmers, their dissemination and eventual adoption would depend on the existence, at the national and grass roots levels, of appropriate communication and extension channels and, ultimately, on the economic returns realizable from their adoption. Thus, without appropriate pricing and economic policies and small-farmer-oriented institutions, the SADCC programs are unlikely to yield lasting results. So far, SADCC has not addressed itself to issues of common agricultural policy and institutional development at the national level and at the level of production.

THE POLITICAL ECONOMY OF POSTINDEPENDENCE PEASANT FOOD PRODUCTION IN ZIMBABWE

Zimbabwe's postindependence agricultural experience presents a sharp contrast to the general policy and institutional neglect outlined above. As such, it has been presented as a "success story" in African agricultural history. This perception arises from three main factors. First, since independence, Zimbabwe has been largely self-sufficient in its major food grain (maize), and in good years, exported food to its neighbors. Second, the preservation of the basic agricultural infrastructure and the retention of the large-scale commercial farm sector has been an integral part of Zimbabwean agriculture. Third, and most important, has been the phenomenal increase in small-scale peasant production and market deliveries, which has confounded all pessimistic expectations.

At independence, Zimbabwe inherited a dualistic agricultural sector composed of the large-scale commercial farming sector (former white areas) and the communal sector (former Tribal Trust Lands). Numerically, the former is composed of an estimated 4,500 commercial farmers and the latter of 800,000 peasants with average holdings between 2.5 and 3 hectares. The structural characteristics, productivity differentials, and the historical origins of these sectors have been adequately documented elsewhere. For our present purpose, it is sufficient to note that it was the outcome of deliberate policies pursued by successive colonial regimes whose main thrust was discrimination against the African peasant farmers. Zimbabwe was far more fortunate than other SADCC states to inherit a fairly well-developed agricultural policy formulation infrastructure, and a research capacity and extension network unparalleled in the region. The problem in Zimbabwe was not the absence, but the distribution, of agricultural resources and backup services between the two major sectors.

The task for the new Zimbabwean government was the removal of discriminatory policies and extending the agricultural services and infrastructure to communal farmers. This is an inherently easier exercise than building up completely new institutions and policy-formulating machinery. It is the redressing of the structural imbalance between the two farming sectors that has given rise to the common but mistaken conception that Zimbabwe is pursuing a small-farmer strategy. Four factors can be identified to explain this mistaken conception. First, national agricultural policies have been reoriented toward a more just and nondiscriminatory order. Second, the peasant's food production has responded to these policy initiatives. The third factor is the recent rediscovery of the peasant by Western academics and aid agencies, even though the theory of the "efficient and economizing peasant" who is responsive to economic incentives has long been part of the conventional agricultural development literature. A final but more subtle factor is the sense of relief by Western donors and aid agencies that, despite its socialist ideological stance, the Zimbabwean government has not adopted a policy of wholesale collectivization or other radical agrarian policy reforms.

The production and productivity performance of the peasants is singled out as testimony of the suitability of a small-farmer strategy that could easily be implemented without the need for fundamental structural reforms in the inherited capitalist economy. Thus, the "successful" peasant becomes the weak point of ideological leverage to influence the pace and direction of structural reforms in agriculture against any radical alternatives. If we examine Zimbabwe's postindependence policies in agriculture, it becomes abundantly clear that the thesis that it is pursuing a small-farmer strategy cannot be sustained. The "surprising" peasant response in maize production should, in fact, not be such a surprise. It merely demonstrates the negative impact of the UDI period's discriminatory policies rather than indicating a deliberate post-independence pursuit of a small-farmer strategy.

What Is a Small-Farmer Strategy?

In order to provide an adequate answer to the issue of whether Zimbabwe is following a small-farmer strategy, it is necessary to begin by delineating the major contours of such a strategy. A small-farmer strategy cannot be presented as an abstract concept, but must have relevance to the concrete conditions prevailing in a country. First, a small-farmer strategy must seek to transform the pattern of land ownership and distribution to make the small producer the dominant form of production organization. This means that, for a country like Zimbabwe, beginning from a position of highly unequal distribution of land between the large-scale commercial and the communal farmers, there ought to be a vigorous land reform program to benefit those peasants with little or no land. Since land reform is not just a technical process of parceling out land but an integral part of the political process, reflecting the configuration of state power and the alignment of class forces, the second contour must, of necessity, be the ascendancy to political power of a coalition of class forces reflecting the interests of the peasant class. This, in fact, is a precondition for the pursuit of a small-farmer strategy. With this precondition fulfilled, such a state must then reorganize and reorient its state institutions to address problems specific to the small farmer. Such reorientation must include all institutions involved in general macroeconomic and agricultural policy formulation. The sum total of these contours necessarily implies a well-organized peasant class with the ability to exercise its power not through G. Hyden's notion of opting out of the system, but by constructively forcing the state apparatus to implement positive, peasant-biased policies. Thus, a small-farmer strategy cannot be conceptualized outside the framework of the political economy of the state, state power, and the peasant class. Whether the strategy can succeed or not depends on the power of the small producer to dictate and influence both the pace and pattern of land reform and other agricultural policy issues. Each of these contours is now examined against Zimbabwe's postindependence agricultural policy and performance.

The Political Economy of the State and Peasants over the Land Question

The most burning contemporary issue in Zimbabwe is the land question. It was over this that the majority of African peasants joined the war of national liberation. This factor, coupled with the government's Marxist-Leninist pronouncements, had given reasonable expectations of radical policy reforms in agriculture.

However, given the constraint imposed by the Independence Constitution, the structural dependence of the entire economy on the white commercial farmers, the dominance of foreign capital, and the ascent to power in the state bureaucracy of a coalition of the remnants of a colonial civil service and an aspiring African petit bourgeois elite, the ZANU (PF) government became so compromised that it was unable to act decisively in the interests of the peasants. Whereas during the UDI period, the state had used all the armory of legislative, political, and economic instruments to act decisively in the interests of the white agrarian bourgeoisie, the structure of domestic class alignments and foreign forces reduced the postindependent state apparatus to the role of mediator between the conflicting interests of the dominant white farmers and the African peasants. The former demanded continuity in their role as the major agricultural producers and foreign exchange earners, while the latter expected radical change in the entire system of land ownership, its distribution, and the provision of agricultural services. The state was caught up in a serious problem. On the one hand, it had a political commitment to the aspirations of the peasants, but on the other, it found the "efficiency" and "productivity" arguments of commercial farmers very persuasive.

The upshot was a conciliatory stance embodied in "Growth with Equity: A Policy Statement" (1981) and the *Three-Year National Transitional Development Plan (1981/2–1983/4)*. In these documents, the government reasserted its commitment to land redistribution and the dismantling of the past discriminatory policies against the peasants. However, it also emphasized its commitment to the retention of the large-scale commercial farmers as an integral part of the Zimbabwean heritage. Thus, we witness a clear policy commitment to a bimodal structure of agriculture as a short-to-medium-term feature of the sector. However, whenever bimodal strategies are pursued, from differential positions of material and organizational development in the two sectors, the result is that efficiency and productivity arguments triumph over equity issues. The Zimbabwean experience with the land question graphically demonstrates this.

Six years after independence, Zimbabwe has as yet to come up with a comprehensive program on land redistribution, tenure, and the whole vexed question of agrarian reform. The land question is being tackled through a technocratic program of land resettlement. Details of progress with this program have been sufficiently documented elsewhere.[8] Between 1980 and 1985, 2.5 million hectares were distributed to some 35,000 families, which constitute only 22 percent of the government's three-year target of 162,000 families. So far, the program has consumed only 16 percent of the commercial farming sector's most marginal agroecological zones, benefiting less than 5 percent of the estimated 800,000 peasant families in the communal areas. Considering a population growth rate of 3.5 percent per year, this constitutes slightly more than one year's increase in communal area population. The majority of the peasants in the program are resettled on individual plots of five hectares with communal grazing land (Model A), while a smaller proportion is resettled as collective cooperatives (Model B).

The land question is still simmering underneath the apparent tranquility in rural Zimbabwe, but given developments in other aspects of agrarian policy, the land question is now posed in a completely different light from the immediate postindependence years. The expropriation of land from the commercial farmer is no longer an issue of serious debate. The issue is now how much land to acquire on a willing seller/willing buyer basis, and with what trade-offs. The extraordinary performance of communal peasant producers has tended to diffuse pressure for a radical resolution of the land question. Moyo has noted that "there is growing international consensus and local acceptance of this, that there might really be no land question worth talking about in 1986 given Zimbabwe's [peasant] agricultural performance."[9] Thus, it is not clear that Zimbabwe exclusively represents the peasant class or that peasants control the state machinery.

Furthermore, the bimodal strategy adopted by the Zimbabwean government cannot be described as leading to small producers becoming the dominant form of agricultural organization. Because of the state's policy position regarding agriculture and land redistribution, performance to date in transforming the ownership patterns and distribution of land and the absence of peasant power to influence the pace and direction of agrarian change, Zimbabwe cannot be described as following a small-farmer strategy.

The Political Economy of Agricultural Policy Reform

This conclusion on the land question need not deter us from recognizing the significant strides made in agricultural policy reform. Agricultural policy reform, unlike the land question, entails no direct trade-offs between commercial and communal production, and is free from constitutional constraints. It involves the introduction of favorable, uniform, and nondiscriminatory structures of incentives to all farmers and the provision of agricultural backup services. The major areas in which reform has been implemented and some of its limitations are discussed below.

Pricing policy. No fundamental changes have occurred to the institutional and policy framework for setting producer prices. The most significant change in direction has been that, for the first time, small farmers are now involved in producer price negotiations through the National Farmers' Association of Zimbabwe (NFAZ). The levels of absolute and relative prices set, however, cannot be attributed to the NFAZ's involvement. Altogether, there are three farmer organizations, the Commercial Farmer's Union (CFU), representing the large-scale commercial farming sector, the Zimbabwe National Farmer's Union (ZNFU), representing the small-scale commercial farming sector, and the NFAZ. The NFAZ, established after independence, lacks adequate staffing and expertise and has only participated directly in price negotiations once in 1984/5. The previous practice was for the CFU to negotiate as an umbrella for all categories of farmers on the assumption that "producer prices set for commercial agriculture provide a price umbrella for all stages of agriculture" since "peasant production . . . is generally at a much lower cost of production."[10] Although many factors are taken into account in setting producer prices, emphasis is put on setting the prices at a level that would cover costs, plus an incentive element.

Because of data limitations on peasant costs of production, the costs that are taken into account are those of the commercial farmers. If the assumption that peasants incur lower costs is invalid, then the producer price set in this fashion would not provide an adequate price umbrella to small farmers. There are a number of factors that immediately suggest that peasant costs might be higher than is commonly believed. First, the poor soils and rainfall variability in communal areas suggests that for peasants to achieve comparable yields, they require more input application per unit area or, conversely, realize lower yields for the same input application. Second, the poor marketing and transport infrastructure means that they face higher unit costs in delivery to marketing board depots. Finally, the small-scale nature of operations means that peasants cannot benefit from economies of scale. Thus, the procedure for setting producer prices and the institutional framework is still heavily biased against small producers. Hence, it is unconvincing to suggest that the changes in pricing policy that have occurred since independence constitute an element in a small-farmer strategy.

Marketing policy. Theoretically, uniform, non-discriminatory prices are set for both commercial and communal farmers. However, given the historical inequality in the provision of marketing facilities, the effective price accruing to peasants is reduced by the higher marketing and transport costs. The importance of proximity to marketing depots and adequate transportation network to the farmer's net realizable price or to his supply responsiveness cannot be overemphasized. High producer prices have little or no impact if the farmer has no physical access to markets or the depots are so distant as to erode the incentive element in the price. The government has been quick to recognize this, and has made its main thrust of policy changes toward the peasants' improvement in the marketing institutional framework.

An elaborate network of statutory marketing boards, such as the Grain Marketing Board (GMB), Cotton Marketing Board (CMB), Dairy Marketing Board (DMB) and Cold Storage Commission (CSC), all under the umbrella of the Agricultural Marketing Authority (AMA), had been instituted during the colonial period to provide an assured market outlet, price, and income stability to the white commercial farmers. Again, few changes have occurred in this marketing framework. The most significant changes have been the quantitative expansion of marketing depots in communal areas and the inclusion of minor grains produced by peasants, such as *munga* (bullrush millet) and *rapoko* (finger millet), into the category of controlled crops. A further innovation has been the introduction of seasonal collection points depending on the forecasted crop yields in specific areas. The government plans to ensure that no farmer be further than forty kilometers away from the nearest GMB depot. The effect of all these changes has been to reduce marketing costs and to increase the effective price and the degree of market participation by communal farmers. In 1980 peasants' share of crop sales to marketing boards was only 6 percent. By 1984 this had increased more than twofold to 15 percent. In the case of maize, marketing rose from 11 percent in 1980 to 41 percent in 1984/5, giving rise to the current conception of small farmers assuming a leading role in food production. There has also been a reduction in the amount of production retained for subsistence purposes by peasants. In 1980 the proportion of peasant maize production not delivered to marketing boards stood at 89 percent, while by 1984/5 it had declined to 59 percent.

It is precisely these impressive statistics that have given rise to the conception of Zimbabwe's small-farmer "success story." If the trend continues, small farmers would soon be the major producers of marketed output for Zimbabwe's major staple grain and other less technologically demanding crops. However, the "success story" hypothesis can only be sustained at the aggregate level. A Moyo paper makes two very interesting observations about the peasant productivity and grain delivery miracle.[11] Moyo analyzes the geographical patterns of peasant grain deliveries to the GMB and finds that the majority (63 percent) of grain deliveries emanate from peasants in the prime agricultural regions II and III; there is a clear regional differentiation in peasants' marketed output in favor of the three Mashonaland provinces. Thus, he concludes that the peasant "success story" is not a widespread phenomenon, but is limited to those peasants located closer to the white commercial farmers and, hence, near better agroecological zones and marketing facilities. It is those who have been quick to respond and benefited the most from the "introduction of nondiscriminatory pricing, marketing and credit policies since independence."[12] The ability to take advantage of state reforms in pricing and marketing is related largely to the initial differentiation in agroecological conditions and infrastructural endowments.

Credit policy. Another area that gives rise to the perception that Zimbabwe is pursuing a small-farmer strategy is credit policy. The parastatal Agricultural Finance Corporation (AFC) has been reoriented to extend credit to communal farmers who had no access to state credit before independence. Between 1980 and 1985, the number of successful peasant loan applicants increased by 96 percent and the volume of loans by 98 percent. However, this phenomenal expansion represents only 8 percent of peasants and 16 percent of total AFC lending. The AFC is still largely geared to provision of loans to commercial farmers. In addition to receiving 84 percent of AFC loans by volume, commercial farmers receive 205 times more credit per capita than the peasant farmers. This situation prevails because although all farmers theoretically can have access to all types, in practice, peasants have access only to short-term or seasonal loans because of their low incomes, production difficulties, and repayment records.

There are also distributional aspects that are closely linked with the deepening intrarural differentiation mentioned earlier. AFC credit provision is tied to a peasant being a registered producer with the GMB. Loan recovery is effected at the point of marketing through a system of stop orders. When a farmer delivers his output to the GMB, the loan is automatically deducted such that she or he becomes the residual claimant to proceeds from crop sales. While this system greatly improves loan recovery by the AFC, it nevertheless introduces a bias in lending toward the better-off farmers. Since the latter are the most likely candidates for "registered producers," it means they can more easily have access to AFC loans. Thus, just as the marketing and pricing reforms have tended to benefit the better-off peasants, official credit provision has similar tendencies of increasing intrarural stratification and interregional differentiation.

Is Zimbabwe Following a Small-Farmer Strategy?

In the foregoing discussion, it is clear that significant changes have occurred to ameliorate the position of the peasantry regarding pricing, marketing infrastructure, and credit provision. Little progress has been made over land redistribution. To what extent, therefore, can the outlined changes be regarded as a small-farmer strategy? All too often, development strategies and policies are cast within the straitjacket of fashionable development "isms." The small farmer has suddenly become a fashionable innovation among donor agencies, and any autocentric approach to solving national problems can be easily confused with a deliberate small-farmer strategy. Zimbabwe's agricultural strategy has been clearly outlined as incorporating retention of the large-scale commercial sector's contribution to the economy, encouraging production through productivity-raising measures in the communal areas and removal of colonial-inspired constraints on peasants, and gradually establishing a socialist sector through producer cooperatives and state farms. The measures that have been implemented for the peasant sector are no more than an attempt to establish a just, nondiscriminatory, and democratic order consistent with the government's overall development goals. The strategy adopted by Zimbabwe arises out of specific historical problems and the contemporary problem of transforming a discriminatory colonial society into an egalitarian one. It is our proposition that, both in terms of articulated policy and the experience with small farmers, Zimbabwe is not pursuing a small-farmer strategy.

RELEVANCE AND ITS REPLICABILITY OF THE ZIMBABWEAN EXPERIENCE TO OTHER SADCC COUNTRIES

The Zimbabwean experience is yet another demonstration of the production, productivity, and marketing response of small farmers to an appropriate package of incentives. It highlights, first, that incentive producer prices are vital to stimulating agricultural production at the aggregate level. Second, it demonstrates the limitations of pricing policy when applied as the sole or major instrument of policy. Manipulation of producer prices is of little relevance to farmers' decisions if they do not have physical access to markets or marketing costs are so high as to erode the incentive element in the price. Furthermore, to adopt better agricultural techniques, the farmer needs credit and extension services. Thus, an effective policy toward farmers must combine both price and nonprice (institutional) incentives. The differential productivity and market responsiveness between the three Mashonaland and other provinces noted earlier produce a clear illustration of the ineffectiveness of price policy if the institutional incentives are lacking. This differential was explained in terms of the differentials in marketing, transport, distribution, and general provision of agricultural infrastructure.

The relevance of this experience to the SADCC region must be situated in the context of the historical neglect of small farmers in pricing policy formulation and the development of small-farmer-oriented institutions. Despite the diversity in SADCC countries' agricultural policies and strategies, the common denominator has largely been low, disincentive producer prices, lack of a coherent land tenure policy toward the small farm sector, and inadequate provision of structural and institutional incentives. The result has been a steady decline in food production and marketed output,giving rise to the view that small farmers are inefficient and unproductive. The pursuit of modernization schemes on a large-scale capitalist or state farm basis in some SADCC countries or the creation of collective agricultural cooperatives in others might have been partly prompted by this general belief of peasant unresponsiveness to production incentives. To this extent, if the Zimbabwean small-farmer experience has any relevance at all to SADCC, it is that an appropriate package of price and nonprice incentives can succeed in stimulating food and agricultural production in the region. Second, given the desire to achieve regional food self-sufficiency through national self-sufficiency by each member state, SADCC must design a common framework of agricultural policy and package of incentives to small farmers in which some aspects of the Zimbabwean experience would be relevant.

At its June 1986 meeting in Maputo, the SADCC Council of Ministers showed a keen awareness of the problems confronting regional efforts at food security.[13] Of particular relevance for our purposes was the call for an evaluation of current strategies adopted by various food and agricultural sectors to ascertain whether they are internally coherent, consistent, and mutually reinforcing. SADCC also recognized the need to improve coordination between various sectors to enhance efficiency and evaluation of the extent to which national policies affect the achievement of the region's overall goals for food self-sufficiency.

Adoption of these recommendations represent a significant policy shift by SADCC and a movement toward a correct diagnosis of the problem. In this context, the more successful countries like Zimbabwe would serve as relevant examples of a possible agricultural policy.

This leads us to an examination of whether the Zimbabwean experience is replicable elsewhere in the region. Lessons and experiences from one country cannot be transplanted in recipe form. This is because development strategies and policies evolve within specific historical, political, economic, and social circumstances. The policies pursued by Zimbabwe were not drawn from an intellectual abstraction, but were a practical response to the problems and class contradictions it inherited at independence. The same set of factors and relatively privileged policy and institutional framework are absent from other SADCC states. Therefore, what is relevant in this regard is not the replicability of the Zimbabwean model, but an examination and thorough understanding of the individual countries' national circumstances affecting agricultural policy.

Just as Zimbabwe's strategy arose out of its specific circumstances, the policy reforms in other SADCC countries are going to be determined by similar considerations. It is possible, however, to delineate the common areas that need reform and for which the Zimbabwean experience with small farmers is instructive.

Favorable producer prices and improving domestic terms of trade, especially for the small-farm and family sectors. Under pressure from the World Bank and the IMF, Zambia, Mozambique, and Tanzania have already made cautious moves in this direction.

However, as noted in the Zimbabwean case, pricing policy can only have partial effects on production. It needs to be combined with easing institutional bottlenecks and other nonprice incentives.

Improving the strength and influence of small-farmer organizations over pricing decisions. That agricultural prices in Zimbabwe have largely been favorable is attributed to the involvement of farmer organizations, especially the Commercial Farmers' Union, in price negotiations. Efforts have been made since independence to include small-farmer organizations in this process, although their long-term influence is yet to be determined. A crucial contrast in all other SADCC states is the nonexistence of strong farmer organizations to represent farmer interests at the level of price negotiations. Consequently, producer prices often reflect the multidimensional state objectives or the interests of urban consumers. The dilemma is to create such farmer organizations and ensure that they are controlled by farmers. SADCC abounds with examples of the state establishing cooperatives and other farmer institutions from above, and the result was farmer alienation and noninvolvement in their activities.

Clearly, such organizations can only arise out of the felt need for them by farmers. The state should, and can only, assist by creating a political environment favorable to their growth and influence. A necessary factor for this to occur is the coincidence between state and farmer interests. The Zimbabwean case with commercial farmers is again instructive. That farmers have such an important role to play in price negotiations today is an outcome of the historical coincidence of interests between the colonial state and the white agrarian bourgeoisie who controlled it.

The inclusion of small farmers after independence was one of the positive spinoffs from the inherited system. Thus, the question of peasants' power vis-à-vis the state and other interest groups is crucial to the evolution of strong farmer organizations in the region. Given the weakness of small farmers in most SADCC countries, the process is likely to be effective only in the medium- to long-term period.

Improving the marketing and institutional framework serving small farmers. The Zimbabwean case has demonstrated that an improved marketing framework for small farmers can have an effect that could even be greater than that exerted by price. Most SADCC countries have weak marketing infrastructures. The mere size of some countries and the sparse population densities, as in Mozambique, Zambia, and Tanzania, make it costly and physically difficult to establish an efficient marketing system for all producers, especially the small, scattered peasant farmers. The dominant form of marketing is either through agricultural parastatal bodies or cooperative unions, but the performance of these has often left much to be desired. They have either been high-cost marketing channels—inefficient or corrupt—or have failed to make prompt payment to farmers for produce delivered.

They have become mechanisms for siphoning resources out of agriculture to other sectors or to benefit bureaucrats staffing them. A recent report suggests that, despite criticisms from quarters that oppose statutory regulation of agricultural marketing, the Zimbabwean parastatals have functioned well because they were established largely at the instigation of (commercial) farmers and are, to a large extent, influenced by them through the regular process of price negotiations. The control of marketing costs is as important as the absolute level of producer prices to the farmer's net realizable price.

Developing appropriate technology and input packages agroecologically suitable to small farmers. Increased agricultural production is as much a function of economic policies as it is of technological factors. If the national policy framework is not favorable to the farmers and the national institutions and farmer organizations are weak, it is unlikely that the full benefits of SADCC's regional programs to develop improved inputs will be realized. Thus, whatever efforts are made through regional institutions need to be complemented by a network of national and local farmer institutions to transmit the new knowledge and techniques to the small producers. Zimbabwe's relatively elaborate research and extension system is again instructive in demonstrating the point. The majority of peasant farmers now use hybrid seeds and varieties.

Revitalization of consumer goods manufacturing sectors. Measures designed to raise food production by raising returns to farmers must be accompanied by a revitalization of SADCC industrial sectors to produce the necessary consumer goods on which peasants can spend their income. In Mozambique and Tanzania and, to an extent, Zambia in particular, low production and marketing by small farmers is as much related to the absence or high cost of consumer goods as it is to the other factors mentioned above.

The above brief comments on possible areas of policy reform in SADCC indicates that there is scope for regional policy harmonization leading eventually to a common agricultural policy framework for all SADCC member states. However, its eventual realization depends on the political commitment and the will to sacrifice national policies and sovereignty for regional benefit. An extension of this would be the abandonment of the objective of national self-sufficiency in favor of specialization and promotion of intraregional trade and a truly regional conception of food self-sufficiency.

The prospects for a small-farmer strategy in the SADCC region are bright even though none of the member states (including Zimbabwe) can be said to be following such a strategy. The limited policy reforms being pursued now are a response to conditions of economic crisis and pressure from external forces, especially the World Bank, IMF, USAID, and, more recently, the Nordic countries.

No SADCC country has as yet taken a policy position to promote small farmers as the dominant form of agricultural organization. If anything, there have been trends toward experimenting with alternatives such as large-scale farms and state, collective, and cooperative farms, but with limited success. That the current "food crisis" has brought into focus the importance of the small farmer affords SADCC with an opportune moment for reflection. In addition to the elements of policy reform identified above, all SADCC countries need to give attention to the institutional constraint embedded in the system of land tenure (and in some countries its distribution) for small farmers. Virtually all peasants in SADCC operate under a traditional/customary system of land tenure in which security of tenure is guided by social and cultural relationships. The incentive to implement proper land use and conservation measures is reduced, resulting in declining levels of soil fertility and poor yields. It is therefore imperative that various land reform measures be implemented to complement the indicated areas of policy reforms if a small-farmer strategy is to be effective in the region.

SUMMARY CONCLUSIONS AND POLICY RECOMMENDATIONS

This chapter has outlined the major policies and areas of agricultural cooperation being pursued in the SADCC framework. The main conclusion is that unless SADCC can effect greater policy coordination and harmonization eventually leading to a common agricultural policy framework, the objective of regional food security is unlikely to be realized. Such a common agricultural policy must focus on easing the economic policy and institutional constraints facing small farmers. Leaving food production policy at the level of national responsibility is likely to produce uncoordinated and unimpressive results. We also argue that the most serious constraints to peasant production now are economic and institutional, rather than technological, as SADCC would have us believe. Technological factors assume importance over the medium- to long-term periods.

The chapter also strongly argues against the assertion that Zimbabwe is following a small-farmer strategy, and points to the dangers of seeking a straitjacket formula for dealing with problems that are nation-specific. Nevertheless, it draws on general areas of policy reform based on the Zimbabwean experience that could be of relevance to other SADCC countries, even though the chapter falls short of blessing a small-farmer strategy as being appropriate for Zimbabwe or the entire region. Some flexibility is clearly necessary for experimenting with various forms of organizing agriculture in which the small-farm sector should be given priority in the foreseeable future.

Finally, given that the pursuit of any agrarian reform requires radical changes in the power structure and domestic class alignments, it is unlikely that any call for a small-farmer strategy would be adopted without strengthening the power base of the peasantry. The same governments that have for decades neglected the small producers cannot be trusted to suddenly change their records without an accompanying change in the political power structure that represents the interests of the peasantry.

NOTES

1. This chapter has drawn substantially from two recent papers by the same author: C. Mumbengegwi, "Continuity and Change in Zimbabwe's Agricultural Policy, 1965–1985," in I. J. Mandaza, ed., *The Political Economy of Transition* (forthcoming); Mumbengegwi, "Food and Agricultural Cooperation in SADCC: Progress, Problems and Prospects," (paper prepared for the African Regional Perspective Project for the United Nations University, Dakar, Senegal, June 1986, mimeo).

2. See SADCC, *Food and Agriculture Conference Report*, (30–31 January 1986).

3. Mumbengegwi, "Food and Agricultural Cooperation in SADCC," p. 2.

4. SADCC, *Food and Agriculture Conference Report*, pp. 2–3.

5. Ibid., p. 9.

6. SADCC, *Council of Ministers' Report*, (Maputo, 12–13 June 1986).

7. SADCC, *Food and Agriculture Conference Report*, p. 42.

8. See Mumbengegwi, "Continuity and change in Agricultural Policy 1965–85," or Sam Moyo, "The Land Question" in I. J. Mandaza, ed., *The Political Economy of Transition in Zimbabwe* (forthcoming).

9. Moyo, "The Land Question."
10. Ministry of Agriculture Internal Policy Document (December 1978).
11. See Moyo, "The Land Question."
12. Ibid.
13. SADCC, *Council of Ministers' Report*.

CHAPTER 7

South Africa's Role in Agricultural Production and Marketing in Southern Africa

MERLE LIPTON

Analysis of the economic relationship between South Africa and SADCC is fraught with difficulties. Material on the subsistence sectors, which account for much of agriculture, is sparse and unreliable, while political sensitivity over relations with South Africa has led to the withholding and obscuring of information by both sides. Because of the threat of sanctions, South Africa curtailed publication of material on its trade with Africa after 1977. Most African states deny or do not wish to publicize their trade with South Africa.

The consequent problems are recognized by analysts on both sides. A consultant to SADCC commented that, in some cases, "the unrecorded trade may be of a size comparable to the recorded trade,"[1] while the head of the South African Foreign Trade Association (SAFTA) remarked that official South African statistics are not disaggregated, while those of other countries are out of date, and those published, for example, by the IMF are "totally unreliable . . . with the decimal point sometimes in the wrong place."[2] Analysis of this relationship must, perforce, be preceded by a painstaking attempt to construct the basic facts about food production and marketing, with a need to distinguish between those areas in which information is relatively reliable (the commercialized sectors of South Africa, Zimbabwe, Botswana, Malawi, and Swaziland) and the guesstimates that parade as "statistics" in the case of most subsistence agriculture, particularly in war-torn Angola and Mozambique. Such uncertainties impel caution, both in analysis and in the subsequent prescribing of policies in the vital area of food supplies for a region in which undernutrition is widespread.

This chapter, which will focus on the cereals—particularly maize or corn, the staple food for the majority of people in the region—is divided into four sections:

1. *The SADCC deficit in cereals.* Poor production and marketing data for most SADCC countries make it exceptionally difficult to estimate long-term trends; but it seems that SADCC's deficit increased sharply until the mid-1980s. The deficit was reduced by the 1985–1986 Zimbabwean maize crop, but it seems unlikely to be eliminated by Zimbabwean output in the long term.

2. *The South African surplus in cereals.* Bumper maize crops in the early 1980s may have been exceptions rather than part of a long-term trend. Furthermore, rising domestic consumption and the possibility of internal disorder also render questionable the continued availability of large export surpluses in the future.

3. *South Africa's role as a supplier of cereals to SADCC.* The coincidence of South Africa's bumper crops in the early 1980s with SADCC's acute deficits led to exaggerated claims about the extent of SADCC's dependence on South Africa for foods.

4. *South African interests and attitudes.* Generalizations based on the exceptional conditions of the early 1980s led to exaggerated fears about the extent to which South Africa wields a "food weapon" in Africa. These fears were intensified by an oversimplified and reductionist view that sees South Africa as monolithic and fails to distinguish between its (often conflicting) economic and security interests in the region. The strategy of isolating South Africa tends to increase its security fears and, hence, to exacerbate the danger of conflict in the region.

1. SADCC'S DEFICIT IN CEREALS

Tables 7.1 and 7.2 provide indexes of total and per capita food production for all SADCC countries. They show, except in Swaziland, Malawi, and Tanzania, declining per capita food production even before the disastrous 1982–1984 drought, which worsened output in all countries except Swaziland. Since 1984 there has been some improvement, especially in Zimbabwe.

Table 7.3 sets out total SADCC output, imports/exports, and the resultant net cereals deficit. The more detailed country tables on which Table 7.3 is based are set out in Appendix 7.1. Table 7.3 illustrates that, for SADCC as a whole, the deficit more than quadrupled from 370,000 tons in 1970 to 1,633,000 tons in 1984, when SADCC imported 17 percent of its cereal consumption.

Zimbabwe's recent bumper harvest eliminated the deficit in maize, although not in wheat and rice. However, Michael Lipton's chapter in this book gives reasons for doubting that Zimbabwean production can solve even the maize deficit in the long run.

2. SOUTH AFRICA'S SURPLUS IN CEREALS

Tables 7.1 and 7.2 show that South Africa has not performed as well as is widely believed in terms of per capita food output, which was further adversely affected by the recent drought. Nevertheless, a comparison of Tables 7.3 and 7.4 shows that before the drought, South Africa generally accounted for over 60 percent of Southern Africa's cereal output, although it has roughly half the population of SADCC. In 1982, South Africa's total population (including the "independent" Bantustans, treated here as part of South Africa) was 30 million; SADCC's was 64 million.

South Africa often has sizable surpluses for export in excess of the SADCC deficits. These surpluses were mostly of maize, and South Africa was often among the world's half-dozen top maize-exporting countries (see Tables 7.5, 7.6, and 7.8).

South Africa also has huge grain storage capacity. In 1984–1985, this amounted to storage space of almost 18 million tons, equivalent to two years of South African domestic consumption and almost double SADCC's 1984 consumption of under 10 million tons. However, the amount actually stored was often much less, varying from 11 million tons of maize in 1981–1982 to 3 million tons in 1984–1985.[3] In 1986 the Wheat Board held stocks of 720,000 tons of wheat or 4.3 months milling requirements.[4] South Africa's huge storage capacity is presumably due to the risk of a combination of drought and economic sanctions.

The tables also show that South Africa's export surpluses were wiped out during the recent prolonged drought and that, like all exporting countries, it is dwarfed by the United States. South Africa's role as an exporter is therefore subject to constraints, including erratic weather, international production and prices and, or course, domestic considerations—consumption levels, pressures from farm lobbies, and the economic costs and benefits of agricultural exports and imports.

Trends in Domestic Consumption

Trends in cereal consumption are determined not only by population growth, but also by changes in taste, associated with such factors as urbanization and rising educational and income levels, which generally lead to a switch from staples such as maize and sorghum to "convenience foods" like wheat and rice. Black urbanization and rising black educational and income levels in urban areas have led to a similar pattern in South Africa.[5]

In 1984/85, domestic consumption of cereals in South Africa was about 9 million tons, of which 6 million was maize, 2 million wheat, and 1 million other grains. Table 7.7 shows the declining domestic consumption of maize, which is even more marked on a per capita basis. Indeed, since 1982, human consumption has been exceeded by the growing percentage of maize used for animal feeds: over half of domestic maize consumption of 6 million tons in 1985.[6] However, the shift from maize may have been partly due to the shortage of the preferred white maize during the drought: yellow maize is generally used for animal feed in South Africa.

Table 7.7 shows that wheat consumption rose from 1.4 million tons in 1970 to 2.1 million tons in 1985. On a per capita basis, it is currently increasing at 4 to 5 percent annually. The Wheat Board anticipates that consumption will rise to 2.4 million tons in 1990 and 3.4 million tons by 2000—almost double present production levels.[7]

South Africa does not produce rice, but imports have risen from 10,000 tons in 1970 to 113,000 in 1984.[8] The expanding market for food among blacks has also led to rising consumption of more expensive foods such as dairy products, red meat and poultry, and fruit and vegetables.[9]

However, there are uncertainties about the continuation of these consumption trends. If, for example, there were widespread political upheaval in South Africa, there could be a fall in production and, possibly, a reversion to cheaper staples like maize and even sorghum (which has the added advantage of being more drought-resistant). But if, on the other hand, South Africa acquired a government more responsive to black needs, domestic consumption of cereals could rise. The question of malnutrition within South Africa is not dealt with here; however, while blacks with jobs have made economic gains, the growing number of unemployed have not. Greater official concern with black nutrition could lead to more domestic consumption of cereals (and other food) at the expense of exports.

The Economics and Politics of Cereal Production

Marketing of agricultural production in South Africa is controlled by the 1937 and 1968 Marketing Acts. The degree of control varies: these are extensive government controls over the staple food grains; a variety of lesser controls (quotas, pool and floor price schemes) over products such as meat, milk, fruit, sugar, and wool; and no official controls over most vegetables.

The Maize Board is responsible for maize, sorghum, and buckwheat; the Wheat Board deals with wheat, barley, oats, and rye. Both boards operate single-channel, fixed-price schemes; i.e., they are the sole buyers and sellers of these products, the prices of which are fixed by the minister of agriculture each year, after consultation with the boards.

The government subsidizes the price at which maize is sold and provides a subsidy for the more nutritious brown bread. In 1985 the subsidy for maize was R215 million, and for bread R234 million. The cost of these subsidies has risen sharply, from about R27 million in 1970 to R450 million in 1985.[10]

The major aim of the system of marketing boards and price subsidies was to overcome the recurrent crises that racked agricultural production in the early decades of the century—because of erratic weather, animal diseases, social turmoil, and wild fluctuations in international prices. Another factor was the farm lobby: white farmers were well-organized, and the rural vote was loaded. They secured for agriculture a wide range of concessions—cheap credit, special tax and freight rates, technical assistance, price subsidies, etc.

They also ensured that these concessions were almost exclusively directed to white farmers. This discrimination—together with the 1936 Land Act (reserving land ownership in 86 percent of South Africa for whites) and controls over African mobility—had the effect of confining Africans mainly to subsistence farming in the reserves or Bantustans, which only accounted for about 5 percent of agricultural output in 1980.[11]

Whatever the inequities and high costs of these policies, South Africa succeeded in providing more stable markets and prices for agricultural products, thus stimulating output, and in keeping down the cost of food, especially the staples, for consumers. South Africa generally provides for its own domestic consumption, and is among the world's leading exporters of a wide range of agricultural products—not only maize, but also fruit, sugar, oilseeds, wool, and wine.

However, the rising costs to the treasury of agricultural supports, including food subsidies, has generated debate about the need for the reduction of farm supports and for more market-oriented policies. Critics argue that price supports have encouraged overproduction and export subsidies for some (though by no means all) products, and that they have kept in existence inefficient, marginal, white farmers. At the same time, paradoxically, cheap credits and the tax system have stimulated overinvestment, leading to rising land prices and overmechanization, thus favoring the emergence of large-scale, capital-intensive, and often oligopolistic agribusiness,[12] (a pattern familiar from the subsidized agricultures of the EEC and the United States). There is, consequently, striking inequality among white farmers: 6 percent of white South African farmers produce 40 percent of all output.[13]

It has also been argued that there should be a shift of resources from the overcapitalized large-scale (white) farming sector to undercapitalized (black) smallholders, in the context of a redistribution of land to blacks, so that relatively labor-intensive smallholders can emerge alongside the efficient sectors of large-scale white farming, which must continue to provide food for the urban areas and for export. Zimbabwe yet might provide a model for the coexistence of South Africa's "two agricultures."[14] There is, as yet, little official (or other) interest in such strategies. However, the abolition of the pass laws and the possibility of further urban influx could lead to official concern in finding other strategies to stem the urban influx, and particularly growing urban unemployment, by providing opportunities in agriculture. However, the record elsewhere in Africa suggests that even a black government could not be relied upon to favor the landless and the smallholders.

The government recently indicated that it favored a cutback in farm supports. Official commissions were set up to review the marketing board system and the bread subsidy, and a decision was taken to release barley, oats, and rye from the one-channel, fixed-price system, which was encouraging excess production.[15]

Maize and wheat, however, pose more difficult questions. On current trends, the demand for wheat will exceed domestic production. South Africa does not have a comparative advantage in wheat, and imports are generally cheaper. The maize surplus, on the other hand, is expected to grow. The Department of Agriculture anticipates that production, averaging 10.7 million tons from 1977–1981, will average 16 to 20 million tons during the 1990s, which would provide export surpluses of over 10 million tons, ranking South Africa second after the United States in the export league.[16] However, Table 7.4 reveals a highly fluctuating trend in maize output. The bumper 1981 harvest may have been a freak rather than the beginning of a new spurt in output. It seems too soon to say.

Furthermore, exports of maize, and imports to fill the wheat deficit, could be greatly affected both by volatile trends in international output and prices, and by economic sanctions against South Africa. Faced with these prospects, South Africa seems unlikely to depart from its long-established commitment to self-sufficiency in food (indicating an attempt to expand wheat production). It also seems less likely to loosen government controls over agriculture and to experiment with changes in agricultural policy, although difficult decisions will have to be taken about the level of maize production if exports are blocked, and about food subsidies if the recession deepens. These decisions will affect not only consumers, but also the many people involved in cereal production: thousands of farmers and over 150,000 farm workers (and their dependents) in maize alone.

The political power of white farmers to influence policy has declined markedly since the 1970s. But, as in many Western societies, they are exceptionally well-organized. Farmers dominate the statutory marketing boards, although they complain about the growing power of the bureaucracy that administers the boards and also the hundreds of cooperatives that cover the country. Farmers also have effective provincial and product (sugar, wine, etc.) organizations, most of which are affiliated to the influential South African Agricultural Union (SAAU). The National Maize Producers Organization (NAMPO) is the most militant of the farmers' organizations, frequently in conflict with the government over the maize price, the setting of which had become a highly political annual event.

Recently, farmers have been severely affected by economic recession and drought. Added to this have been security problems in border areas: low-level but increasing guerrilla activity and rising cattle thefts. In some areas of the Transvaal and Orange Free State, especially among livestock farmers, this has led to a swing away from Botha's ruling National party to the ultraright-wing Conservative party and Herstigte National party (HNP). However, white farmers are no longer consistent supporters of racist policies, and the range of views among them has become more varied. Some farmers' organizations are opening their membership to blacks, and the more progressive farmers, like those in the South Africa Sugar Association, supported the scrapping of controls over mobility, the abandonment of the Bantustan policy of fragmenting South Africa, and the extension to all blacks of citizenship and political rights in a unified South Africa.[17] These shifts in attitude are a significant advance over the situation even a decade ago. But the attitudes of most farmers, for example, on the question of agricultural trade unions, still lag behind the demands of black political organizations.

International Prices and Access to Markets

Agricultural exports will be affected not only by sanctions, but probably even more by trends in international output and prices. The heavily subsidized food surpluses of the United States and EEC are currently creating severe difficulties for South Africa (and other) food exporters.

Table 7.9 shows that agriculture contributed a substantial proportion to South African exports. From 1970–1982, this ranged from 20 to 40 percent of merchandise (i.e., nongold) exports. During 1979–1983, agricultural exports averaged R2 billion, 29 percent of the total value of agricultural production. Maize exports averaged R300 million, reaching a peak of R750 million in 1981.

However, Table 7.9 also shows that agriculture's share of exports is declining. Among the reasons for this are increasing international competitiveness and protectionism. It has also been argued that there has been a worsening of the produce parity prices of South African agriculture,[18] partly due to rising wages, partly to the costs of heavily protected inputs (fertilizers, tractors)—some of which have been designated "strategic" industries to be built up to combat the threat of sanctions (which have had a much underestimated impact on South African economic planning).[19] High input costs due to protection, in turn, have provided one of the arguments for agricultural protection and supports—thus further raising the cost structure. Agricultural (and manufacturing) exports also were adversely affected by the high rand exchange rate that accompanied the rise in the gold price from 1971. Exports have, of course, been aided by the decline in the rand since 1981.

Some sections of South African agriculture (fruit, wool, oilseeds) are highly competitive and able to hold their own without government subsidies. But the protected cereals, especially wheat, have often had problems.

Rees and others found that South African wheat prices were generally (though not invariably) above world prices; although the direct cost to consumers is reduced or eliminated by the bread subsidy. Maize prices have been closer to, and often lower than, international prices.[20] Even when local cereals are somewhat above world prices, the transport costs of imports give local producers an advantage in the South African market; but the boards might have to sell exports at a loss, i.e., at a lower price than the fixed prices paid to farmers. In the case of most other agricultural products, the price received by farmers depends on prices realized by the marketing boards, thus avoiding the losses, and production of surpluses, that fixed-price systems encourage.

The current international cereals surpluses could prove highly volatile, subject as they are not only to the weather, but also to the continued willingness of U.S. and EEC taxpayers to support their huge farm subsidies (butter mountains, wine lakes, wheat mountains, etc.). The South African government—like other small-to-medium producers—will try to protect its domestic agriculture, and its exports, from being destroyed by these unpredictable and reversible movements. South African policy makers are faced with the added threat of economic sanctions. These uncertainties seem likely to reinforce their determination to remain self-sufficient in food. Their export policies will be influenced by internal considerations (pressures from the farm lobby; the need to protect employment in this labor-intensive sector; level of domestic consumption), as well as by the need for foreign exchange and the desire to preserve established markets, even at the cost of temporary subsidies and losses.

3. SOUTH AFRICA'S ROLE AS A SUPPLIER OF CEREALS TO SADCC

One of SADCC's major objects is to decrease its economic ties with South Africa, and to increase the self-reliance of, and trade between, its nine members. Much of the detailed information about SADCC-South Africa trade rests on guesstimates and/or unsourced material that cannot be checked. But there is sufficient evidence from both sides to confirm that there is considerable economic interaction, and that this has probably been increasing. There is wide agreement with the assessment of SADCC's 1986 Macroeconomic Survey of "an increase in dependence on the South African transport system and on food imports."[21]

Table 7.10, derived from SADCC sources, shows that, even on the official figures, i.e., not accounting for trade that is unrecorded or disguised (relabeled goods, indirect imports), South Africa accounted for 30 percent of total SADCC imports and 7 percent of exports in 1982. By contrast, trade among the nine SADCC members accounted for 5 percent of total SADCC exports and 4.4 percent of imports.

In 1982 SADCC imports from South Africa amounted to over US$2 billion and exports to US$382 million. Such official South African statistics as are produced on trade with Africa show a much lower level of South African exports.[22] But assessments by well-informed South African analysts agree with the estimate of about $2 billion exports.[23]

However, Table 7.10 excludes the trade in "invisibles" that makes up the largest part of the rand earnings of SADCC countries, and which helps to finance their purchases of South African goods. The main elements of these are:

- Remittances of migrant workers: it was estimated that, in 1983, these amounted to over R500 million.[24] In addition to the legal migrants, mainly on the mines, there are thousands of illegal migrants, particularly in agriculture.

- A major source of foreign earnings for Botswana, Lesotho, and Swaziland is provided by their payments from the South African Customs Union (SACU). In the mid-1980s, these amounted to over R500 million.
- Earnings from tourism: South Africa provides the bulk of SADCC's tourists, amounting to over 200,000 South African visitors in 1984.[25] Spending by them must run into millions of rand.

The addition of these items to merchandise exports probably brings SADCC's rand earnings to over R1.5 billion.

South Africa also has invisible earnings from SADCC, of which the largest is for transport. In 1985–1986, South African Transport Service (SATS) earned about R300 million for the handling of approximately R3 billion of SADCC traffic (by rail, road, harbor, pipeline, and air).[26] The figure of R300 million is lower than SADCC estimates because it does not include insurance, clearing, and forwarding charges.

Another major source of earnings is dividends from investments. Lewis's chapter in this volume estimates these at $100 to $150 million in the mid-1990s. Investment is another important area of South Africa-SADCC economic interaction. As the recent SADCC Macroeconomic Survey noted, South Africa is "a significant source of direct investment...and brings much needed technical, managerial, administrative and marketing experience, and connections"—as well as the usual problems of transfer pricing and dependence.[27]

Whatever the uncertainties and unknowns, it seems that Table 7.10 is an understatement of the significance both to SADCC and to South Africa of the economic interaction between them. South Africa provides the most important source of goods, services, investment, and foreign exchange earnings for most of the SADCC countries. For South Africa, SADCC takes about 20 percent of merchandise (nongold) exports and is a significant source of invisible earnings. However, in this chapter, South Africa-SADCC relations are dealt with at a very general level, and it must be borne in mind that there are marked variations in the linkages with individual SADCC countries, ranging from very close ties with BLS to the virtual absence of economic links with Tanzania.

Agricultural Trade

Statistical series that indicate trends in agricultural trade are hard to come by. Both sides seem prone to fudge official statistics on the sensitive question of food supplies, although as many observers testify, "despite the official OAU embargo . . . from Zimbabwe to Nigeria, one sees tins of canned guavas, fresh meat, fresh vegetables . . . from South Africa"—not to mention the double invoicing, false certificates or origin, relabeling, etc.[28]

Table 7.11 based on official South African statistics, is probably an underestimate, but the trend fits with information from SADCC sources and from independent observers. It shows an over fivefold increase in food exports, particularly "vegetable products," (mainly cereals) from 1973 to 1980, and a decrease in 1983—although this volume still represents a threefold increase over the 1973 level.

These trends are confirmed by Table 7.12, which pieces together information on South African maize exports to BLS and the "rest of Africa" (apparently mainly the rest of SADCC). A comparison with Table 7.4 shows a high proportion of South African maize sales to Africa, especially when exports are low, because of the preference given to SACU, which South Africa continued to supply, even when importing maize during the recent drought.

In calculating their grain requirements, the South African Maize and Wheat Boards include the needs of the whole customs union. The boards value these established markets, which provide a steady outlet for exports that they also purchase at South African prices, unlike those outside the customs union, which are the ones that receive subsidies. This additional market also helps to iron out fluctuations, especially in the case of the relatively small wheat surpluses.[29] Wheat exports to "neighboring countries" fluctuate between 100,000 to 200,000 tons per annum. The wheat goes mainly—but not only—to BLS: in 1980 for example, 50,000 tons of wheat were reportedly sold to Mozambique. Big wheat sales to other African countries were reported during the bumper harvests of the 1970s.[30] Smaller quantities of barley, oats, millet, buckwheat, and sorghum are also exported.[31] South Africa's large stocks and efficient marketing and transport systems mean it can supply small or large quantities at short notice, thus relieving the need for high storage costs. It also has a reputation as a reliable supplier of high-quality grains.

Africa, particularly Southern Africa, provides an important, but not the only, outlet for South African cereals. South African maize is sold all over the world, especially in the Far East. In 1980–1981, sales to Europe and the Far East accounted for about 8 million tons out of total maize exports of 12.5 million tons, excluding sales to BLS (see note to Table 7.5).[32] But proximity provides an obvious advantage in the provision of this bulky commodity to Africa, and sales there reached their peak during the early 1980s, following bumper South African crops of 10.7 million tons in 1980–1981 and 14.7

million tons in 1981–1982, at a time when Africa was faced with critical food shortages.

This coincidence led to arguments that South Africa was "the breadbasket" of Africa and to suggestions by the South African minister of agriculture, Hendrik Schoeman—and to fears by opponents of South Africa—that it could use the "food weapon" to exert leverage over Africa. The subsequent economic recession and drought in South Africa, and the importation of maize from Zimbabwe, led to a swing of opinion in the other direction. South Africa is now perceived as being in decline and crisis, while Zimbabwe is depicted as Africa's (or at least SADCC's) breadbasket and cast in the role of "the spoiler of South Africa's strategy."[33] Other chapters in this book assess the possibilities for Zimbabwe, but both these assessments rest heavily on short-term fluctuations and on a belief about the ease with which grain markets can be manipulated.

Those critics who view South Africa food exports to Africa in predominantly strategic rather than economic terms (the "food weapon") attach a sinister significance to the fact that cereal sales have been subsidized and/or facilitated by credits. Their suspicions have been further fueled by their belief that South Africa has denied using these mechanisms.[34]

However, the fact that losses are sometimes incurred on sales is openly recorded in the reports of South Africa's marketing boards and was confirmed to me in interviews by senior officials of the boards.[35] Moreover, this practice (perhaps "malpractice" in the eyes of competitors, but beneficial to purchasers) is widespread: the subsidies and credits for food exports provided by South Africa (and also in 1985–1986 by Zimbabwe) are dwarfed by those of the United States and EEC. Likewise the question of credits: in 1978, the Credit Guarantee Insurance Corporation was authorized publicly to give insurance cover to South African exports to Africa in order to facilitate trade. This is standard international trading practice.

It is, of course, fairly common for ministers of agriculture and other beneficiaries and proponents of food subsidies and farm supports to argue that these serve essential political and strategic purposes. A prominent U.S. exponent of this view was Earl Butz, agriculture secretary under Presidents Nixon and Ford. But, as the complex political struggle over U.S. grain sales to the Soviet Union showed, when forced to choose, these same ministers and lobbies preferred to sell their grain rather than wield the "food weapon."[36] This desire was reinforced by the experience of former grain embargoes, which had resulted in the loss of U.S. export markets in Cuba, China, and the Soviet Union to Canadian and other suppliers. President Reagan, despite his evident desire for leverage over the

Soviet Union, lifted Carter's embargo (imposed following the Afghanistan invasion) in response to the same pressures and costs.

South Africa is hardly the world's only grain supplier. Its producers and traders need to sell their grain, and its economic managers require foreign exchange. It seems unlikely that what has been termed South Africa's "deliberate policy of food exportation to black Africa" is either as sinister in intent or as effective an "instrument of foreign policy for creating dependencies in Africa" as is feared.

What does provide more leverage is the heavy and growing dependence of the landlocked SADCC countries on South Africa's transport system, to which South African destabilization has contributed. This has been documented elsewhere,[37] but the detailed country statistics in Appendix 7.2 confirm that a significant proportion of this traffic is in agricultural commodities, large quantities of which are imported both from and via South Africa. To this rail traffic must be added considerable tonnages transported by road, both by SATS and also by private haulers who, for example, operate a substantial and fast service to Zambia via Botswana.[38] The data in Appendix 7.2 also confirms that this traffic is not one-way. In addition to its recent maize imports from Zimbabwe, South Africa imports tea, tobacco, cotton, and rice from Zimbabwe and Malawi, meat from Botswana, and seafood from Mozambique.

Information on SADCC-South Africa trade in agricultural inputs is sparse. But many observers concur with Osborn's conclusion that South Africa is SADCC's main source of supply for "agricultural inputs and machinery and equipment, other than tractors and combine harvesters."[39] Among the goods he lists are insecticides, pesticides, and fertilizers (the latter both from and via South Africa, according to my interviews): for example, in 1984 South Africa supplied SADCC countries with almost 3 million doses of animal vaccines.[40]

There are a number of question marks over the future of South Africa-SADCC trade. These include the size and nature of South African surpluses, which will depend on the uncertain trends in maize output, in domestic consumption, and on the competitiveness of South Africa's maize prices and the cost of subsidies—both for production and for export. As discussed above, there is more uncertainty about each of these factors than is generally realized.

Continued trade will also depend on trends in demand. If SADCC countries shift to wheat, then it seems unlikely that South Africa could supply them out of its own output—unless there are breakthroughs in production—although it would probably like, especially in the case of BLS, to act as intermediary. But the

SADCC countries will presumably try to switch away from South African sources.

Zimbabwe, the much-disputed alternative, recently sold maize surpluses to Botswana, Mozambique, and also South Africa. However, Zimbabwe (like South Africa) cannot supply the wheat and rice needs of the region. Moreover, payment is a problem: what to sell to Zimbabwe (or others) to compensate for the rand earnings lost from a cutoff of South African trade. Furthermore, Zimbabwean maize production, much smaller than South Africa's, is also subject to fluctuations. The 1982 Chavunduka Commission of Inquiry recommended against Zimbabwe carrying large stocks in order to create a regional food reserve because of high storage costs and limitations of the transport system. However, after the 1985/86 bumper harvest, Zimbabwean stocks rose to over one million tons.

Another major alternative for SADCC is food aid, provided mainly by the United States and EEC. Table 7.13 shows the rising level of food aid, both in absolute terms and as a percentage of total cereal imports. In 1984/85, food aid accounted for 54 percent of SADCC's cereal imports; 78 percent in the case of Mozambique.[41]

Neither South African nor Zimbabwean sales can compete with food aid. The disadvantages of such flows are that they are unreliable because they depend on the continued willingness of U.S. and European taxpayers to foot the bill. They can also act as a disincentive to production in the recipient country. Moreover, even food aid depends heavily on South African transport. Even if SADCC's alternative networks are restored, their operations will be vulnerable to sabotage. Greater self-sufficiency in food would, of course, reduce the dependence of SADCC countries on all outsiders, including South Africa. If the production of this food were labor-intensive, it would also improve the distribution of income and make poor people better off.

Institutional and Noneconomic Cooperation in Agriculture

The attempt to isolate South Africa has not yet reduced regional economic interaction. On the contrary, relations have increased—although this interaction would have been even greater in the absence of boycotts. But the isolation strategy has reduced noneconomic and institutional cooperation, and there are few formal links, particularly at the political level. Relatively little public use is made of the extensive South African marketing system, although it is well known that Lesotho uses the Wool Board for its wool and mohair clip, while BLS use the relevant boards for marketing some of their tobacco, citrus, oilseeds, and maize.

Some of this activity takes place within the framework of formal agreements such as SACU, the 1981 South Africa-Malawi Agreement, the 1982 and 1986 South Africa-Zimbabwe Trade Agreement, and the ill-fated 1984 Nkomati Accord and Repmosa Agreement (proposing agricultural linkages and development aid) between South Africa and Mozambique.

But, in general, there is an effort to avoid publicity for the daily cooperation that takes place between officials, producers, and traders over marketing, transport, control of animal diseases and locusts, water and irrigation, soil erosion, etc. A number of major projects are pending, such as the Lesotho hydroelectric and Limpopo Basin schemes, which could greatly increase power and irrigation for both SADCC and South Africa. In some of these areas, cooperation is vital: for example, locusts and air and water-borne diseases are no respecters of political boundaries. During 1986 the locust problem was aggravated by declining cooperation.[42]

The deliberate severing of SADCC–South Africa links would impose high costs on both sides—in the duplication of activities and resources, the diversion of energy and attention away from other urgent problems, and in the opportunities for mutual gain that are foregone.

4. SOUTH AFRICAN INTERESTS AND ATTITUDES

Apartheid is, of course, the main reason for the insistence on keeping South Africa at arm's length. Other reasons—which could become more important in a postapartheid situation—include the problems inherent in the relationship between small/underdeveloped and large/developed neighboring states.

The understandable African states' hatred of South Africa's racist policies led to their rejection of South Africa's suggestion for a Constellation of Southern African States (CONSAS), modeled on the EEC. The inclusion in South Africa's ambitious proposal of its "independent" Bantustans is a measure of South Africa's lack of appreciation of the depth of African resentment of apartheid, and an indication of those elements of fantasy and lack of realism—fed by growing isolation and paranoia—which coexist with tough, hardheaded policies.

The stated aim of SADCC was to reduce contacts with South Africa, but to avoid confrontation. However, the attempt to reduce contact took place in the context of a growing international campaign for economic sanctions, and was often linked with sanctions or even presented as a necessary prelude to them.[43]

This link, and the mere presence within SADCC countries of exiled political organizations like the African National Congress (ANC), which were committed to the armed struggle, convinced some in the South African government that its neighbors were not merely shunning them, but had joined the "total onslaught" against them. Their regional perspective and policy became increasingly dominated by this security concern, especially with the growth of military influence that accompanied the election in 1978 of P. W. Botha as prime minister (and later president). It is this concern with security—however crude, misguided, and paranoid it may be —that underlies South Africa's military aggression and destabilization actions in the region, and not, as some have argued, the mere establishment of SADCC itself.[44]

In fact, there is relatively little knowledge of, or even interest in, SADCC within South Africa. My questions about SADCC often elicited the response, "What's SADCC?" As is widely acknowledged, the economic impact of SADCC has, thus far, been slight, while the exclusion of South Africans from the region means that they are largely ignorant about it. Interest in SADCC is mainly confined to academics and researchers, who are not generally hostile, even within semiofficial think tanks like the Africa Institute or the Southern African Development Bank, although they do not believe that a regional economic grouping will succeed in excluding South Africa—a view with which some in SADCC concur.[45]

Likewise, there seems little evidence for the claim that South African businessmen have become supporters of the "total strategy,"[46] and would, therefore, presumably be more willing than U.S. farmers (vis-à-vis the Soviet Union) to lose revenue by withholding sales. On the contrary, South Africa's producers, traders, investors, and economic managers perceive a good working relationship with the SADCC countries as being in their interests. And business has been attacked, both in the South African parliament and right-wing press, for its unpatriotic "business as usual" activities in the region. These attacks have focused on the supply of food, oil, and transport facilities. The headlines reflect these views: *Die skande van South African mielies aan Zambie* ("The Scandal of South Africa Maize for Zambia"); *Regering voer terroriste vet* ("The Government is Feeding the Terrorists"); *Zambie kry petrol van South Africa...en betaal net 35c per liter* (Zambia Gets Petrol from South African and Pays only 35 Cents per Liter"—i.e., less than within South Africa).[47]

The reference to the government (*regering*) in the quotation above relates to the activities of parastatals like SATS and the marketing boards, which appear to share the business view (also evident in the economic and foreign affairs sections of government).

The SATS director, E. L. Grove (like his predecessor, J. G. H. Loubser) is a leading advocate of economic cooperation with neighboring states. Grove agrees with the SADCC argument that the rail links through Mozambique and Angola would be more economical and efficient for Zambia, Zimbabwe, and Malawi. Both he and Loubser argued that Maputo was also the best port for the heavy Witwatersrand traffic. It is moreover unlikely, as some believe, that the R300 million earned from SADCC traffic provides SATS with a motive for blocking the reopening of these lines. The earnings account for a very small proportion of SATS's total earnings of R8 billion. It would not lose all the traffic; and SATS believes it would gain from the resulting growth and prosperity throughout the region.[48]

Africa currently provides a market for about 10 percent of South Africa's total exports, and at least 20 percent of merchandise (nongold) exports and a higher proportion for manufacturing and agriculture. South African businessmen and economic managers see it as a significant growth area and as a "natural market" for their exports, investment, and entrepreneurial activity, including in agriculture, where they believe they can contribute firsthand knowledge and experience of African conditions. The prospect of sanctions has made them eager to maximize these economic links, both as a source of foreign exchange and as providing possible conduits for the evasion of sanctions.

Their interests thus lead them to want trade, not confrontation and war with neighboring states—just as their economic interests led to their pressures to erode apartheid within South Africa. Dr. Johnson once said that "there are few ways in which a man is more innocently employed than in making money"; in this case it seems true.

The dichotomy between the military and the business-economic approach to the region seems likely to be sharpened by sanctions, particularly against the background of increasing sabotage and guerrilla activity, which the military attribute to the ANC presence in SADCC countries. Their attitude was reflected in General Constand Viljoen's warning to neighboring states that South Africa's security requirements might outweigh its desire to cooperate with them.[49]

The military and the National party political establishment are angry and resentful at what they perceive to be a lack of response to reforms which, although inadequate, were difficult and divisive to effect. They believe that the reforms are being seen as a sign of weakness, thus stimulating further pressures, and that they need to demonstrate that they will not be pressured and that they have the will and capacity to retaliate if they are. These frustrations and calculations have contributed to intensified aggression in the region and to an atmosphere within South Africa that makes it increasingly difficult for businessmen and others to adopt critical positions on foreign policy. Indeed, with increasing isolation, they are likely to be affected by the siege atmosphere and patriotic fervor themselves.

This range of attitudes, and the complex interaction of economic and security interests, are obscured by the growing tendency toward a simplified and reductionist view of South Africa. This sees the deeply divided oligarchy as monolithic, and places a sinister interpretation on all its actions. Thus, South Africa is condemned if it sells food to Africa (especially at subsidized rates or on credit). It is also condemned on the suspicion that it might withhold food sales.

The reductionist view also sees South Africa as all-powerful—hence able to cow the whole of Africa with its "food weapon," and responsible for all the political instability and economic problems that wrack Southern Africa. While South Africa's destablization activities have undoubtedly contributed to the poor economic performance and high defense costs of some SADCC countries, a role has also been played by internal political problems and economic mismanagement. Moreover, some of the political tension in the region (including in South Africa) is also surely due to the prolonged and terrible drought, and the decline in commodity prices and terms of trade for most of the countries there. If South Africa is attacked whether it withholds or sells food, and is used as the scapegoat for all the woes of the region, white paranoia will increase.

South Africa has its own simplified and reductionist views, seeing its neighbors as part of the "total onslaught" despite the range of views within and among them, and their efforts to limit confrontation and guerrilla incursions, while keeping their distance from South Africa politically and diplomatically. This belief contributed to South Africa's failure to deliver on the Nkomati Accord or to respond to the greater efforts at accommodation evident at SADCC's 1984 conference. This, in turn, convinced South Africa's neighbors that it would not leave them in peace, but would bully and undermine them whatever they did. Thus, Mugabe shifted from his 1981 stance that Zimbabwe could neither impose economic sanctions on South Africa nor wage war against it to his recent demand for full economic sanctions and talk of "economic warfare" with South Africa[50] This, and the casting of Zimbabwe in the role of South Africa's economic rival and "spoiler of its strategy," is unlikely to meet with a passive response from South Africa's military. both sides are thus becoming locked into increasingly hostile positions, and a war psychosis is building up on both sides of the Zambezi.

Other chapters in this book consider what outsiders might do to help and influence SADCC. In relation to South Africa, it is important to distinguish those actions and policies (apartheid; sabotage of its neighbors' transport routes) which are proper objects of international condemnation from those more commonplace activities and problems which are proper subjects for ordinary interstate bargaining and negotiations (such as the problems inherent in the relations between small/large and developed/underdeveloped states, and standard trading practices such as undercutting and "unfair competition").

The compounding—instead of disaggregating—of all these problems is confusing and complicating the issues and renders the problems of the region more politically unmanageable. It is also inadvertently weakening and excluding from the region those sections of the oligarchy—in business, the parastatals, and the intelligentsia—who want an accommodation with their neighbors and realize that ending apartheid is an essential precondition for this.

Strategies for the region also need to recognize the major role played by the drought and by adverse international economic trends in intensifying tensions. A massive aid package encompassing all the states of Southern Africa could facilitate a political settlement and is likely, in the long run, to prove cheaper than a worsening regional war.

Table 7.1
Food Production Indexes for SADCC and SA, 1973–1984 (1974–1976 = 100)

	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984
Angola	100.14	101.12	98.37	100.51	98.83	98.38	100.24	102.56	101.55	102.63	103.49	103.68
Botswana	98.63	103.19	91.43	105.38	96.34	78.49	93.19	71.57	89.03	90.50	82.72	84.43
Lesotho	98.56	116.62	92.58	90.80	104.93	109.57	97.35	94.36	92.26	88.46	88.44	89.55
Malawi	101.55	100.91	95.75	103.33	108.10	116.53	107.87	115.24	119.98	126.53	126.61	127.53
Swaziland	89.61	97.35	99.91	102.74	98.74	112.80	108.70	127.00	139.26	142.27	143.50	147.17
Tanzania	84.45	87.15	100.97	111.88	113.80	115.17	122.19	127.86	130.28	124.78	126.12	127.90
Zambia	78.31	84.73	101.20	114.07	107.86	100.30	88.93	94.36	91.79	87.75	96.40	97.69
Zimbabwe	79.49	101.17	97.00	101.94	104.41	104.08	87.91	110.72	110.86	97.11	81.07	91.55
Mozambique	106.97	105.62	95.78	98.59	98.61	97.49	98.48	101.62	103.08	102.88	98.10	98.03
Namibia	109.30	111.96	92.64	95.40	88.15	91.91	91.89	92.77	93.85	92.80	83.92	89.93
RSA	84.32	102.54	99.00	96.45	104.36	110.12	108.01	111.50	125.40	109.66	91.04	100.95
World	96.03	97.59	100.30	102.11	104.29	109.23	110.43	110.51	113.99	117.67	117.58	122.80

Source: *FAO Production Yearbook, 1984.*

Table 7.2
Per Capita Food Production Indexes for SADCC and SA, 1973–1984 (1974–1976 = 100)

	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984
Angola	106.63	104.40	98.48	97.15	92.18	88.59	87.33	86.69	83.48	82.20	81.01	79.20
Botswana	106.38	107.15	91.41	101.45	89.21	70.01	80.09	59.33	71.30	70.03	61.84	61.00
Lesotho	102.77	118.96	92.45	88.59	100.00	101.86	88.35	83.54	79.66	74.47	72.61	71.60
Malawi	107.20	103.70	95.79	100.54	102.27	107.12	96.28	99.78	100.70	102.86	99.65	97.10
Swaziland	94.22	96.97	100.04	99.98	93.46	103.72	97.00	110.08	117.14	116.23	113.59	112.90
Tanzania	90.38	90.28	101.24	108.48	106.65	104.28	106.89	108.05	106.34	98.33	95.96	93.90
Zambia	83.22	87.46	101.50	111.02	101.84	91.82	78.93	81.10	76.39	70.67	75.10	73.50
Zimbabwe	84.71	104.33	97.01	98.67	97.75	94.19	76.88	93.56	90.51	76.57	61.73	67.30
Mozambique	114.99	109.60	95.93	94.49	90.24	85.21	82.43	81.79	80.12	77.46	71.74	69.60
Namibia	114.79	114.70	92.50	92.81	83.55	84.87	82.59	81.16	79.91	76.86	67.60	70.40
RSA	88.21	104.85	98.95	96.21	99.69	102.81	98.53	99.33	109.04	93.03	75.33	81.40
World	99.93	99.53	100.26	100.21	100.53	103.47	102.83	101.14	102.55	104.07	102.25	105.00

Source: *FAO Production Yearbook, 1984.*

Table 7.3
SADCC Cereal Production and Trade, 1970–1984 (1,000 MT)

	Total Cereal Production	Total Cereal Foreign Trade		
		(i) Exports	(ii) Imports	(i)—(ii) Net Surplus (+) or Deficit (-)
1970	5,968	516	888	-372
1971	7,165	403	981	-578
1972	8,018	768	881	-113
1973	6,218	649	707	-58
1974	8,117	602	1,105	-503
1975	7,320	914	1,372	-458
1976	8,064	397	889	-492
1977	8,325	471	1,045	-574
1978	9,001	673	988	-315
1979	7,596	384	1,309	-925
1980	7,992	114	2,309	-2,195
1981	9,653	276	1,700	-1,424
1982	8,509	359	1,377	-1,018
1983	7,599	575	1,374	-799
1984	7,764	320	1,953	-1,633

Source: Country tables in Table 7.A1.
MT = Metric ton.

Table 7.4
SA Cereal Production, 1970–1984 (1,000 MT)

	Total[a]	Wheat	Maize
1970	8,152	1,396	6,133
1971	11,036	1,670	8,600
1972	12,081	1,730	9,630
1973	6,403	1,871	4,160
1974	13,562	1,596	11,105
1975	12,063	1,820	9,516
1976	10,004	2,239	7,312
1977	12,044	1,860	9,630
1978	12,467	1,730	9,930
1979	10,940	2,086	8,240
1980	13,105	1,470	10,790
1981	17,761	2,340	14,660
1982	11,281	2,420	8,359
1983	6,307	1,770	4,080
1984	7,375	2,150	4,440

Source: *FAO Production Yearbook*, various years.
MT = Metric ton.
[a]Includes, in addition to maize and wheat, sorghum, barley, millet, oats, and rye.

Table 7.5
SA Cereal Trade, 1970–1984[a] (1,000 MT)

All Cereals	(i) Exports	(ii) Imports	(iii) Net Surplus (+) or Deficit (–)
1970	1,299	421	+878
1971	1,703	179	+1,524
1972	3,499	109	+3,390
1973	1,956	105	+1,851
1974	2,687	127	+2,560
1975	3,204	95	+3,109
1976	2,242	107	+2,135
1977	2,116	200	+1,916
1978	3,203	117	+3,086
1979	2,478	171	+2,307
1980	3,780	159	+3,621
1981	4,543	480	+4,063
1982	4,013	301	+3,712
1983	1,475	1,517	–42
1984	175	3,239	–3,064

Source: *FAO Production Yearbook*, various years.

MT = Metric ton.

[a]SA's agricultural trade statistics include the customs union, i.e., they do not show SA's significant cereal exports to BLS.

Table 7.6
SA Trade in Maize and Wheat, 1970–1984[a] (1,000 MT)

	Exports		Imports		Net Surplus (+) or Deficit (–)	
	Maize (i)	Wheat and Flour (ii)	Maize (iii)	Wheat and Flour (iv)	Maize (i) – (iii)	Wheat (ii) – (iv)
1970	1,200	—	200	121	+1,000	–121
1971	1,467	—	—	51	+1,467	–51
1972	3,155	51	1	22	+3,154	+29
1973	1,500	305	20	15	+1,480	+290
1974	2,162	395	2	14	+2,160	+381
1975	2,900	31	3	3	+2,897	+28
1976	2,100	53	12	5	2,088	+48
1977	1,900	182	80	4	+1,820	+178
1978	2,799	141	3	7	+2,796	+134
1979	2,152	119	4	8	+2,148	+111
1980	3,317	151	4	22	+3,313	+129
1981	4,400	37	3	301	+4,397	–264
1982	4,400	10	1	140	+4,399	–130
1983	1,300	170	127	18	+1,173	+152
1984	40	105	267	369	–227	–264

Source: *FAO Production Yearbook*, various years.

MT = Metric Ton.

[a]See note to Table 7.5.

Table 7.7
SA Domestic Consumption of Maize and Wheat, 1969/70–1984/85
(1,000 MT)

	Maize[a]	Wheat
1969/70	4,884	1,437
1970/71	5,150	1,165
1971/72	4,868	1,409
1972/73	5,206	1,334
1973/74	5,199	1,624
1974/75	5,708	1,645
1975/76	5,777	1,731
1976/77	5,999	1,685
1977/78	5,928	1,724
1978/79	5,695	1,922
1979/80	6,050	1,788
1980/81	5,962	1,840
1981/82	6,279	2,007
1982/83	6,671	1,996
1983/84	7,132	2,086
1984/85	5,724	2,053

Source: *SA Abstract of Agricultural Statistics, 1986.*

MT = Metric ton.

[a]Includes white and yellow maize; the latter is mainly used for animal feeds.

Table 7.8
Exports of Maize by Major Exporting Countries, 1980/81–1984/85
(in kilotons)

	Countries				
Season	United States	Argentina	Republic of South Africa	France	Thailand
1980/81	59,817	9,098	3,592	2,380	2,142
1981/82	49,965	5,765	5,282	2,610	3,260
1982/83	47,500	6,056	4,365	4,016	2,136
1983/84	47,400	5,800	314	5,198	2,914
1984/85	51,437	7,000	23	4,400	3,100
Five Year Average	51,224	6,744	2,715	3,721	2,710

Source: *Report of SA Maize Board, 1985.*

Table 7.9
SA Commodity Export Shares by Origin and Stage of Production, 1970–1982[a]

Year	Raw Materials & Semimanufactures: Agricultural Origins	Raw Materials & Semimanufactures: Mining Origins	Fully Manufactured Commodities[b]
1970	37.1	41.[illegible]	21.3
1971	37.6	40.5	21.9
1972	39.4	39.6	21.1
1973	36.0	40.9	23.1
1974	35.0	39.7	25.3
1975	36.0	38.2	25.8
1976	28.2	45.5	26.6
1977	24.3	49.5	26.3
1978	20.8	54.3	24.8
1979	19.4	54.0	26.6
1980	22.4	51.6	26.1
1981	23.6	49.8	26.6
1982	24.2	48.4	27.5

Source: Table from J. C. van Zyl, "South Africa in World Trade," *SA Journal of Economics*, vol. 52, no. 1 (March 1984).

[a]Gold in all forms as well as reexports are excluded from these statistics. Basic source of data is the South African Reserve Bank. (The figures add up to 100 percent horizontally.)
[b]These are defined as commodities in which raw materials constitute less than 25 percent of the input/output ratio.

Table 7.10
Intra-SADCC and SA-SADCC Trade, 1982 (percentage distribution)

	Exports to: other SADCC countries	Exports to: SA	Imports From: other SADCC countries	Imports From: SA
Angola	0.1	—	0.8	—
Botswana	11.9	11.3	6.3	85.1
Lesotho	0.1	41.3	0.1	97.1
Malawi	9.7	5.7	9.6	34.0
Mozambique	11.6	1.8	3.0	8.1
Swaziland	2.7	36.9	0.7	82.9
Tanzania	0.8	—	4.2	—
Zambia	3.5	0.3	6.3	14.5
Zimbabwe	11.5	17.1	7.6	22.1
SADCC Total	5.0	7.0	4.4	30.2
SADCC Total (in US$ millions)	276	382	316	2,161

Source: Personal communication; but see similar tables for 1981 and 1983 in "Macroeconomic Survey, 1986" (roneo, SADCC Secretariat), p. 43.

Table 7.11
SA Agricultural Trade with Africa[a], 1973, 1980, and 1983 (rand millions)

	1973		1980		1983	
	Exports	Imports	Exports	Imports	Exports	Imports
Live animals, animal products	7.7	16.8	56.4	4.1	39.4	5.0
Vegetable products	29.0	21.6	253.5	46.3	67.8	44.5
Fats, oils, and cleavage products	0.9	4.0	8.5	5.1	9.8	1.7
Prepared foodstuffs, beverages, spirits, and vinegar, tobacco	16.8	23.0	35.3	33.9	53.8	53.4
Raw hides and skins, products	0.7	1.7	1.1	5.2	1.5	4.1
Total	55.1	67.1	354.8	94.6	172.3	108.7

Source: SA customs and excise data, cited in the following papers: 1973 and 1980 from J. van Rooyen and T. Feynes, "Agricultural Interaction in Southern Africa: Co-operation or Confrontation" (roneo, Pretoria University, 1985); 1983 from E. Osborn, *Agricultural Production and Marketing in Southern Africa* (Africa Institute, Pretoria, 1986).

[a]Excluding trade within Southern African Customs Union, i.e., with Botswana, Lesotho, and Swaziland.

Table 7.12
South Africa Maize Exports to Africa, 1971/72–1984/85 (kilotons)

	Exports to BLS and Namibia[a]	Exports to Rest of Africa[b]	Total
1971/72	70	65	135
1972/73	83	35	118
1973/74	139	19	158
1974/75	60	106	166
1975/76	73	54	127
1976/77	131	56	187
1977/78	171	—	—
1978/79	248	—	—
1979/80	250	—	—
1980/81	347	(1,502)[c,d]	1,849?[e]
1981/82	214	(1,500)	1,714?
1982/83	222	(814)	1,036?
1983/84	248	(238)	486?
1984/85	408	(9)	417?

Source: *South Africa Maize Board Reports.*

[a]Botswana, Lesotho, Swaziland, and Namibia.
[b]Believed to be predominantly SADCC and Zaire.
[c]From "Destinations Unknown" category in Maize Board reports. As other major destinations for food exports are listed (Europe and Far East), it seems likely that this is mainly Africa. This category does not include BLS and Namibia, listed separately in the reports, see, e.g., 1985 report, p. 9.
[d]Figures in parentheses are approximate.
[e]Totals derived from approximate figures are questionable.

Table 7.13
Food Aid and Total Cereal Imports for Selected SADCC[a] Countries, 1969–1971 and 1982–1984

Country	1969–1971			1982–1984		
	Total Imports (kilotons)	Food Aid	Ratio of Food Aid to Total Imports (percent)	Total Imports (kilotons)	Food Aid	Ratio of Food Aid to Total Imports (percent)
Angola	92.7	0.0	0.0	303.6	46.3	15.3
Lesotho	46.4	0.7	1.5	165.3	44.3	26.8
Mozambique	110.9	0.0	0.0	393.5	268.4	68.2
Tanzania	70.7	6.0	8.5	298.2	214.3	71.9
Zambia	198.5	0.4	0.2	218.8	102.2	46.7
Zimbabwe	83.0	0.0	0.0	168.2	52.4	31.2

Source: U.S. Department of Agriculture, *Sub-Saharan Africa, Situation and Outlook, 1985.*
[a]Botswana, Malawi, and Swaziland had lower levels of food aid.

Table 7A.1
Cereal Production and Trade of SADCC Countries, 1970–1984 (1,000 MT)

A: Total Production of Cereals

	Angola	Botswana	Lesotho	Malawi	Mozambique	Swaziland	Tanzania	Zambia	Zimbabwe	Total SADCC
1970	576.0	11.6	182.6	995.3	685.9	72.7	1,447.8	667.5	1,328.6	5,968.0
1971	522.6	96.4	234.3	1,362.5	649.3	116.3	1,393.7	638.2	2,151.4	7,164.7
1972	513.4	79.5	144.4	1,451.6	758.0	129.8	1,450.4	757.6	2,733.6	8,018.3
1973	548.6	34.5	182.4	1,047.1	900.0	96.2	1,356.1	625.6	1,427.4	6,217.9
1974	513.8	110.8	264.9	1,229.4	799.0	124.4	1,347.2	1,175.6	2,551.4	8,116.5
1975	558.0	67.1	154.4	995.3	544.0	101.0	1,559.0	1,105.9	2,235.6	7,320.3
1976	568.0	122.2	119.6	1,247.4	756.0	106.0	1,839.5	958.3	2,347.3	8,064.3
1977	435.0	72.0	251.0	1,484.3	707.0	75.7	2,064.7	1,124.2	2,111.2	8,325.1
1978	480.0	32.6	288.3	1,613.3	610.0	103.1	2,663.2	1,058.3	2,152.4	9,001.2
1979	370.0	8.1	228.9	1,547.3	559.5	62.7	2,374.8	798.5	1,646.2	7,596.0
1980	400.0	43.6	194.5	1,352.6	478.0	104.6	2,495.4	906.9	2,016.1	7,991.7
1981	320.0	59.6	231.4	1,401.6	504.5	103.3	2,532.0	1,117.5	3,382.9	9,652.8
1982	330.0	18.0	124.0	1,589.0	613.0	56.0	2,872.0	777.0	2,130.0	8,509.0
1983	357.0	15.0	122.0	1,554.0	576.0	55.0	2,633.0	948.0	1,339.0	7,599.0
1984	342.0	10.0	122.0	1,581.0	576.0	115.0	2,351.0	900.0	1,767.0	7,764.0

B: Total Export of Cereals

	Angola	Botswana	Lesotho	Malawi	Mozambique	Swaziland	Tanzania	Zambia	Zimbabwe	Total SADCC
1970	185.0	0.0	2.1	4.3	15.2	7.3	31.9	0.2	269.8	515.8
1971	107.6	0.0	1.7	16.9	4.4	6.5	45.0	8.7	212.4	403.2
1972	90.8	0.0	2.5	50.4	155.5	5.3	13.3	1.9	448.5	768.2
1973	130.0	0.0	1.8	60.8	21.5	3.5	20.1	50.2	361.1	649.0
1974	73.8	0.8	0.1	49.0	0.9	3.1	1.0	111.2	362.2	602.1
1975	4.5	10.0	0.0	11.8	0.1	3.2	9.1	16.6	858.3	913.6
1976	3.0	3.3	0.0	7.2	0.0	3.1	0.0	8.8	371.8	397.2
1977	0.0	2.2	0.0	17.9	0.0	2.9	0.1	25.7	422.1	470.9
1978	0.0	11.7	0.0	13.9	0.0	0.3	47.2	61.3	538.0	672.4

1979	0.0	4.6	0.0	11.8	0.0	0.3	115.0	0.0	252.0	383.7
1980	0.0	2.4	0.0	18.1	0.0	0.3	5.8	0.0	87.2	113.8
1981	0.0	2.3	0.0	10.7	0.0	0.3	0.0	0.0	262.8	276.1
1982	—	—	—	3.0	—	—	—	—	356.0	359.0
1983	—	1.0	—	76.0	—	—	—	—	498.0	575.0
1984	—	70.0	—	250.0	—	—	—	—	—	320.0

C: Total Import of Cereals

	Angola	Botswana	Lesotho	Malawi	Mozambique	Swaziland	Tanzania	Zambia	Zimbabwe	Total SADCC
1970	115.7	78.5	82.5	116.4	127.8	43.5	82.6	169.4	75.3	891.7
1971	106.9	47.0	82.9	29.9	130.1	31.6	72.3	374.7	105.3	980.7
1972	115.6	51.8	81.3	29.4	107.5	31.8	200.4	206.2	57.3	881.3
1973	129.4	48.3	103.3	28.7	141.8	40.8	67.2	100.1	47.1	706.7
1974	174.7	42.2	97.6	18.4	82.4	36.8	482.9	105.5	64.3	1,104.8
1975	173.3	43.3	80.0	43.7	210.3	34.5	519.2	200.5	67.5	1,372.3
1976	117.6	47.9	115.8	44.4	206.4	46.7	156.6	131.6	22.2	889.2
1977	174.8	64.5	147.8	33.1	240.6	49.3	198.6	122.4	13.5	1,044.6
1978	182.7	76.5	161.9	14.7	223.5	46.5	160.0	116.8	5.1	987.7
1979	242.5	124.2	159.3	21.4	370.3	55.4	83.1	241.4	11.7	1,309.3
1980	321.0	129.9	145.0	40.4	462.9	51.7	483.3	517.0	158.3	2,309.5
1981	252.9	99.4	148.0	115.9	408.2	53.3	294.7	301.2	23.3	1,696.9
1982	290.0	61.0	110.0	26.0	307.0	43.0	324.0	205.0	11.0	1,377.0
1983	287.0	122.0	121.0	19.0	288.0	44.0	231.0	209.0	53.0	1,374.0
1984	374.0	59.0	140.0	20.0	391.0	36.0	363.0	236.0	334.0	1,953.0

Source: SADCC, *Regional Food Aid* (prefeasibility study, 1984) for 1970–1981; thereafter, *FAO Production Yearbooks*. Please note caveat regarding these statistics in the introduction to this chapter.

MT = Metric ton.

Table 7A.2

A: Traffic of SADCC Countries over SA Railways, 1981/82–1985/86 (tons)

Traffic by Rail to and from Botswana

Year/Commodity	Imports through SA to Botswana	Exports through SA from Botswana	Local traffic to Botswana	Local traffic from Botswana	Total
1981/82					
Agricultural products	—	434	11,065	8,926	20,425
Foodstuffs	1,569	—	23,177	—	24,746
Minerals	—	—	72,726	3,608	76,334
Other	1,557	615	221,427	26,549	250,148
Total	3,126	1,049	328,395	39,083	371,653
1982/83					
Agricultural products	—	2,924	46,561	2,134	51,619
Foodstuffs	6,251	—	28,458	60,493	95,202
Minerals	3,892	—	47,835	3,050	54,777
Other	4,197	5,730	188,560	19,560	218,047
Total	14,340	8,654	311,414	85,237	419,645
1983/84					
Agricultural products	27,399	—	48,291	1,668	77,358
Foodstuffs	—	—	41,743	13,281	55,024
Minerals	2,577	—	57,706	16,779	77,062
Other	7,063	62	176,564	15,628	199,317
Total	37,039	62	324,304	47,356	408,761
1984/85					
Agricultural products	24,321	35	54,808	7,972	87,136
Foodstuffs	7,707	—	25,872	9,082	42,661
Minerals	—	—	62,392	—	62,392
Other	16,946	149	217,013	10,636	244,744
Total	48,974	184	360,085	27,690	436,933
1985/86					
Agricultural products	32,838	70	50,408	6,997	90,313
Foodstuffs	—	—	20,750	—	20,750
Minerals	3,812	4	59,709	3,466	66,991
Other	34,285	383	157,821	8,935	201,424
Total	70,935	457	288,688	19,398	379,478

B: Traffic of SADCC Countries over SA Railways, 1981/82–1985/86 (tons)

Traffic by Rail to and from Malawi					
Year/Commodity	Imports through SA to Malawi	Exports through SA from Malawi	Local traffic to Malawi	Local traffic from Malawi	Total
1981/82					
Agricultural products	—	—	—	—	—
Foodstuffs	—	—	—	—	—
Minerals	—	—	—	—	—
Other	—	—	—	—	—
1982/83					
Agricultural products	—	—	—	—	—
Foodstuffs	—	—	—	—	—
Minerals	—	—	—	—	—
Other	—	—	—	—	—
1983/84					
Agricultural products	—	—	—	—	—
Foodstuffs	—	—	—	—	—
Minerals	—	—	—	—	—
Other	—	—	—	—	—
1984/85					
Agricultural products	—	—	—	185	185
Foodstuffs	—	—	21	55	76
Minerals	—	22	127	—	149
Other	5,851	19,766	2,284	4,363	32,264
Total	5,851	19,788	2,432	4,603	32,674
1985/86					
Agricultural products	—	—	40	204	244
Foodstuffs	—	—	—	—	—
Minerals	—	—	308	63	371
Other	61,108	107,961	36,633	175	205,877
Total	61,108	107,961	36,981	442	206,492

C: Traffic of SADCC Countries over SA Railways, 1981/82–1985/86 (tons)

Traffic by Rail to and from Mozambique					
Year/Commodity	Exports through Mozambique from SA	Imports through Mozambique for SA	Local traffic to Mozambique	Local traffic from Mozambique	Total
1981/82					
Agricultural products	91,935	—	—	—	91,935
Foodstuffs	—	—	—	—	—
Minerals	757,076	115,908	—	—	872,984
Coal	447,187	—	—	—	447,187
Other	367,262	689,000	—	—	1,056,262
Total	1,663,460	804,908	—	—	2,468,368
1982/83					
Agricultural products	95,448	35,499	27,629	—	158,576
Foodstuffs	—	—	—	—	—
Minerals	556,047	325,364	20	—	881,431
Coal	390,953	—	312,604	—	703,557
Other	142,902	437,793	15,878	—	596,573
Total	1,185,350	798,656	356,131	—	2,340,137
1983/84					
Agricultural products	107,595	77,195	3,884	—	188,674
Foodstuffs	—	—	—	—	—
Minerals	202,919	52,999	—	—	255,918
Coal	15,309	—	290,610	—	305,919
Other	35,444	402,395	96,900	—	534,739
Total	361,267	532,589	391,394	—	1,285,250
1984/85					
Agricultural products	67,808	26,912	—	60,229	154,949
Foodstuffs	—	—	21,464	—	21,464
Minerals	14,595	587,656	20,234	—	622,485
Coal	533,655	—	98,114	—	631,769
Other	61,606	118,248	33,250	12,046	225,150
Total	677,664	732,816	173,062	72,275	1,655,817
1985/86					
Agricultural products	44,112	280	13,546	141	58,079
Foodstuffs	—	—	—	—	—
Minerals	31,216	20,258	79,937	1,108	132,519
Coal	510,329	—	95,824	—	606,153
Other	7,530	186	41,563	5,787	55,066
Total	593,187	20,724	230,870	7,036	851,817

D: Traffic of SADCC Countries over SA Railways, 1981/82–1985/86 (tons)

Traffic by Rail to and from Swaziland					
Year/Commodity	Imports through SA to Swaziland	Exports through SA from Swaziland	Local traffic to Swaziland	Local traffic from Swaziland	Total
1981/82					
Agricultural products	—	—	—	—	—
Foodstuffs	—	—	—	—	—
Minerals	—	—	—	—	—
Timber	—	—	—	—	—
Other	—	—	—	—	—
1982/83					
Agricultural products	—	—	—	—	—
Foodstuffs	—	—	—	—	—
Minerals	—	—	—	—	—
Timber	—	—	—	—	—
Other	—	—	—	—	—
1983/84					
Agricultural products	—	—	—	—	—
Foodstuffs	—	—	—	—	—
Minerals	—	—	—	—	—
Timber	—	—	—	—	—
Other	—	—	—	—	—
1984/85					
Agricultural products	5,490	—	901	—	6,391
Foodstuffs	614	—	—	—	614
Minerals	—	775,019	—	45,960	820,979
Timber	27,413	—	15,955	—	43,368
Other	3,276	—	2,593	919	6,788
Total	36,793	775,019	19,449	46,879	878,140
1985/86					
Agricultural products	1,503	12,425	3,198	576	17,702
Foodstuffs	—	—	—	—	—
Minerals	3,730	15,536	21,295	8,395	48,956
Timber	6	96,921	104	—	97,031
Other	2,629	8,066	58,251	1,429	70,375
Total	7,868	132,948	82,848	10,400	234,064

E: Traffic of SADCC Countries over SA Railways, 1981/82–1985/86 (tons)

Traffic by Rail to and from Zambia					
Year/Commodity	Imports through SA to Zambia	Exports through SA from Zambia	Local traffic to Zambia	Local traffic from Zambia	Total
1981/82					
Agricultural products	27,870	—	28,181	—	56,051
Foodstuffs	1,462	—	17,169	—	18,631
Minerals	26,814	—	150,601	—	177,415
Copper	—	77,879	—	—	77,879
Other	3,545	130	36,386	—	40,061
Total	59,691	78,009	232,337	—	370,037
1982/83					
Agricultural products	—	—	7,660	105	7,765
Foodstuffs	—	—	7,786	—	7,786
Minerals	40,292	—	125,633	2,773	168,698
Copper	—	151,117	—	—	151,117
Other	8,931	1,010	47,830	1,480	59,251
Total	49,223	152,127	188,909	4,358	394,617
1983/84					
Agricultural products	48	—	3,032	—	3,080
Foodstuffs	—	—	45,419	—	45,419
Minerals	10,269	—	127,404	2,575	140,248
Copper	—	219,573	—	—	219,573
Other	8,202	3	77,801	2,347	88,353
Total	18,519	219,576	253,656	4,922	496,673
1984/85					
Agricultural products	37,571	—	96,736	7,403	141,710
Foodstuffs	11,839	—	46,273	—	58,112
Minerals	—	—	91,725	4,937	96,662
Copper	—	108,791	—	—	108,791
Other	3,009	14	103,050	1,221	107,294
Total	52,419	108,805	337,784	13,561	512,569
1985/86					
Agricultural products	1,311	—	1,405	7,751	10,287
Foodstuffs	5,963	—	9,472	39	15,474
Minerals	2,210	623	44,750	6,441	54,024
Copper	180	223,115	359	—	223,654
Other	19,660	1,366	51,577	1,117	73,720
Total	29,324	225,104	107,563	15,168	377,159

F: Traffic of SADCC Countries over SA Railways, 1981/82–1985/86 (tons)

Traffic by Rail to and from Zimbabwe					
Year/Commodity	Imports through SA to Zimbabwe	Exports through SA from Zimbabwe	Local traffic to Zimbabwe	Local traffic from Zimbabwe	Total
1981/82					
Agricultural products	—	76,192	—	38,388	114,580
Foodstuffs	—	—	—	7,729	7,729
Minerals	116,848	59,587	120,156	497,816	794,407
Iron and steel	—	311,508	—	22,445	333,953
Other	147,674	20,735	870,091	—	1,038,500
Total	264,522	468,022	990,247	566,378	2,289,169
1982/83					
Agricultural products	—	202,485	—	76,923	279,408
Foodstuffs	1,987	—	26,375	378	28,740
Minerals	107,883	228,736	196,762	202,264	735,645
Iron and steel	2,486	56,955	77,640	63,124	200,205
Other	162,046	25,130	337,647	95,324	620,147
Total	274,402	513,306	638,424	438,013	1,864,145
1983/84					
Agricultural products	—	89,005	—	119,377	208,382
Foodstuffs	—	—	46,663	—	46,663
Minerals	54,607	123,594	234,700	373,740	786,641
Iron and steel	1,484	58,495	66,818	71,729	198,526
Other	81,815	6,113	252,548	145,872	486,348
Total	137,906	277,207	600,729	710,718	1,726,560
1984/85					
Agricultural products	211,043	425	65,420	6,251	283,139
Foodstuffs	30,723	—	31,718	17,848	80,289
Minerals	61,527	10,555	211,614	331,453	615,149
Iron and steel	986	4,944	47,440	103,307	156,677
Other	140,491	80,692	408,848	241,306	871,337
Total	444,770	96,616	765,040	700,165	2,006,591
1985/86					
Agricultural products	12,097	85,521	2,367	88,321	188,306
Foodstuffs	46,413	—	29,291	84	75,788
Minerals	112,735	280,129	332,373	27,953	753,190
Iron and steel	1,888	316,100	78,773	49,829	446,590
Other	190,240	137,094	274,417	73,162	674,913
Total	363,373	818,844	717,221	239,349	2,138,787

Source: Based on unpublished data provided by SA Transport Services (SATS).
"Local Traffic" = South African traffic.

NOTES

I am grateful for valuable comments on an earlier draft to Michael Lipton, Stephen R. Lewis Jr., Reginald Green, Coralie Bryant, and members of the seminar at the Southern African Research Program at Yale University, where this paper was completed; and to Suzanne Davies for help in compiling some of the tables.

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6. *AGROCON 1986: Proceedings of the Agricultural Outlook Conference* (Pretoria: Committee for Scientific and Industrial Research, 1986), section on maize.

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8. Republic of South Africa, *Abstract of Agricultural Statistics, 1986.*

9. *AGROCON 1986*, section on dairy products, red meat, and poultry, fruit and vegetables.

10. *Agricultural Statistics, 1986*, p. 118.

11. Merle Lipton, "South Africa: Two Agricultures," in F. Wilson et. al., eds., *Farm Labour in South Africa* (Cape Town: Philip 1977) and *Capitalism and Apartheid*, chap. 4.

12. On these issues see, J. A. Groenewald, "Performance of Past Food and Trade Policies" (Pretoria University, 1986, Mimeo); J. A. Groenewald and W. C. Niewoudt, "Welfare Aspects of State Intervention in Agriculture," *Finance and Trade Review*, no. 13 (1979); and articles in the *Financial Mail* by B. Kantor on 6 August 1982 and S. Fiske on 26 March 1982.

13. H. Hattingh, "Skewe Inkomeverdeling in die landbou se uitdaging aan Landboubeleid," in *AGROCON 86*.

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15. *AGROCON 86*, section on wheat.

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17. Lipton, *Capitalism and Apartheid*; and see recent speech by C. van der Pol, chairman of the South African Sugar Association (23 July 1986).

18. J. A. Groenewald, "Performance of Past food and Trade Policies" (Pretoria University, 1986, Mimeo); J. A. Groenewald and W. C. Nieuwoudt, "Welfare Aspects of State Intervention in Agriculture," *Finance and Trade Review*, no. 13 (1979); and articles in the *Financial Mail* by B. Kantor on 6 August 1982 and S. Fiske on 26 March 1982.

19. On this, see Merle Lipton, *Sanctions Against South Africa* (London: *Economist* intelligence Unit, forthcoming in January 1988).

20. D. Rees, "Regulation of South African Agriculture: Performance of Agricultural Marketing Boards" (Ph.D. diss., Cape Town Unviersity, 1979); P.

Moll, "A History and Analysis of the Bread Subsidy in South Africa" (Saldru, Cape Town Unversity, 1983); Groenewald, "Performance of Past Food and Trade Policies."

21. SADCC, *Macroeconomic Survey, 1986*, p. 5 and elsewhere.

22. South African customs and excise data show total merchandise trade with the whole of Africa as R891 million in 1984; see table 2 in E. Leistner, "Economic Interdependence in Southern Africa," *Bulletin of the African Institute* 26, no. 4, Pretoria, (1986).

23. See, for example, G. Maasdorp, *SADCC: A Post-Nkomati Evaluation* (South Africa Institute of International Affairs, 1984), p. 60.

24. Leistner, "*Economic Interdependence in Southern Africa*." I have subtracted from his table 7 the category "other", which includes Namibia.

25. Ibid.

26. Interview with Dr. Grove, Director of SATS, Johannesburg, July, 1986.

27. *Macroeconomic Survey, 1986*, p. 44.

28. J. Shepherd "South Africa's Emerging Food Policy in Southern Africa" (African Studies Association, 1983, Mimeo).

29. Interviews with officials of the boards in Pretoria, July 1986.

30. Leistner, "Economic Interdependence in Southern Africa"; Shepherd, "South Africa's Emerging Food Policy".

31. South Africa *Agricultural Statistics, 1986*.

32. See Annexure II in *Report of Maize Board*.

33. Shepherd, "South Africa's Emerging Food Policy," and many others.

34. Shepherd, "South Africa's Emerging Food Policy," and R. D. A. Henderson, "The Food Weapon in Southern Africa," *International Affairs Bulletin* 7, no. 3 (1983), p. 41.

35. See, for example, *Report of the Maize Board, 1985*, p. 1, section 10; these losses are actually recorded in the table on p. vii.

36. D. Morgan, *Merchants of Grain* (London: Weidenfeld & Nicholson, 1979), especially chap. 11 on "the Food Weapon."

37. SADCC, *Macroeconomic Survey, 1986*; Maasdorp, "SADCC: A Post-Nkomati Evaluation"; R. Green *The SADCC Economies and Sanctions Against South Africa* (Brighton: IDS, 1986, Mimeo).

38. Maasdorp, "SADCC: A Post-Mkomati Evaluation," p. 56.

39. E. Osborn, *Agricultural Production and Marketing in Southern Africa* (Pretoria: Africa Institute, 1986) p. 68.

40. Leistner, "Economic Interdependence in Southern Africa," p. 57.

41. *Macroeconomic Survey*, p. 86.

42. I am indebted to Stephen Lewis for this information.

43. For example, at the 1981 Sanctions Conference in Paris. Henderson, "The Food Weapon," p. 47.

44. J. Hanlon, *SADCC: Progress, Projects and Prospects* (Economist Intelligence Unit, 1984), p. 17.

45. See, for example, E. Leistner, "Economic Relationships among Southern African States" (Africa Institute, 1981); J. Van Rooyen and F. Feynes, "Agricultural Interaction in Southern Africa: Cooperation or Confrontation" (Development Bank of Southern Africa, 1985). Hanlon's view that South African academics have become proponents of the "total strategy," and advocate economic destabilization of SADCC, seems to be partly based on a misunderstanding of a seminal paper by Geldenhuys. Hanlon claims that Geldenhuys "urges" the use of a list of specific economic weapons against SADCC. But Geldenhuys merely set out for

debate the feasibility and consequences of these actions. He concluded that their adoption would be "defeatist and irresponsible" and warned of their "serious consequences . . . internationally." Hanlon, "SADCC: Progress, Projects, and Prospects," p. 91; and D. J. Geldenhuys, "Some Strategic Implications of Regional Economic Relationships for the Republic of South Africa," *Issup Strategic Review* (January 1981), especially pp. 26, 28.

46. Hanlon, "SADCC: Progress, Projects, and Prospects," p. 94.

47. Geldenhuys, "Some Strategic Implications," footnotes 1 and 2.

48. E. L. Grove, "The Role of South African Transport Services in Southern Africa" (July 1986, Mimeo), and in an interview in Johannesburg, July 1986. See also J. G. H. Loubser, "Verwoer diplomasie met speciale verwysing na Suider-Afrika,"*Politikon* 6, no 2 (December 1979).

49. Cited in M. Tamarkin. "South Africa's Regional Options," *International Affairs Bulletin* 7, no. 3 (1983), p. 61.

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CHAPTER 8

Food Aid, Trade, and Economic Development in SADCC

MUDZIVIRI T. NZIRAMASANGA

This chapter focuses on two related issues. The first is how food aid in general can be given without impeding domestic production. Since it is probably not certain that any policy measures can be totally effective, the focus will be on how to best minimize the negative impact. The second issue is how food aid can be utilized to promote intraregional trade. We begin by outlining the major variables that determine the level of production, be they market forces or policy decisions. We then review the economic literature on the impact of food aid on the recipient country. These two approaches are then married, to produce suggestions on the methods of managing food aid so that it does not impede progress toward meaningful (i.e., efficient) food self-sufficiency at both the country and regional level.

Literature on this subject has focused on food aid for development as distinct from emergency aid. The distinction may be academic. Isenman and Singer point out that the major purpose of food aid is to feed the hungry.[1] To the extent this is true all food can be considered emergency aid. Since malnutrition saps the ability to work, food aid can also be considered an essential element for development, whether the need for such aid is generated by a long-term structural imbalance or a short-term disruption in the production process. Indeed, even the distinction between short-term disruption and long-term structural problems may be very difficult to make. The food shortage in Ethiopia, Sudan, and Mozambique may have been exacerbated or started by drought, but the impact has become a long-term development issue. Because of this interrelationship, no attempt will be made in this chapter to distinguish between emergency aid and development aid.

Another problem in the literature is the definition of self-sufficiency. Most of the literature does not attempt to give an economic interpretation of what has become, in addition, an emotional and political issue. Bigman and Reutlinger define self-sufficiency in terms of trade.[2] A country is self-sufficient in the sense that in a "normal year," when both the country's production and world prices are at their mean level, there would be no price differential between the country and the world, and thus no incentive to trade. Such a definition is rather absolute and may require qualification. World prices are rarely totally market-determined due to the existence of subsidies to producers. Commodity names make such wide disparities in product characteristics that the concept of a single market is jeopardized. Corn prices quoted in Houston, for example, apply to yellow corn and may not necessarily reflect the "world" price of white maize, for which there are few "large" surplus-producing countries in any given year. Indeed, as Schuh and Schultz point out, food aid from the United States was an attractive alternative way of disposing of a huge surplus whose existence was evidence of an excess supply at the prevailing domestic prices.[3] Disposal of these excess supplies through the normal trade channels would, in fact, depress world prices. The existence of these stocks thus indicated the presence of an imbalance in the world market as well. While food aid has shifted from being chiefly a disposal activity to being an important component of foreign aid for both the United States and the EEC, the presence of these stocks, nevertheless, still indicates the imbalance in their collective (and therefore the world) markets and casts doubts on the existence of a stable, market-clearing world price.

Finally, the "incentive" to trade could be generated by factors other than deviations from "normal" production, such as the foreign exchange rate. The definition of self-sufficiency, however, could exist, but would not be large enough to stimulate trade; or that if trade in food products existed in a normal year, it would have a negligible negative effect on the balance of payments of the country or region.

THEORETICAL CONSIDERATIONS

A different body of literature has determined that the small-scale farmer in developing countries is much like any other farmer in that he responds to market and other policy incentives. He seeks to maximize his net income, subject to the technology available, the prices of outputs and inputs, the timely availability of those inputs, and the ease with which the output can be marketed. For ease of analysis, these factors all boil down to factors affecting the demand for output (which, in turn, determine directly or indirectly producer prices) and the supply of that output. An increase in demand will translate into higher consumer (and producer) prices and, given appropriate policies, this will give appropriate signals to produce more food. An increase in supply (given the demand situation) that generates excess stocks will stimulate a downward trend in prices, thus depressing domestic production.

This supply impact on domestic production has been the basis for criticizing food aid: by increasing the availability of food, it depresses consumer prices. This is translated directly or indirectly into lower domestic production. In addition, it is alleged that the deflationary impact of food aid involves very little domestic budgetary costs, and is thus an attractive option to policy makers. The availability of food aid disinclines governments from implementing the more unpalatable policies aimed at attaining self-sufficiency in domestic production, since these policies would involve agricultural research outlays and higher urban food prices. If the transfers are large enough, they could depress domestic prices to a point where there is no incentive to generate commercial trade in food, and a dependence situation is thus reinforced. Unpalatable policies are avoided at the cost of domestic production and the dependence on aid.

This brief summary of the potentially negative impact of food aid is based on some very strong assumptions. The first concerns the determinants of prices. Downward or upward movements in prices are not generated by changes in supply alone. Rather, it is the existence of surpluses or deficits that generates the tendencies for prices to change, and these surpluses/deficits must be a relatively significant proportion of "normal" supplies for such price movements to be relevant.

In the case of emergency aid in particular, it is highly unlikely that these short-term inflows are of such a magnitude that they generate a significant decline in consumer and producer prices. Even such a large program as the PL-480 shipments to India were not large enough to generate substantial net downward price movements. Food aid may depress consumer prices, but this would have to be translated into lower producer prices the next season if the aid is to have a negative impact. Guaranteed producer prices in most countries rule out the full impact of market forces and introduce policy as another, probably more important, determinant of what producers expect from their output.

Theoretical economic analysis of the impact of food aid on domestic production was best summarized by Fisher.[4] Under some assumptions about total supply, he showed that the impact of imports of food (read "food aid") on domestic production is inversely related to the sum of the responsiveness of producers and consumers to changes in the prices they receive and pay respectively, as well as the ratio of total demand to total supply of food.[5]

Dudley and Sandilands looked at the post-1963 situation where PL-480 shipments came tied to commercial imports.[6] The recipient country had to pay for insurance and shipping (on U.S. vessels) and, in addition, pay 15 percent of the f.o.b. price as down payment. The cost of aid thus increased, since each ton of PL-480 shipments was tied to commercial imports. Policy makers in countries that faced a structural problem (and thus needed long-term food aid) had to try to satisfy domestic demand at minimum cost using three potential sources: local production, food aid, and commercial imports. The result is the same, except that the domestic price becomes an explicit policy variable, and the level at which it is set in effect determines the socially acceptable level of food imports and food aid. In the case of Colombia, this price was set at a level that did not reflect the full cost of food aid, and so domestic production declined. So much for the negative price effects.

Isenman and Singer point out that the primary aim of food aid is to feed the hungry, particularly nutritionally vulnerable groups, without a significant increase in the use of budget resources. Food aid does this by helping to contain food price increases and reducing price variability (and thus increasing welfare). Such aid helps development by easing a major constraint on output and employment. This is because at low income levels a proportionately larger share of income goes to food grains and less to savings. Food aid is an income transfer and thus raises real income and savings. On the other hand, they point out, the responsiveness of both supply and demand to prices is very low anyway. A one percentage point decline in producer prices would generate, at most, a 0.1 to 0.2 percentage point decline in domestic production, and its impact, in fact, can be neutralized by other factors such as weather or timely availability of inputs. Therefore, their argument is based on food aid as a form of income transfer whose impact can be to generate an even higher demand for food, particularly if it were distributed outside of normal market channels (at government-subsidized prices, for example).

EMPIRICAL EVIDENCE THUS FAR

There are therefore two countervailing forces at work. Food aid (whether short-term emergency aid or long-term) is an income transfer from the donor to the recipient country. As income, it generates additional demand for all items, including food. This additional demand, of course, can be channeled to domestic sources of supply, particularly if such transfers are done outside of normal marketing channels so that they do not significantly affect producer prices. On the other hand, food aid increases supplies and has a tendency to depress prices, thus acting as a disincentive to domestic producers. Policy makers also tend to become more dependent on it, and are loathe to make some hard decisions that are necessary for the country to be self-sufficient in food.

Which of these has been more dominant in practice, the price effect or the income effect? The answer would seem to depend on the set of policies adopted by both the donor and recipient countries. Unfortunately, the empirical evidence is still sparse.

As already pointed out, Dudley and Sandilands concluded that PL-480 shipments, when tied to commercial imports, had a net negative impact on domestic wheat production in Colombia. This was predicated, however, on a policy of setting domestic prices that did not fully reflect the cost of imports. Hall showed that PL-480 wheat shipments to Brazil were beneficial to domestic production because the government used the counterpart funds generated from the sales to support producer prices. In this particular case, the relationship between producer and consumer prices was, in fact, reversed through a conscious policy decision. Roger, Srivastava, and Heady showed that the impact of food aid can be beneficial if channeled through distribution outlets outside the normal commercial pattern.[7] Kydd and Hewitt think the World Bank program that provided structural adjustment loans to Malawi permitted imports (including food), which allowed the government of that country to maintain its expenditure programs, which benefited, among others, the peasant farmers.[8] This is another variant of the income transfers approach. Schuh seems to make a case for dumping excess agricultural products on developing countries because of the potentially positive income distribution effects.[9] By depressing consumer food prices, there is a positive real income effect, which, if properly targeted for the poor, could be beneficial. He also asserts that PL-480 shipments since the 1960s have aided the market development of such countries as Taiwan, Republic of Korea, India, Indonesia, Egypt, Japan, and Spain, and this has led to an increase in their commercial imports of food from the United States. This market expansion has been partly the result of increased per capita income, and as such, Schuh argues, is part of the development process.

This may be true for the countries he cites. It is possible that market development could theoretically lead to quite a different type of substitution—that of the new import at the expense of domestically produced foods. Thus, food aid "hooks" the domestic consumer to imports at the expense of the domestically produced product. Consumer welfare may increase but that of the producer declines. Finally, Schuh also cites the significant budgetary support that food aid gave to India and Bangladesh. The latter apparently received food aid equivalent to 25 percent of its budgetary resources. This theoretically allowed it to maintain its public expenditure levels, including support of local agricultural producers. Whether this can be considered beneficial or not depends on the effectiveness of such support.

On the same lines, one can cite the example of the powdered milk given as food aid to Zimbabwe over the period 1982–1983. The allocation, made in July-August 1982, was for 4,000 tons of milk powder and 1,000 tons of butter oil, all of which was designed to meet an already existing excess demand. This was not a case of interruption in supplies; rather, it was the result of increases in demand stimulated by an increase in real income accompanied by the impact of consumer price subsidies on milk. While the price-induced component of the deficit could have been corrected by increasing the price of milk, policy makers preferred to increase supplies by imports. There was no need for an income transfer. Similarly, there would be no producer price impact since that was controlled by the state; producers received a guaranteed price. The development aspect was promoted by the use of counterpart funds (generated from the sale of milk) to subsidize peasant milk producers and enhance their cash incomes and nutrition levels. There would be a minimal impact on the government budget.

The benefits accruing to the consumers are evident—a milk shortage was alleviated. Those accruing to domestic producers, however, depended on the effectiveness with which the counterpart funds were used and the additional supplies of milk generated. The price effect would be zero unless policy makers lowered producer prices as domestic supplies increased. As of August 1986, however, the incremental output has yet to be realized, although the sales have generated about $6 million in counterpart funds out of the estimated total counterpart funds to be generated by 1988 of $27 million.[10]

Another food aid program was implemented at the same time as the EEC skim milk powder sales, and the counterpart funds generated were also earmarked for the development of the dairy industry. A bulk milk tank delivery system was introduced in the large-scale commercial farm sector, using Norwegian aid funds. The rental of the bulk tanks currently generate $160,000 annually; they are expected to reach $350,000 annually or a total of $5.25 million over fifteen years. These funds are specifically earmarked for the development of the peasant sector milk production development program.

So far only $1.6 million from both programs has been disbursed. The EEC requires the formulation of a national dairy policy and program before the funds can be disbursed. A dairy development policy document was development in 1985. It envisages the expenditure of $10 million of the counterpart funds and US$3 million in foreign exchange. The foreign exchange component was not available at the time the program was drawn up, and this will have to be made available either as additional financial aid or diverted from other projects. This delay could have been avoided had the program been identified as part of the national development plan prior to the generation of counterpart funds. This was too soon after independence, however, for development priorities to be well specified, and it may be that the dairy development program will not cause any resource misallocation. The point, however, has been made.

To summarize, the main purpose of food aid should be kept in mind. The transfers are designed to feed the hungry, and the primary concern, as Reutlinger points out, should be the efficient transfer of this type of income.[11] The impact of such transfers on producer prices and domestic production are of secondary importance. In addition, it would seem from all the available evidence that these negative effects can be identified and their impact on domestic production minimized through appropriate policy and administrative measures.

Another issue has to do with the "food-for-work" concept and using food aid to stimulate production. Zimbabwe has a policy of distributing emergency food in return for services rendered. Most of the work involves public or community projects, and nongovernmental organizations (NGOs) are supposed to adhere to the policy. The merits of such a policy with respect to the creation of rural infrastructure are evident, but the benefits can only be realized if the projects are within the overall development concept for the region.

Problems appear because most NGOs are not efficiently organized for the dual functions of food distribution and project management. There have been recent complaints about NGOs not demanding services from the food recipients in the Matabeleland Province. Such projects could be justified to the extent that they were a local responsibility in the first place, and the services being rendered are not a substitute for central government budget outlays (because that would imply an inequitable regional distribution of resources). Otherwise, it would be far more useful to distribute food aid and let individuals utilize this income transfer on the basis of their own preferences.

The most important cause of the potentially negative impact of food aid on domestic production seems to be its depressing effect on producer prices. As suggested by Rogers, Srivastava, and Heady one way to minimize this problem would be to market food aid through separate channels.[12] Such a special concessional marketing channel could be through the use of nongovernmental agencies to distribute food aid to target groups or direct government participation in the process. The result is to drive a wedge between income transfers and producer prices so that the first does not cause an undesirable change in the second.

This process, in my opinion, is not necessarily a panacea. First, nongovernmental agencies may be well adapted to deliver emergency supplies, after which they hand over their functions to regular agencies. No problems should arise to the extent that such income transfers have to be separated from the "normal" market activities. It becomes a different story to say that they should effect the delivery of long-term development food aid through a systematic marketing system of their own. Just because that channel exists does not guarantee that transfers among users will not occur. When they do, an informal market network is bound to develop, and producer prices will be affected.

Even if this separation was made, the differentiated market system will have to end, and an integrated commercial system take over at some point. Otherwise, the additional domestic production will not be realized for lack of an efficient marketing system. Creating a separate distribution system may have its positive income transfer effects, but it eliminates the possibility of using aid flows to develop and strengthen the normal market channels. The current, massive food aid programs by such NGOs as Band Aid may be suitable for delivering emergency relief supplies, but the infrastructure they use may be difficult to integrate into the normal systems should production in the drought-stricken areas recover.

To use such outlets, or even government-run delivery systems, would be to create an aid enclave outside "normal" development channels. A way out of this dilemma would be to differentiate the product by source rather than by marketing outlets and to create a two-tier price system. Thus, domestic producers get a producer price that reflects the appropriate incentive, while the food from aid projects is labeled as such and marketed through regular channels, but at designated lower prices and only to target groups. This way, the income transfer effects are preserved while the impact on producer prices is mitigated.

This problem takes on a slightly different twist in the SADCC region because of the importance of transport costs. The price effect of food aid is eliminated by the existence of marketing boards and guaranteed producer prices. In Zimbabwe, the evidence points to a level of producer prices that do not reflect the landed costs of such imports as maize, beef, and milk. A study in 1985 showed that the maize producer in Zimbabwe received a price in 1981 that was about Z$38 below the free-on-rail (f.o.r.) price for imports. During the drought years 1982–1983 there was a positive subsidy of Z$22 and Z$67 per ton respectively, but in 1984 the producer was paid a price that was Z$89 below the import price, and this was during a drought period. A similar situation held true for beef and milk. The World Bank also established that marketing boards in Malawi paid producer prices that were below the landed costs. In such a case, food aid could be given subject to the provision that it is sold at a price that reflects the opportunity cost, and the realized proceeds are used to subsidize producer prices the following season. The same can be applicable to countries such as Mozambique and Botswana where there will be a structurally induced food deficit for a long time to come.

Food aid will also benefit domestic production if it is over and above the normal financial aid, i.e., if if provides additional resources. The financial resources are a more effective form of income transfer and help to expand overall demand. If the aid is sold and generates counterpart funds, then they must be used in the context of development programs, and not tied to some other donor-oriented goal.

Sen asserts that should the aid be tied to projects outside of the development program, the tendency is for policy makers to regard the counterpart funds as additional resources.[13] They would then divert material resources to these projects, thus leading to inefficiency and inflation. This may be the case of the EEC powdered milk program in Zimbabwe. Some of the projects in the program to utilize the counterpart funds had been rejected from the public sector investment program for lack of funds. Some appear to have been added in 1985, when the availability of funds was assured. Now the problem is that the counterpart funds do not necessarily augment the scarce domestic resources needed for these projects; neither can they be imported, save by diverting foreign exchange from other projects. Zambia also is having problems utilizing the counterpart funds generated by the sale of dairy products and about 18,000 tons of cereals per year since 1981.

If food aid must be deducted from the total financial aid program, then the value of this food aid should reflect the landed cost of the commodity using world prices. Schultz contends that some costs charged to PL-480 food shipments, such as the higher charges paid to U.S. shippers, do not add to the value of the commodity to the recipient country.[14] To SADCC such conditions can have very significant negative consequences.

When Zimbabwe purchased wheat from the United States in 1986 (in a triangular deal), it insisted on an f.o.b. Houston price quotation and the freedom to choose the shipping company. The decision saved almost $700,000 in shipping 7,000 tons of wheat. It is not always the case that unit production costs in the recipient country are lower than those of the donor. In fact, in the case just cited, Zimbabwe is a relatively high-cost wheat producer. On this basis alone, in the absence of a foreign exchange constraint, imports would be an efficient way of satisfying the demand for wheat. However, wheat is a winter crop, and the lack of alternative land uses at that time lowers the social costs. Transport costs from traditional suppliers make domestic production an even more attractive proposition, particularly in the face of a balance of payments constraint. Should donors insist on using their own national lines, then the difference between the cost and what would have been paid under more competitive conditions should be covered by financial aid that is over and above the normal levels. Subsidies to donor domestic transporters or producers should not be at the expense of aid recipients.

Finally, donor countries should simplify the bureaucratic procedures and administrative infrastructure associated with receiving food aid. A case in point is Zambia. Since launching Operation Food Production in 1980, Zambia has had a Government of Zambia-EEC Joint Committee that produced another plan of action, "Special Programme of Action Against Hunger." The World Bank then stepped in, and the discussions of structural adjustment policies led to a document, "Restructuring in the Midst of Crisis."

This was the basis for a consultative group meeting in May 1984, which discussed food strategy. This group met two more times in 1985, but had already spawned an offshoot in 1984—a Joint Monitoring Committee, which replaced the Joint Committee. The Joint Monitoring Committee included the World Bank, the EEC, and other donors.

In the meantime, Zambia created an Investment Plan Task Force to formulate an agricultural action program that donors immediately rushed to support. And in 1985, Zambia started discussions with the IMF in the framework of the consultative group. All this dialogue led to rather basic conclusions with regard to promoting agricultural production, which could have been arrived at with less fuss, cost, and enormous demand for administrators to attend these conferences. It would be ideal if basic policy decisions could be arrived at with regard to the disbursement of food aid within the region in order to maintain uniformity. Then programs could be disbursed under conditions specified within such a framework and with a minimum of delay.

FOOD AID AND INTRAREGIONAL TRADE

The recent history of droughts in eastern, western, and southern Africa would tend to give the impression that fluctuations in food production are uniform across countries in each region, or even over the whole country. A casual examination of the data proves otherwise. Data for the crop years 1985–86 and 1967–87 shows that Southern Africa as a whole needed food imports (computed as the cereal equivalent) of 1.7 million tons and 1.6 million tons respectively.[15] Yet, there were country differences.

Zimbabwe had surpluses during those two years of 1.0 million and 873,000 tons respectively, almost all of them maize and sorghum stocks. These surpluses would cover the deficits in Mozambique and Zambia under status quo nutrition levels.

This aggregate picture also masked differences in food requirements by commodity. Thus, Zimbabwe had a maize surplus but a wheat deficit in both periods. Table 8.1 shows the match-ups between deficit and surplus neighboring states in SADCC. The status of deficit and surplus states will vary from year to year, of course, but the structural differences are bound to persist.

The intercountry differences point to regional trade possibilities. The surplus countries have to be able to compete with the prices offered by other exporters because the deficit countries are not in the business of subsidizing high-cost producers just because they are neighbors. Given the importance of transportation costs in getting imports from traditional food exporters to Southern Africa, however, surplus countries like Zimbabwe and Malawi should have a positive competitive edge in the region. Yet, Zimbabwe and Malawi have continued to accumulate surpluses since 1984, while Zambia, Mozambique, and Botswana continued to have deficits; the net deficit of the region was really a mythical figure in the absence of trade in food commodities.

The most obvious reason for this lack of trade is the scarcity of foreign exchange with which to facilitate intraregional commercial transactions. The second is that even if barter trade were an option

Table 8.1
Surplus and Deficit in Staple Foods Between Bordering Countries in the SADCC Region, 1979–1981

Country	Has surplus staple foods	Shares border with	Has deficit in staple foods
Angola	Cassava, millet, and sorghum	Zambia	Wheat, rice, millet, and sorghum
Malawi	Rice, maize, millet, sorghum, and cassava	(a) Mozambique	Wheat, rice, maize
		(b) Tanzania	Wheat
		(c) Zambia	Wheat, rice, millet, and sorghum
Swaziland	Wheat, rice, maize, sorghum	Mozambique	Wheat, rice, maize
Tanzania	Rice, maize, millet, sorghum, cassava	(a) Malawi	Wheat
		(b) Zambia	Wheat, rice, millet, sorghum
		(c) Mozambique	Wheat, rice, maize, millet, sorghum, cassava
Zambia	Cassava, maize	(a) Angola	Wheat, rice, maize
		(b) Botswana	Wheat, rice, maize, millet, sorghum, cassava
		(c) Malawi	Wheat
		(d) Mozambique	Wheat, rice, maize
		(e) Tanzania	Wheat
		(f) Zimbabwe	Rice, millet, sorghum, cassava (consumption so far negligible)
Zimbabwe	Wheat, maize, millet, sorghum	Botswana	Wheat, rice, maize, millet, sorghum, cassava

Source: Koester, *The Scope for Regional Cooperation*, table 5.12.

between Mozambique and Zimbabwe. the fonner does not produce the wheat to trade for the latter's maize. There are differences in consumption patterns and preferences, but these are not matched by a development of specialization in the production of commodities.

The formation of the PTA clearing house should eventually widen the barter trade possibilities over time. This process could be made easier for essential food commodities if SADCC countries adopted a common food policy objective and viewed food security more as a regional trade issue than one to be attained through the accumulation of individual country stocks. This means, among other things, coordinating national pricing policies that, thus far, have been implemented by the marketing boards with national objectives in mind.

That the resultant prices can discourage regional trade was illustrated in the case of the East African Common Market by Koester.[16] In 1961 Uganda had a maize surplus, while Kenya and Tanzania had deficits. Yet, Kenya did not import maize from Uganda because the relatively cheaper maize from the latter might have depressed Kenya's domestic consumer price. The Kenyan Maize Marketing Board would thus have incurred a loss because of the larger differential between the guaranteed producer price and the state that trade restrictions, rather than the lack of a trading potential, caused the decline in food trade among the East African Common Market countries.

The SADCC countries have agreed in principle to formulate a common food security strategy, and Zimbabwe has been charged with the responsibility of formulating a food security program. However, national considerations still dominate the internal pricing decisions of each country. It is not yet clear whether the difference in the annual variations in food production will be the basis for a strategy based on regional trade and international imports, or whether each country will use national stocks to stabilize its own food availability over time and use regional trade if and when necessary. A common definition of food security and the least-cost method of attaining it for the region as a whole has not been reached.

The purpose of this discussion is not to speculate on the benefits of an integrated, regional food security program. Those interested in a detailed treatment of the subject can find ample reading elsewhere.[17] What is relevant here, however, is that the potential for trade in food commodities among SADCC countries exists but has yet to be fully exploited. The constraints arise from differences in national agricultural pricing policies, historical trading patterns, and balance-of-payments constraints. It is the point of this chapter that food aid can be used to alleviate these constraints and promote regional trade. The mechanism for this is the so-called "triangular" purchases involving a donor and either two aid recipients or a commercial importer and one food aid recipient.

The uses of food aid for development as well as for trade promotion (through triangular transactions) are of course interrelated, and the measures taken to promote the first inevitably also facilitate the second. If food aid can encourage recipient countries to base producer prices on the marginal cost of imports (i.e., world prices), then deficit countries will be indifferent with respect to f.o.r. prices and will certainly prefer a regional source, if possible, because of the lower transportation costs. Trade will thus be based on comparative advantage, as it should be.

Food aid can be used to explore potential trade links where none existed before, largely because the balance-of-payments impact on the recipient countries will be minimal—countries can afford to be more innovative. Finally, if the transportation costs are indeed lower within the region, then triangular deals can in fact increase the income transfer effect of food aid, since more of the value of the transactions will be in the food, rather than transport, services.

Having said all this, however, it should be pointed out that the major criticism leveled against food aid in the 1960s has reared its ugly head to bedevil triangular transactions. Donor countries use food aid to dispose of surplus commodities, and domestic interest groups (mainly farmers and shipping companies) have a vital stake in the volume of food aid originating in the donor countries. This has acted as a constraint.

A few examples will serve to highlight the issues. Mozambique had a deficit of about 450,000 tons of cereals in the 1984–1985 season, and the United States pledged to make up about a third of this figure. Other donors also contributed. As already shown, all of this deficit theoretically could have been made up from stocks in Malawi and Zimbabwe, subject to the actual commodity composition. As it was, the United States executed one triangular operation totalling 10,000 tons, with 7,000 tons of maize from Zimbabwe (in exchange for wheat) and 23,000 tons from Malawi. The EEC estimated allocations for countries in the SADCC region totalled 35,000 tons for 1985 and 82,000 tons for 1986.[18] Of these amounts, only 23,000 tons and 36,000 tons respectively were likely to be coarse grains supplied from Malawi, Zimbabwe, and Kenya. This is a relatively small proportion of the estimated requirements of coarse grains in the deficit countries (Angola, Tanzania, Botswana, Lesotho, Mozambique, and, possibly, Zambia). It is also a small proportion of the potential volume of intraregional purchases.

and subject to the vagaries of the weather and potential disruptions of transport routes by the Republic of South Africa.[19] The fluctuations in the volume of regional surpluses in cereals, from near-zero levels during a drought to the current record (although small relative to world stocks), may not warrant an overly optimistic outlook for attaining food self-sufficiency through intraregional trade.

That approach, however, seems to miss the point. First, agricultural production in any single region is subject to uncertainty, although the long-term trend in developed countries is upward. It is simply a case of taking full advantage of an opportunity when it arises. Second, regional food security does not necessarily imply zero commercial imports from the international market. The definition of food self-sufficiency given in the first section actually implies an integration of regional commodity movements into the world trade patterns so that a deficit can be made up in the course of normal annual transactions. This is currently not the case because the existence of food stockpiles in a country adjacent to one with a perennial deficit is evidence of the lack of normal trade movements, whether such surplus stocks are transitory or not. The reasons for nonexistence of trade have already been stated, and the use of food aid for the relaxation of these constraints is a pertinent subject.

One option has already been presented. Donor countries should consider increasing the quantities of food purchased in the SADCC countries themselves. This is said with the full cognizance that agricultural interests in both the United States and EEC see the food aid programs as an extension of their countries' domestic agricultural policies.

The EEC, as a result, restricts triangular purchases to those cereals unavailable on the community market. While the range of these commodities (maize, millet, sorghum, rice) still leaves considerable opportunity, the policy itself is subject to a lot of interpretations. Are consumer preferences to be taken as given in the negotiations, for example, or will there be indirect pressure to steer aid requests to commodities available on the EEC market? A stated objective of the triangular operations was "market stabilization in that producing country whose production exceeds its needs for the product."

Now it may be that the existence of 1.5 million tons of surplus maize in Zimbabwe is evidence of an imbalance in relative commodity prices. Land is being shifted to maize because its produce price is higher relative to that of such crops as beans, sunflowers, etc. It may even be because the country is a high-cost producer relative to domestic income levels, and the recent removal of subsidies has reduced consumption and increased stocks. If so, then triangular transactions based on the opportunity cost of maize and other crops would help correct the situation. Recent transactions, however, do not support this assumption.

As already mentioned, USAID executed a triangular deal in 1986 whereby 7,000 tons of Zimbabwe maize were exchanged for 9,600 tons of U.S. wheat, with the maize sent as food aid to Mozambique. At the same time, 3,000 tons of maize from Malawi were exchanged for 1,400 tons of wheat for the same purpose. The landed cost of U.S. yellow corn in Zimbabwe would be about US$200 a ton. The prices used in exchange were US$106 a ton for wheat (f.o.b. Houston) and $145 a ton f.o.r. for maize. The f.o.r. price for corn in Houston would have been US$104. The actual transaction price for maize was thus between the world price abroad and the landed price in the regional market, and it can be taken to reflect true market conditions. This price also reflected relatively accurately the then current producer price of maize (US$111.10).

The differential between the price per ton and that paid to producers, if it accurately reflects internal transport and handling charges, reflects the importance of improving the marketing channels. The point being made is that the production costs in the region were not completely out of line with world prices. Returning to the issue of the volume of such triangular transactions, it is noteworthy that a similar opportunity had arisen in 1985. Zimbabwe needed 56,000 tons of wheat, and a similar exchange could have been made. The opportunity was lost because of potential opposition by U.S. agricultural interests, which did not want to lose the opportunity to make a straight commercial sale of wheat and a disposal of yellow corn stocks on concessional terms as aid. The intervention of domestic considerations in donor countries almost always turns the triangular transactions into rectangular negotiations and whittles down the size of income transfers, as well as trade development of food aid programs.

The impact of transportation costs is clearly illustrated in the United States-Malawi-Zimbabwe-Mozambique transaction. The value of Malawi maize in terms of wheat delivered in Blantyre was US$142, slightly lower than that of Zimbabwe maize (f.o.r.). Of this amount, however, US$87 went into transport services, and as a result, the country obtained 0.47 tons of wheat for every ton of maize, compared to 1.37 tons in Zimbabwe. Malawi paid $40.7 per ton of ocean freight to ship in U.S. ships compared to a much smaller figure for Zimbabwe, which had hard currency and could shop around for the lowest rates. If this condition (to ship in U.S. vessels) is insisted upon, then financial aid over and above the normal allocation should be granted to cover this shipping costs differential.

The impact of domestic conditions in donor countries is also apparent in the cost of the commodity swap for the recipients. According to FAO data, Zimbabwe received 27,970 tons of wheat from Australia in March 1986 in exchange for 33,000 tons of maize. At about the same time, it also received 6,700 tons from Canada for 9,000 tons of maize. The Canadian barter rate of 1.34 tons of maize per ton of wheat is 10 percent higher than that of Australia. The demarcation of the market may of course represent transportation cost differentials, and not producer price support variations in the donor countries. It does, however, illustrate the fragmentation of the world market as far as the recipient country is concerned. About the only thing to be done in this case is to ensure that the differentials reflect differences in transportation charges only, and not some domestic subsidy.

Probably the most difficult issue would be to use food aid in order to "encourage" production patterns that directly promote the recipient country's comparative advantage, and thus encourage trade. Conditions in Mozambique may be such that its comparative advantage is not in maize production but some other food crop. The agricultural implements and seed packs being sent there as part of the food aid could reflect this long-term consideration rather than increase the ability to directly substitute maize imports with local production. Such a policy decision will have to be the result of an overall regional food security package and will have to originate from the SADCC countries themselves to be successful. Without such an orientation, however, shortages induced by structural causes will persist, and the benefits from specialization in production will be lost. Zimbabwe tried to use Japanese aid to develop rice production, a crop for which Malawi may have a relative comparative advantage. It even tried to produce fresh-water prawns as a substitute for the real thing from Mozambique. The list of agricultural goods with such trade possibilities is substantial, but it is not clear whether they can be economically produced in the region. Food aid could thus be used to finance the necessary research directly.

NOTES

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10. See *Dairying Development in Zimbabwe: A Policy Paper* (Harare: Ministry of Lands, Agriculture and Rural Settlement, October 1985).

11. Shlomo Reutlinger, "Project Food Aid and Equitable Growth: Income-Transfer Efficiency First," *World Development* 12, no. 9 (1984): pp. 901–911.

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13. S. R. Sen, "Impact and Implications of Foreign Surplus Disposal on Underdeveloped Economics—The Indian Perspective," *Journal of Farm Economics* 42 (1960): pp. 1013–1051.

14. Schultz, "Value of U.S. Farm Surpluses to Underdeveloped Countries."

15. See U.S. Department of Agriculture, *World Food Needs and Availabilities, 1985: Update* (Washington, D.C.: U.S. Department of Agriculture Economic Research Service, February 1986).

16. Ulrich Koester, *The Scope for Regional Cooperation in the Food Economy Among the Southern and Eastern African Countries* (Washington, D.C., IFPRI, 1985).

17. See, for example, Koester, *The Scope for Regional Cooperation.*

18. See *Meeting Document: Meeting of Experts on Purchasing of Foodstuffs in Developing Countries* (Brussels, March 1986, Mimeo).

19. See Michael Lipton's chapter in this book.

PART 3

Southern African Development Coordination Conference

CHAPTER 9

SADCC and Black South Africans

DAVID HIRSCHMANN

Fundamental to the objectives of SADCC is its relationship to the South African State.[1] The domestic and foreign policies, interventions, and responses of the South African government, the South African Defence Force, and South Africa's major public corporations involved in agriculture, trade, and transport are of central concern to SADCC. Reducing dependence on South Africa, because of both its discriminatory racial policies and its economic dominance of the Southern African region, anticipating and responding to its economic strategies, preparing for and dealing with its destabilizing activities, and monitoring carefully its domestic, political, social, and security policies must at all times remain key items on the working agenda of SADCC officials and SADCC member states. Quite correctly, the future impact of SADCC and, in particular of its development programs and projects, is seen as vitally sensitive to the behavior of Pretoria.

Yet there are dangers in too narrow a focus on the state itself. As Merle Lipton points out elsewhere in this book, it may lead to an oversimplified assessment of the interests of South African business in the region. There is a further danger, which is the concern of this chapter. South African scholar Peter Vale has recently commented:

> The central thrust of International Relations deliberations has been on the White State and the problematic which the same State faces as a result of intense international pressure. While, paradoxically, the international problem of the South African State arises from the exclusion of Blacks from the mainstream of central government, little or no attention has been directly given to the issue of the role of South African's Blacks in the international system. Therefore, throughout the discussion on South Africans

> international situation, Black South Africans have been the objects of discussion and not, as the convention has it, the subjects of discussion.[2]

Although the author is addressing his remarks to South African scholars, his argument is one to which foreign scholars, foreign governments, and international agencies should give close attention. The cruel predicament of black South Africans and their efforts to free themselves from oppression are, of course, at the center of considerable international concern. But their perceptions of, views upon, and present and possible future impacts on international relations are not studied as carefully, if at all. The purpose of this chapter is, therefore, to stress the importance to SADCC, and its members, of trying to reach a greater and more detailed understanding of the complex and changing politics of blacks in South Africa, of the relationship between those politics and the evolving view blacks hold of world and regional affairs, and possible effects of these changes on regional developments.

To pass as an international nonstate actor, three criteria have been suggested in the textbooks: (1) an entity must perform significant and continuing functions—significant in the sense that it has a continuing impact on interstate relations; (2) the entity is considered significant by the decisionmakers of national states' foreign policies; and (3) the entity has some degree of autonomy and freedom in its decisionmaking.[3] South Africa's main liberation movement, the African National Congress (ANC) would be considered such an actor; but black South Africans are a somewhat more complex entity. In drawing attention to the interrelationship between black South Africans and SADCC, one is focusing on two nonstate actors who may not fit neatly or completely into the three-part definition, especially in global terms, but in Southern Africa regional terms, they certainly do. Black South Africans incorporate a broad and disparate political movement, characterized by numerous organizations (the ANC, the United Democratic Front, the Pan-Africanist Congress, the Azanian People's Organization, Inkatha, trade unions, community associations, youth organizations, etc.) and diverse ideologies, a kind of state-in-waiting.[4] SADCC, by contrast, is a small, pragmatic, development-oriented, intergovernmental regional organization, to some extent dependent upon and, to a limited extent, autonomous from its nine constituent member states.

The material discussed in this chapter is based on research carried out between June and August 1986. This took the form of in-depth interviews with forty-five urban black South Africans representing a cross section of organizational affiliations, ideological leanings, professions, and age groups. This is thought to be one of the first, if not the first attempt to carry out a serious study of black opinion on foreign policy and international relations issues.[5]

BLACK SOUTH AFRICAN RADICALISM

Of most relevance to SADCC and the prospects for its future programs is the changing political posture of black South Africans, in particular their broadening and deepening radicalism. Almost everyone interviewed felt strongly that a process of growing radicalism was well under way, but there were very different ideas as to what this meant.[6] The following are examples of the sorts of phrases used in describing what interviewees meant by growing radicalism: "they are much more demanding now"; "the demand is now for total change"; "they are more militant"; "more violent"; "impatient"; "prepared to suffer and die"; "outspoken"; "leftist"; "ready to boycott and strike."

One middle-aged executive noted that while radicalism had increased among the youth, this should not be taken too seriously. "They were easily mislead. Their radicalism was ill-formed. And they could easily be changed." Someone else felt that radicalism had increased because the government had become less strict about controlling people's public rhetoric: "So, people talk more radically." Another view was that this was despair, not radicalism. "They are not supporting leftist policies, just losing hope. The economic situation is contributing to despair and total helplessness. So, people are trying out leftist ideas and slogans." A young community organizer in the Eastern Cape was more clear about the process being substantive:

> They are becoming more radical. They have come to accept that violence is necessary and that they will suffer and die for freedom. Sixteen- and seventeen-year-olds go and throw stones at the military vehicles. They know they will die. And they are prepared. We have seen too much death and hurt. And we have gone a long, long way, and won't go back. And we see better what we are fighting. We know it is not the government only. We know that we must take over the economic structures as well.

As a last example, a United Democratic Front supporter who was following the process carefully indicated how the Freedom Charter was being interpreted differently by more and more people, and how this change in interpretation indicated a movement from a liberal democratic to a socialist democratic thrust.

Interviewees were then asked to consider specific aspects of radicalism. The first related to a greater acceptance of violence as essential to bring about change.[7] For most people, the answer was all too obvious: Evidence all around proved it. However, a number of people stressed that this was not their chosen path; they would not engage in violence if there were any other way left open to them. Some also pointed out that this acceptance of violence was strongest among the young. "They won't allow themselves to suffer like their fathers and forefathers. They are prepared to die for their freedom!"

This is a major change—one that has developed over the last decade—in the nature of the conflict in South Africa. Violence and continual turbulence have shaken the confidence of foreign investors and the South African government, and have elicited a heavy and cruel response from the South African policy makers and military. The effects have already been felt beyond the country's borders. Inevitably, as violence and counterviolence escalate, the impact on the region will spread. Neighboring states will continue to be called upon to assist in the liberation of South Africa, to channel arms, and to serve as launching bases for attacks and for places of refuge. South Africa will continue to invade and destabilize directly through the use of its own forces and less directly through opposition groups such as UNITA in Angola and RENAMO in Mozambique. Infrastructure, agriculture, transport, industry, imports, and exports have already suffered throughout the region; and new projects related to these vital areas of economic development will remain vulnerable to destruction by South African forces. Planning, projecting, and timely implementation of undertakings, always difficult in dependent, poor economies, will become even more problematic. Major projects will require military defense. And, finally, violence always produces growing populations of refugees. All the related economic burdens and political complexities will continue to divert energies and resources from the sort of direction the SADCC countries intend to move toward.

There was also broad agreement among the group interviewed that radicalism had also taken the form of growing anticapitalism.[8] This confirms South African journalist Patrick Laurence's assessment that "South Africa's major extra-parliamentary opposition movements bristle with anticapitalist sentiments, . . . The reason is simple: capitalism is seen as the driving force behind apartheid."[9] There was considerable difference, however, about the depth of feeling on this and about its information base. One view was that it was mainly "the children" who were getting worked up about this. Another view, and this was held by many, was that this was primarily a response against whatever the South African government stood for, or said it stood for. A businessman explained:

> The funny thing is that if the South African government says this is "good," we say it is "bad." P. W. Botha has tried to sell us free enterprise. So Blacks regard it with suspicion. . . . Capitalism and apartheid are not linked, but people think they are. I don't blame them. Generally, people who are oppressed will adopt a system that is an anathema to the regime.

Some people argued that socialism would never really take hold "because our people are now so deeply immersed in capitalist values." Others felt it would come to Africans very easily both because "capitalism has not worked for 99% of us," and because traditional African society was communalistic and socialistic. It was also pointed out that many of the strategies of the struggle—strikes, consumer boycotts, stayaways, calls for sanctions—were putting blacks against capitalistic institutions, and this was raising their level of antagonism. Also they see capitalist interests opposed to sanctions. By contrast, the people who are 100 percent opposed to the oppression of blacks are from socialist states. This affects people's views. Younger people and trade union organizers both argued that this antagonism to capitalism was increasingly based on an understanding of the structures of the economy and on their historic and present exploitation by those structures.

Some of the interviewees who sensed a growing anticapitalist sentiment were not prepared to conclude that socialism (and this was the third aspect of radicalism) was on the increase.[10] Their view was that the acceptance of socialist ideals was too superficial and rhetorical to be taken seriously. And, certainly, there are close observers who agree that "socialism is not a very developed concept in the discourse of oppositional politics in South Africa."[11] Nevertheless, the overall response shows a clear majority agreed that a positive interest in socialism was growing among black South Africans. Some felt it was still limited to symbolism; but others argued that serious interest was limited to some of the youth leaders.[12] For others, again, it was only the trade unions that were moving in this direction: statements by union leaders such as Jay Naidoo[13] and Cyril Ramaphosa[14] confirm that organized workers are steadily becoming more interested in the practicalities of socialist alternatives. Overall, it was agreed that in comparison with ten years ago, socialism had made advances, and that there was broad agreement among community organizations and religious leaders that more just alternatives to capitalism must be sought.

Based on sixty-nine interviews, conducted from May to June 1986 with black community leaders and organizers, Michael Sinclair came to similar conclusions: There was widespread agreement that the national liberation struggle was not merely against apartheid and race discrimination, but also against capitalism as the perceived primary cause of black oppression. Moreover, adherents to both the Freedom Charter and the Black Consciousness Movement share a similar vision of a socialist restructuring of the economy and society after liberation.[15]

Given the central importance of race in this conflict (racial categorization has been at the core of apartheid's oppressive legislation, and race presents itself as the obvious and immediate mobilizing factor in the struggle), the growing concern with economic exploitation, class oppression, and socialist alternatives is a significant development with important potential influence on the region.

Southern Africa is, in ideological terms, rather finely balanced. Angola and Mozambique represent the most left-leaning of these states. Tanzania and Zimbabwe would come next. Moving further along the left-right continuum, we would find Zambia and then Botswana, Lesotho, Swaziland, and Malawi. The most significant of these states are inclined toward socialism. Yet, given the difficulties of Mozambique and Angola (both aggravated by South African interventions), and Tanzania, and the strength of the capitalist sector in Zimbabwe and influence of Western interests in the area, capitalism would still appear to be the predominant force in the region. Therefore, a socialist postapartheid South Africa could have a profound impact on the evolving social and economic structure of the whole of Southern Africa. In world power terms, the stakes in the conflict would therefore become much higher. As a black South African academic noted during an interview:

> It is about the world spheres of influence. In the long run in the Southern Africa situation, it is a struggle for the control of capital, the means of production, between two social systems, and the Reagan administration sees it in that light. Changes here will threaten to cause social upheaval in neighboring countries and affect the East-West relations. The U.S. wants to keep the region in the fort. International capital knows that there must be change—else there is a threat of great fundamental change beyond South Africa's borders. So Western Governments want to broaden the social base of South African government but this is to stem the tide of possible fundamental social change.

BLACK SOUTH AFRICANS AND THE UNITED STATES

Also of importance to the future of the region and the SADCC plans for aid cooperation and investments in projects is the growing hostility of black South Africans toward the United States. Partly (and this would be of greater importance in the long run), this interrelates with the anticapitalist, prosocialist trends that are observable amongst politicized blacks in South Africa; these trends, in turn, find their source in the changing structure of black opposition forces, notably an organized and assertive labor force, angry and aggressive youth cohorts, and huge numbers of urban unemployed. They are encouraged too by leaders and intellectuals who profess more radical assessments of the core of oppression in South Africa. Yet, for all that, history will credit Ronald Reagan with a very considerable contribution to the radicalization of black South Africans, for much of the hostility feeds off anger at the policies of the Reagan administration. In answer to the question, "What is your personal assessment of the present U.S. administration's policies towards South Africa?" Forty-three people replied negatively and only two positively. The two who replied positively were both members of Chief Buthelezi's Inkatha movement. To quote one of them:

> Constructive engagement is necessary to the well-being of South Africa at present. I'm supportive of American Government policy toward South Africa. Its success may not be obvious, but surely it has had an influence. South Africa listens. We oppose sanctions very actively. The U.S. supports our view. Reagan does understand South Africa.

The other acknowledges that black leaders appeared to be increasingly anti-American but said this was to "keep their names up," to retain "their status among black people" and to "get their pay packets." Generally, he said, people were not becoming anti-American: "Most people in the know are strongly friendly with the U.S. Ordinary people want investment; they do not want sanctions. They want to keep their bread!"

For the rest, the response amounts to an extremely broad and strong condemnation of President Reagan's policies, which was in the main expressed in very bitter and angry terms. "It is the most wicked policy every from an American leader," commented one young professional manager. "South Africa's record of killing and torture is getting as bad as Hitler's"—the speaker explained his numbers carefully to include unnecessary deaths through malnutrition in the homelands, etc. "And the U.S. supports this," was the comment of an older man. A middle-aged woman professional said:

> They support the South African government. Constructive engagement is interpreted by the South African government as being support—it can do whatever it pleases in local and foreign affairs. Crocker never spoke to a black South African, except

> maybe a few handpicked people. It looked like a policy worked out with whites. Also at the UN they veto anything against South Africa, and South Africa knows it can rely on them. That is why the South African government has not moved on Namibia. The American government does not care about blacks in South Africa.

When asked to compare their own feelings today with those of ten or twenty years ago, most of the group felt that they had become considerably more antiAmerican.[16]

The response is again indicative of growing anger. Four of the eight who answered negatively explained that they had "always" disliked the United States. For example, one said, "To be realistic I don't see a difference now. I never liked America and I never will until it changes to meet the interests of the majority in South Africa." A couple of people simply said they hated Reagan, not the United States. Older people expressed growing disappointment related to high expectations growing out of their perception of the U.S. civil rights movement and statements by leaders like Kennedy and Carter. A man well into his fifties said:

> Yes. All progressives in South Africa are increasingly anti-U.S. At mass meetings the surest way of getting applause is to hit at America. We see it as substantially supporting the South African regime. This is supported by lots of evidence from past American history. America has never supported a true liberation movement— one aimed at creating jobs, broadening education, assisting women, increasing income and welfare of all, etc. I don't think they ever supported a liberation movement except at the last minute to suit their interests.

Younger people talked more about "cultural imperialism" in their school years, which led them to admire the technology of the United States and to see a great threat from the Soviet Union. "Slowly, through exposure to the brutality of the South African State, and seeing the links with the U.S.," they have changed their perceptions.

In responding to the question about how they thought black South Africans in general thought of the United States, a few, but very few, made the distinction between President Reagan and the United States. "Many people in America show solidarity, and we understand the complexity of their government." On the other hand, one man who saw the distinction nevertheless argued that Americans should not be excluded from the criticism. "We see Reagan's policy as giving the green light to the South African government to kill, torture, oppress and invade. . . . And we see how much the American's like and support Reagan" A very angry man in his early thirties, a community organizer in Soweto, noted that there were some mixed feelings. On the one side, blacks had respected the civil rights movement. Also, someday, they would need to borrow some things from the United States, such as the Bill of Rights, true capitalism (as opposed to the South African version), and some decentralization. On the other side, the United States had turned against them (also, they sympathized with the people of Vietnam and Nicaragua); so there was a love-hate relationship. Most typical was the assessment of a young professional, made without any conditions, that there was a growing antagonism towards the United States:

> Since 1976 our people have been in a state of unrest and have been killed, and the USA was never seen to do anything physical to halt the situation. Our movement, which we respect, the ANC is called terrorist, and they refuse to deal with them.

A different kind of analysis, more common among students and younger respondents and those representing views of the Azanian People Organizations, but certainly also found among some supporters of the United Democratic Front, sees the U.S. role in South Africa as central to its international imperialistic designs, and conforming to its behavior elsewhere in the world.

> It is imperialistic. South Africa is tied to the apron strongs of America, politically and economically—although this is sometimes in a complicated and subtle way. South Africa is in Angola because the U.S. wants it to be there, and knows what is going on. Actually America is pulling the strings on the subcontinent and destabilizing it. The attacks on Zimbabwe and Zambia please the U.S. They are supportive of it.

Support for Jonas Savimbi and UNITA in Angola, which was seen as just such an example of U.S. foreign policy, caused deep resentment. Most of the group saw the United States and South Africa as guilty of intervening in an attempt to destroy the Angolan government, and they were therefore very pleased that Cubans were there to help keep the two at bay.

Interviewees were also strongly critical of U.S. corporate behavior in South Africa, and this assessment was held by both managerial and union personnel.[17] The following statement by a woman executive is representative:

> American companies all took advantage of apartheid to make a profit. Some more. Some less. Sullivan [principles] was a phoney. Monitoring was a phoney, and none responded to the fourth principle of extra-business support for blacks. I can't really think of one good company before the current period. And generally we are very cynical about the recent changes.

The views of two leading black South Africans confirm this anti-U.S. sentiment. In an interview, Ntahto Motlana said that the "American Government's image has been severely tainted in the eyes of [South African blacks]. Because of this policy it has made Washington just as guilty of the crime of Apartheid as Pretoria was."[18] And after a major speech by President Reagan in July 1986, Bishop Desmond Tutu said he found the speech "nauseating," and that South Africa's President P. W. Botha must be feeling very thrilled that he has such wonderful public relations in the White House. Bishop Tutu continued that President Reagan, British Prime Minister Margaret Thatcher, and West German Chancellor Helmut Kohl—all of whom opposed strict sanctions against South Africa—were, in effect, saying to South African blacks, that "you are utterly dispensable." "For my part," concluded the bishop, the "West can go to hell."[19]

Again, this alteration in attitudes toward the United States represents a dramatic change that will have an impact on Southern African interregional and international affairs. Although, black South Africans would not object to SADCC accepting aid from the United States, they would not see such aid as being a gesture of sincere goodwill aimed at the development of the region. U.S. actions are so suspect that assistance would be perceived as interventionist and imperialistic and as part of an attempt to manipulate the resolutions of Mozambique, Zimbabwe, Angola, and of South Africa itself. The rumors going around in Washington in September 1986 that the Reagan administration was considering giving $500 million to SADCC, at the same time that it was opposing sanctions against South Africa, would fit into this assessment of U.S. intentions. Anything that looks like "buying off" SADCC at the expense of the cause of black South Africans would be seen in a negative light. U.S. assistance to SADCC in improving the Beira Corridor to the east coast while at the same time helping UNITA to destroy the Benguela Corridor to the west coast, would be judged dishonest and hypocritical in the extreme. SADCC will seek aid to assist its objectives as it perceives them. Yet, it would be advised to be sensitive to the implications of such assistance for black South Africans.

Of relevance to future cooperation in the region is that this deep antagonism toward the United States has not translated into a pro-Soviet foreign policy posture. A few people remarked that they were grateful to the Soviet Union for its assistance to their cause, but they would not feel constrained to follow a pro-Eastern policy in the future. A couple of people said the question must remain open, and would ultimately depend on how the United States behaves in the future. "Nothing for nothing; very little sixpence," one man said. Along the same lines, Ntahto Motlana has said that "our policies will be to accommodate and give comfort to our friends who gave us arms and education, our policies will lean towards the East."[20] This, however, was not the view of most of the interviewees who overwhelmingly supported a policy of nonalignment.[21] A few people specifically mentioned with approval the sort of nonalignment Zimbabwe seemed to be seeking.

BLACK SOUTH AFRICANS AND SOUTHERN AFRICA

The attitude of black South Africans toward cooperation in the subcontinent is of concern to SADCC. Among those asked, only one person, a senior trade union official, actually mentioned SADCC. He warned that a new postapartheid government, because of its economic dominance, could easily become imperialistic. To avoid this, he called for an early entry of a new government into SADCC and an endorsement of SADCC principles and ideas. He also argued that there then should be a reduction of foreign aid to SADCC and an increase in assistance from South Africa. "We should work toward a community which is interlinked and interdependent and maximizes the potential of the region. This could be done across ideological lines."

Even though no one else spoke of SADCC, responses were all very positive and optimistic about future relations in the region. Part of the optimism arose from a sense that many intraregional problems were caused by the white racist government, and these would disappear automatically once majority rule was achieved. They were also confident that cooperation would follow easily and that South Africa had the capacity to contribute economically to the growth of the region. The following statement by a businessman was typical of the comments made, if a little more optimistic than most:

> A black government will eliminate the problem. Five years after that there will be a Southern African Economic Community like the E.E.C. and twenty years later a common country with one capital. We will respect the sovereignty of all, even of Banda, but he will turn. A free South Africa will play a role as engine of the subcontinent. We owe them something. They helped us a lot.

Another businessman was equally enthusiastic:

> Nkrumah's theory will come into play. There will be a Federation from Zambia downwards. That is my dream. There will be a huge

mineral and resource base. It will be based on the U.S. model. South Africa will be rich but sympathetic. We have fought alongside Frelimo, ZAPU, ZANU: they have all helped us. So we will be able to help them and thank them . . . we will help people to liberate themselves from poor leadership, for example, Malawi.

A number of people acknowledged the contribution by people from neighboring countries, particularly the workers, to the economy of South Africa and the need to repay them, and the need to alter the dependence relationship to one of interdependence. There were warnings against giving aid that was inappropriate or promoted "our own technology. The U.S. and the Soviet Union have done this. We must be sensitive about this." An academic pointed out that the route South Africa took to independence would affect the whole region:

> There will be no solution to the problems of the people of Lesotho, Swaziland and Botswana without the solution to South Africa's problems; and even Zimbabwe, Mozambique, Zambia, Tanzania and Angola's social and economic problems won't be solved till then. South Africa will probably provide the economic base for those countries to solve their economic problems. Americans will see this as a threat to their sphere of influence . . . fundamental change here will do it for the rest of Southern Africa. This may imply that Southern Africa will no longer be in the Western sphere of influence. This is an awareness that there may be some counteraction from the U.S.

Despite the expressions of goodwill, important questions will remain. South Africa will remain the dominant power in the region, and all the normal difficulties in the way of integrating larger, more developed economies with small, underdeveloped ones will have to be faced. The possibility of South Africa, as the new member, altering trade and investment patterns and economic and political power balances in the area may make its entry less than fully welcome by SADCC members. Second, the optimism about the new South Africa's capacity to assist the region economically may be misplaced, at least for a while. A democratically elected South African government will be confronted by widespread poverty, both in the urban and rural areas, large-scale unemployment and underemployment, and an economy that will probably be in very serious trouble. Given its responsibilities to all of its people, a responsibility no other South African government has had to bear, and the expectations that will have built up over time, it will have its work cut out for it. It will be sorely tested to feed all of its people, provide health facilities and education, etc. In practice, it may be unable, and therefore unwilling to assist and cooperate fully with its neighbors. A third area of concern may be the response of the leadership and state beneficiaries in Lesotho and Swaziland to the fairly popularly held South African assumption that once South Africa is free, the rationale for those countries' independence will drop away. Fourth, a few of those interviewed spoke of a free South Africa helping black African nations to liberate themselves from neocolonialism and reactionary leadership, and certainly more than a few mentioned that they would be happy to see the end of Malawi's Kamuzu Banda. Depending on the nature of the South African revolution, there is a possibility, albeit slight, of an interventionist government emerging. There may well be groups in Southern Africa who encourage them.

Finally, the actual nature of the relationship will depend not only on the circumstances of South Africa's liberation, but also on the patterns and stages of development in the SADCC countries. South Africans are watching their neighbors carefully. For example, some of the group spoke of lessons learned from Samora Machel's policies in Mozambique and from what they see as the Soviet Union's failure to stand by him when confronted by pressure from Pretoria. Most attention is, however, focused on Zimbabwe's Robert Mugabe. Mugabe is widely admired for his role in the liberation of Zimbabwe, for his intellect, and for getting his country moving so soon after the end of hostilities. Managerial and private-sector people respect his pragmatism, his realism and reconciliation with white Zimbabweans, and his cooperation and compromise with the capitalist sector of the economy. Others, however, criticize him for oppression of the opposition, tribal favoritism, and mishandling Nkomo; trade unionists express great disappointment in his restrictions on worker rights and freedoms. His domestic and foreign policies will be watched carefully, as will those of Angola, Mozambique, Tanzania, and Zambia. Black South African assessments of the direction and performance of these states will affect their willingness to cooperate on a regional basis.

PAST, PRESENT, AND FUTURE

This chapter is concerned with the effects of changing domestic and foreign policy opinions of black South Africans. To some extent, it attends to what has already occurred. Attitudes toward violence and sanctions, a tremendous growth in determination and anger, and a greater willingness to suffer, strike, boycott, disrupt, and openly challenge the system have already had an impact on the region. The response of the South African government includes actions that block trade, disrupt transport routes, economically and politically destabilize, and cause inordinate sums of money to be spent on defense in countries that can ill afford to do so. This chapter also looks to a future when SADCC will need to deal with a majority-ruled South Africa. Projections of this kind are hazardous. Yet they are not merely academic. It is inherent in the nature of SADCC that it has, at all times, to deal with present realities, assuming that they may exist for some time, and keep in mind future changes that will eventually profoundly alter many of those realities on which its plans are based.

NOTES

1. See, for example, Ulrich Koester, *Regional Cooperation to Improve Food Security in Southern and Eastern Africa*, Research Report 53 (Washington, D.C.: International Food Policy Research Institute, 1986).

2. Peter Vale, *Outsiders as Insiders: An Essay on Black South Africa and South Africa's International Position* (Unpublished paper, Grahamstown, SA 1986) p. 3.

3. Bruce Russett and Harvey Starr, *World Politics: The Menu for Choice* (San Francisco: W. H. Freeman and Co., 1980) p. 50.

4. David W. Ziegler, *War, Peace, and International Politics*, 2nd ed., (Boston: Little, Brown & Co., 1981) p. 104.

5. The research (which is continuing) was undertaken with the assistance of a fellowship from Rhodes University, South Africa. The Overseas Development Council helped with some of my travel expenses inside South Africa. Interviews were carried out in Grahamstown, Port Elizabeth, Durban, and Johannesburg. Interviews generally lasted from one-and-a-half to two hours. They were structured but open-ended, and conducted as interviews rather than as a survey; the explanations and arguments used were as, or more, important to the study than the actual conclusions. This meant that in many cases, not all questions were asked: this explains the "not asked" category in the result given below. Preliminary results were presented in a paper entitled *"Changing Attitudes of Black South Africans Toward the United States of America*, delivered to the Political Economy of Southern Africa Conference organized by the Overseas Development Council in September 1986. The report is being published as the first working paper of the newly created International Studies Unit at Rhodes University, South Africa.

6. 31-yes; 1-no; 5-conditional; 1-don't know; 7-not asked.

7. 30-yes; 5-no; 3-conditional; 0-don't know; 12-not asked.

8. 31-yes; 5-no; 7-conditional; 0-don't know; 2-not asked.

9. Quoted in John Saul, "South Africa: The Crisis Deepens," *Monthly Review*, 37, no. 11 (1986): p. 38.

10. 27-yes; 5-no; 12 conditional; 0-don't know; 1-not asked.

11. David Lewis, "Capital, the Trade Unions, and the National Liberation Struggle," *Africa Report* 31, no. 11 (1986): pp. 43

12. An interest confirmed in Tom Lodge and Mark Swilling, "The Year of the Amabuthu, *Africa Report* 31, no. 2 (1986): pp. 4–7.

13. Jay Naidoo, "The Significance of COSATU, "*South African Labor Bulletin* 11, no. 5 (1986): p. 35.

14. Cyril Ramaphosa, interview in *Africa Report* 31, no. 2 (1986): pp. 10–12.

15. Michael Sinclair, *Community Development in South Africa: A Guide for American Donors* (Washington, D.C.: Investment Responsibility Research Center, 1986), p. 15.

16. 30-yes; 8-no; 1-conditional; 6-not asked.

17. 26-negative; 3-positive; 3-conditional; 0-don't know; 9-not asked.

18. Ntahto Motlana, interview in *Reality* (March/May 1986): pp. 8–10.

19. The *Citizen*, 23 July 1986, p. 2.

20. Motlana, op. cit.

21. 6-pro-West; 2-pro-East; 21-nonaligned; 4-nonaligned (leaning to the East); 3-nonaligned (leaning to the West); 2-don't know; 6-not asked.

CHAPTER 10

Food Security and Institutional Development in SADCC

FANTU CHERU

This chapter examines what role SADCC can play in institutional development as part of its contribution to food security in the region. In examining this topic, special attention will be made to understand the role of "local, national and regional organizations toward food security; the impact of locally recurring patterns of behavior in institution-building; and changes needed in donor practices to ground them in valued indigenous organizations."[1]

The issue of institutional development and food security in Southern Africa can only be meaningfully discussed in terms of the outcomes of past development experiences and the new economic order that the states of the region are attempting to construct collectively through SADCC. It will not be possible to review in detail the development record of each of the SADCC member states in this chapter, although some generalizations will be made regarding their common predicament, particularly in the agricultural sector.

Based on their common interest in development, SADCC member states set out the following four major goals at the 1980 Lusaka Summit:

- The reduction of external economic dependence, especially on South Africa
- The forging of links to create genuine and equitable regional integration
- The mobilization of resources of member countries to promote the implementation of national, interstate, and regional policies
- Concerted activities to secure international cooperation to achieve economic liberation

We shall examine the political and economic environment under which SADCC hopes to achieve these objectives, and highlight the basic assumptions (or misperceptions) behind each of the objectives and their possible impact on institutional building and food security that will benefit directly the poorest majority in the region. We begin our analysis with a brief examination of the above four objectives.

1. REDUCTION OF DEPENDENCE

The first objective stresses the desire by SADCC countries to achieve economic independence. To achieve this goal, emphasis is put on reducing dependence on South Africa. This declaration implies two related factors: that SADCC's problem with South Africa is a political rather than an economic one; and that the eventual dismantling of "apartheid capitalism" will open the door for greater economic independence in the region.

Unfortunately, placing the problem of underdevelopment and dependence squarely on the "racist" policy of the Pretoria regime diverts attention from raising serious questions on the root causes of structural dependency. Indeed, racism, as an element in the superstructure to support international capitalist operation, has outlived its function. The call for dismantling apartheid has come not only from the liberation groups, but also from the major capitalist powers and the business community in South Africa, who now view apartheid as a liability for the maintenance of Western economic, political, and strategic interests in the region.[2] In a late development, some multinationals such as Lever Brothers, Lonrho, Rio Tinto, and Leland—with a long history in sustaining the apartheid—have assured the government of Zimbabwe that they will honor sanctions against South Africa.[3]

In analyzing this issue, it is important to remember that the dismantling of "apartheid" in then-Rhodesia did not bring about genuine development whereby the people of Zimbabwe are allowed complete ownership of the development process. Despite the government's expressed desire to build a socialist society, Zimbabwe has defined development in terms of the continued growth and elaboration of the political and economic institutions established in the country during the colonial period.[4] The continuing impact of external ties is shaping internal social classes tied to foreign interests, with the capacity to undermine government and citizens' efforts at the national and grassroots level to construct a new social and economic reality.[5]

As the Zimbabwe experience clearly demonstrated, "fighting the apartheid monster" in itself is not a sufficient condition to achieve economic independence in the region.[6] Instead, the struggle in Southern Africa must concentrate on building local capacities whereby the people themselves become the "initiators as well as implementors of their own development."[7] Even if black majority rule were to be achieved in South Africa tomorrow, the distorted structures, disparities, and dependence relationships that characterize the region will not disappear overnight. Similarly, South Africa's role as a regional subimperial power will be increasing instead of diminishing.

In addition, SADCC's new economic order, which is based on "diversifying dependence," as opposed to reducing dependence, might result in strengthening the subcenters or exploitation at regional levels and the local elites at the national level. SADCC elites may use the increasing resources resulting from the new order for their own private accumulation and as a means to aggravate the exploitation of their own people.

2. EQUITABLE REGIONAL INTEGRATION

SADCC's second objective of forging links to create genuine and equitable regional integration presupposes commonality among member states in terms of ideology, social structures, degree of development, and natural resource endowment. In striving to disengage from the apartheid economy, ideological and class differences among the members had to be assumed absent for the convenience of unity against South Africa. Although this may be a good tactical choice in the short-term, the present setup of SADCC is likely to create serious problems for institutional development and could hamper the goals of integration and economic liberation for the following reasons:

The SADCC nine have different political systems, with Angola, Mozambique, Tanzania, Zambia, and Zimbabwe pursuing various forms of "socialist" policies, while the rest are adherents of the "free market" approach. In pursuing national policies such as agriculture or education, it becomes obvious that the social and political bases of each government will be different from the other, raising problems of institutional development at national and regional levels to sustain solidarity.[8] The shape and scope of economic development may become a bone of contention at the national, regional, and local levels as progress is being made and the direction of development becomes clearer.

Membership in SADCC does not forbid members from joining other regional economic organizations whose objectives might be antagonistic to those of SADCC. While the BLS states are members of SACU, Lesotho and Swaziland are members of the Rand Monetary Area (RMA). Swaziland is also a member of the Southern Africa Tourist Council, which includes Malawi. Seven of the SADCC nine are also members of PTA and the Lomé Convention. This means that South Africa will have access to the services rendered by these organization through the members of SACU, thus undermining the effort to establish a united effort against apartheid.[9]

Even if South Africa were to disappear from the map, the issue of equitable regional integration will remain forever elusive because of the economic strength of Zimbabwe, which has the potential to replace Pretoria as a regional economic power. Already, officials of such weak states as Lesotho, Swaziland, and Botswana have expressed fears that SADCC may become a vehicle for Zimbabwean regional dominance. This concern explains why the BLS states are reluctant to take a confrontational stand against Pretoria despite the exploitative nature of their membership in SACU and the Rand Monetary Area.[10] Despite these obvious economic discrepancies, SADCC offers no mechanism by which benefits can be distributed equally to achieve its stated goal of creating genuine and equitable regional integration.[11]

The lack of uniform investment policy is a potential threat to SADCC, especially since conservative regimes such as Botswana, Lesotho, Malawi, and Swaziland will be prepared to give greater concessions to foreign and even South African capital.[12] As the threat of sanctions looms on the horizon, South African capital is beginning to move north, particularly to Swaziland and Botswana, where the incentive packages are more attractive than in the rest of the region. In the case of Botswana, the government has devised a very expensive agricultural investment scheme to lure commercial farmers to develop the Panamatanga and Okavango regions. Government critics are skeptical about the program not because of the emphasis given to commercial farming, but because of the tremendous cost.

3. MOBILIZATION OF RESOURCES: NATIONAL, REGIONAL

SADCC hopes to reduce its dependence on South Africa by allowing each member country to choose how it wants to proceed toward development. Through exchange of information on national development objectives, SADCC coordinates these objectives. It tries to translate individual country plans into collective goals.[13] In reality, however, this is more easily said than done. Given its organizational structure, SADCC has no mechanism to harmonize contradictory state policies.

Harmonization of plans depends on the goodwill of member states. For example, in late July 1986, some potential Zambian exporters to Zimbabwe and other PTA countries complained that they were being frustrated by nontariff restrictions in the region.[14] As this case illustrates, the desire of countries to be self-sufficient may militate against the interest of SADCC.[15]

4. MOBILIZATION OF EXTERNAL AID

The need to mobilize external funds to achieve economic liberation must be looked at in the context of both the donors' and SADCC's agendas. The creation of SADCC in 1980 brought a marriage of convenience between donors and recipients. As the political struggle in South Africa becomes more violent and unpredictable, donors have taken a particular interest in supporting SADCC so as to "inoculate" the region from socialist influence.[16] In addition, by supporting SADCC, they have been able to disarm antiapartheid critics at home. The slogan of "fight the apartheid monster now" has also provided a convenient excuse for the governments of the Front Line States to solicit external funds without acknowledging their own mistakes or taking the ultimate responsibility for recklessly ruining their respective economies by pursuing self-serving, misguided, elite-oriented development strategies since independence.

Whether SADCC should or should not use capital from capitalist countries is not the issue. Instead, one needs to look at the nature of the capital obtained, the economic and political conditions imposed by donors, the type of economic development SADCC wants to promote, and who the beneficiaries in the region might be. Although SADCC has avoided creating a large bureaucracy by using the resources of its members, such pragmatism raises problems of institutional development compatible with indigenous values. The very weakness of the SADCC Secretariat has given donor countries complete control over key decisions, even though projects have to be approved by a ministerial consensus. While functional integration among member governments is encouraged and promoted on key sectors that benefit the European community, similar emphasis is not given to promote integration at the national level involving projects that directly benefit the poor and employ local resources.

The projects that are under implementation, such as transport and agricultural research, although they may help alleviate the region's economic problem in the long run, are not developed with the effective participation of the population in mind. In the process, the narrow interests of donors and local elites have reduced the concept of "participatory development" to a mere public relations campaign. The depoliticization of SADCC by donors has "disabled the region from embarking on the politically urgent and challenging developmental and distributional issues."[17]

In addition, aid donors have proven to be very selective regarding what projects they will or will not fund and where the project should be located. For example, the United States has clearly stated its preference for bilateral rather than multilateral aid, favoring Botswana and Zimbabwe, and is hesitant about Angola, Tanzania, and Mozambique. In terms of development, the bulk of U.S. aid is going to support the private sector. For example, U.S. assistance to Mozambique resumed only after the government signed the Nkomati Accord with South Africa in 1984 and only after the FRELIMO government joined the World Bank and opened its books to the IMF.[18]

Similarly, the EEC was hesitant to give aid to Angola and Mozambique because neither were signatories of the Lomé Convention. The message from donors has been clear: the West will support the regional effort so long as the SADCC countries adopt policy measures conducive to private investment and the liberalization of trade and exchange rate systems, consistent with the overall development philosophy of the IMF and the World Bank.[19]

In general, to the extent that SADCC remains dependent on external finance for the provision of goods and services, political decisions made in Western Europe and North America will have a profound effect on the achievement of lessening dependence, forging links to create genuine and equitable regional integration. The one area that is likely to remain of interest to donors will be the transport sector which carries goods destined to the markets of Europe. Capturing the regional trade will also remain an interest to donors, given the region's population and raw material base.

INSTITUTIONAL DEVELOPMENT: THE REGIONAL PARAMETERS

It is very difficult to talk about institutional development and food security in Southern Africa without taking into account the regional parameters that shape policy: (a) destabilization by South Africa;

(b) the inadequacy of conventional development strategies; (c) Western sanctions against the Front Line States.

Destabilization

South Africa's destabilization measures constitute one of the major factors behind the economic collapse of Southern Africa. In examining this issue, it is essential to stress that the destabilization policy is in itself not new, but one that has been operational since the early 1960s and has accelerated to the present level with the unveiling of the "total strategy" in 1979.[20]

With the coming of independence and black rule in Angola and Mozambique in 1975, the Pretoria regime became concerned about the demonstration effect of these newly independent nations upon the black majority within its territory. The "total strategy" was, therefore, an effort to stabilize Pretoria's eroding buffer zone. One important aspect of this strategy was the creation of "independent homelands" and the unveiling of an aid and investment policy designed to coerce the Front Line States into joining Pretoria's proposed "constellation of Southern African States." However, the independence of Zimbabwe and the creation of SADCC in 1980 shattered Pretoria's hope for consolidating its political and economic stranglehold in the region.

In response to SADCC's objectives of reducing dependence and achieving economic liberation, Pretoria retaliated with a vengeance against the Front Line States and has continued to employ punitive military pressure,[21] which includes

- Direct political and military intervention by the South African Defense Force in Angola, Mozambique, Zambia, Zimbabwe, and Botswana
- Military action against the African National Congress in Front Line States
- Support of dissident groups such as the MNR in Mozambique, UNITA in Angola, LLA in Lesotho, and Super-ZAPU in Zimbabwe
- Assassination attempts against Front Line State leaders, including the attempted overthrow of the government of the Seychelles

as well as economic pressure against SADCC member states—interfering with cross-border traffic, abrogation of labor and transport agreements, trade embargoes on raw materials, food, petrol, and petroleum products.

The capacity of South Africa to retaliate quickly against SADCC member states was shown recently when Pretoria announced its decision to impose trade restriction on Zimbabwe and Zambia, because of the two countries' leading role in demanding economic sanctions against South Africa at the August Commonwealth meeting.[22]

The mix of military and economic pressures has had serious consequences for the economies of SADCC member states. In the five years since the formation of SADCC in 1980, it is estimated that the cost of destabilization was in excess of $10 billion—a figure greater than total foreign aid to the region. According to SADCC's 1982 OAU presentation, the $10 billion in economic loss include the following expenses:[23]

Direct war damage	US$ 1,610 million
Extra defense expenditures	3,060
Higher transport and energy costs	970
Lost exports and tourism	230
Smuggling	190
Refugees	660
Reduced production	800
Lost economic growth	2,000
Boycotts and embargoes	260
Trading arrangements	340
Total	10,120

The above figures do not include the costs of South African aggression against Angola during the period 1975–1979 or the cost to Mozambique and Zambia of imposing internationally agreed sanctions against Rhodesia.

It is quite obvious that South Africa's destabilization policy constitutes a growing threat to the peace and economic liberation of Southern Africa. The abolition of apartheid, therefore, would be the greatest single contribution that could be made to the economic development of the region. Unfortunately, Western powers who claim to be supporting SADCC are also continuing to do "business as usual" with the apartheid regime.

The Development Debacle

The genesis of SADCC is impossible to find without a proper understanding of the Southern African political economy, which has its roots in the colonial past. Although the struggle against apartheid created the conditions for the establishment of SADCC in 1980, the wholesale collapse of the region's economy was a result of contradictions in the international economy since the mid-1970s—commodity fluctuations, protectionism, recession, debt overhang, etc.

These problems drove home the need to adopt counterdependence measures in the form of regional integration to avoid further vulnerability. This counterdependence strategy is consistent with the OAU's continental Lagos Plan of Action whose objective is partial unlinking from the West's unequal trade system. The movement toward regional integration led to the establishment of PTA in 1981.

The present economic crisis in Southern Africa, however, is part of a historical evolution of a particular form of settler-dominated "apartheid capitalism," whereby individual states, including the Bantustans, were developed to perform important economic and political functions for the regional economy—i.e., provision of cheap labor, commodities, minerals, energy, etc.[24] The regional division of labor became more pronounced with the development of multinational monopoly companies such as DeBeers, Anglo American, and others. With its developed manufacturing sector, South Africa emerged as the dominant subimperial power, and performed important economic and strategic functions on behalf of Western capitalism.[25] The distorted structures, disparities, and dependencies continued in the postindependence period.

Postindependence Performance. In the early 1960s, the first group of independent SADCC states, under the leadership of the nationalist bourgeoisie, embarked on the development strategy emphasizing the export of primary products, minerals, and import substitution industrialization.[26] While serving local elites and Western interest in the short term, this approach has polarized their societies and bankrupted their economies.[27] In the process, no significant attempt was made to restructure the distorted structures, disparities, and dependence relationships.

External aid and loans contracted in the name of the people merely helped strengthen the ruling elites' relatively privileged position. But when the crunch finally came in the early 1980s, and external indebtedness began to choke the accumulation process, plans were developed—in consultation with the IMF—to pass the burden of debt repayment to the poor and other vulnerable groups who were least responsible in creating the crisis.

The problems of mismanagement and elitism are not confined to countries with capitalist orientation. In Mozambique, for example, there is ample evidence to suggest that the present agrarian crisis is the result of self-inflicted wounds, aggravated by the added pressure of MNR (RENAMO) attacks.[28] Despite official rhetoric regarding the role of small peasants in socialist transformation, FRELIMO's agricultural policy concentrated on establishing large-scale mechanized farming.[29] The underlying assumption was that large-scale, capital-intensive production would enable Mozambique to increase its food and cash crop production in the shortest amount of time. Given the acute lack of trained manpower and resources, however, this approach failed miserably. The unquestioned assumption that modernization and mechanization were synonymous was a critical FRELIMO mistake.

By 1984 the agricultural sector came to a grinding halt, and FRELIMO admitted that emphasizing state farms and ignoring small producers was an error. The decline in food production was complicated by the fact that producer prices were kept below market level to feed the growing urban population, thus creating disincentives for farmers. As a result, cooperatives and peasants simply concentrated their energies on improving their own small plots and refused to sell their products. The situation deteriorated further as a result of drought, flood, and cyclones, which left 100,000 people dead and another 4 million seriously affected.[30] To meet the growing food demand, FRELIMO sharply increased its food imports between 1979 and 1981, thereby aggravating the foreign exchange problem.

Despite the attainment of political independence, the basic structures of Southern African economies have changed relatively little in a direction that would benefit the poorest majority in the region; and both socialist and capitalist adherents have failed miserably to put development at the disposal of the people. Agriculture in the region is still characterized by dualism, whereby the large, modern, and commercial agricultural sector—be it private or public—continues to receive the bulk of government attention and support, while the traditional sector, where 90 percent of the population is engaged, receives little or no support at all. Therefore, the existence of widespread and unbalanced dualism, each representing distinct and contradictory social forces, constitutes an important obstacle to genuine and equitable development in the region.[31]

"Adjustment and Disaster." On the basis of the above analysis, it was predictable—even without South Africa's destabilization—that the "outward looking" economic strategies that characterize the SADCC region would make the governments involved vulnerable to swings in the international economy. The world recession of 1980, reinforced by the conservative fiscal and monetary policies of Ronald Reagan and Margaret Thatcher, proved to be the straw that broke the camel's back. High inflation, budget deficits, foreign exchange shortages, and heavy foreign debt commitments

have interacted with the destabilization by South Africa and drought to create a major economic crisis in the region.[32] The establishment of SADCC in 1980 was, therefore, a logical response by the Front Line States to their vulnerable position in the regional subsystem, as well as the world system. Unfortunately, SADCC's economic measures and the way it tries to achieve its objectives do not, in any way, address themselves to the structural problems discussed above. The problem of dependence cannot be solved by the more intensive application of conventional development strategies that created the problem in the first place.

Since the recession in 1980, many governments in the region have turned to the IMF and the World Bank for assistance. In exchange for more aid and debt rescheduling, these institutions imposed stringent economic conditions, undermining SADCC member states' efforts to change inherited structures that institutionalized poverty. A brief review of the economies of some SADCC countries should help highlight the nature and extent of the deterioration and their possible implications for institutional development and food security.

ZAMBIA has suffered one of the world's steepest and most sudden economic downturns. The price of copper, which accounts for 90 percent of export earnings, has fallen 60 percent in ten years.[33] Copper reserves are also dwindling rapidly. Zambia's industrial sector, as well as consumption, had been heavily dependent on imported materials and supplies. When the export price of copper started to decline, and the cost of imported goods and raw materials (especially oil) rose, Zambia's economy, which was structurally highly vulnerable, suffered a serious crisis.

The government has been working closely with the IMF and the World Bank since 1983, and drew up a structural adjustment program of export-led growth by liberalizing trade, relaxing price and marketing controls, and providing incentives to boost production and domestic investment. Despite three years of IMF/World Bank tinkering, Zambia's economic and financial situation has become extremely precarious. Interest payments on its $4.4 billion debt now exceed 90 percent of export earnings. During 1985 commercial payments were in arrears by some $564 million; and, by the end of 1985, government was behind on its foreign debt payments by about $580 million.[34] Pretoria's economic destablization measures merely compound the problem.

Like Zambia, TANZANIA is also facing a devastating economic crisis that is threatening two decades of achievements. At the core of the economic problem is the lack of sufficient foreign exchange, which is caused by external disequilibrium that is affecting output in every sector of the economy.[35] While total GDP has been constant since 1978, there has been a considerable structural change in the economy. The basic production sectors that provide the necessary base for investments in welfare programs and for export (agriculture, mining, and manufacturing) have decreased substantially, causing a foreign exchange crisis and a scarcity of essential consumer goods. The combined share of these three sectors to the economy has fallen from 50 percent to 39 percent in five years.[36]

The principal factors leading to economic stagnation have been external: deterioration of the terms of trade; the breakdown of the East African Community in 1977, which necessitated substantial investments for goods and services formerly rendered by the community; the 1978 war with Idi Amin whose direct cost was over $500 million in foreign exchange; and, since 1980, the recession in the West, which generated high interest rates, and, since 1980, the recession in the West, which generated high interest rates, exacerbating Tanzania's debt service burden on it $3.4 billion debt. In 1985 debt service payment swallowed 100 percent of Tanzania's export earnings.[37]

While external factors have affected the performance of the economy, internal factors seem to have exacerbated the economic problem. The fundamental cause of the foreign exchange shortage, although conditioned by oil prices and declining terms of trade, has been the decline in agricultural production, particularly export crops.[38] Output of major crops like cotton, sisal, cashew nuts, and pyrethrum has fallen sharply since the mid-1970s. The primary cause for this decline has been inadequate public and private investment in agriculture, insufficient incentives to peasant producers, the breakdown of the marketing system and increased marketing cost (after the abolition of cooperatives), and the deterioration of the transport system.[39]

Despite the rhetoric on the importance of the agricultural sector in development, government investment policy has tended to favor projects in the industrial sector, even though the latter's contribution to GDP has declined from 10.4 percent in 1976 to 4.3 percent in 1982.[40] The agricultural sector was starved of investment despite its high contribution both to GDP and foreign exchange generation.[41] With the ever-decreasing state revenue, the state continually attempted to maximize its surplus by squeezing the peasants to the extent that they simply gave up producing for the market.

The disruption caused by villagization also interrupted the flow and growth of outputs as new land had to be broken. Associated with this was the inflexibility of bureaucratic institutions responsible for coordinating agricultural production and marketing to respond effectively to the varying needs of the peasantry.[42]

After a five-year stalemate, Tanzania was finally forced to reach an agreement with the IMF last June on a new economic package, which includes a substantial devaluation of the currency. In return, the IMF will provide a standby credit of $200 million as a first step in rehabilitating Tanzania's bankrupt economy.[43] Based on experience from other countries such as Zambia, Sudan, and Mexico, it is unlikely that the new economic package will help Tanzania reverse the deterioration in its economy.

While some degree of austerity and adjustment are imperative in the SADCC region, the wholesale application of IMF-inspired fiscal and monetary policies are likely to "destabilize" the region by weakening indigenous economic institutions and by institutionalizing poverty and structural dependency. The nature of the adjustment tends to punish the poor, while rewarding those who are the worst perpetrators of economic mismanagement. Adjustment with a human face, therefore, requires a different approach to institutional building, aimed at liberating people rather than condemning them to further misery.

Aid as Social Control: Reagan's Economic War

As the political situation in Southern Africa deteriorates day by day, many people, and the U.S. Congress, are engaged in a battle against President Reagan, who has refused to impose comprehensive sanctions against the Pretoria regime. The intensity of the debate over South Africa has sidetracked administration critics from raising questions about the less publicized U.S. sanctions against three SADCC member states—Angola, Mozambique, and Zimbabwe—and, to some extent, Tanzania and the ANC.[44] The U.S. sanctions against these countries and the ANC involves a combination of military and economic pressures similar to Pretoria's "total strategy," aimed at controlling the directions of future change in the region.

Since 1975 successive U.S. presidents have tried to overthrow the MPLA government in ANGOLA without much success. The effort to undermine the government in Luanda has taken new directions under the Reagan administration, which now openly supports the opposition group, UNITA, headed by Jonas Savimbi.

- In early 1986, the administration reportedly decided to send Savimbi a supply of Stinger antiaircraft missiles that can penetrate the Soviet helicopter gunships.[45]
- CIA director William Casey visited Pretoria secretly in mid-March, allegedly to make the necessary arms arrangements for UNITA.
- The United States undermined the secret Mindello

Agreement, which established the Angola-South Africa Joint Monitoring Commission in March 1984. The agreement required Angola to prevent SWAPO from entering Namibian territory from bases in Angola and required South Africa, in turn, to withdraw its military presence from southern Angola.[46]

- Civilian Military Assistance, a private U.S. group that has supported the "contras" in Nicaragua, reportedly agreed to provide assistance to Holden Roberto's FNLA rebels.
- On the economic front, the U.S. House of Representatives voted to bar loans by the Export-Import Bank to Angola until Cuban troops have left the country. There have been no Export-Import Bank loans to Angola for two years and no new loans are likely.[47]
- In a similar move, the House Armed Services Committee voted in favor of blocking Pentagon oil purchases from any company that buys Angolan crude oil. The decision could affect Chevron, Conoco, and Texaco, which operate in Angola. Increasingly, however, these companies are ignoring the public admonitions of the Reagan administration "to think about U.S. national interests."[48]

Although the United States–South African proxy army (UNITA) has succeeded in its major task of forcing the MPLA to divert its oil revenues to the war and away from the reconstruction of the country, it is unlikely that it can hamper the government from pursuing a successful independent development in terms that might be meaningful to the people of Angola in the long term.

Although the United States has provided $350 million worth of aid to ZIMBABWE since 1980, relations between the two countries have been strained as Washington tries to direct Zimbabwe's strategy for social change at the national and regional levels. The Reagan administration uses U.S. AID to pressure Zimbabwe to alter its development strategy.

- Although the bulk of U.S. aid is directed toward agriculture, it does not support the Zimbabwean government's policy of resettling peasants on former commercial farms. Zimbabwean officials have become angry at U.S. reluctance to increase its support of the cooperative movement. The U.S. program concentrates on the development of the Communal Areas.[49a]
- The United States, while claiming to pursue a small-farmer strategy, helps reinforce the inherited land tenure pattern, thus protecting the interests of white farmers while

simultaneously trying to coopt emerging black middle-class farmers.[49b]

- In 1983 the United States, angered over Zimbabwe's refusal to vote in the UN Security Council to condemn the Soviet Union for shooting down a South Korean airliner and its condemnation of the U.S. invasion of Grenada, cut aid to Zimbabwe from $75 million to $40 million.[49c]
- In July 1986, the administration suspended $13.5 million in economic aid alloted for fiscal year 1986 in response to sharp criticism by a top Zimbabwean official, David Karimanzira, during a Fourth of July reception at the U.S. Embassy. In his speech, Mr. Karimanzira attacked Washington for rejecting severe economic sanctions against South Africa while imposing them on Nicaragua, Poland, and Libya. The administration has asked Congress for about $21 million for Zimbabwe in fiscal year 1987, and that amount may be cut sharply.[49d]

MOZAMBIQUE became a test case for the Reagan administration's global campaign of anticommunism. For white South Africa, Reagan's anticommunist rhetoric was a blessing. The Pretoria regime believed it had been given the green light to destabilize the FRELIMO government, employing both economic and military pressures.

Diplomatic isolation and the MNR attacks finally forced FRELIMO to sign the Nkomati Accord with Pretoria in March 1984. Washington acted as the broker for this agreement, and used promises of food aid and development assistance to persuade Mozambique to agree to the Accord. Mozambique's leader Samora Machel signed the accord in the hope that it would confine apartheid within South Africa's borders. He hoped that the accommodation strategy would open ways for foreign private investment to revive Mozambique's sagging economy. To demonstrate its move to a free market, FRELIMO introduced a new investment code that allowed foreign investors to repatriate profits and benefit from tax exemptions. In 1984 Mozambique joined the World Bank and opened its books to the IMF.

After two-and-a-half years of hard work to impress the Western powers, Mozambique recently announced that the Nkomati Accord was dead because of South Africa's failure to comply with the spirit of the accord. The Reagan administration, which initially took credit for bringing the two sides together, has contributed to the demise of the accord by failing to pressure Pretoria to abide by the agreement.

The normalization of relations between the United States and Mozambique has been exaggerated. Even though Washington resumed food aid, Mozambican officials complain about the heavy concessions they are required to make. Mozambique received $8 million in food relief in 1984 and another $30 million in 1985.[50] The House approved an amendment that limits U.S. aid to Mozambique to $15 million for the 1986–1987 period unless Mozambique reduces its number of foreign military advisors to not more than fifty-five.

In general, the purpose of U.S. aid to the countries of Southern Africa has been to "direct and control" the pace and direction of change in the region. Consistent with the administration's philosophy, most of the aid is slated for the private sector, largely dominated by South African subsidiaries. Locally initiated experiments such as the Green Zone movement in Mozambique and the rural collective cooperatives in Zimbabwe do not receive U.S. assistance.

The African National Congress: A Terrorist Organization?

The Reagan administration also has joined Pretoria in a propaganda campaign to discredit the ANC by claiming that the organization is dominated by pro-Soviet Communists, thereby ignoring the movement's efforts at political settlement. Although Reagan has called for the release of ANC leader Nelson Mandela, his administration reportedly has been providing the South African Directorate of Military Intelligence with information regarding the activities and location of ANC members, and has justified this action on national security grounds.

It appears that Washington rates cooperation with South Africa as being more important strategically than its stated aim of dismantling the apartheid system. The Reagan administration seems to be trying to deemphasize SADCC's focus on reducing dependence on South Africa. Although there is logic to working toward reducing dependence on South Africa, the administration believes that there is "little likelihood [or merit] in trying to deliberately alter the relative positions of the SADCC economies vis-à-vis Pretoria."[51]

SADCC AGRICULTURE: PROBLEMS AND PROSPECTS

The so-called agrarian crisis in Southern Africa—leaving aside drought and destabilization—is in no way different from the crisis in the rest of Africa. Declining agricultural output is part of a wider pattern whereby African governments, in setting their development priorities, have consistently failed to recognize the role of small farmers in increasing agricultural production. The Tanzanian and Mozambican cases illustrate this point very well.

In Southern Africa, over 70 percent of the population is engaged in subsistence farming. On the average, women constitute between 60 and 80 percent of the rural labor force.[52] Yet the thrust of governments and donors alike to improve agricultural output has largely been toward the more powerful and politically organized modern commercial farming sector.

SADCC's agricultural agenda is still not clear. The emphasis on food security, as opposed to food production for local consumption, will have serious implications on institutional development. By focusing on the supply side of agriculture, the organization has skirted the essential component of genuine development: participation, empowerment, and social justice. With the population projected to double by the year 2000, the income side of development is not emphasized to meet the growing demand for food. Abundant harvests and food self-sufficiency at the national level mean little to those who neither have produced them nor have sufficient income with which to buy them. SADCC also has yet to deal with land tenure problems and appropriate farming systems to fit the region's predominant subsistence sector.

In its half-decade of existence, SADCC has been able to raise more external resources than any similar organization on the continent. Even though major strides have been made in rehabilitating the transport sector, the same cannot be said about SADCC's agricultural policy. For the first time in five years, concern is being raised about the preoccupation of donors with "too many studies" and not enough action. The demand by agricultural ministers at the July Harare conference for concrete results is a clear indication that member states have become impatient.

TOWARD ANOTHER DEVELOPMENT FOR SADCC

The inadequacy of conventional development strategies to satisfy the basic needs of the people of Southern Africa has been adequately documented in this chapter and elsewhere. Long before Pretoria's destabilization campaign reached its peak, misguided and elite-oriented development strategies of the past twenty-five years had already stifled attention to the qualitative aspects of development.

The establishment of SADCC in 1980 was intended to reverse the ill effects of past development efforts that have condemned the poor to further misery. Reducing structural dependence and achieving the goal of economic liberation, therefore, require a new approach based on five qualitative elements of development: need-oriented, self-reliant, indigenous, ecologically sound, and based on structural transformation, whereby the poor are allowed to define their own development needs.[53] To meet these goals, there needs to be a shift in emphasis on the part of governments, donor agencies, and regional organizations away from the "imitative style of development" and toward putting development at the disposal of the people. This can only be done in a democratic political setting, incorporating the following elements:

Collective self-reliance. At the top of SADCC's development priorities should be the attainment of self-reliance by the people of Southern Africa through collective action at national and regional levels.[54] Collective self-reliance among SADCC countries is an important shield against economic domination and destabilization by South African.

Participation and mobilization. The key to Southern African development is the participation of the people in decisionmaking. In the Lagos Plan of Action and subsequent declarations and papers on development strategy, African governments have clearly articulated the strongly held view that Africans must be responsible for their own development, and that outside agencies need only support African initiatives.[55] This approach holds true at every level—national, regional, and village.

Sustainable development occurs only when the people themselves have determined their own needs and developed their own strategies and institutions to achieve them.[56] Through organizations such as consumer, producer, and marketing cooperatives, small farmers will be better prepared to obtain the necessary inputs and services. Donor agencies should direct their resources to support organizations of the poor and upgrade their capacities to bring about change on their own terms. Such support should be extended on a nonideological basis as long as the institutions genuinely represent the interest of the poor in their quest to construct a more humane social and political reality. *Unfortunately, little has been done, so far, to take SADCC to the masses in a mobilizing effort.* No attempt is being made to incorporate the perspectives of the people at the grass roots level into the new development agenda. Until this is done, it will be difficult for the governments in the region to achieve the tasks they have set out at the Lusaka Summit.

Transformation of structures. Present-day political, economic, and social structures in the countries of SADCC are not always responsive to the need for peoples' democratic participation, so new means of institutionalizing this must be found. Without a thoroughgoing democratic method of work, decisions will always be made in the name of the people rather than by the people themselves. Although SADCC countries have joined other countries in the UN and the Non-Aligned Movement in demanding a major redistribution of the world's resources, there exists no mechanism in their own countries to redistribute wealth or establish a mechanism for peoples' democratic participation in the development process.[57] For SADCC to succeed, communities, especially at local levels, should be given greater control over the allocation of resources and the disbursement of funds intended to benefit them, and over the appointment and control of officials meant to serve them. Hence, SADCC, as an organization, must strive to promote consistent and thorough democratization of all institutions of decisionmaking.

SADCC AND THE AGRARIAN CRISIS: WHAT IS TO BE DONE?

SADCC's agricultural policy, so far, has concentrated on increasing food production for the region. Yet, experience from other countries shows that increased production alone cannot achieve economic liberation, growth, and equity.[58] Nor can self-sufficiency be achieved solely by an expansion of the commercial farm sector. A major contribution must come from raising the performance of the traditional subsistence sector, where the majority of the population earn their livelihoods. Priority must be given to redress structural inequities in the agricultural sector, which, for so long, have prevented the rural population from effectively participating in their own development.

Land Reform

The pattern of land tenure in Southern Africa is as diverse as the political ideologies of governments in the region. With the exception of Tanzania, Angola, and Mozambique, where land ownership is under the control of the state, communal ownership of land—whereby peasants are assigned small parcels—is the dominant pattern of tenure in most of the SADCC countries. The colonial legacy of preempting the best agricultural land to estate and white commercial farmers still continues, while the majority of peasant farmers are relegated to unproductive communal areas. One such example is Zimbabwe, where 4,200 white farmers still control 48 percent of the best land. Such exploitative land ownership patterns act as an impediment to increased agricultural production in general and peasant production in particular. A land reform that distributes land to the peasants and the landless, irrespective of gender, and ensures them land ownership rights is a necessary prerequisite to accelerated agricultural development in those SADCC countries with large private landed properties.[59]

The application of conventional development strategy under IMF and World Bank supervision has also reinforced the colonial land tenure pattern and systems of agricultural production. In return for a promise of more aid, these institutions require African governments to devalue their currencies, liberalize domestic trade, provide better prices for farmers, and privatize some of the economic functions of the state.

No one quarrels with the idea of offering better prices to farmers. But this measure needs to be implemented in conjunction with equitable systems of land tenure and the provision of credit, inputs, and research and extension services to the broad mass of the peasantry, and not simply to the relatively few who are well-placed to take advantage of increased prices and market forces. On their own, pricing policies tend to benefit the relatively wealthy farmers, merchants, and traders, while leaving poor farmers no better-off than before. It is questionable whether in many SADCC states there exists an indigenous entrepreneurial class capable of taking many of these functions. Instead, the MDB's privatization policy has effectively handed large transnationals such as Lonrho a monopoly on seed supply and marketing and distribution services previously rendered by government-owned parastatal bodies.

Access to Distributional Channels

The second priority of agricultural policy in the region must be the improvement and transformation of the systems of distribution, stocking, and marketing of agricultural products.[60] The slogan of "getting the price right" is not sufficient to raise agricultural production. Besides improving the pricing and marketing systems, governments need to provide farmers with necessary incentives such as inputs, social services, and consumer goods. Unfortunately, these essential social services are the first casualties of an IMF-imposed austerity measure. Crop production, collection, and processing will not improve unless the government improves road maintenance, supplies of trucks, and spare parts, and makes consumer goods available for peasants.

Access to Other Services

Agricultural support services (e.g., extension, research, and agricultural credit) are ineffective in almost all SADCC countries. These services should be strengthened in the provision of facilities and equipment and reoriented toward meeting the needs of peasant agriculture. Where such institutions do not exist, special effort must be made to upgrade and employ the services of cooperatives, women's organizations, and district development councils. In other cases, new specialized institutions must be created with the support and full participation of the rural population, who should have the ultimate responsibility to manage them. Research should be reoriented and directed toward solving the problems facing peasant agriculture, and should be based on participatory research methodologies.

Central Role of Women

A consensus exists to give high priority to increasing African food production. In Southern Africa, women are responsible for 60 to 80 percent of food production, processing, and marketing. Yet, the central role of women in agriculture is not generally given adequate attention in discussions of SADCC food security. Women are consistently excluded from access to improved technology, credit, extension services, and land. Women's contributions to food security are often outside the formal economy, and their productivity goes unrecognized.

There is a growing consensus that the most effective and least costly way to stimulate food production is by sponsoring small-scale, self-help projects that utilize appropriate technology and agricultural methods best suited to the local environment. In all of this, programs to increase food security in Southern Africa must reach women if they are to succeed.[61]

A Luta Continua!

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Appendix

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Table A.1
Net Bilateral[a] and Multilateral Official Development Assistance (ODA)[b] to Selected SADCC Countries ($ millions)

	1980	1981	1982	1983	1984	1985	Totals
Angola							
Bilateral	35.8	39.4	40.0	46.4	59.6	59.6	280.8
Multilateral	16.2	21.6	19.5	28.7	34.3	31.9	152.2
Total	52.6	61.0	60.0	75.3	95.0	91.5	435.4
Botswana							
Bilateral	83.5	75.9	83.2	74.6	64.9	59.1	441.2
Multilateral	22.6	21.0	12.2	20.6	27.6	34.5	138.5
Total	106.1	96.9	101.5	103.6	102.7	96.8	607.6
Lesotho							
Bilateral	59.6	59.2	57.2	64.7	66.0	51.5	358.2
Multilateral	30.6	41.6	36.2	40.4	31.5	39.8	220.1
Total	90.3	101.0	93.4	107.7	100.7	94.4	587.5
Mozambique							
Bilateral	114.8	110.0	160.6	160.4	190.1	216.9	952.8
Multilateral	34.1	32.7	40.9	49.2	66.1	77.0	300.0
Total	169.2	143.6	207.9	210.8	259.1	300.1	1,290.7
Swaziland							
Bilateral	32.5	23.6	18.8	20.6	17.6	18.2	131.3
Multilateral	17.4	13.0	9.3	13.0	12.1	7.4	72.2
Total	49.9	36.6	28.2	33.5	(18.0)	25.7	191.9
Zambia							
Bilateral	233.8	178.5	189.8	180.2	181.8	215.4	1,179.5
Multilateral	61.6	50.4	52.3	33.3	57.7	113.5	368.8
Total	295.4	230.9	317.1	216.9	239.5	329.0	1,628.8
Zimbabwe							
Bilateral	110.4	136.9	142.2	185.6	243.6	214.2	1,032.9
Multilateral	47.0	67.7	29.8	22.8	53.3	25.5	246.1
Total	162.4	212.3	216.1	208.5	297.8	(237.1)	1,334.2

Sources: OECD, *Geographical Distribution of Financial Flows to Developing Countries*, 1984 and 1987.

[a]Bilateral figures include Development Assistance Committee (DAC) countries only. For this reason, totals may be larger (smaller) than the sum of bilateral and multilateral.
[b]Net ODA means actual disbursements minus repayments.

Table developed by Peter Hogan.

Table A.2
Net Official Development Assistance (ODA)[a] to SADCC Countries, 1985 ($ millions)

	Angola	Botswana	Lesotho	Malawi	Mozambique	Swaziland	Tanzania	Zambia	Zimbabwe	Totals
United States	7.0	11.0	19.0	6.0	47.0	8.0	20.0	36.0	56.0	210.0
Sweden	18.7	7.3	6.9	0	34.0	0.6	49.0	22.9	23.5	162.9
World Bank	0	–0.2	7.8	32.7	5.0	–0.1	28.5	66.0	4.2	143.9
West Germany	2.5	13.2	8.2	11.9	4.8	1.7	32.9	18.7	27.3	121.2
European Community	7.2	2.8	7.5	10.9	25.4	2.0	29.9	29.1	3.9	118.7
Netherlands	8.1	2.1	0.8	2.6	24.8	0.4	36.9	15.7	17.7	109.1
Norway	0.3	11.1	0.8	0.5	21.2	0.2	45.4	16.7	8.3	104.5
United Kingdom	0.2	6.3	3.1	13.9	9.4	0.8	22.6	22.8	24.6	103.7
Japan	0	0	0.7	4.9	4.4	0.8	28.5	41.3	8.5	89.1
Italy	16.3	0	0.7	0.1	28.0	0.3	34.8	1.3	7.5	89.0
Canada	1.8	4.9	5.1	4.3	4.8	4.4	30.4	10.9	17.3	83.9
Denmark	0.9	2.2	1.7	5.1	6.1	0	37.0	6.2	6.0	65.2
Finland	0.2	0	0.5	0	3.2	0	16.6	11.8	4.5	36.8
France	1.4	0.3	0.2	3.2	20.3	0.7	1.5	0.7	5.3	33.6
Other Bilateral	2.2	3.9	6.9	0.4	15.2	0.3	27.0	10.4	5.1	71.4
Other Multilateral	24.7	31.5	24.5	16.5	46.6	5.3	45.9	18.4	17.4	230.8
Total	91.5	96.4	94.4	113.0	300.2	25.4	486.9	328.9	237.1	1,773.8

Sources: OECD, *Geographical Distribution of Financial Flows to Developing Countries*, 1984 and 1987.

[a]Net ODA means actual disbursements minus repayments. Repayments account for negative figures in some columns.
Table developed by Peter Hogan.

Table A.3
U.S. Aid to Southern Africa, FY1987 Authorization and FY1988 Request ($ millions)

Country	Economic Aid							Military Aid			
	Development Assistance		Economic Support Fund		Development Fund for Africa	Food Aid[a]		Military Assistance		Total	
	FY87	FY88	FY87	FY88	FY88	FY87	FY88	FY87	FY88	FY87	FY88
Angola	0	0	0	0	0	5.36	0	0	0	5.36	0
Botswana	3.16	2.83	5.00	0	8.00	12.82	3.50	1.84	5.34	22.82	19.66
Lesotho	11.34	1.74	0	0	10.00	11.96	5.81	.05	.05	23.35	17.60
Malawi	12.01	1.16	0	0	10.00	.65	.50	.70	1.20	13.36	12.87
Mozambique	0	0	10.00	0	10.00	33.68	1.62	0	0	43.68	11.62
Namibia	0	0	0	0	0	0	0	0	0	0	0
South Africa	0	0	1.70[b]	0	25.00	0[d]	0	0	0	1.70	25.00
Swaziland	8.16	1.12	0	0	6.50	.35	.18	.06	.05	8.57	7.85
Tanzania	1.27	1.14	0	0	4.00	10.16	1.40	.04	.04	11.47	6.58
Zaire	23.15	5.25	10.00	0	33.00	14.26	13.14	5.30	11.30	52.71	62.69
Zambia	3.10	0	12.40	0	15.00	10.13	10.09	0	0	25.63	25.09
Zimbabwe[e]	0	0	0	0	0	0	0	.15	.18	.15	.18
Southern Africa Regional Program	0	0	24.30[c]	0	73.00	0	0	0	0	24.30	73.00
Regional Totals	62.19	13.24	63.40	0	194.50	99.37	36.24	8.14	18.16	233.10	262.14

	Economic	Military	Total
Regional Totals FY1980	207.2	7.0	214.2
Regional Totals FY1982	217.1	11.5	228.6
Regional Totals FY1984	236.3	17.5	253.8
Regional Totals FY1986	202.4	13.2	215.6

Sources: USAID *Congressional Presentation FY1988*, Annex I, Africa; USAID U.S. *Overseas Loans and Grants, July 1, 1945–September 30, 1985*; USAID, "Memorandum on U.S. Food Aid for FY1987," 2 February 1987.

[a]Food aid total for FY1987 includes estimates of shipments under P.L. Titles I and II and under Section 416; the FY1988 request only includes P.L. 480.
[b]The actual figure for U.S. aid to South Africa is roughly $13 million, coming from this category and the Southern Africa Regional Program.
[c]ESF funds in this category are earmarked so that no more than one half of the allocated funds can be spent within South Africa; the remaining money is aid to SADCC-supported projects.
[d]The U.S. government provides food aid for the South African "homelands" through "Operation Hunger."
[e]Zimbabwe continues to receive U.S. aid for ongoing projects begun prior to the 1986 aid cut-off.

Table developed by Anthony Gambino.

Table A.4
U.S. Food Aid to Selected SADCC Countries, 1980–1988 ($ thousands; MT = metric tons)

	FY 1980		FY 1981		FY 1982		FY 1983		FY 1984		FY 1985		FY 1986		FY 1987 (est.)		FY 1988 (proposed)	
	$	MT	$	MT	$	MT	$	MT	$	MT	$	MT	$	MT	$	MT	$	MT
Botswana																		
Title I[a]	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Title II[b]	5324	16523	5361	11550	3011	6827	1796	7802	8047	24425	11681	42636	5939	20821	8050	36602	3499	18510
Lesotho																		
Title I	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Title II	7861	27507	13149	38511	5138	18518	7255	32631	10740	38432	7982	31759	7818	30552	7907	31527	5809	27878
Mozambique																		
Title I	10000	59000	—	—	—	—	—	—	—	—	17000	83000	11400	116000	—	—	—	—
Title II	7491	45356	3927	21170	583	1770	9743	43500	9379	59075	8487	56620	9631	66421	8246	43372	1618	9900
Swaziland																		
Title I	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Title II	129	330	570	1265	—	—	381	1400	249	946	—	—	290	940	293	600	183	400
Zambia																		
Title I	12500	104000	10000	57200	7000	31400	7000	29000	10000	32900	10000	47228	10000	59000	10000	61000	10000	62000
Title II	6507	24316	2808	16500	—	—	5442	25000	5113	32300	—	—	72	288	97	400	89	400
Zimbabwe																		
Title I	—	—	—	—	—	—	—	—	—	—	8000	56334	—	—	—	—	—	—
Title II	1832	1500	—	—	—	—	3974	15000	6770	42619	1581	4134	—	—	—	—	—	—

Sources: USAID *Congressional Presentation*, various years; *Food For Peace Annual Report*, various years; memoranda from Food For Peace Office, Washington, DC.

[a]Title I (loans) provides agricultural commodities on a concessional basis for sale in local commercial markets. Local currency proceeds may be used to finance development projects. It includes funding for Food for Developoment (Title III) with multiyear commitments and a loan forgiveness component; and Food for Progress, which supports reforms in local pricing policy and private-sector involvement.
[b]Title II (grants) provides agricultural commodities to support ongoing programs such as school feeding and maternal/child health, as well as provide emergency disaster relief. Some donations are made directly to foreign governments, but most are transferred through private voluntary organizations and the World Food Program.

Table developed by Peter Hogan.

Table A.5
EEC Food Aid to Selected SADCC Countries, 1980–1985 ($ thousands; MT = metric tons)

	1980		1981		1982		1983		1984		1985	
	$	MT	$	MT	$	MT	$	MT	$	MT	$	MT
Botswana	—	—	—	—	NA	3000	NA	4600	905	4480	583	4200
Lesotho	NA	3350	(1074)	4400	(1225)	10375	(1565)	8162	1043	7200	NA	3000
Mozambique	NA	10000	(12671)	44450	(10947)	41532	(11985)	61400	(11253)	80460	6060	42700
Zambia	NA	12000	8411	17000	3058	15000	7033	24900	3606	20800	1596	15000
Zimbabwe	—	—	—	—	(5684)	5400	(4628)	12050	5679	19750	—	—

Sources: European Community, "Communications from the Commission to the Council," various years.

NA = figure not available. Figures in parentheses include shipping costs.

Table developed by Peter Hogan.

Table A.6
World Food Program Food Aid to Selected SADCC Countries, 1980–1986 ($ thousands; MT = metric tons)

	1980		1981		1982		1983		1984		1985		1986	
	$	MT	$	MT	$	MT	$	MT	$	MT	$	MT	$	MT
Botswana	—	—	—	—	1644	6940	—	—	38626	65855	885	51000	—	
Lesotho	13776	23733	21300	33941	—	—	18128	32194	25637	39423	—	22900	4152	
Mozambique	31052	64958	26204	55974	35592	57915	10232	41245	3555	13123	29280	31900	5536	
Swaziland	1728	1044	—	—	781	3456	1295	4475	8738	13567	—	—	—	
Zambia	—	—	4284	8999	3072	13618	2039	2508	6960	14512	192	900	947	
Zimbabwe	4859	13097	—	—	—	—	3145	10630	2661	5847	—	—	4560	

Sources: Mr. Jay Levy, information officer, FAO Washington; and WFP Headquarters, Rome.

Notes: Figures represent both development assistance and emergency operations. Dollar amounts for 1985–1986 represent commitments, some of which may be disbursed in later years. Figures should not be added to totals from Tables A.4 and A.5, as those amounts include allotments to WFP.

Table developed by Peter Hogan.

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The political economy of food in Southern Africa encompasses issues that range from small farmers, hunger, poverty, and agricultural production to trade, transport, regional economics, and institutions. In this troubled part of the world, however, focusing on the requisites for improving food production and distribution drives the analyst to the larger, inevitably related questions of how this region—with South Africa at the vortex—functions economically and politically.

In an overview chapter, the editor, Coralie Bryant—who directed the Overseas Development Council project that led to this book—analyzes the region's asymmetrical linkages and its potential for development. Recommendations calling for major policy changes, especially in U.S. policies toward the region, are detailed. She argues for a broad-based Southern African Regional Development Strategy, determined by regional leaders and supported by multilateral and bilateral donors. While the elimination of apartheid is the necessary first step toward such a strategy, international political and financial support for Southern African regional development *now* would ease the transition to a brighter postapartheid future.