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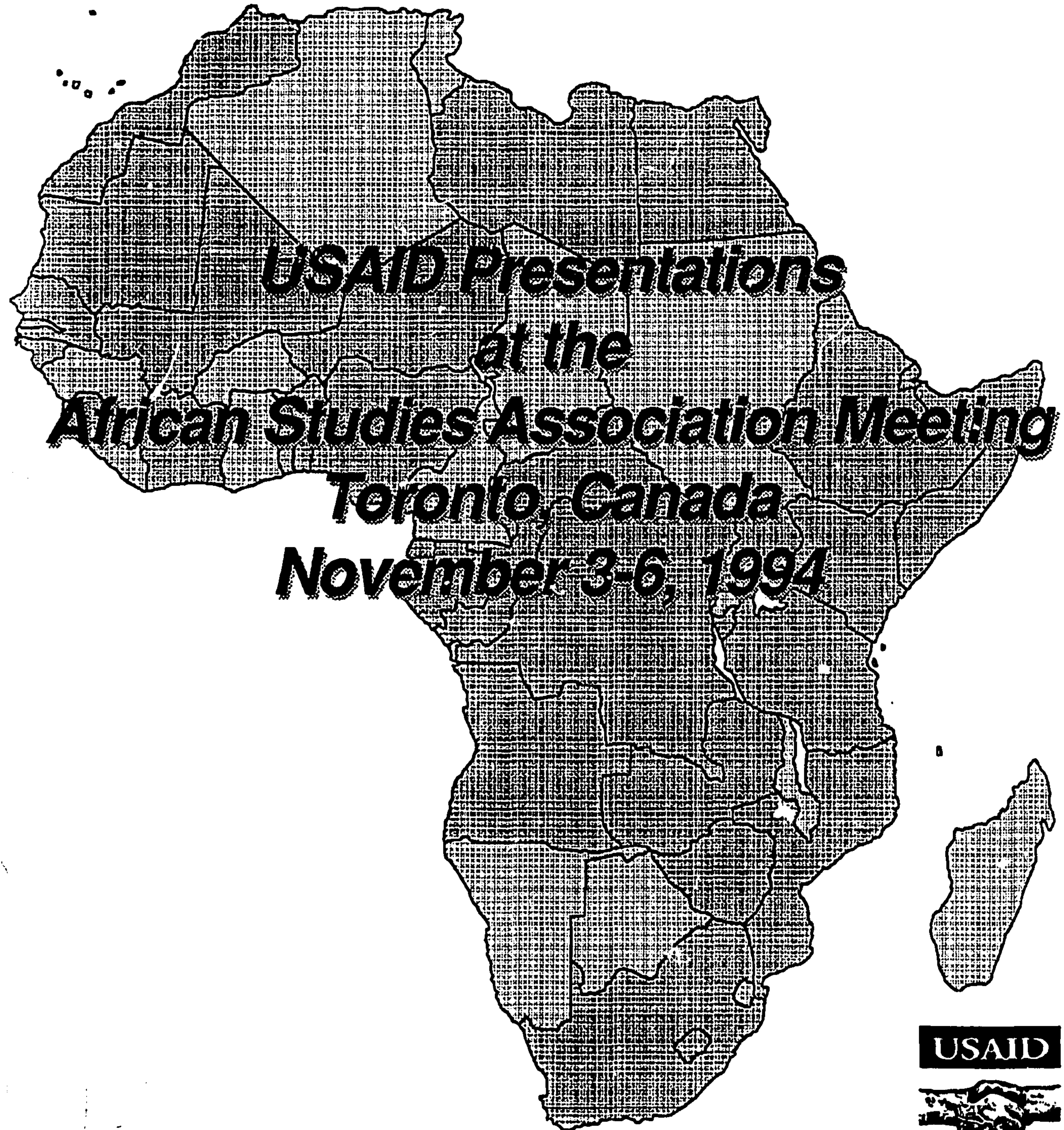

USAID Presentations at the African Studies Association Meeting
Toronto, Canada
November 3-6, 1994

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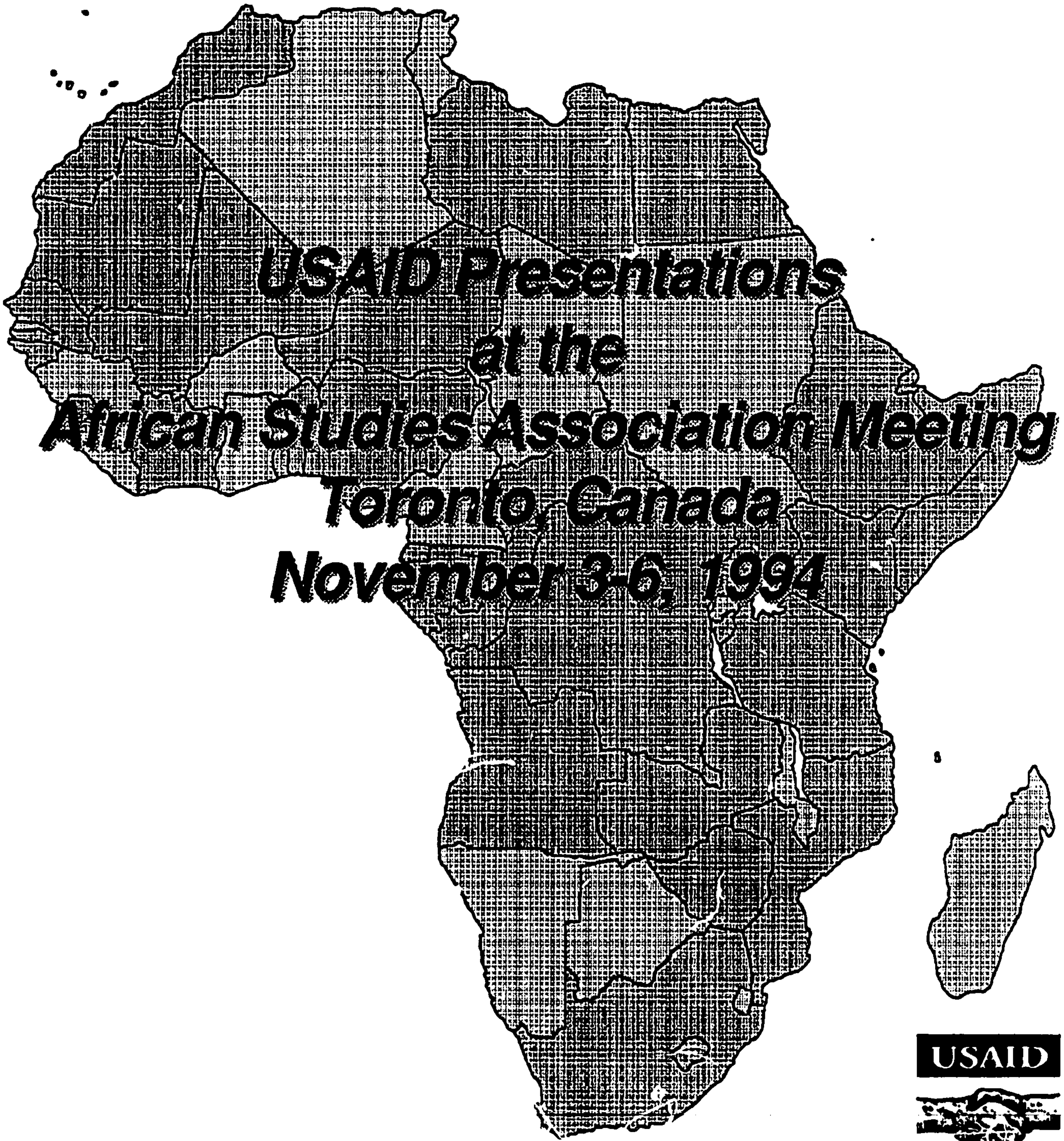

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Contents

Foreword

The papers in this compendium were presented at the annual meeting of the African Studies Association held in Toronto, Canada, November 3-6, 1994, and have been edited for this publication. This compilation of the Africa Bureau's contributions serves two purposes. First, it contributes to USAID's objective of increasing the dissemination of its analytical activities. Second, it is a public record of the diverse and rich contribution the Africa Bureau is making to the theoretical underpinnings of all development work. We hope that the original research, lessons learned, and innovative approaches presented herein will prove useful to USAID Washington and Mission staff, and their colleagues in the international development community at large.

The views expressed in this compendium are those of the authors, not the official views of the USAID. Comments on this publication and requests for additional copies are welcome. Please send them to The Editor, ASA1994 Compendium, Africa Bureau Information Center, USAID, SA-18, Room 206, Washington, D.C. 20523-1820.

New Wine, New Bottles: A New Paradigm for African Development

By Jerry Wolgin, USAID/AFR/SD

Introduction

The fundamental problem this paper discusses is the lack of development progress in Africa. We turn first to the question of structural adjustment and its impact on economic growth and its distribution. Our conclusion is that while more growth has occurred than has been measured, the basic institutional underpinnings for sustained growth have not been established. We then turn to recent developments in the political sphere and reach the same conclusion—political liberalization has been occurring, but the deep foundations of democracy are not present.

The next part of the paper describes some of the linkages between political and economic liberalization, and concludes that both theoretically and experientially, successful development depends on effective governance, and that the main cause of stagnation in Africa has been its political culture and institutions that lead, in turn, to "weak states" that are incapable of providing effective governance. The corollary to this principle is that weak states are embedded in the history and culture of Africa, and that neither political liberalization nor economic liberalization is likely to succeed in the face of weak states, whether authoritarian regimes or democracies.

The result of all this is to speculate on what a new political and economic paradigm for African development might look like. This paradigm may or may not represent the future towards that African governance is headed. It may or may not be even desirable. But it should be subject to an enriched debate on the future of development and development assistance in Africa.

Hunting the snark: the search for the supply response

There is only one important question in development economics. Everything else is known or trivial. The development economics questions of the 1950s and 1960s are now understood to be the wrong questions. For years students of development economics struggled to understand "balanced" vs. "unbalanced" growth; "labor-surplus economies"; input-output analysis and planning. But these were all the wrong questions.

In 1990, the World Bank presented a synthesis of what has been learned in 30 years of development economics theory and practice.[1] There are five basic commandments:

I. THOU SHALT INVEST IN PEOPLE. Development is, above all, a process of human capital accumulation.

II. THOU SHALT NOT SPEND MORE THAN THOU HAST. Fiscal probity leads to macroeconomic stability which leads to private investment.

III. THOU SHALT COMPETE IN THE WORLD MARKET. We totally underestimated the benefits, in terms of firm-level efficiencies, of competing in the world market against the best in the world.

IV. THOU SHALT DEPEND ON THE MARKET. The market is a wonderful, magical instrument of human creativity; market failures are much less important than government failures.

V. GOVERNMENT SHALL BE THE FAITHFUL STEWARD OF THE PEOPLE. Governments should manage their resources as if economic prosperity depends on the careful spending of their last pfennig, because it does.

There are no other economic principles upon which to build. And yet, these principles are conspicuous by their absence, particularly, in Africa. Even now, after a decade of structural adjustment, African governments are failing more than they are succeeding. And the question is why.

For an experience that is as broadly discussed as the effect of structural adjustment on African economies, it is remarkable that there is such a limited consensus as to its impacts. But even now, a dozen years after the first programs were developed, there is no broad agreement on whether or not structural adjustment has accelerated growth, and even less agreement on its impact on the poor.[2] Perhaps one reason is the failure of analysts to explain and describe the impact of economic reform on what I will call the "background" economy.

There are two African economies: a formal, foreground economy that is analyzed, counted, and measured, and an informal, background economy that receives little attention. The formal economy is visible and large-scale. It encompasses the activities of government, the parastatals and the relatively large private firms. The participants, government workers, wage-earners, and business people, make up the upper and middle classes of African society. In contrast, the informal economy consists of millions of family farms and family firms operated by the working poor.

Recent economic history helps explain how formal economies declined and informal economies stagnated and then flourished. After the oil shocks of 1973-74 and 1979-80, real commodity prices fell (except for oil) and real interest rates rose. Governments borrowed to keep the inefficient parastatal sector afloat. Debt rose; public capacity to supply services plummeted. Deficits began to mount, and when sources of borrowing dried up, governments resorted to the printing press. Inflation spiraled. A rigid exchange rate became more and more overvalued, and foreign exchange more and more scarce, leading to rationing and corruption. Formal private investment fell as public investment fell, and output and income in the formal economy declined precipitously. Particularly hard hit were the families of civil servants who saw their real wages drop with inflation. These government employees and their families began shifting their activities to the informal economy, where they earned more and more of their income.

The informal economy was also affected, but had more opportunities for adjustment. As overvaluation increased, exporters, such as coffee farmers, found the real value of what they produced declining, so they either cut down coffee trees and began producing food, or sold their coffee to traders who smuggled it across the border. In the mid-1980s, an estimated two-thirds of Tanzania's exports (coffee, livestock products, and semiprecious gems) were smuggled out of the country. When marketing boards couldn't provide acceptable prices, or consumer goods were unavailable at official prices, black markets abounded.

As a result, when the formal economy suffered a depression, with real incomes falling at 5 to 10 percent per year, the background economy suffered stagnation, with real incomes constant or falling at no more than 1-2 percent per year. The only area to which the background economy had difficulty in adjusting was the decline in the public sector's capacity to deliver key services such as road maintenance, education, and to some extent health care. Since effective government provision of services to the poor has always been problematic, the decline of the government had little impact on the lives of the poor. In many ways the decline improved their lives. As governments became less able to tax them through the marketing system, farmers and traders developed effective black and gray markets. Throughout the period of economic crisis, food prices fell, private markets developed, and farmers shifted from export crops to food production and sale.

The economic crisis of the formal economy forced governments to turn to the International Monetary Fund (IMF) and donors for special financial assistance. That assistance, which came tied with policy conditions, was packaged in structural adjustment programs. Beginning in the mid-1980s, the structural adjustment process: (1) stabilized the financial accounts of the formal economy, thus reducing inflation; (2) legalized or formalized most black markets, thus reducing the substantial transactions costs of acting illegally; and (3) injected large amounts of untied foreign exchange into the economy.

As a result, the rapid decline of the formal economy was arrested and reversed. Non-food agricultural production, particularly export volumes, showed substantial growth, even in the face of declining world prices. Food production increased dramatically. Financial imbalances were reduced; governments were restructured; and the foundation for sustained growth was put in place.

The impact of economic reform on the informal economy was substantial. Work done for USAID by Michigan State University demonstrates the vitality of the background economy, in manufacturing as well as in services, and suggests rates of growth of employment well in excess of labor force growth.[3] Reduction of police harassment, deregulation, improved access to foreign exchange, and a revitalized agriculture have all been responsible for the growth of the non-agricultural informal economy.

At the village level, structural adjustment led to three important changes. First, the official legalization of private markets reduced the harassment and extortion of traders by government officials (the "economic police" in Mali, for example). This tended to expand markets and reduce the costs of marketing, helping both producers and consumers, as traders were freed from the "taxes" they paid to keep the police and others off their backs.

Second, export crop producers were once again able to sell their goods for prices more reflective of their value, and this large injection of cash into the system had ripple effects on all those who sold to coffee, cotton, cocoa, and tea farmers.

Third, donor support for structural adjustment came in two forms: investment, particularly in rural infrastructure; and a flow of capital and intermediate foreign goods. The investments promised to link farmers to markets, to health centers, to schools, and to information, while the balance of payments support meant that items such as soap, clothes, tools, and matches could be bought rather cheaply.

The availability of foreign exchange also opened economic space for the informal producers of goods and services. In Senegal, for example, small-scale service firms, who could now buy spare parts, initiated repair businesses for automobiles and air conditioners, taking business away from inefficient formal firms.[4] Rural industries—beer making, auto repair, brick-making, construction, tailoring, blacksmithing—all flourished.

Nevertheless, despite this perceived success at the village level, one is left to explain the perception that the supply response in African reforming countries has been discouraging and weak. Whether one accepts the World Bank's view of structural adjustment (that countries have not adjusted deeply enough) or the critic's view (that adjustment policies are oversimplified and often wrong solutions for complex problems), one is forced to explain the phenomenon of a slower-than-expected growth of the formal economy in response to adjustment programs. Over the 1987-91 period, 13 out of 29 countries that had received some kind of adjustment loan experienced positive per capita growth, nine experienced growth of per capita income exceeding 1 percent per year, and only three had per capita growth rates exceeding 2 percent per year. Clearly these growth rates are insufficient to lead to any meaningful reduction of poverty. Why has the supply response been so weak?

Five possible answers suggest themselves. First is the World Bank's analysis that African countries have not really reformed their policies as deeply as is needed to effectuate accelerated growth:

> Despite the efforts to improve the macroeconomic environment, open up markets and strengthen the public and financial sectors, most African countries still lack policies that are sound by international standards. Even Africa's best performers have worse macroeconomic policies than the newly industrializing economies in Asia. Few besides Ghana come close to having adequate monetary, fiscal, and exchange rate policies. And Ghana lags behind other adjusting countries elsewhere—Chile and Mexico, for example—in trade and public enterprise reform.[5]

Second is the possibility that deterioration in external factors, such as foreign aid levels, or the terms of trade, have obviated the progress that would have occurred. In fact, however, although the terms of trade did deteriorate for most countries, this was more than counterbalanced by increases in external transfers. Thus, the external economy actually had a positive effect on growth, thus making the absence of a supply response more puzzling.

The third possibility is that, for a number of structural reasons, the reforms don't work in Africa. For example, some analysts have put forth the lack of infrastructure, or limited human capacity, as reasons why growth is likely to be slow. Others have suggested that the lack of attention to gender issues is a critical reason, and asserted as fact that females have huge demands on their time, which leads to a highly inelastic curve for the supply of female labor. However, the Bank's work, which is highly disputed, suggests the opposite, that macroeconomic policy change can lead to substantial increases in economic growth in the short term.[6]

Fourth, it is likely that our statistical evidence is highly flawed. The breakdown in government capacity has affected the statistical services as well as other branches of government; moreover, adjustment, by its very nature, changes the structure of the economy, and makes it more problematic to rely on old data sources and assumptions about the makeup of the economy. Finally, the economic decline and the adjustment process have all shifted economic activity from the formal to the informal economy, and it is extremely difficult to measure change in that sector of the economy. Estimates of the size of the informal economy vary from country to country, but in many countries, the informal sector may reach one-third to one-half.[7]

Finally, what sort of growth should we be expecting as a result of adjustment? There are two effects of the adjustment process: a once-for-all shift in resource allocation from less productive to more productive uses, and the development of a climate that encourages savings and investment. In countries with major policy problems, substantial adjustment of the first type has already taken place through the use of black markets. The financing associated with adjustment programs relieves the import compression while, at the same time, the liberalized exchange and trade regimes lead to more effective uses of foreign exchange. But these gains are offset, in part, by the reduction in less efficient activity in areas now no longer competitive under the new regime. Thus, depending on the original degree of distortion, the degree of informal adjustment, and the size and importance of the large-scale formal economy that is no longer competitive, we should not expect high rates of growth in the short run.

The critical issue is the effect of adjustment on savings and investment, and, here, at least as measured, the results have been very disappointing. Investment has tended to increase, but in most cases it has been financed by external sources (foreign assistance) and not from increased domestic resource mobilization. The slow response of private investors is the central issue of growth in Africa.

In fact, only four African countries over the period 1981-1992 demonstrate a strong response to policy change. These four (Ghana, Nigeria[8], Tanzania and Uganda) have experienced fundamental change as the following table shows:

Economic performance of four rapidly adjusting African countries, 1981-1992

Performance	1981-86	1987-92	Difference: 4 Stars	Difference: Africa
Annual growth of GDP (%)	-0.7	5.1	+5.8	+0.3
Investment as percentage of GDP	11.6	19.5	+7.9	+0.8
Saving as percentage of GDP	7.8	8.5	+0.7	-0.7
Annual growth of exports (%)	-0.9	8.4	+9.3	+2.0
Policy Change				
Fiscal deficit (% of GDP)	-5.5	-2.2	+3.3	+1.9
Inflation	47.9	22.9	-25.0	-2.6
Parallel market exchange Rate premium	444.2	31.9	-412.3	-141.6
Changes in real protection Coefficient for agriculture			+101.6	+65.2
External Changes				
Percent change in external income due to terms of trade			-0.7	-0.4
External transfers			+1.0	+0.4

Clearly the dramatic improvement in performance is closely linked to the dramatic change in policy. It should be noted, however, that these four countries were so badly managed that large improvements were, indeed, possible. Other African countries with exceptions (such as Mozambique and Guinea) did not have such terrible policies in the early period (Ghana, Tanzania, Nigeria, and Uganda along with Guinea and Mozambique had the most overvalued exchange rates in the 1981-86 period). Moreover, these are resource-rich, land-rich countries with an excellent agricultural base, and reasonably high levels of human capacity development. There were thus fewer constraints to a supply response.

Where, then is the elusive supply response? We know that:

- reform is linked to increased growth, and is a necessary condition for such
- the response has been greater than is currently measured
- there are other factors that inhibit supply response, particularly the resurgence of saving and new investment
- the reform programs are still weak and nascent, and much remains to be done

Are both the slow and uncertain implementation of the adjustment agenda and the slow response of the private sector (particularly savers and investors) linked to the same problem: the inability of weak African states to create a reform consensus, to provide effective government services, and to engender confidence of the private sector in the government's commitment to reform?

Seek ye first the political kingdom

The decline in central government fiscal resources and the consequent decline in government provision of services has led to the emergence of a background "polity", as well as a background economy. Road maintenance, health and education, water, garbage collection, even police functions have been taken over by either the for-profit private sector, the NGO community, or local organizations.

When the structural adjustment process was being initiated, the political landscape in Africa was quite different from its current state. As late as December 1988, the vast majority of countries were characterized by one-party political structures in which party and state were virtually synonymous, and political opposition was suppressed. In most cases, the mass media acted as government mouthpieces, and the legislative branches were impotent. However, over the last few years, unprecedented political change has occurred within Africa; some call it a "second liberation." Nearly three-fourths of the countries in sub-Saharan Africa are in the process of some form of political liberalization. Ten countries have joined the ranks of full-fledged multiparty democracies.

Although Africans have been influenced by changes in the world around them, the movement towards political liberalization and democratization in Africa is African-led, not simply donor-imposed. The events of the last five years demonstrate that Africans want change. Average citizens expect governments to be accountable and transparent. They are demanding a role in shaping their political and economic destinies. Pressures are growing for free expression, the right to freely associate, the right to form political parties, honest and responsible leadership, the rule of law, and the consent of the governed. Significant challenges remain. Pursuit of democratic governance, always a difficult and lengthy process, is occurring against a backdrop of ethnic and other historical tensions, a difficult global economy, poor domestic economic performance and unrealistic short-term expectations about what democracy can actually deliver.

With political liberalization, governments are making a virtue out of necessity. The new, more liberal climate, encourages the growth of associational life and tends to mean increased control by the people over institutions central to their welfare. In the long run, the process of political reform reinforces economic reform, decentralizing power and authority, and making governmental institutions more responsive. The decline of the government in rural areas promotes the growth of civic society and the development of a panoply of rural institutions to provide functions unavailable from government.

We must distinguish, however, between the ideas of political liberalization and democracy. The political liberalization process in Africa has been well-ahead of the democratization process, where, according to Bratton, "Political liberalization refers to the relaxation of government controls on the political activities of citizens,"[9] whereas "democratization is a more demanding process that involves the deliberate construction of new institutions and a supportive political culture."[10]

And democracy, where it is evolving, can best be described as "weak."

> [Democratic] . . . transitions moderate instead of transform political institutions and practices. Transitions propel weak authoritarian regimes into weak (semi)democratic governments. Weak authoritarian regimes often effectively co-opt or suppress dissent, but ineffectively design and implement complex, coherent programs on a national basis. . . . Yet a democratic transition marks only limited changes. General elections and multiparty competition do not banish, and may even aggravate, the clientalism, factionalism, ethnic/regional loyalties, and administrative weaknesses of the *ancien regime.*[11]

The fundamental issue is governance, and if democracy or political liberalization does not lead to improved governance, then development will not succeed.

Theories and practice of political and economic sequencing

Consider the following:

- Ghana's 1992 elections led to massive budget overruns by the government; the fiscal and monetary imbalances, leading to increased inflation and budget deficits rather than surpluses, have bedeviled macroeconomic policy for the last two years and are still unresolved.
- Madagascar's transition to democracy took several years. During that time, there was no explicit economic policy.
- In Benin, the executive branch's support for a budget based on an IMF/IBRD policy framework paper and a structural adjustment agreement has led to a constitutional crisis as the legislative branch challenged the constitutionality of the government's agreement and threw the controversy into the court system.
- Mali's reform program has led to mobs of university students rioting in Bamako protesting the reduction of their allowances. The government has responded strongly to this challenge, but the educational reform program has been diluted.
- In Zimbabwe, the approach of elections has led to the government slowing up the reform process, as it fears the impact that trade liberalization and parastatal reform will have on jobs and urban standards of living in the short run.

On the other hand, there are numerous examples of new democracies supporting the economic reform programs of their predecessors—Zambia and Malawi are particularly strong examples.

Academicians are of many minds in discussing the sequencing of political and economic reforms. Some take the position that without democratic structures, economic reform will never have legitimacy, and thus will be subject to criticism and rejection by democratic forces. Others say that democratic change, by its very nature in Africa—regime change without profound changes in political practice, will lead to the promotion of special interests opposed to economic reform having a strong platform for defeating it.Consider, for example, the following:

- Africa has no choice but to engage simultaneously in a broad-based and sometimes conflicting political and economic reforms . . . . Political reforms must be seen as a means to an end—social and economic development— and their chief objective is to facilitate the efficiency and effectiveness of government in achieving economic development . . . . In other words, political reforms are aimed at improving "governance." . . . Moreover, if governance is to be democratic, political reforms will provide a better framework than authoritarianism for the implementation of market-oriented reforms, because, in the long term, their success will depend on public support.[12]

· Nicolas van der Walle makes a similar argument about the compatibility of economic reform and political liberalization.[13] His argument consists of the following points:

> 1) ...once an incumbent [authoritarian] government is faced with popular pressures for political change that it is unwilling to accommodate, it is unlikely to risk undertaking [economic] reform. (p.83)
>
> 2) The transparency of government processes is almost certain to increase . . . ; however, one should not exaggerate the discontinuities liberalization will engender. Particularly in the economic realm, the technical natures of the issues will hamper a widespread public debate. The media will demonstrate a heartier appetite for large scale scandals than for in- depth analyses of trade policy . . . . (pp. 86-87)
>
> 3) Reform coalitions have been united by their opposition to government corruption and incompetence . . . . The current discourse against corruption does reflect the fact that many of [the opposition] groups represent constituency groups that have not been beneficiaries of government largesse in the recent past and therefore have less of an interest in the maintenance of current patterns of government intervention in the economy. (p. 89)

On the other hand, some commentators are much more pessimistic:

· My main point concerns the failure of the dominant "Politics of Economic Reform" discourse to consider the effect of economic reform on national cohesion and nation-state formation . . . . Sectionalism is on the rise all over, and religious mobilization—Christian and Islamic alike—further disrupts a brittle national fabric . . . . When current liberalizing economic reforms are scrutinized in this context we find that . . . they tend to aggravate this crisis [decline of the nation-state]. . . . Let me illustrate with one central aspect of the discourse, the role of so-called "vested interests." . . . The dominant discourse is concerned with how to contain, bypass or neutralize these groups . . . . Such "vested interests" have a high stake in the reconstruction of the national development project . . . [and] tend to belong to the most nationally-oriented segments of society, concerned with the unity of the national territory . . . . [14]

The gist of most of these comments misses many of the major points, and tends to be theoretical rather than practical. Problems in the implementation realm include:

· **Budget control.** The difficulty in keeping expenditures in line with resources as incumbents give in to the temptation to use government resources to further their own reelection prospects.

· **Economic reform in non-crisis situations.** Because economic reform restructures income flows, it is inherently politically risky; most reform in Africa has been engendered out of fiscal crisis. When the problem is future growth rather than current indigence, it is difficult for democratic governments to take the needed steps.

· **Battles for power between branches of the government.** When the various branches of government are at odds over the constitutional distribution of powers, economic reform programs may become the presumed subject, but the real issue is the struggle for power.

· **The difficulties of developing economic policy in the middle of a transition.** When the political transition is protracted, and the result uncertain, economic policy is of trifling interest compared with consolidating political power, and thus needed reforms are postponed, making economic reform, when it comes, more difficult.

The causes of failure—weak states

It turns out that Marx was dead wrong (Karl, not Groucho). Not only in his economics, but more particularly in his sociology and historiography. Marx believed that technology determined the economic structure, particularly in terms of returns to labor, land, and capital, and that these economic flows determined social stratification, and that social stratification determined culture.

Perhaps this is true in the long-run, but over shorter spans of history (50 years or so) economic systems are the superstructures, and culture and history are the foundation. In between lies the basic structure—politics and government, based on culture—undergirding economies. (Although, surely, there is a circular nature to this relationship—technological change does have a role in changing social structures, economic behavior and even culture). That is why development is so hard, because it is based on good governments, doing the right thing. And we development practitioners, both academics and foreign assistance poobahs, have no idea how to build good governments, or even if they are buildable from the outside.

The mother lode for analysis of this question of the interface of economic behavior, political structures, culture and social structures, and history is the experience of the Asian tigers. In particular, the behavior of Asian governments is in strong contrast to the behavior of African governments. A cursory look is all that is needed to point out some stark contrasts.[15]

First, Asian governments have taken the **long view.** It is part of Asian culture to think in generations. China, Korea, Japan, Vietnam, Thailand, and Cambodia all have rich histories that go back centuries or millennia. History begets culture and culture begets policy. Almost every Asian tiger thought in 5 to 10 to 25 year chunks. By contrast, with the exception of Botswana, no African government is able to plan beyond one fiscal year. Not surprisingly, African governments (with the exception of Ethiopia) have no real history. (This is not to say that Africa has no history, but that the historical legacy, which goes back centuries, has been cut off by the colonial experience, and, even in Anglophone Africa, institutional continuity is by far the exception, rather than the rule).

Second, Asian governments are **bureaucratic.** In part, this stems from their historical roots, and a history of technocratic government. For example, "In Singapore they actually have a policy that the best minds must always be in public service and they are paid accordingly. Hence, the prime minister of Singapore, which is a city of 2.5 million people, gets paid more than George Bush."[16] By contrast, because African states are prebendalist, all public decisions become political. This leads to disastrous public policy, for decisions are taken for their short-term, rather than long-term impact (this condition is not unknown among American bureaucracies as well).

Third, Asian governments are **stable,** particularly the technocracy. The vice-governor of the Central Bank of Malaysia has held that post for 30 years; by contrast, Mali has had four ministers of education in the past 18 months.

Fourth, Asian governments often had an **external enemy** (Japan, the United States; Korea, North Korea; Taiwan, China), that led them to focus on economic growth as necessary for their national security. (Moreover, after Japan's success, Asian nations had successful models to emulate).[17] By contrast, in Africa, enemies were internal, so national security depended on prebendalism and dividing the wealth rather than growing it.

Fifth, Asian governments had a much chummier role with the private sector, particularly the large-scale, formal private sector such as the *zaibitzu* in Japan. Most Asian governments viewed the private sector as a partner, not as an adversary. In the words of one official, "The private sector is our partner; as it grows so do we grow." In Africa, the private sector has always been controlled by either multinationals or alien ethnic groups. As a consequence, it has always been distrusted, and controlled.

Lastly, Asian governments kept **corruption within acceptable limits.** Take, for example, the story of the governor from a western state in the U.S. who had, as a visitor, the governor of Shaba Province, Zaire. After a number of preliminaries, his guest allowed as that they were both men of the world and he had studied the life of his host and knew that he came from modest beginnings and had pursued public service all of his life. "So how," wondered the Zairian, "did you accumulate all this wealth?" His host took him to a window of the governor's mansion, and pointed to a river valley where a huge hydroelectric plant could barely be seen. "Ten percent," he said, and pointed to his chest.

Six months later the Western governor visited his Zairian friend, and they had a similar conversation as to the source of the African's vast wealth. As before, they walked to the window, and the Zairian pointed to the rain forest that stretched for miles. "See those roads?" he said. "What roads?" asked the governor. "One hundred percent," he said pointing to his own chest.

The central problem Africa faces is to shift the parameters of governance. The failures of African states have been ascribed to the weakness of the state in Africa, and that, in turn, to African history and culture. The problems African states face are myriad:

1) Lack of a history as a nation-state.

2) A colonial heritage that created and nurtured national governments that had no historical or cultural legitimacy.

3) Multi-ethnicism that erodes the legitimacy of the state.

4) Prebendalist or neopatrimonial models of government that are based on personal networks of loyalty and clientage and make the practice of government more concerned with "pork barrel" issues, and less concerned with the broader national interest (again, a practice not unknown in America).

5) Lack of an indigenous capitalist class or aristocratic class; the only path to success was through government employment, which became the ticket to wealth and power. Thus government employment was rarely seen as public service or as sacrifice.

6) Dependence on economic models that enlarged the role of the state.

7) Lack of a competent bureaucracy and therefore an effective apparatus for delivering government services.

All of these factors together have led to governments that are weak, corrupt, and incompetent. It is important to note that at one level, this has little to do with regime type. The democratic winds of change since 1989 have been a mixed blessing. The most positive aspect has been to engender a sense of accountability in governments, rather than entitlements. But democracy in Africa can be described as "weak"; there is little political infrastructure—political parties are not issue-oriented, but ethnic or regional or personal, and thus political debate is shallow and uninformative.

To reiterate, the development equation is as follows: sustainable development follows from adherence to a small group of economic principles, including good governance; however, for reasons of history and culture, African states are weak and are prone to "bad" governance; we do not know how to fix this problem.

What has changed as a result of the political liberalization process?

Just as in economic liberalization, political liberalization is eroding the foundation of the existing political structure, and building entirely new elements to build upon.

Associational Life. The 1980s were a time in which the state failed. Government power to regulate economic life waned, as people moved to black markets. At the extreme, people used private institutions to deliver services, such as health and education, that were normally the purview of the government. With structural adjustment, this *de facto* replacement of the state became, in many instances, *de jure*.

As a result, there has been an explosive growth of private institutions and associational groups, both for profit and non-profit. Cooperatives, women's groups, environmental groups, human rights groups, parent-teacher associations, farmers associations, guilds, labor unions, chambers of commerce, and other industrial and commercial associations, professional associations, village groups, etc. have all mushroomed, almost overnight.

While the growth of civil society is essential to both improved governance and increased democratization, we should be cautious in assuming that local organizations are perfect spokespeople for the people they are supposed to represent. Likewise, while much has been written about the traditional democratic nature of precolonial village life, that is not universally true, and village political structures can be as authoritarian as central structures.

Decentralization. Decentralization is becoming more widespread, as certain responsibilities are being devolved to local governments (Ethiopia being the extreme case). Nevertheless many caveats remain. In a summary of a study of decentralization of education and health services in several countries in Africa, James Thompson reported[18]:

- The form and content of local governments continues to be dictated by national rather than local standards. Thus local government units (LGUs) have less latitude to increase the efficiencies in terms of both economics and quality that are supposed to result from decentralization.

- Funds in LGUs are overwhelmingly spent on overhead rather than operations.

- Communities do not receive, nor do they expect to receive, much from their local governments by way of service delivery. Experience reveals that local governments have too few resources because of infrastructure and staffing requirements imposed by the central government.

- Local revenues remain a problem. Where increased local revenue mobilization has occurred, it has not resulted in an increase in the quality or quantity of services delivered. In many other places local revenues have not increased, and heavy dependency on central government transfers persist.

- When they deem an activity potentially profitable and beneficial, communities exhibit a remarkable capacity to contribute (in cash, labor, and kind) to service-related projects.[19]

- What development does occur in communities is often locally funded or organized. In the countries studies, the dynamism that leads to development seems to depend more on the residents, their leaders, and their history than on ties between the community and their local government.

Freedom of Information. Media freedom has led to a proliferation of information, with the increase in the number of independent newspapers and even radio stations. For example, Michael Bratton writes:

> African journalists have been a driving force for liberalization, starting literally scores of newspapers and magazines across the continent. Almost all speak with critical voices. Political opinions that governments previously banned as "dissident" or "subversive" have entered mainstream discourse.[20]

Moreover, the new technologies of e-mail, faxes, international TV, and cellular phones have already placed African elites in a new information environment, both in terms of instantaneous and decentralized links to the external world, more effective communication links among various elites and local associations. These technological changes are going to mushroom in Africa over the next decade.

A new paradigm for Africa

Basil Davidson, in *The Black Man's Burden: Africa and the Curse of the Nation-State,*[21] argues that the central problem for Africa is the basic political organizational unit—the nation-state. Davidson's thesis is that the colonial powers in the late 19th century and now post-colonial Africans are trying to organize human activity and development in Africa along the lines of the European nation-state. This is a huge mistake. The European models of government (especially of a coherent unitary state), he argues, are not transferrable to Africa. It is interesting to note that some of the biggest European states, like Italy and Germany, did not complete their modern political development and establish unitary states until well into the 19th century.

For Africa, the European nation-state, Davidson believes, has been responsible for the multiple disasters of ethnic conflict, civil war, economic collapse, and genocide. Davidson's prescription is to dissolve Africa's unitary states and replace them with a loose federation of ethnic groups that could come together for specific mutually agreed purposes and go their own way at their option. For example, two or more groups might cooperate on a highway project, but do education or police separately, more like the Swiss confederation than the strong centralized governments of France, the former USSR, or Britain. By and large, African states don't have the ethnic or national cohesion, or the feeling of a common destiny, to have a strong European-style nation-state.

This is an idea that must be taken seriously. The European nation-state is a failed institution in Africa. In Sudan, Zaire, Liberia, Rwanda, and Nigeria, the results of that failure have been ethnically-based civil wars, and millions of deaths. In the rest of Africa, the results have been poverty and misery and slow death.

At the same time that many of the state's roles and responsibilities are being eroded or devolved, there is also an increasing trend to building stronger regional institutions. Economic forces have led to the idea of reducing the barriers to trade and investment across borders in Africa. There is also the increasing realization that many state functions are inappropriate for states the size of most countries in Africa, and that regional cooperation and coordination are needed in areas such as agricultural research, high-level training, international infrastructure, and conflict resolution.

If these two processes were allowed to continue, or were accelerated, the future political organization of sub-Saharan Africa might look like this:

Devolution of responsibilities to local communities. The economic and political trade-offs are between economies of scale on the one hand and improved governance on the other. Those functions that make sense to devolve include:

- Education (although larger units would have responsibility for providing curriculum models and a variety of sets of textbooks.
- Health care.
- Local infrastructure, including secondary and tertiary roads, community markets and warehouses, water, and local connections to communication and power trunk lines.
- Police powers.
- Judicial powers.
- Local legislation.
- Management of local common property.

Devolution of responsibilities to the private for-profit sector. Government must continue to get out of the business of business. This involves privatization, deregulation, and decontrol.

Responsibilities of new multi-national, regional political unions. These unions must provide public goods that, because of economies of scale, are best produced by larger units.

- National Defense (although more in the nature of a central police force), and directed toward maintaining security internally rather than external threats.
- Economic policy, particularly the development of a legal framework for property rights and contract enforcement.

- Monetary policy, much along the lines of the CFA zone, with both prudential and supervisory responsibilities of the financial sector, and for a time, international supervision and backing for the union currencies, which would be floated, rather than fixed exchange.

- Either regulation or provision of public goods—communications (this may be overtaken by technological change), long-range transport infrastructure (trunk roads and rail), and electric power.

- International economic policy based on free trade and investment among local communities within the union; free convertability of currency, no import or export licensing, a uniform tariff only for revenue purposes, and limited regulation of international investment.

- Higher and specialized education and agricultural research, as well as any other functions that exhibit economies of scale. In this context, one would expect the siting of universities and regional research institutions to be decided jointly by the local communities and the union.

- Foreign Policy.

Budgetary roles. By and large, most revenue collection would be the responsibility of local communities from their tax base. Where possible, there would be a heavy reliance on user fees. There would also be revenue sharing from the central government based on an equitable formula. Regional union revenues would come from two major sources: (1) a uniform tariff and (2) royalties and mining rights for large scale natural resources in the mining sector—oil, bauxite, gold, copper, etc. These royalties would have to be shared with local communities in the resource rich areas.

Political relationships. The executive and judicial branches of the union should be relatively small. Most executive functions—particularly those dealing with provision of services (higher education and infrastructure development, for example, could be devolved to independent authorities, governed by assemblies of the communities). The judicial branch would largely be responsible for resolving disputes among local communities and governmental organizations.

The executive responsibilities of the regional union should be limited to foreign affairs, internal security, and economic policy. The use of these powers should be subject to a union assembly, with little independent discretion by the union executive.

Relations among local units. One can imagine the development, as Davidson suggests, of associations of local units, either for the purpose of providing economic services more efficiently, or for representation of the views of particular ethnic groups or of regional groupings more effectively in the union assembly. These local super-organizations might also be the best mechanism for providing donor assistance directly to local communities. Moreover, one can envisage unions of local communities along sectoral lines—export producers, health providers, women's groups, human rights groups, farmers, etc. These also would be able to influence local and union governments as well as donors.

Relations with donors. Relations with donors will be extremely complicated. At the union level, as noted above, one can envisage macroeconomic support in the form of technical assistance and most especially in the backing of the local currency. At the community level, new forms of larger associational groups would interact directly with donors and international NGOs, and get financing directly.

The transition. Even if these ideas make some theoretical sense, it will take decades to see them come to fruition. What is needed first is an intellectual dialogue among Africans and donors as to whether or not such an evolution is either inevitable or desirable. For it is clear that this transition must be evolutionary rather than revolutionary. If, in fact, a consensus emerges that this form of governance is feasible and desirable, then the important intermediate steps would be to strengthen both supranational institutions and local organizations, including both civil society and local government, as well as to avoid taking actions that strengthen governments at the nation-state level.

What USAID is doing

Increasingly, donors, particularly USAID, are doing just that. We are working particularly at the following levels:

Building capacity. One of the principles of our assistance is to improve African capacity at all levels so as to shift responsibility for development from the donors to Africans. There already have been major successes in a number of areas: agricultural research, economic policy-making, engineering and accounting, health care provision, and business management. In most cases this capacity is thin, but it is markedly increased from 15 years ago, and indicates that Africans are ready to take over the intellectual leadership in development.

Building civil society. Clearly, the rapid expansion of associational life is coming from within rather than from without. Nevertheless there is much that external actors can do. In particular USAID has been providing assistance to U.S. PVOs to network and strengthen indigenous organizations. This assistance is particularly necessary in the areas of management, accounting, and information provision. We have taken an important role in reorganizing chambers of commerce and other business groups as well as cooperatives, to become independent of government control.

Decentralizing. One of the most difficult tasks is to strengthen local governments and organizations. We are trying to do this at the sectoral level, working in education and natural resource management programs to devolve responsibilities to local levels. This has led to increased efficiency and effectiveness of service delivery and management in these areas. We are looking to do the same in the health sector.

Transferring ownership. As a result of the above, as well as a conscious policy of encouraging local participation in the development process, we are increasingly able to transfer authority and responsibility for development programs to indigenous institutions. These make our programs more effective, lead to local ownership and commitment, and build political liberalization.

Avoiding strengthening central authority. In many ways, this is the area in which we as a donor community have fallen down the most. Most of the financial support we have given Africa has gone through central governments, thus (1) increasing and legitimizing their power; (2) allowing them to run large deficits; (3) reducing domestic resource mobilization; and (4) undermining African responsibility and ownership. Increasingly we need to shift resources from these weak and ineffective governments to local levels of governance, while at the same time reducing levels, at least as share of GDP. Aid has been ineffective in spurring economic growth in Africa, and the time has come to reexamine its role and efficacy.

The future

It is easier to describe an ideal model of the future than figure out how to get there. National governments and political leaders will not give up authority willingly. There are numerous problems with local governance and with union governance. Nevertheless these are deep questions, and we need to think about them deeply. At this writing, it seems that current trends are leading in the direction described above. If, after much debate, it seems desirable to encourage the trends toward regional integration and local empowerment, then these should become part and parcel of the donor ethic.

For donors this means rethinking the very purposes of foreign aid. Shouldn't aid be used more strategically and perhaps more parsimoniously? Shouldn't we be much more aware of the inadvertent negative consequences of our aid? Haven't we been giving life support to the very structures that may need to die (although the alternatives must be ready before the existing structures disappear)? A short menu of actions might be:

- Reduce aid, particularly balance of payments support, at the same time providing increased debt relief.

- Retarget aid at local, community organizations.

- Continue to support adjustment measures that reduce the role of central government in all aspects of economic life.
- Work at strengthening local governments, particularly in the area of local resource mobilization and financial accountability.
- Strengthen regional cooperation and networking.
- Make local ownership a serious principle of foreign assistance; eliminate commercial interests as a determinant of the form economic assistance takes; at the least strengthen the capacity of central government to impose their priorities on donors not the other way around.
- Above all, do no harm.

In this era of rapid, indeed revolutionary change—of the fall of the iron curtain, the end of the cold war, the ending of apartheid rule in South Africa, the growing liberalization in sub-Saharan Africa, the internationalization of economies and information, nothing seems unthinkable or impossible. Even ideas as speculative and farfetched as this one.

Notes

[1]The World Bank, *World Development Report, 1991.*

[2]USAID has commissioned a $10 million dollar, 6-year, 10-country study of the impact of structural adjustment policies on the poor. The results of that work, summarized in a forthcoming book, *Has Economic Reform Hurt the Poor in Africa?*, edited by David E. Sahn, concludes that adjustment policies are largely helpful for the poor in the short run, although the impact is not large. The World Bank, in a controversial study, entitled, *Adjustment in Africa: Reforms, Results and the Road Ahead*, concludes that adjustment works when applied, but that too few countries have actually adjusted. We will discuss this further below.

[3]For example, the annual rate of growth of informal sector employment in Swaziland was estimated at 4.1 percent, in Malawi at 9.0 percent, in urban South Africa at 18.9 percent, in Botswana at 8.5 percent, in urban Kenya 17.4 percent, and in Zimbabwe 5.6 percent. See Leidholm and Meade, *The Structure and Growth of Microenterprises in Southern and Eastern Africa; Evidence from Recent Surveys,* (Gemini Working Paper, No. 36), March, 1992, p. A-6.

[4]*The A.I.D. Economic Policy Reform Program in Senegal,* September, 1990, A.I.D. Impact Evaluation Report No. 77, PN-AAX-242.

[5]*World Development Report*, p. 8.

[6]See particularly the analysis in *World Development Report*, Chapter 5.

[7]There are also technical reasons that make our statistical measurements more difficult. Take the government account, for example. In many countries, depreciation of the exchange rate has meant a deterioration in real wages in the government sector. For example, in Tanzania, government consumption equalled 19.7 percent of GDP in 1984, at the depth of the economic crisis, while it equalled only 12.2 percent of GDP in 1992. Has real government production declined relative to the economy as a whole, or is this a statistical artifice, brought about by the revaluing of the most important input into government production—labor? It's

important to remember that at the height of the crisis, the real wages of these workers had already declined, because most goods were purchased on the black market, but the statistical service did not capture this change.

[8]Nigeria embarked on a comprehensive home-grown reform program in the late 1980s. This program lasted until the military coup of 1993 that not only thwarted an emerging democracy, but also turned around many of the reform policies that had brought a resurgence of growth.

[9]Michael Bratton, "Political Liberalization in Africa in the 1990s," in *Economic Reform in Africa's New Era of Political Liberalization*, (USAID, 1993), p. 38.

[10]Bratton, p. 38.

[11]Richard Sandbrook, "Political Liberalization and the Politics of Economic Reform," in *Economic Reform in Africa's New Era of Political Liberalization*, p. 110.

[12]Tessy de Bakary, "'An Ambiguous Adventure': Transitions from Authoritarian Rule and Economic Reforms in Africa," in *Economic Reform in Africa's New Era of Political Liberalization* (USAID, April, 1993), p. 75.

[13]Nicolas van der Walle, "Political Liberalization and Economic Policy Reform in Africa, in *Economic Reform in Africa's New Era of Political Liberalization.*

[14]Bjorn Beckman, "Comments on Economic Reform and National Disintegration, in *Economic Reform in Africa's New Era of Political Liberalization*, pp. 127-28.

[15]Much of the discussion following comes from *African Development: Lessons from Asia*. See also, David Lindauer and Michael Roemer, *Asia and Africa: Legacies and Opportunities in Development*, (Institute of Contemporary Studies, 1994).

[16]*African Development: Lessons from Asia*, p. 83.

[17]*African Development: Lessons from Asia*, p. 89.

[18]James T. Thompson, an oral briefing presented to USAID staff in October, 1994, drawn largely from Maurice Garnier *et. al.*, *Decentralization: Improving Governance in Sub-Saharan Africa*, a report sponsored by USAID, December, 1991.

[19]See Melinda Smale and Vernon W. Ruttan, "Cultural Endowments, Institutional Renovation and Technical Innovation: The *Groupments Naam* of Yatenga, Burkina Faso," (mimeo, 1994). Also, Elinor Ostrom, "Investing in Capital, Institutions and Incentives," (mimeo, 1994).

[20]Bratton, p. 42.

[21]Basil Davidson, *The Black Man's Burden, Africa and the Curse of the Nation-State,* (New York: NY Times Books, 1992).

Increasing Participation in the Context of African Political Liberalization: The Benin Budget Crisis of 1994 and its Implications for Donors

By Curt D. Grimm, USAID/AFR/DP

Introduction

The colonial legacy and the first three decades of donor assistance to independent Africa reinforced a state-dominated model of socioeconomic and political development in which public policy and decision-making were both highly centralized and highly personalized. In recent years, Africans in many countries have made their dissatisfaction with one-party regimes and bureaucratic centralism known through increased social unrest. This has led to broad-based participation in the establishment of democratic political institutions.

Among donors, the end of Cold War political struggles and the recognized inadequacy of development models from the post-World War II period have contributed to the formulation of new policies emphasizing decentralization and greater public participation. The convergence of donor agency and African government policies suggests that we may be entering one of those relatively rare moments when there is widespread consensus on a particular set of development objectives and strategies. A question that remains, however, is the degree to which donor and government practices actually conform to the participatory policies and rhetoric.

This paper examines a recent event that demonstrates the difficulties involved in changing the way donors and African governments operate. The study concerns the circumstances surrounding the passage of Benin's national budget for fiscal year 1994. The analysis suggests that the personalization of political power, a defining characteristic of authoritarian regimes in Africa, continues to be a serious problem for democratically elected African leaders. A second conclusion is that international donors, many of whom have been in the forefront of efforts to promote democratic governance in Benin and elsewhere, are bypassing the very structures and institutions they have sought to champion. This appears to be especially true in cases where structural adjustment measures are being promoted. Fledgling democracies do not have an easy time supporting and adjusting to the harsh restructuring plans advocated by the Bretton Woods Institutions. As a result, there is a tendency on the part of the international financial institutions to limit rather than expand participation in the definition of specific policy reforms. Benin is one of the first examples of a disjuncture between the discourse on political liberalization and patterns of donor operation in Africa. The crisis surrounding Benin's 1994 budget has exposed a fundamental contradiction between objectives and practice that exists within and between elected African governments and donor organizations.

The Benin budget crisis of 1994

On July 28, 1994, three days before the constitutional deadline, the 64 deputies of the Republic of Benin's National Assembly voted into law the 1994 national budget. This legislative action demonstrates the progress that Benin, a nation in the vanguard of African political liberalization, has made toward the consolidation of a democratic government. By introducing several line-item modifications to the budget it ratified, however, the National Assembly launched a political crisis that has serious and far-reaching implications.

Instead of confirming the representative system and the constitutionally-determined separation of executive and legislative branches, this particular budget vote unleashed a series of events that seriously challenged Benin's young democracy.

In the early morning hours of August 2, following the legislative vote, Benin's president, Nicéphore Soglo, invoked emergency powers to nullify the National Assembly's budget. He declared the National Assembly modifications irresponsible and ordered that the original executive branch-proposed budget be implemented by ordinance. The National Assembly countered by convening an extraordinary session that same afternoon. The deputies overwhelmingly voted that the president's actions were unconstitutional and ordered the whole affair sent to the Constitutional Court for a ruling. The Constitutional Court deliberated the case for approximately three weeks and on August 25 announced that the President's invocation of emergency powers and promulgation of the budget by decree was unconstitutional.

Following the court ruling, the president and National Assembly leaders agreed to establish an ad hoc committee to negotiate a compromise on the 1994 budget. This group failed to reach a consensus, and on September 16 President Soglo reinstated his emergency powers and reissued the executive branch budget. These actions prompted a repeat of legal actions against the president by the National Assembly in the Constitutional Court, as well as a suit by the president charging that the National Assembly had overstepped its authority. On October 4 the court ruled again, this time in favor of the president, declaring that the budget modifications introduced by the Assembly exceeded the legislature's regulatory powers. A constitutional ruling on the president's emergency decrees of September 16 is still pending, as are the long-term consequences for Beninese politics and political structures.

A brief history of recent economic and political events in Benin

Benin's transformation from a military-led, highly centralized bureaucracy near total economic collapse to one of Africa's most open and democratic governments was viewed in the early 1990s as one of the bigger success stories on the continent. The corrupt, Marxist-oriented regime, led by President Mathieu Kérékou, which had ruled Benin following a military coup in 1972, increasingly found itself backed into a financial corner during the 1980s. In retrospect, the downfall of the Kérékou regime was virtually assured after the disintegration of the banking system caused the government to freeze personal bank accounts, and when it failed to meet civil service payrolls and student scholarship commitments at the end of 1988.

Government workers, students, and teachers engaged in a continual series of strikes through most of 1989 in response to the government's failure to provide a regular paycheck. Discontent within the army and other elements on whom the government traditionally counted to repress popular uprisings hindered its ability to quell the widespread dissent.

In January 1989 the Beninese government opened negotiations with the World Bank and the International Monetary Fund to discuss mechanisms for restructuring the country's financial and economic systems. Within a few months both sides had agreed to the contents of the first structural adjustment program. By this time, however, the political discontent had surpassed the simple economic concerns and more than the promise of a paycheck was needed to bring the striking teachers, students, and government workers back into line.

Nationwide strikes on December 11, 1989, brought the country to a grinding halt. Shortly thereafter, President Kérékou officially renounced socialism, legalized political parties, and authorized the organization of a national conference (*Conférence des forces vives de la nation*) to discuss the social, economic, and political situation. In retrospect, it appears that Kérékou had originally intended the 488 members of the national conference to serve as an advisory board in the hope that the conference would co-opt the political opposition (Nzouankeu 1993, Allen 1992). Whatever the case, the administration was seemingly unprepared for the fact that it would be removed from power in a matter of months.

The national conference, the first example of this soon-to-be-common event in francophone Africa, lasted nine days, from February 19-28, 1990. During the course of the meeting, the delegates declared the conference an autonomous entity capable of making binding national decisions. By the end, the decisions taken included the dismissal of the government (Kérékou was allowed to remain in a weakened presidency until elections), the creation of an interim council to write a constitution and schedule national elections, and the establishment of separate commissions (*Etats Genereaux*) to pursue priority issues of national interest (education, territorial administration, etc.).

Benin's transition from military dictatorship to constitutional democracy proceeded quickly and without backtracking. A series of elections, including municipal government elections, a referendum on the constitution, the National Assembly representative vote, and the presidential primary and general elections, followed Benin's national conference in 1990 and early 1991. Political parties flourished, with a total of 12 gaining some degree of representation among delegates to the National Assembly. Soglo won the presidential election by dominating the more populous southern and central departments. Politics emerged as the new national passion.

Participation, democracy, structural adjustment, and donors

The national conference and *Etats Genereaux* were highly participatory events. Representatives from across the spectrum, ranging from ex-presidents to rural farmers, contributed to the determination of a new, democratic vision for the country and the establishment of national development priorities. The process generated great interest in the political system and in the possibilities for public participation in policy formulation. The decisions reached by the conference remain Benin's "national consciousness," continuing to guide the government and public alike on all major social, economic, and political issues.

Benin's national conference and the events it triggered through 1990 and 1991 also brought a breath of fresh air to the implementation of the first structural adjustment program. The details of this program were widely disseminated and reviewed at the conference and in the media. The result of this policy review was a general consensus that structural adjustment was a national priority. The international financial organizations and their programmatic orientation were thus validated by the Beninese public.

As the furor of the transition settled down after 1991, however, so did the level and degree of public participation in government and donor policy formation. The new government has not sought to broaden consultations, and there have been few opportunities for diverse views to be presented. Various segments of Beninese society have become bitter about what they see as abandonment by a government that they put into office. One union leader said in July 1994, "There have been countless promises made to the people of Benin since the start of the national conference that have not been kept. . . . Everyone complains, but the government has become immune to the complaints."

One reason for the government's lack of responsiveness to the public is the political quarreling between Beninese leaders in the administration and the National Assembly. A majority in the National Assembly has been in open political opposition to the president since a Soglo-led working coalition of parties collapsed in late 1993. With the 1994 budget vote, the National Assembly's hostility toward the president and his administration reached the flash point, and donor-imposed structural adjustment conditions served as fuel for the fire.

The 162 billion CFA budget presented by the Ministry of Finance to the National Assembly for ratification included specific line-item increases that the government had negotiated with the IMF earlier in the year. The increases—a 10 percent salary raise for civil servants, a 15 percent increase for student allowances, and 15 percent more for retirement pensions—were deemed necessary following the 50 percent CFA devaluation in January 1994. The administration claimed it had fought hard with the donors to achieve these increases, which served to raise the overall national budget by 2.1 billion CFA (approximately 1.25 percent of the total budget).

In its report presented prior to the vote, the Finance Commission of the National Assembly proposed to raise the budget by another 2.254 billion CFA (approximately $4 million in July 1994), augmenting the increase for salaries to 15 percent and for scholarships and pensions to 25 percent. Despite a warning from

President Soglo that any changes to the administration's budget would result in the loss of donor assistance, a majority of the National Assembly deputies agreed to accept the changes proposed by the Finance Commission and voted the amended 1994 budget into law. This act ignited the constitutional crisis described briefly above.

It is difficult to decipher the motivations behind the National Assembly's actions. There is obviously some truth to the deputies' claims that they were merely trying to be responsive to their constituents, but there are other factors involved, as well. One important consideration was the belief among the deputies that the executive branch was not demonstrating a respect for the legislature and a willingness to work in the context of a multi-branch, democratic system. Negotiations between the IMF and the Ministry of Finance over salary and pension increases following the CFA devaluation were a case in point. The National Assembly was not included in these negotiations, even though Benin's constitution clearly states that the National Assembly is to be informed and consulted before agreements are signed. The National Assembly members used the 1994 budget vote to make their point that decisions about structural adjustment conditions should not be made behind closed doors.

The National Assembly ultimately lost its court case on the grounds that the specific modifications introduced to the budget exceeded the legislators' regulatory powers. But the court also rejected the president's claim that the Assembly's actions violated the international agreements of the structural adjustment program. In this regard, the National Assembly upheld its right to substantial involvement in any agreements reached between donors and the government of Benin. If nothing else, the events of the past few months have been an object lesson for all of Benin's political leaders in learning that democratic processes require substantial participation and respect for constitutionally established institutions.

Implications of the Benin budget crisis for donors

It is not yet clear what the Bretton Woods Institutions, which have been relatively silent throughout this incident, have learned from the turmoil surrounding Benin's 1994 budget. It is obvious, however, that what occurred in Benin this past summer is likely to be repeated as more and more democratically elected African governments grapple with policy reform issues. Donors must recognize the frustrations that prompted Benin's National Assembly deputies to reject conditions that were determined without their participation. A great deal of thought and work is needed to develop more participatory methods that can be employed when negotiating sensitive policies with large groups of diversely opinionated people. One possible model can be seen in the experiences of Benin's USAID-sponsored primary education reform program.

In brief, the Children's Learning and Equity Foundations (CLEF) program provides budgetary support to the Beninese government, with one of several conditions being that the amount of non-salaried investments in the primary education sector annually should increase relative to salary expenditures. In fiscal year 1992, the budget approved by the National Assembly fell below the specified ratio of increase and USAID's tranche disbursement was delayed. To avoid this problem in the future, USAID Mission and the CLEF project staff engaged in a pro-active campaign to broaden support for the education reform measures within the ministry and the National Assembly. The USAID representative presented the education program and overall USAID/Benin strategy to the Education and Social Committee of the National Assembly. The CLEF project staff then worked closely with the education minister to prepare a multi-year budget plan that was presented to the National Assembly. This presentation, enhanced with sophisticated graphics, was very warmly received, with one deputy reportedly turning to the Minister of Plan and asking why he could not do the same with the overall budget plan. The results of this campaign are tangible. In the 1994 budget, the legislators made sure that the CLEF program conditions were met, even as they broke agreements with other donors via the larger-than-proposed civil service, scholarship, and pension increases.

The CLEF experience offers several possibilities for donors seeking to broaden participation in policy reform programs. The first is that donors must respect the constitutionally-defined institutions of the democracies in which they work. Donors should take it upon themselves to consult directly with the different governmental bodies responsible for public policy formation. Democratic institutions must be kept informed of program objectives and modifications if the programs and the institutions are to remain sustainable. Donors can also do more to encourage their host country partners in line ministries to be more transparent and pro-active in their dealings with the legislative branch of government. Benin's National Conference demonstrated that participation can lead to broad support for structural adjustment. The National Assembly confirmed its support when it approved the measures contained in the second structural adjustment program in 1992. If wider participation had been sought in the modification of reform conditions following the CFA devaluation, there is a chance that the constitutional crisis over the 1994 budget could have been avoided.

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Community-Based Natural Resources Management: Policy, Practice, and Results

By Tim Resch, USAID/AFR/SD/PSGE

Abstract

Participation of individuals and communities in management of common property resources and state "owned" parks and protected areas has been identified as a key element in the success of USAID-assisted natural resources management interventions. In southern Africa, communities in Zimbabwe, Botswana, Namibia, and Zambia are participating in resources management decisions and profiting, while increasing the environmental quality of the area. Similar experience in participation with different technical options in Uganda, Kenya, and Tanzania in East Africa is also improving local well-being and resources management. Examples from the USAID experience will illustrate the linkages between technical approaches and the policy environment, and the participation in the development process by an array of development partners.

Acknowledgments

Appreciation goes to Kate Newman, Biodiversity Support Program (BSP) and Africa program coordinator, and Dr. Bruce Byers, BSP advisor, whose writings and counsel have done much for me and USAID's Africa Bureau in the integration of our conservation and development programs. Their work has helped to shape this paper.

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The views expressed are those of the author and should not be attributed to the U.S. Agency for International Development (USAID) or the U.S. Government.

Introduction

Over the last 20 years there has been a growing realization of the importance of understanding the needs and perspectives of local people, of active communication between development partners, and a need for strengthening local institutions in order to better manage public lands. This paradigm shift is still going on, with both ends of the spectrum represented in the policy and practice of protected area management in Africa.

The classic approach has been a top down, autocratic assumption of resources by central government. The establishment of parks and protected areas has been historical, with present parks, reserves, and forests a result of previous administrative actions. Management of these areas has been along a model where protected area managers attempted to reduce or eliminate use of the area by local people. The use of the area was reserved for science, prosperity, the patrimony, or the national good. Disequilibrium has developed between protected areas—areas held in trust by national governments for the national good—and surrounding populations that have perceived few benefits and major disadvantages to the existing arrangements.

In synch with but behind the rural development experience, the protected area management sector has discovered over the last 20 years—at an accelerated rate—the importance and effectiveness of involving local people in the management of these protected areas. Increasingly, national governments, conservation organizations and donors have been supportive of greater devolution of management responsibility for local benefit. The process and experience has been similar regardless of the common or state property (wildlife, water, forest products and services, or aesthetic/religious values) under discussion.

Involving local people in the conservation of biodiversity is a complex, time-consuming task. Many donor organizations and project managers are under pressure to spend money quickly and consequently do not commit the time necessary to assess community variables, initiate community dialogue, and encourage community involvement in every phase of a project. The need for patience may also conflict with feelings of urgency about the need to change or stop destructive patterns of degradation (Wells and Brandon 1992). In order to facilitate community participation at all these stages, existing community institutions must be strengthened or new ones established where necessary.

Experimentation with new, more participatory models for conserving biodiversity is especially important in light of the need to conserve biodiversity throughout the African landscape. With Africa's new wave of democratic reforms on local and national levels, now more than ever it may be possible to build institutions and devise policies that will enable the participation of people at all levels to engage in sustainable natural resource management and biodiversity conservation.

Conservation in the USAID context

The USAID is the primary and most substantial source of U.S. bilateral assistance to developing countries in Africa. USAID's goal is to provide nations, communities, and individuals with opportunities for sustainable development.

Sustainable development is a dynamic process, not a fixed objective. It requires building lasting individual, institutional, and societal capacity to respond to changing circumstances, new needs, and evolving opportunities. Countries where sustainable development is occurring are those where there are both the human resources and the institutions to effectively manage social change, including disasters and emergencies. To be sustainable, development must be increasingly reliant on indigenous human, institutional, and financial resources and capabilities.

Measurable indicators that suggest a lasting indigenous capacity to manage social change effectively and sustain development progress include:

- population growth that is consistent with the economic and ecological carrying capacity of countries and regions;
- *responsible stewardship* of the natural resources base;
- *broad-based participation* in political and economic life;
- *rising living standards and reduced food insecurity and poverty* for both current and future generations; and
- effective local *capacity to prepare for and respond to natural and man-made disasters* (USAID 1994).

The USAID administrator's "Statement of Principles on Participatory Development" (November 1993), emphasizes USAID's renewed commitment to building opportunities for participation into development processes at all levels. Widely circulated within the Agency, the focus on participation has had an impact on how we now do our business. We believe:

> First, broad access by people to their country's economy and participation in their country's decision-making process are the results we seek to support; they are fundamental to sustained development; and
>
> Second, our support is more likely to lead to these results if the development programs are relevant to people's needs, and for this there needs to be broad participation by people in defining development priorities and approaches. (USAID 1993)

The Africa Bureau's 1992 *Environment Strategy for Africa* targets the special and urgent needs of the region: widespread poverty, extensive environmental degradation, drought, loss of biodiversity, and inadequate food production. The strategy focuses on two of the five problem areas identified by USAID's general environment strategy: unsustainable agricultural practices, and loss of tropical forests and other critical habitats for biodiversity. The Bureau's technical priorities are to prevent vegetation loss and degradation, soil erosion, and declines in soil and biodiversity, and to promote integrated pest management. (USAID 1992)

For USAID's Africa Bureau, eight important principles are helpful in setting priorities and implementing biodiversity conservation initiatives in Africa (Biodiversity Support Program, 1993):

> *Valuable ecosystems are found in all African countries.* These ecosystems are valuable not only in local or national terms, but also in global terms. A framework for the conservation of biodiversity must take into account the multiplicity of ecosystems that exist in sub-Saharan Africa. Different approaches are necessary in different situations.
>
> *Local traditions, knowledge systems, institutions, and environmental conditions are important factors in biodiversity conservation.* The task of modifying or limiting activities destructive of biodiversity is simplified if efforts are made to reinforce, encourage, and further develop local practices or traditions that are already consistent with biodiversity conservation.
>
> *All biological resource users should be treated equitably.* Subgroups within a community, or different communities, often have different perspectives on the use and conservation of the same set of biological resources. Women and the poor, in particular, have often been ignored or disadvantaged by development activities, to the detriment of biodiversity conservation.
>
> *Broadly-based participation is essential.* Local people must be involved at every step from planning, to implementation, to evaluation and redesign. Initially, governments and other funding agencies may need to suggest new integrated projects. In time, local communities and the private sector are likely to want to initiate similar projects but will need technical and financial assistance to do so. Projects should be carried out with local communities, rather than for them.
>
> *Biodiversity conservation must be understood in terms of the whole system.* Even small decisions should be made with regard to the broader (national or ecosystem) perspective. The utilitarian focus on preserving endemism and genetic resources needs to be modified, with increasing emphasis placed on conserving ecological systems as a whole.
>
> *It is important to accept that people will continue using resources.* The type and intensity of resources used is important. Many conventional conservation efforts have advocated protection without human use; conversely, modern agricultural systems have emphasized production without

conservation. The move now must be toward programs and projects that meet human needs in ways less destructive to the environment. Production systems that are sensitive to biodiversity are more likely to be sustainable in the long-term.

A range of biodiversity conservation systems should be supported and replicated wherever possible. Every African country has its own set of biodiversity resources. The full range of biomes in a country must be considered, and within each biome there may be several major types of ecosystems. Innovative new complexes of production activities should aim at protecting representatives of each ecosystem type. Replication is necessary, because of the unpredictable resource losses from natural disaster, wars and civil strife.

Appropriate incentives are needed to encourage all participants to become involved with conservation. Direct economic incentives include provision of tax breaks for communities or businesses involved in biodiversity conservation. Secure land and resource tenure can stimulate investment (of both human energy and financial resources) in conservation of natural resources. Government officials should have incentives for effective work in rural areas. A local community voice in biological resources governance can be an incentive to sustainable management. Also, disincentives should be applied to actions destructive of biodiversity.

What is participation?

Throughout the last two decades, the development community has moved away from "top-down" approaches toward more participatory, "bottom-up" approaches. In general, there has been a growing recognition that local cooperation, participation, and management are crucial to achieving both short- and long-term objectives. Similarly, the conservation community is beginning to appreciate the necessity of incorporating local participation in biodiversity conservation efforts. Conservationists are now looking to the development experience for useful lessons in how to bring local people into the conservation process in Africa.

It appears that the future viability of protected areas in Africa hinges on the cooperation and support of local people. The history of exclusion and the disenfranchisement of large population segments has led to a situation where local people often view conservation as antithetical to development. Efforts to involve local people in the conservation of biodiversity in Africa will not succeed in the long-term unless local people perceive those efforts as serving their economic and cultural interests (Brown and Wyckoff-Baird 1992). It follows, therefore, that in order for communities to be effectively involved, they also must have a degree of control over the resources to be conserved.

Participation does not stop with assessment and design. Participation should also be a central feature of implementation, monitoring, and evaluation. At the stage of implementation, the roles and responsibilities of each of the partners must be clearly articulated and understood. Participatory implementation can range from the community providing labor, materials, or cash to joint project management, community control, or decision-making. Determining the degree of community participation will determine what mechanisms must be put into place for effective project implementation.

Participatory monitoring is the systematic recording and periodic analysis of information. It provides an ongoing picture of the project's progress that is visible to both community members and project staff. It enables problems to be identified and solutions to be sought early. It also helps ensure that project and community resources are used effectively. Participatory evaluation carried out by a team of community representatives, local technical experts, and outside facilitators also enables a periodic assessment of how project objectives are being accomplished.

To facilitate community participation at all these stages, existing community institutions frequently must be strengthened or new ones established where necessary. Local institutions can act as a focus of participants among local people and as a link between local people and external organizations, whether governmental or non-governmental. (Wells and Brandon 1992)

The literature shows a wide range in the definition of participation (BSP 1993, Kiss 1990) so that practitioners should be cautious in defining their use of terms. The following typology offers definitions of points along the continuum. Most of USAID's past experience has been at the top of the table, but we have an institutional commitment to move down the continuum.

A typology of participation

Typology	Components of each type
Passive participation	People participate by being told what is going to happen or has already happened. It is a unilateral announcement by an administration or project management without listening to people's responses. The information being shared belongs only to external professionals.
Participation in information giving	People participate by giving answers to questions posed by extractive researchers and project managers using questionnaire surveys or similar approaches. People do not have the opportunity to influence proceedings, as the findings of the research or project design are neither shared nor checked for accuracy.
Participation by consultation	People participate by being consulted, and external agents listen to views. These external agents define both problems and solutions, and may modify these in the light of people's responses. Such a consultative process does not concede any share in decision-making and professionals are under no obligation to take on board people's views.
Participation for material incentives	People participate by providing resources such as labor in return for food, cash, or other material incentives. Much *in situ* research falls in this category, as rural people provide the fields but are not involved in the experimentation or the process of learning. It is very common for this to be called participation, yet people have no stake in prolonging activities when the incentives end.
Functional participation	People participate by forming groups to meet predetermined objectives related to the project, which can involve the development or promotion of externally-initiated social organization. Such involvement does not tend to be at early stages of project cycles or planning, but rather after major decisions have been made. These institutions tend to be dependent on external structures, but may become independent in time.
Interactive participation	People participate in joint analysis that leads to action plans and the formation of new local groups or the strengthening of existing ones. It tends to involve interdisciplinary methods that seek multiple perspectives and make use of systematic and structured learning processes. These groups take control over local decisions, so that people have a stake in maintaining structures or practices.
Self-mobilization/active	People participate by taking initiatives independent of external institutions to change systems. Such self-initiated mobilization and collective action may or may not challenge existing distributions of wealth and power.

Source: Pimbert and Pretty, 1994. (IIED 1994)

USAID's experience

Since 1992, events remind one of the Oriental curse "may you live in interesting times." Elections in the United States and Africa have changed the playing field and the rules. Within USAID, we have had the opportunity to shape our own destiny. Change from the status quo does not come easy, but we have changed. In the design of recent conservation initiatives in the Africa Bureau, we have made earnest efforts to involve development partners through consultations and meetings, and in the design of project and program mechanisms that are flexible frameworks in which to consider proposals. At the country level in Africa, we are even attempting to solicit and involve the governmental and non-governmental sectors more fully, even in the conceptualization of our broad strategic plans.

Natural resources management in southern Africa

Helping local communities gain an interest in protecting natural resources by sharing in the benefits of protected areas is the aim of the $46.5 million, seven-year (FY 1989–95) Southern Africa Regional Natural Resources Management Project (NRMP). The project operates at local, national, and regional levels. In each country, different models have been developed, adapting common themes to regional variations. Overall, the program provides opportunities for communities to take charge of the management of wildlife populations and compensates local communities for damage to crops caused by wildlife and foregone subsistence opportunities, such as hunting and grazing in the parks.

Activities are under way in Botswana, Namibia, Malawi, Zambia, and Zimbabwe. In the border regions shared by Botswana and Zimbabwe, conserving and protecting elephants is a major objective of project activities.

The nine-year (FY 1988–96), $7 million component in Botswana promotes community-based wildlife utilization through tourism, hunting, research, environmental education, processing, and marketing of animal products, and use of grassland and forest products. In 1992 a series of conservation workshops began for teachers, as did the production of radio broadcasts to support the themes of Botswana's National Conservation Strategy. The Botswana component has also promoted policy reform, resulting in two critical laws related to natural resources: a tourism act and a wildlife conservation and natural parks act. USAID recently authorized an additional $5.9 million in financial assistance for a field-based, community-focused extension service and to help strengthen the country's Department of Wildlife and Natural Parks.

In Zambia community-based efforts are also under way in a six-year (FY 1990–95), $3 million component. In Namibia the USAID mission has been instrumental in promoting national legislation to enable rural communities to retain the benefits of natural resources management initiatives. Community-based initiatives are one thrust of the five-year, $11 million Living in a Fragile Environment (LIFE) Project that was recently authorized. In Malawi baseline studies of wildlife and socioeconomic surveys on the residents and institutions in the project area are under way. The $1.5 million regional cooperation and analysis component based in Malawi also facilitates and coordinates efforts in Botswana, Namibia, Zambia, and Zimbabwe.

CAMPFIRE in Zimbabwe

The five-year (FY 1989–94), $8 million Zimbabwe component is working to establish a management system in which rural communities and wildlife can coexist. The project provides local communities with revenue from hunting safaris, jobs through an anti-poaching program, and compensation for crops damaged by wildlife. Cottage industries using natural resources, such as beekeeping and handicrafts, are also being promoted. Local awareness of the need for resources management and conservation at the community level is increasing, according to a 1992 assessment of the USAID program.

The authority for districts to manage their own wildlife, the key to CAMPFIRE, or the Communal Areas Management Programme For Indigenous Resources, was granted by the national government first to the Guruve and Nyaminyami districts. (The political hierarchy in Zimbabwe is: national, district, ward, and village.) Now such authority has been given to 20 other districts. The CAMPFIRE Collaborative Group includes:

- *Governmental Actors*: the Department of National Parks and Wildlife Management (DNPWM), and Ministry of Local Government; District Councils that have been granted appropriate authority over wildlife; Ward Wildlife Committees; and villages such as Masoka (see Box on page 36)

- *Zimbabwe Trust*: a rural development NGO that focuses on community institutional development and capacity building

- *World Wide Fund for Nature (WWF)*: provides support by giving technical advice on ecological and economic matters, and assisting with ecological inventories and monitoring

- *Centre for Applied Social Sciences (CASS)*: provides analysis and applied research that is used in designing, guiding, monitoring, and evaluating selected activities and cases

- *Natural Resources Management Project (NRMP)*: a USAID-funded project that supports activities in some districts in Matabeleland

CAMPFIRE is a multifaceted program, with many social dimensions such as democratization, capacity-building, and development. There is now a recognized need to devolve authority, but there is also a need for capacity at the local level. The stewardship necessary to sustain wildlife in the long term requires technical skills and training that CAMPFIRE villagers often don't have.

A 20-page booklet produced jointly by Action Magazine and the Zimbabwe Trust is one example of basic educational materials for the CAMPFIRE Program. Through cartoon-like illustrations, with minimal accompanying text (in English), the booklet explains the basic principles of CAMPFIRE: the importance and value of the indigenous resources of communal areas, the change in government policy that gave district councils the authority to manage indigenous resources, and some options for deriving economic benefits from wildlife.

CAMPFIRE's half-full and filling cup

There are tensions within the Zimbabwean government regarding CAMPFIRE. The DNPWM, which manages the CAMPFIRE Program, is part of the Ministry of Environment and Tourism. The Ministry of Local Government is "very suspicious of CAMPFIRE," said one interviewee. "They have a very old, paternalistic approach." Another person said that even within the DNPWM there was "no consensus on CAMPFIRE."

Campfire has been successful in several areas, most notably in:

- re-awakening appreciation of the value of wildlife in local peoples
- eliminating or drastically reducing poaching
- reducing complaints about problem animals
- supporting the emergence of local environmental structures
- improving environmental conservation practices
- using wildlife revenues for food security
- initiating local land use planning
- increasing household revenues
- funding schools and clinics
- funding grinding mills and other community infrastructure

National policy changes may not be enough to produce local empowerment. "District officials should be mediators between the national and local level," said one interviewee. "In fact, they become very powerful brokers, they intercept policy, and divert resources for their benefit, not necessarily for local people." In some cases, the councils have been unwilling to devolve real responsibility and authority to lower levels and to pass on to local communities the full amounts of revenue generated from wildlife management. (IIED 1994)

CAMPFIRE in Masoka Village

Masoka is a small village in Kanyurira Ward, in the Guruve District of the Zambezi River Valley in northern Zimbabwe. It was one of the first places CAMPFIRE began to work, and it is an example of how the program works well at the village level.

Masoka lies in an area of about 400 square kilometers of wildlife-filled bush, only 20 square kilometers of which are farmed and inhabited. The low human population and large wildlife area is one key to the success of CAMPFIRE in Masoka. Only 120 families live in the village. Masoka's small size and homogeneity is another successful factor. However, the number of households has roughly doubled since CAMPFIRE began. The community has recently instituted its own policy on immigration.

About $4,000 is earned annually per household from the CAMPFIRE-organized safari hunting concession in Masoka. Before CAMPFIRE the annual household income was perhaps $200 annually, according to a socioeconomic baseline survey in the village.

Wildlife damage to crops is one of the main problems for villagers participating in CAMPFIRE, according to staff of the Zimbabwe Trust. An electric fence donated by WWF has proved successful. The fence minimizes animal raiding of crops. Said one participant: "On the road to Kariba, you see so much elephant dung on those dusty roads [also in Masoka], and small farmers trying to protect their crops with strings."

At the cash distribution ceremony in Masoka, a skit written and performed by local primary school children portrayed CAMPFIRE's history in the village and the change in villagers' views toward wildlife. The skit was informative and funny, and seemed to be an effective educational medium and message for promoting CAMPFIRE to rural residents.

Park planning in Tanzania

Promising initiatives by the Tanzanian National Parks Department and the Ngorongoro Conservation Area Authority for increasing local community participation in natural resources planning and management.

Kilimanjaro National Park

The planning unit of the Tanzanian National Parks Department (TANAPA) has been using the "nominal group process" in its long-term management planning. This is a structured process that allows a diverse group of people to identify and prioritize objectives and goals through careful communication and consensus building. It involves breaking a large, diverse group into smaller "nominal" groups, not on the basis of common views, but more or less arbitrarily. This process has been used extensively by the U.S. National Park Service (Young and Young 1993). TANAPA staff have been trained in the use of the process, and it was used to produce a long-term management plan for Kilimanjaro National Park.

The plan was produced by a team of 18 people, mostly TANAPA staff with some outside consultants; local communities were not involved in producing this plan. It is hoped that funding can be obtained to hire a technical advisor who can lead the implementation of the plan that is so far only on paper. Communities around Kilimanjaro National Park never saw the plan until it was finalized. A recent evaluation of a park planning project in Tanzania recommended that in the future, a not-yet-final draft plan in the national language of KiSwahili, be released for public comment before it is finalized in order to allow community input.

Lake Manyara National Park

TANAPA's planning unit began work on a management plan for Lake Manyara National Park, but the effort was curtailed by pressing demands to deal with issues in Tarangire National Park. The Manyara planning process started with a very active community outreach effort in which the planning unit cooperated with the Community Conservation Project. After a survey of local opinions and needs—analyzed with the help of the African Wildlife Foundation's (AWF) Nairobi office—several meetings or "workshops" were held with communities on the borders of Lake Manyara National Park. These were designed to provide input to the "pre-proposal workshop" of the technical planning team. A "nominal group process" was used at these community meetings to identify and prioritize problems and issues. Several TANAPA community extension staff members were involved in these community meetings, and they condensed the recommendations from the flip-chart record of the meetings into a presentation to the technical team.

Lake Manyara National Park faces threats from population and land pressures, irrigated farming, and reduced river flow to the park. TANAPA decided that a long-range, comprehensive, general management plan was needed to combat these threats. In order to develop the plan, TANAPA's planning unit and its Community Conservation Project (CCP) launched a participatory planning process that encouraged the input of local communities.

As a first step, a CCP warden was assigned to initiate contacts and establish dialogue with district leaders. The TANAPA Knowledge, Attitudes, and Practices Survey was then used to survey local people on questions about the park, park staff, wildlife, natural resources, hunting, tourism, community development, and other issues. Workshops with community leaders were then held in order to "ground truth" the information collected in the survey and to establish constructive dialogue with community leadership. Those participating included village officers, traditional leaders, women, merchants and businessmen, fishermen, and Maasai pastoralists. Participants generated lists of problems and issues, discussed and prioritized them, and proposed solutions to the most pressing problems. The results of the survey and workshops were then summarized by TANAPA's planning unit, and a management plan is being drafted.

An AWF-sponsored service, the staff at CCP continue to participate in the planning unit's core workshops. Proposals from the draft management plan are taken back to the original workshop groups for reactions and comments from local leaders. The resulting management plan is expected to more effectively meet the needs of local communities, because villagers' views were solicited and incorporated throughout the planning process.

Several practitioners in Tanzania are using community meetings as a method of assessing local community needs. CCP meetings with community leaders are used extensively in community extension work. According to Patrick Bergin, the director of the project, a basic level of trust is necessary before community meetings can be held. For example, no community meetings have been held with the WaMeru people living around Arusha National Park because they are openly hostile toward TANAPA. It was determined that group meetings would further fuel such hostility.

After meeting with village leaders, CCP's next step is to hold larger community meetings. Bergin tries to get away from the "traditional" meeting format of straight lines of chairs and tables for notables, by mixing up the seating in the classroom and keeping one person from monopolizing the conversation. In addition, whenever anyone offers an idea, it gets written down. Bergin notes that junior people are for the first time speaking up in meetings in the presence of senior officials.

Mr. Chengulla, the CCP warden at Tarangire National Park, uses another method to identify local issues and problems. He contacts village chiefs and arranges to be invited to village meetings, especially if issues to be discussed relate to wildlife. This is an alternative to having CCP call the meeting with village leaders, and may have some advantages in terms of "ownership" of the process.

The Ngorongoro Conservation Area Authority

The community development department of the Ngorongoro Conservation Area Authority (NCAA) includes an extension section headed by Mr. Lazaro ole Mariki. Mariki is Maasai, and the communities he works with are also Maasai. Mariki's job is to help local communities understand the work of the NCAA and to help the NCAA better understand the local communities. He does not engage in formal research, but gets a sense of local concerns through repeated visits and revisits.

Mariki says his most important research tool is participant observation. On his visits to local communities, he eats and sleeps in the villages and engages in whatever manual labor needs to be done. At times, Mariki accompanies the Maasai herders as they drive their cattle into the crater for salt and water, walking up and down along the paths with them. The Maasai tend to trust Mariki since he shares their culture and language.

Through direct interaction with communities, Mariki feels he can act as an effective liaison between the NCAA and the people. His goal is to lessen the long-standing tensions between the local Maasai and the NCAA. He started working in the NCAA to "be with the people." Then as local people expressed more and more interest and trust in him, the senior staff saw the opportunity to strengthen the relationship between the communities and the NCAA, and decided to move Mariki into running the extension services.

Involving women in community meetings is a particular challenge for field practitioners. Mariki notes that even if the women show up at the large public meetings, most often they do not speak. Miriam O-Zacharia of the Wildlife Department of Tanzania acknowledged that ordinarily women either do not attend the meetings, or if they do attend, they sit silently.

At one meeting in the Selous area, an unusually outspoken woman stood up to point out that if women did speak frankly at these sessions, they would be chastised at home by the men. Even having separate meetings with women does not necessarily solve all these problems, since men still interrogate women about what they said in private. Since women might still fear that their answers will somehow get back to their husbands, there remains the potential for false information. (Byers 1994a)

Community conservation in Tsavo West National Park, Kenya

Based on the principle that local communities should be involved in and benefit from the conservation of protected areas, AWF has developed "Protected Areas: Neighbors as Partners," a program that helped initiate the Tsavo West National Park Community Conservation Project (TCCP) in 1988. Funded by USAID, TCCP addresses conflicts between government authorities and local communities.

Livestock incursions have been a problem in Tsavo West since at least 1979. Park authorities have tried to keep livestock out of the park by arresting and fining local herders. These enforcement efforts, however, have failed to stop grazing in the park.

Under the TCCP, AWF has attempted to solve the grazing problem in Tsavo West through dialogue, rather than fines and detention. AWF brought together the local people, park authorities, and district officials and helped break down the barriers of misunderstanding between them. Based on this dialogue, which included discussions of alternative grazing schemes and development of income-generating activities, the local communities agreed to remove their cattle from the park in 1990.

Because of AWF's experience in Tsavo West, the Kenya Wildlife Service (KWS) formed a joint AWF/KWS team to design an overall community conservation program for KWS. Based on the team's recommendations, KWS decided to establish a formal Community Wildlife Service (CWS) unit within KWS. Under its

Conservation of Biodiverse Resource Areas Project, USAID will assist KWS to develop a functioning CWS unit and help KWS implement its new community conservation approach to wildlife management in order to demonstrate people's financial and social interest in protecting wildlife resources.

While the establishment of a CWS is a noteworthy achievement, community conservation is still a relatively new approach in Kenya. CWS comprises only a small fraction of KWS's overall program, and it will take a significant amount of time and effort to change the way that park personnel view local people and to institute constructive rather than confrontational approaches for addressing conflicts between people and wildlife.

In Tsavo West, despite initial successes, livestock have returned to grazing in the park. Because of drought conditions in 1991, KWS gave the local population permission for limited grazing in the park. However, when this permission expired, the livestock remained in the park. Only recently have the communities begun to remove the cattle again.

The Tsavo Community Conservation Project illustrates both the potential and the complexities of attempting to break down the existing barriers between local people and government authorities. For community conservation efforts to be successful, government authorities must be convinced that local people can sustain resources, and local people need to be assured that governments will protect their rights and interests. Initial progress at Tsavo suggests the need for further study and support of community conservation efforts. (BSP 1993)

Conserving soil and water in Mali

The Menaka district of northeastern Mali is a harsh environment. Decreasing rainfall over the past 20 years, major droughts in 1973 and 1988, and habitual misuse of natural resources severely degraded the environment and led to a collapse of the traditional pastoral economy. Because farmers and herders have stripped the soils of their vegetative cover, scarce rainfall runs off rather than being absorbed by the soil.

With a USAID grant, World Vision, a U.S.-based private voluntary organization, launched a project in Menaka in 1986 to recharge the water table and restore the land's productivity. Menaka's Intadeny Valley was typical of many watersheds in Mali, with dying forests, gullies, and bare, windswept soils. The project's first phase was the construction of a series of contour earth dikes on a 40-hectare sloping plain south of the village. World Vision worked closely with several literate members of the community, providing training in using a simple leveling device and laying out contours. All construction was performed by community members using hand labor.

The first rains arrived in mid-July, one month after the work began, and breached the dikes. The workers then doubled the number of spillways and built a protective cutoff dike. The last rain of the season also breached the contour dikes, but by this time the system had contained several runoff episodes, and the soil was well-watered. Sorghum planted in mid-August on a two-hectare plot grew well on the residual moisture and yielded about 250 kilograms per hectare in December, a significant improvement for these fields.

Enthusiastic about their experience, in 1987 the people of Intadeny built a small dam in the valley that runs past the village. At the end of the rainy season the water level in the village's wells was two meters higher than in the preceding year. Success at Intadeny multiplied. In one year, the project protected more than 400 hectares with dikes and small dams. At one site, sorghum yield jumped to 1.7 tons per hectare.

In 1994, this effort to introduce sustainability is flourishing over a wide area. World Vision staff attribute the project's success to the efforts to promote local leadership, raise awareness in creative ways, and emphasize short-term benefits. The technical team from Intadeny has now been formally organized as a Malian nongovernmental organization and is performing contract work for other donors.

The project demonstrates the importance of cooperation between outside technical experts and local farmers in developing workable local variations of technologies. The project also demonstrates the need for a significant time commitment to a project to manage inevitable complications and that innovations can be adopted rapidly when local people can clearly see their benefits. (USAID 1992)

A future for participation in Africa

"Top-down" models for development and conservation have not achieved their expected results. The "bottom-up" approach, and the range of possibilities between top-down and bottom-up, are now being tried. Experimentation with new, more participatory models for conserving biodiversity are especially important in light of the need to conserve biodiversity throughout the African landscape.

It should be remembered, however, that many of the new, more participatory approaches to conservation have only been in effect for a short time. Immediate results cannot be expected. The conservation community must be willing to wait and watch, monitoring the progress of these initiatives carefully, to learn from the successes and failures of the process and incorporate these lessons in their work.

Africa is experiencing a new wave of democratic reforms at local and national levels. Despotic governments are falling, and geopolitically motivated international support for oppressive regimes is in decline. In this context, it is now more possible than ever to build institutions and devise policies that will enable the participation of people at all levels to engage in sustainable natural resource management and biodiversity conservation. (BSP 1993)

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Aspects of Participation in Economic Policy Reform—The Malawi Case Study: An Analysis of Participation in the Agriculture Sector

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Abstract

Throughout most of the 1980s, Malawi was regarded as a development success story—one of the few African countries that had pursued sound macroeconomic policies and experienced steady economic growth. However, it became increasingly apparent at the end of the decade that the government's development path had produced a highly dualistic agriculture sector with very skewed income benefits, and the highly touted national food security picture masked serious household-level food security problems. The lack of political empowerment served to reinforce limited economic participation.

In an attempt to reverse the food security problems and economic disparities, the World Bank and USAID proposed agricultural sector adjustment programs. Given the entrenched political and economic interests at stake, these programs were not highly participatory in their design, nor was there initially a strong sense of ownership. However, in the course of program implementation, participation has expanded. On a parallel track, as new economic opportunities were accorded the disenfranchised, the political system has opened dramatically, permitting the average Malawian to express his or her needs and desires. There is some degree of synergy between the political and economic empowerment that has developed in Malawi in the past couple years. USAID's Agricultural Sector Assistance Program (ASAP) has simultaneously facilitated economic reforms and political empowerment. This program may serve as a model for expanding African participation and ownership and help deepen our understanding of participation in the policy reform process.

Introduction

The last decade has witnessed an unprecedented opening up of sub-Saharan Africa, both economically and politically. Over 30 countries have undertaken economic reform programs, leading to a notable turnaround in performance for most economies. There has been increasing African ownership of structural adjustment efforts. African-led political liberalization has also swept the continent. Africans have demanded change: open political systems and accountable and transparent governments. The 19 national elections and innumerable regional and local elections held over the past three years have transformed the political landscape. These movements are fundamentally about greater participation and empowerment—Africans want a greater role in shaping their economic and political destinies.

This sea change affects how donors "do business" in Africa. Expectations have clearly changed: Africans want to be partners in development, not simply beneficiaries. The dynamics between political liberalization and economic reform may also slow or speed the rate of change and progress that can be expected.

Sustainability is enhanced with increased Malawian participation and ownership, but reform designers must be flexible and responsive to the desires expressed. This may mean changes in timing, pace, or sequencing of reforms.

This case study seeks to inform the donor community about some of the implications of this new "development environment." It examines the efforts to foster greater participation of local individuals and groups in the policy reform process, specifically in the agriculture sector. Our intention is to show how broad-based participation may be included at different stages of the economic reform process, and to assess the implications for ownership and sustainability of the reforms. The study first explores the participatory elements of the World Bank's Agriculture Sector Adjustment Credit (ASAC) since it preceded and bridged to USAID's Agriculture Sector Assistance Program. It then focuses on ASAP, with specific emphasis on the reforms embodied on the Smallholder Burley Tobacco Program.

Methodology and procedure

The basic methodological approach included review of all relevant documentation and key informant interviews with government officials, NGOs and associations, political party members, tobacco marketers, producers, etc. Information sources were identified with the assistance of USAID mission personnel in-country, appropriate backstop personnel in USAID/Washington, and U.S. consultants.

Defining participation

There is nothing more basic to the development process than participation. Broad access by people to their country's economy and inclusion in their society's decision-making processes are fundamental to sustainable development. Participation, therefore, describes both the means and the end of sustainable policy reform.

Participation can take multiple forms. Participation includes, but is not limited to, consultation and dialogue. It can be administering or responding to surveys, conducting research, engaging in public debate and attending meetings. Perhaps more important is the notion of participation as coalition or consensus building, though participation can also consist of voluntary action or even coercion. It is, by its nature, dynamic and interactive.

A participatory process results in better decision-making and the understanding of the implications of the decisions by the decision-makers and the affected. In the Malawi case, the results were decisions to liberalize a market and to give freedom to smallholder farmers to choose to produce burley tobacco.

Participation can influence policy change either positively or negatively. Positive or negative participation, we find, directly correlates with the actor's perception of his or her stake in the reform. There is a tendency to lump actors into general categories of participants such as farmers, donors and "the government." However, as we will see in the Malawi case, this cannot always be done. How a government staff member participated in directing the policy change depended on the stake he/she held in the intended reform. Also, farmers can be differentiated as "winners" and "losers" as a consequence of program reforms.

Context for the program

The Agriculture Sector and Rural Conditions

During much of the 1980s, Malawi was heralded as one of the development success stories of sub-Saharan Africa: the government had pursued sound macroeconomic policies, growth was robust by LDC standards, and Malawi had become a net exporter of maize, leading to the impression that it had achieved food security.

The aggregated data, however, masked the poverty of the vast majority of Malawi's rural population. Although there had been some early skeptics, in 1988 the success story began to unravel. In the course of developing an agricultural sector memorandum, a World Bank agricultural economist concluded that the national economic achievements were not being translated into improved incomes or household food security for the rural population; the smallholder farmer was not participating in nor benefiting from Malawi's cash crop economy. Using Government of Malawi (GOM) statistics, he articulated what many civil servants already knew, but the GOM had been unable to publicly admit: Malawi's rural population suffered from rampant malnutrition, stunted growth, and high infant mortality.

Not surprisingly, the assessment was met with considerable skepticism: it refuted the "conventional wisdom" of the donor community, countered the GOM's own declarations of improved quality of life, and brought into question the efficacy of years of smallholder projects. A review of the initial analysis by a World Bank statistician provided an even stronger case for rethinking the government's and donors' agriculture sector strategy.

The World Bank's findings were presented at the Mangochi Poverty Alleviation Workshop in 1989, attended by high level and technical staff of the Malawi Government, the donor community, and prominent members of the private sector. There was general consensus that the severity of rural poverty required action. It was concluded that a lack of a viable cash crop was keeping the rural people poor; it was proposed that burley tobacco, a crop that is labor intensive, requires limited land, and is well within the smallholder farmer's technical capabilities, could enable smallholders to participate in the cash crop economy.

By the early 1980s, burley tobacco had become the most profitable venture in Malawi, earning close to 65 percent of Malawi's foreign exchange and generating high profit margins for the elite estate producers who had privileged access. Burley production was controlled by a production quota in order to limit production and ensure high quality so as to guarantee the relative high returns. The issuance of burley licenses or quotas has been an important part of the political patronage system in Malawi. The audience at Mangochi, comprised primarily the very people who had benefited from the "closed" system. This fact, plus the controlled political climate of the time, meant that almost no one outwardly supported the World Bank's findings and proposal. The exceptions were those few Malawian academics and researchers who were intimately familiar with the consequences of poverty, as well as some members of the donor community.

The Political Environment

As has been noted, the political climate had a direct impact on the potential for this type of reform program. Consequently, it is important to review the Malawian political environment prior to the multiparty referendum in 1993.

After independence, the Malawian people had much faith in their government, and foreigners were looked upon with suspicion. Malawians trusted public officials, and those in power, to work with them and act on their behalf. However, the citizenry began to lose faith in the government as they saw that policies and programs did not always benefit the majority, and that the government was harshly intolerant of dissent. People then started looking to outsiders for help and support.

The political situation became increasingly closed, authoritarian, and repressive after independence. The initial steps were to declare the freely elected head of state "President for Life" and to mandate constitutionally the existence of a single political party. The Malawi Congress Party, which was synonymous with the GOM, became progressively more repressive and ruthless in dealing with anything that had the appearance of being subversive. Malawians were all aware of the potential cost of standing up and speaking out, or even suggesting anything that would be interpreted as a criticism of the government. The government not only dealt with the "culprit," it extended its reprisals to all members of the extended family. The punishment received typically was greater than the crime. The price was so high that it was not worth voicing one's criticism, or even "concerns" that might be interpreted as criticism, no matter how relevant they might have been. If someone did express dissent, fear was so pervasive that listeners would keep quiet, even if they inwardly agreed with the one voicing the criticism. Despite the Life President's advanced age, it was treason to contemplate what might happen if the president became sick or even died. People learned not to verbalize their thoughts in public places. There was a virtual religion of silence and non-involvement.

Malawians only spoke up in the presence of those people they trusted, in the confines of their own houses and cars. (Even expatriates were guarded about their assessments and careful about voicing any criticisms in public or over the telephone, fearing that phones were tapped). Government offices and public venues were not the place to voice any criticism about the government and those governing. Politics was discussed, but only its positive aspects. The general trend of thinking that prevailed, and was supported by this climate, was that things were much worse before independence—and much better after independence. Away from the office, some civil servants were willing to admit that things were not improving, but this was always an "unofficial" point of view. People were unwilling to criticize publicly the policies or programs of government or the political system, or to suggest any changes that would be for the better. The climate effectively stifled any kind of constructive criticism.

Individual decision-making was not encouraged or appreciated. Pre-referendum Malawi was marked by the reluctance of people, even those in positions of authority, to actually make decisions. The system worked in a climate of deference to higher authorities; it was so comprehensive that it influenced actions and interactions from the village level all the way to the top. Malawians learned to survive within the system by being quiet.

Smallholder farmers were expected to do what they were told, even if they knew in their hearts that it was not true or appropriate. They knew that acquiescence meant survival. The African proverb of Chinua Achebe explains it well: "people stand in the compound of a coward pointing to the ruins of a brave man."

Given this political climate, with its broad impact on social and economic relations, the smallholder agriculture sector reform that was so needed to improve rural income and food security and enhance equity would not, and could not, have been self-initiated. While the people were ready for change, the government was not. However, the Government of Malawi desperately needed financial aid, and this help was to come highly conditioned from those who were supporters of change—the donors.

The World Bank's program

The Design

Despite the staunch *official* GOM opposition, after the Mangochi workshop the World Bank forged ahead with the design of the ASAC program. The program was designed by World Bank staff with little consultation with government officials, other donors, or the intended beneficiaries, the smallholder farmers. (Since many smallholders were already illegally growing burley tobacco, World Bank staff concluded that this was a reform smallholders would want and, in legalizing it, more income would flow to small producers; this legitimized the intent of their reform program, in their view, even if the design was not participatory).

The principal reforms proposed by the World Bank under ASAC were: (1) that legislation prohibiting farmers on customary land from producing burley be repealed; and (2) that the GOM direct a portion of the burley tobacco production quota to areas where 75 percent of the smallholder farmers had landholdings of less than one hectare. The World Bank projected burley tobacco sales to increase from 65,000 tons in 1989 to 95,000 tons in 1993. It was proposed that the estates maintain their existing production quotas and that the additional 30,000 tons be allocated incrementally over the next five years to smallholders.

The GOM's reaction to the reform program was not uniform. The political elite was not pleased that reform of the tobacco sector was on the donors' agenda. Many of them were estate owners who expected annual increases in their own quotas. Also, they were legitimately concerned that smallholders would produce a lower quality tobacco, potentially jeopardizing Malawi's share of the world market. No doubt in an effort to undermine the reform program, immediately an additional 10,000 estates were registered and burley production quotas were issued to them. As a result, the GOM claimed there would not be enough production quota for smallholder production. Consequently the ASAC Smallholder Burley Program was reduced from the proposed massive participation to a pilot program where some 2,000 farmers were permitted to grow 3,000 tons.

On the other hand, genuine concern for smallholders and for the program was found among relatively junior Ministry of Agriculture (MOA) staff. They did not have licenses to grow tobacco but had a vested interest in seeing improvements in the lives of their "clients," as well as opportunities for their extended rural families. In fact, a technical division of the MOA proposed its own burley program. The plan would have allowed smallholders to grow for estates in a subcontracting arrangement; they could either become estate tenants, or they could produce on their own farms as "tenants." Since many smallholders were producing burley illegally and selling their crops to estates, this plan would legalize what was already occurring, and what was least likely to be rejected by the estate growers, a formidable political force. Given the political context of 1989, this was a most radical proposal for a Malawian government ministry.

The World Bank rejected the MOA proposal because it required heavy administrative costs in technical assistance, supervision, and finance. A World Bank field survey concluded that farmers preferred to grow on customary land as opposed to being tenants, and World Bank staff determined that it would be more cost efficient to empower smallholders as producers making their own decisions.

Although the actual design of ASAC was largely carried out by World Bank staff, they recognized that they had an ally in the technical staff of the MOA and slowly brought them into the design process. These mid-level career civil servants played an extremely important role in galvanizing the political support for the reform. According to a former principal secretary at the time ASAC was being proposed, donors did not have access to the top political power; they had to rely on key civil servants/technocrats to broker the details with the political elite. These technocrats easily could have sabotaged the process. However, they endorsed the findings of the World Bank study and were committed to poverty alleviation. But, given the importance of burley tobacco quota to the political elite and the autocratic political environment, they did not have enough leverage to raise the issues without the backing of the donor community.

Eventually, the political elite decided to proceed with the policy reform. However, participation in the design of the reform program and dialogue was very limited. In reality, the GOM, which was heavily dependent upon donor resources for its development budget, succumbed to donor pressure. The intended beneficiaries not only did not participate in the design of the smallholder burley program, but at the time the negotiations were completed, they were still not informed about the new reform program that was about to affect their lives.

Nonetheless, this threshold policy change not only increased the smallholder opportunity to participate in the economy, but opened the floodgates for future participation in policy dialogue and reform. And, more than one MOA official concluded in retrospect that although the donors acted coercively to initiate the reforms, ASAC and ASAP have been successful agents for rural poverty alleviation.

The 1990-1991 season: the beginning and the end

The ASAC pilot program was initiated in the 1990-1991 growing season. Smallholder farmers were allocated a national quota of 3 million kg. The program targeted a select few Agricultural Development Divisions (ADDs). The Blantyre ADD program best characterizes the first season experiences of most ADDs. The participant quota for Blantyre was 2,000 farmers with landholdings of less than 1.5 hectares. Initially, farmers were very skeptical of the program and only 200 farmers indicated a desire to participate. After a rigorous public relations campaign, 800 farmers agreed to participate. In part farmers were reluctant to participate because ADMARC, the agricultural distribution and marketing parastatal, was identified as the sole buyer of their tobacco. Based on prior experience with smallholder produced flue-cured tobacco, many did not trust ADMARC to give honest prices for the tobacco. Though the objective of the pilot was to attract the poorest farmers, in reality this group could not participate; they simply lacked the resources to finance the inputs beyond the seeds and fertilizer that were covered by the ASAC credit program, such as watering cans, poles, hired labor, and grass. In the end, the ADD allowed farmers with larger farm sizes to register because it needed to secure participants for the pilot program.

The Blantyre ADD was relatively new to burley production, and the field staff were tasked with finding a way to best assist the farmers in production. The program manager successfully garnered the support of many of the chiefs, village headmen, and local politicians. He attributes his success to having been born and raised in the ADD and, therefore, someone the village leaders could trust. The MOA-initiated public relations campaign involved several "awareness" meetings held at schools and chiefs headquarters. Field staff, local politicians, village leaders, farmers, and members of the tobacco industry attended these meetings. The very nature of these meetings expanded participation in the program beyond donors and the government staff in Lilongwe. Technical teams educated the farmers on the revenue potential of burley tobacco. But uncertainty about the prices ADMARC would pay for smallholder tobacco complicated profit estimates, since ADMARC was the only marketing channel available to smallholders. Without market competition, farmers would be forced to accept whatever price ADMARC offered. If smallholders did not make a profit growing burley tobacco, the purpose of the reform program would be defeated. The World Bank included in the ASAC design a two-part payment formula to ensure that the major portion of the sales profit would be returned to the farmer. The first price for tobacco was calculated as 45 percent of a rolling average price of the previous three years. Each of the twelve grades of tobacco commanded a specific price. Farmers were to receive the first payment at the time of sale to ADMARC, with a second bonus payment, amounting to 65 percent of the net profits earned by ADMARC from smallholder burley tobacco sales on the auction floor.

According to most of the program managers interviewed, the first year was a "total disaster." The prices, and thus profit margins, were very low for the participants. As the farmers had suspected, they received well below market prices from ADMARC for the first payment, and the bonus payment did not materialize. Without the bonus payment, farmers were unable to pay back their loans for seeds and fertilizer. The community was extremely disappointed in their village son. The program manager also was disappointed, and recognized that under this arrangement the program was not sustainable.

In fact, ADMARC routinely downgraded smallholder tobacco so that the initial payment to farmers was even below the average price paid to tenant growers on estates. However prices on the auction floor were very high. If ADMARC did not have to pay the bonus payment it stood to make a substantial profit. Moreover, the bonus payment would triple smallholder revenues compared to the tenant farmer who generally did not receive bonus payments. Estate owners were incensed, realizing that this smallholder windfall might encourage their tenants to leave the estates to take up smallholder burley farming. The GOM believed that this program risked undermining the tenant structure so the GOM did everything possible to derail ASAC, including "delaying" the bonus payment. (When the initial bonus payment was offered, it was well below what was necessary for smallholders to repay their loans).

The World Bank informed the GOM that it would not receive any further balance of payments support until the bonus payment was paid. In response, three high ranking Malawian officials flew to Washington to meet with a senior official of the World Bank. The Malawian team made a convincing case in favor of delaying the second payment based on the chaos it would cause among estate owners and tenant farmers. Unable to get hard figures on production quality and the impact of the program on the smallholder sector on such short notice, the World Bank staff agreed to disburse the remaining tranche of ASAC on the promise that ADMARC would then make the second payment. ADMARC, estate owners, and their political representatives had successfully thwarted the advancements of the policy reform despite contractual agreements with the World Bank. The World Bank lost all leverage with the GOM, and ADMARC continued to delay the second payment.

When farmers saw that they were not getting their second payment, that ADMARC was making a considerable profit at their expense and that the first payment would not cover their investments, many farmers decided to drop out of the smallholder burley program.

USAID enters the game

The Program Design

Returns to burley tobacco for estates producers were so extraordinary that investments were disproportionately drawn into the crop at the expense of the resources needed for other crops. Increasing amounts of customary land were alienated to estates. Excess rural labor in densely populated areas of the south could find employment generally only as tenants or day laborers on estates. Both the World Bank and USAID realized that improvements in the standard of living of the rural poor would require specific efforts to address the growing inequities in the agriculture sector. USAID's involvement through ASAP would liberalize the production and marketing of cash and food crops, particularly of smallholder burley, and help improve conditions of employment for estate laborers and tenants through support for a more open labor market. USAID met the same government opposition encountered by the World Bank. USAID and the World Bank worked in tandem to present a single clear message of the intent of their development objectives to the GOM. The GOM clearly was not committed to the reforms. However, USAID was able to convince the GOM that USAID's assistance would be put at risk without real cooperation in ASAP. It should also be noted that the balance of payments deficit was mounting and Malawi urgently needed the foreign exchange that ASAP would provide.

Although USAID/Malawi had been involved in smallholder agriculture, its program focus was food production, agricultural research, and extension; it had very little knowledge of the tobacco sub-sector or smallholder cash crop production. USAID attempted to address its weak analytical base by commissioning a series of studies on the tobacco sub-sector to a consulting firm in collaboration with a Malawian university. The first study, "Beyond Dualism," by Richard Mkandawire, Sandra Bertoli, and Stephen Jaffe, detailed the evolution of the small- and medium-sized tobacco estate sector in a tightly controlled political environment. The Malawian participation in terms of sector analysis and keen insight to the political and cultural makeup of the country, critically shaped the direction ASAP would take.

In approving the development of an agriculture sector reform program, USAID/Washington clearly stated two principles that had to frame the design: first, there had to be a clear commitment by the GOM to an open and level playing field for all smallholders to grow the crops of their choice and market them through a variety of channels; and, second, a level playing field and market choice had to be the expressed desire of the Malawians participating in the reform process. The concept of freedom of choice propelled both the program design and the execution of ASAP.

USAID staff tested these criteria with a group of farmers in Zomba. Not speaking the local language, a USAID agricultural officer drew a circle in the dirt and indicated that the three pie pieces represented an available market option. The officer asked the farmers to whom they wanted to sell their crops. Unaccustomed to having options and making choices, no one moved or answered. Finally one farmer came forward and angrily jumped all over the pie piece representing ADMARC. Several other farmers then articulated that they did not want to sell to ADMARC and that they wanted to sell to the auction floor. For the first time in the reform process, the intended beneficiaries had an opportunity to participate in policy design; those expressed preferences directly influenced the ASAP design.

The program design expected broader participation in execution. Two committees were established to manage the overall implementation of the reform. A more senior committee, made up of principal secretaries, heads of institutions and the USAID director, monitored the progress towards achievement of conditionality. A Project Implementation Committee (PIC) was established to make decisions about how best to implement program activities, review studies, recommend action on the findings, and address new issues as they arose. The PIC is chaired by the minister of agriculture and has as its members the various ministries and local and donor institutions involved with the program, as well as estate and private sector industry leaders. Both opposing and supporting viewpoints are represented on the committee. The PIC was the first formal institution for participation in setting policy agenda and evaluating progress. However, absent from the committee are the farmers: the committee relies on the eight ADD committee members to represent smallholder farmers.

ASAP was designed as a three-year program, disbursing $20 million of non-project assistance in three installments. Local currencies were generated and project aid was programmed to provide finance to government's Smallholder Agriculture Credit Administration (SACA), to ensure that adequate credit was available to smallholder farmers; supplement training for extension staff; and, provide data collection and computer programming support.

In contrast to ASAC, ASAP was designed in consultation with other donors, representatives of the private sector and parastatals. Considerable time was spent assessing the reaction of smallholder farmers to the proposed program. The GOM agreed to increase smallholder access to agricultural inputs, output markets, cash crop production alternatives, and labor market information. Despite increased participation, many government officials speculate that the decision to go forward with ASAP was based more on the need for foreign exchange than the positive results of the collaborative effort.

The 1991-1992 Season: A Successful Restart

ASAP challenged both the GOM and Malawian smallholders to take a great leap forward into market liberalization. The government agreed to a series of conditions that included: implementation of a smallholder registration system and credit program; issuance of a production quota to registered smallholders; a plan for timely supply of fertilizer and seed; and a plan for the dissemination of market price information. USAID's conditionality also required that ADMARC pay the bonus owed to smallholder farmers who participated in the ASAC pilot program.

One of the most significant reforms was undertaken by government: smallholders were provided direct access to the tobacco auction floors, in addition to selling their produce through ADMARC. This decision had serious institutional ramifications. Registered smallholders had to form burley clubs in order to control the number of selling units that came to the floor. (Clubs are issued a minimum delivery size equal to that of the estates and only one person from the club may accompany the delivery to the auction floor.) Nonetheless, Auction Holdings Ltd., the owner of the auction floor, had to increase their physical, managerial, and computer capacity to accommodate the additional volume produced by the smallholders. The tobacco Control Commission also trained burley club members in packaging and presenting their produce on the auction floor.

In the field, the outcome of the previous season discouraged many farmers. Though the smallholder quota was increased, registration for the second season was low. ADDs had to restart the participation campaigns. Awareness meetings were held and farmers were informed about their new marketing option. Many farmers were hesitant, fearing that in the end the auction floor would not be a real option. Nevertheless, 310 clubs were formed and they sold 1 million of the 3.5 million kg smallholder quota directly to the auction floor. Smallholders sold approximately 400,000 kg to ADMARC. The remainder of the smallholder quota was presumed to have been sold illegally to estates.

The program provided additional training to MOA extension workers that allowed them to work with farmers more effectively. Consequently, field staff instructed clubs on techniques from planting to packaging and presentation for the auction floor. The clubs also received training in record keeping and profit distribution. ADD program managers reported that the field assistants were extremely conscientious in their work because they realized how important this opportunity was for the farmers in their communities.

In sharp contrast to the first season, the 1991-92 season was lucrative for smallholders. Prices received for smallholder burley on the auction floor were extremely competitive with the large estates, proving that smallholders could produce high quality tobacco. Burley clubs that chose to sell to the floor obtained on average 5 Malawi Kwacha (MK) per kilogram after deductions were made (for tobacco research and extension fees, Auction Holding levies, income taxes, stabilization fees, etc.). ADMARC paid an average price of MK3.16/kg. Clubs were able to repay their tobacco loans. In fact, the Smallholder Agriculture Credit Administration (SACA) loan repayment was nearly 85 percent. The extra income earned enabled farmers to pay off loans used for hybrid maize seeds and fertilizers, pay school fees, clothe family members, purchase bicycles and radios, and make home improvements.

For those participants who had been producing burley tobacco illegally prior to ASAP, the program had the immeasurable benefit of removing the constant fear of being discovered by the authorities. As one farmer put it "this is the independence we were looking for. Now we do not have to grow tobacco behind our maize."

While the evidence is still limited, it appears that non-growers in areas where the program is operating may also be gaining from the program. One major benefit reported by a number ot smallholders is employment creation on smallholder burley plots. Others are benefiting from spin-off industries. Some former estate tenants have become tobacco graders and transporters. Increased incomes for smallholder burley growers has translated into increased demand for goods and services. Poultry, groceries, and bicycle repair industries have been boosted along with an increase in low cost housing development.

With USAID funding and technical assistance, the MOA developed computer-based tracking systems to monitor the progress of smallholder production and sales. These data are frequently used to refute claims that smallholders cannot produce high quality, competitively priced tobacco. USAID's forethought to create this monitoring and evaluation system and to widely distribute the results have been credited with helping to move the reform process forward.

Nevertheless, opposition to the smallholder burley program continued. The Tobacco Association of Malawi (TAMA), the largest and most effective interest association in the country, has led the opposition to the burley program since its inception. All legal producers of tobacco are members of TAMA since membership dues are automatically deducted from tobacco sales on the floor. Initially, TAMA focused on limiting production to maximize rents, and was the main promoter of the myth that the smallholder program is driving overproduction and hence low prices of burley. TAMA has since abandoned the production issue and now focuses on maintaining low tenant prices and low wages for laborers, the key issues for estate owners, since ASAP has put upward pressure on these prices.

While farmers participated in determining market options, very few participated in the design of the burley club or how they would be managed. In theory, extension staff are supposed to work with farmers to establish appropriate mechanisms for technical assistance, channels for communication, and club management practices. In practice, however, many ADDs have designed their own plans based on guidelines provided by MOA headquarters. This approach has fostered a sense of dependence on field assistants for information on pricing, markets and transport (even making arrangements), and for overseeing accounts and profit distribution. Thus, though a formalized two-way channel of communication was established, there is very little ownership and control by members of club operations.

The Third Season: 1992-1993

In the third season, a third marketing channel was opened up to smallholder burley growers. Registered smallholder burley could be legally purchased by quota-holding estates, within the existing limits of those estates' own quotas. In addition, the smallholder quota was increased from 3.5 million to 7 million kg and tenant employment conditions were addressed.

In the field, the number of applicants for smallholder burley quotas well exceeded the available quota allocated to each ADD. In an attempt to redress the equity concerns, ASAP required that an increasing percentage of the national quota be allocated to female-headed households, especially in the south where there is a disproportionate number of landholdings of less than 1.5 hectares. In 1992-93, the tobacco sub-sector experienced record yields. Smallholders sold 77 percent of their total allocation directly on the auction floor. But, because of two currency devaluations, the seemingly high prices paid for burley were low in real terms. Consequently, loan repayments began to decline. Some ADDs have reported repayment rates as low as 25 percent. This has had serious implications for credit availability during the fourth season.

Those who monitor the trends of the world tobacco market, such as TAMA and the Tobacco Exporters Association of Malawi, became concerned that the world recession and large stocks were adversely affecting the demand for Malawi tobacco. They also attributed the season's overproduction to poor projections by the buyers. According to the general manager of Auction Holdings, the buyers had expected the Eastern block countries to be a substantial cigarette market. But an Eastern European cigarette market did not materialize.

The general manager, however, does not see the decreased demand as solely a world recession problem. In fact, he sees the future as being pretty bright for Malawi tobacco industry. "Certain sections of the Eastern block have slowly come around. All of the burley has sold. Now the problem is transporting the tobacco out of Malawi." Another hopeful sign for rekindled demand is that the EC has stopped subsidizing tobacco, causing many EC farmers to decrease and even discontinue tobacco production.

As the program progressed, it became clear that the MOA would play the role of the advocate for smallholder farmers. Extension workers serve as conduits between smallholders and senior officials of the MOA for problems and complaints farmers may have with the program. Though TAMA now claims that they are representing the interests of smallholder farmers in discussions with the government and other members of the industry, the smallholders have yet to elect a smallholder farmer to the TAMA board. In fact, the farmers interviewed for this study, when asked about TAMA, said that they did not know what TAMA did beyond sending them brochures, and no one recalled voting for his/her regional representative.

The Fourth Season 1993-1994

Malawi is currently in the production cycle of the fourth season of the smallholder burley program. It has not been an auspicious beginning with poor rainfall, a credit crisis, and a devaluation as a result of the elimination of exchange controls. Nevertheless, the smallholder burley quota was increased to 8.5 million kg and, for the second consecutive season, there were more applicants than there were shares of the quota to be distributed.

There is still strong opposition to the program, particularly among the small- and medium-sized estates. TAMA has effectively represented the concerns of this group in dialogue with government. Many of these estates were formed by smallholders, usually with extended family members, who have combined landholdings to a minimum 10 hectare plot in order to obtain leaseholds; others owe their access to an estate license and burley quota to political connections. Research indicates that this group is less efficient than the larger estates and highly dependent upon low tenant and wage prices for their profitability. They are ineligible for the ASAP-supported Small Agricultural Credit Administration (SACA) program and the MOA extension services that are directed to smallholders in the program. Moreover, because of their inefficient operations, they are seen as too risky for commercial finance and many are not reached by estate extension services.

The Changing Political Environment

The liberalization of Malawi's authoritarian political systems during the past year has affected the ASAP program implementation in a number of ways. First, the politicians who traditionally represented the estate sector concerns have recognized that they now need the support and votes of the smallholder; consequently, they cannot publicly denounce the program and registration of smallholders.

In addition to providing some new modicum of representation, many smallholders now feel empowered to represent their own interests. An incident recounted by the program manager (PM) of the Lilongwe ADD (LADD) demonstrates what can happen with the synergy of political liberalization and economic reform. The ADD received over 2,000 applications for the burley quota this season by newly formed smallholder estates. The applicants had paid fees to have their land surveyed and registered, as required for a burley license. Farmers became outraged when they learned that LADD had been allocated a quota of only about 200 licenses to distribute. An initial few protestors grew into an angry mob of several hundred, who broke down the door of the LADD program manager demanding a refund of their land survey fees if they were not to receive a license. They became violent when the PM said he couldn't refund money that belonged to the Land Department; the police had to fire warning shots into the air to restore order. The PM then called the principal secretary (PS) of agriculture but, as the PM explained, "He [the PS] wasn't grasping the gravity of the situation." So, the program manager told the crowd that he did not have the authority to make a decision about an additional quota but offered to meet with the farmers on the 12th of the month. At that time, he said, he would have a decision for them. The PM immediately formed a committee, including representatives from MOA, Ministry of Justice, the regional administrator, and the district commissioner, to analyze the problem. On the recommendation of the committee, the PS of Agriculture decided to offer an additional 1 million kg quota. The farmers in the meantime, put up notices announcing the meeting. Having some leverage with the additional quota, the committee was prepared to negotiate with the farmers. On the eve of the meeting, the PS called the program manager and withdrew the additional quota. Extremely upset by the reversal, the PM said that he wanted to resign; he called the police and told them to prepare for a riot. The farmers arrived at 6:00 am on the 12th. The government committee told them that they would only deal with a committee of farmers, which was quickly formed outside the ADD office. The two committees met for four hours. The farmers' committee was told that there would be no additional quota and no refund of survey fees. Some impatient farmers became furious when they barged into the "meeting" only to find the two committees drinking cokes and eating cookies together; they began forming another committee. The new farmers' representatives declared that the farmers would not leave the ADD until they received the additional quota or the refund. At 1:00 pm, the Program Manager called the PS and again relayed the severity of the situation. After a half-hour conversation, the PS finally relented and approved the 1 million kg additional quota. Although he thought the farmers were overly zealous in their reaction, the PM concluded that such overt and aggressive participation by the farmers in economic decision-making would not have been possible before the referendum on multipartyism. People's expectations and sense of empowerment were being enhanced; there was clearly a synergy at work, reinforcing and furthering economic and political liberalization.

These developments over the year can be likened to a slow but definite process of reawakening. As the anecdote above demonstrates, people were beginning to realize that the risks that existed were slowly being removed. Malawians began to see that they could speak openly without fear of reprisals to themselves or their extended families. This realization did not just happen overnight; it grew with the gradual reduction of perceived risk. The GOM was not quick to accept that things were changing. Government officials played dual roles. As civil servants, they towed the government line; as private citizens, they welcomed the changes. People in the rural areas welcomed this awakening, and years of repressed emotion seemed to suddenly give way to some degree of freedom of expression. In the eyes of the people, the government had oppressed them, treating them as tenants on the "Malawi Estate."

The political impact of the success of many participants in the smallholder program is multiplied by the new political conditions generated by liberalization. For the first time, open discussion of political and social issues is allowed. Channels for the expression of demands have emerged. The ability of the political structure to contain the flow of information has been substantially weakened. Program managers have reported that political liberalization has made their jobs much easier. They are free to express concerns of the smallholder farmer to the MOA without fear of reprimand from local politicians. They can pay less attention to the local political climate and more attention to the needs of the farmers. The results of the referendum gave the people of Malawi the mandate they had been waiting for—the ability to decide what they wanted, how they wanted it, and when they wanted it.

It is likely that participants and non-participants perceive the burley program as facilitating the weakening of control of the existing system. As long as the political process continues to be open, there will be powerful incentives for both incumbents and challengers to support the program. As if all too timely, the Malawi Congress Party in its pre-election manifesto, has claimed ownership of the reforms in the agricultural sector, especially the smallholder burley program, and deemed them a success of its leadership and administration.

The Smallholder Burley Program provided people the opportunity to put into practice what they had wanted all along. It gave people the opportunity to participate in their own development. The political changes helped the program take root as people saw the opportunity to participate actively in their own destiny. Since the program was seen to be initiated and implemented by donors, people identified donors—not government—as working on their behalf and for their betterment. This role, which some donors have cast for themselves, will likely need to continue for some time until reform becomes permanent.

Lessons learned

The economic and political changes sweeping Africa are forcing donors to reexamine the way they "do business." Fundamentally, these changes are about empowerment and participation. Africans are demanding to participate in the processes that determine their economic and political futures. Malawi is one of several countries experiencing this transformation. Our analysis of participation in the Malawi case provides several lessons that can inform donors about this new "development environment," and perhaps foster greater participation in policy reform, especially in a dynamic political context.

1. **Participation is fundamental to the sustainability of reform processes.** As the Malawi case clearly shows, in expanding the opportunities for stakeholder involvement in program design and implementation, and for beneficiaries to express their preferences both directly and through their actions, an iterative process resulting in significant expansion of economic opportunity has oc-

curred. The reform began tentatively with a few internal champions and substantial external pressure, but the balance has shifted over time. The program evolved in response to the demands and behaviors of the clientele, such that there is now a broad-based source of support and pressure for maintaining (and perhaps furthering) the reform of the smallholder agricultural sector. The momentum created in the villages is unlikely to be reversed. Certain challenges remain—women and those with insufficient landholdings must be incorporated, for example. **Participation must be consciously pursued through stakeholder identification, coalition-building, transference of ownership, supporting the articulation of views of all actors, and the actual conditionality.**

2. **The degree and extent of participation will most definitely depend upon the degree and extent of freedom to articulate desires for change.** Participation is limited and constrained without open channels of communication. Hitherto, observations of economic behavior derived from smallholder survey responses were the principal means by which target beneficiaries indicated their preferences. Now, the fact that we were able to conduct this study is evidence that the political environment is changing. Former and existing government officials, technocrats, farmers, etc., were comfortable talking most freely and frankly about their experiences with the reform program. Two Malawian professors were able to actively participate in this case and present their views on the political constraints to participation. For the first time, open discussion of political and social issues is allowed. Channels for the expression of demands outside the local political structures have emerged. The ability of the political structure to constrain the flow of information has been weakened.

3. **In the design phase, donors may need to use alternative measures to direct face-to-face consul ˍtions with stakeholders and potential beneficiaries (or their legitimate representatives) in environments in which political discourse is constrained.** Donors need to have a strong sense that the reforms they are proposing would be accepted by the intended beneficiaries if the political system allowed them to articulate this desire. Strong, empirical survey work, as well as intensive qualitative investigation indicated that smallholders already recognized the financial benefits of producing burley, for example. Their decision to opt out of the ASAC program when the second payment was withheld was another strong, empirical indicator of behavior and preference.

4. **Donors should identify those in the government that have a positive stake in the success of the reform program, particularly in a politically restrictive environment.** These individuals may be able to exert the needed influence to get donor interests on the development agenda of the government.

5. **Coordination among and between the donors is essential.** The unified political and financial pressure of the World Bank and USAID were necessary to convey the seriousness of the poverty issue and the proposed solution. Consequently, the host government received and was able to respond to one clear message on donor expectations in agriculture reform. Donors need to coordinate strategies so as to not overtax the limited human resources available for implementing the host government reform agenda. This will ensure more effective and focused participation on the objectives most crucial to the overall development process.

6. **Donors need to concentrate on effecting change in more manageable interests of the economic or political systems.** It is unlikely that donors will be able to change the fundamental ideology of a government (i.e., authoritarian to democratic) overnight through conditionality. When enough of the smaller components come together, the environment may be better suited for broad-based fundamental political change. The donors were not going to engender multiparty democracy in Malawi prior to the early 1990s. However, the focus on agriculture sector liberalization, that is, allowing

smallholders to grow burley tobacco, opening up new market channels, and assisting the government to develop information systems and channels for communication, has facilitated the overall political liberalization. The smallholder marketing of burley on the auction floor and receiving substantial cash incomes have raised the consciousness of the lack of equity in the existing arrangements. The reforms of the agriculture sector have torn apart the structures that continued to promote political elitism. There is little doubt that the empowerment of the smallholders will lead to increased political pressure for greater participation in the tobacco sector and elsewhere.

7. **An appropriate legal and regulatory framework is vital for enabling participation in the process of policy reform and is important for actual participation in the economy.** Without the repeal of the legislation prohibiting burley production on customary land, and the implementation of the new rules, the reform program in its current design would not have occurred. The broader implication is that this threshold policy change opened the floodgates for future policy dialogue and reform.

8. **The full and frequent use of the implementation committee was very critical to the success of the reform program.** It became the vehicle through which the donors could transfer more ownership of the reform program to the decision-makers and those of influence in the sector. The committee created a forum for open debate whereby members were held accountable for their interventions and decisions and were challenged openly. For example, the eight ADD program managers gradually shifted from passive spectators at these meetings to real advocates for their smallholder clients. It was the first time ever that buyers and sellers, donors, and government sat together in the same room.

9. **There was extraordinary value in involving the local academic community in the reform process.** The university staff not only provided sector data and analysis but contributed a local perspective that shaped the design and direction of the reform. Interestingly, despite the closed political environment, the Malawi government permitted academic and research institutions to conduct research and articulate analysis that could be viewed as contradicting the story that the government would want revealed.

10. **The implementation of a monitoring and evaluation system administered by program stakeholders was central to the survival of the program.** These data are frequently used to refute claims that smallholders cannot produce high quality, competitively priced tobacco. USAID's forethought to create this monitoring and evaluation system has been credited with moving the reform process forward and keeping it from being dismantled.

11. **Structural features of African economy and society, and intrahousehold and intrafamilial dynamics must be well understood in order to ensure that women as well as men benefit from the liberalization of a cash crop market.** In general, women face structural constraints—shortage of labor, land, cash, and markets for small quantities of product; shortage of overall time, given other obligations such as food production, child care, and domestic work; access to resources only through male relatives who set the terms of intrahousehold dynamics—all of which reduce incentives and capacity to realize profits. Recognition of the complexity and deeply-rooted nature of the constraints facing women will assist donors in formulating a policy and investment agenda that works to diminish or remove these constraints. The Malawian case demonstrated special complexities for women. Matrilineal and patrilineal entitlement and polygamy dictate women's access to land and to production entitlements. Women engaged in production on customary land, particularly among female-headed households and in regions where matrilineage customs dominate, tend to have increased job security, greater investment incentives, and more control over revenues than women participating in estate tenancy arrangements. Also, burley tobacco production on smallholder plots

has complicated the definition of female-headed household. There have been several instances where the female-head of the household, specifically targeted by the ASAP, married shortly after receiving a burley tobacco quota.

12. **The greater the risk of economic reform, the more participatory the process should be.** USAID, the GOM, and other participants in the agriculture sector are presently discussing the design of the next phase of ASAP. The political environment is dramatically different from when the first phase design occurred. There is far greater support for the smallholder burley tobacco program and many of the other aspects of the reform program. And, there is far greater ownership of the reforms as evidenced by language in the Malawi Congress Party manifesto. It is likely that the "coercive" approach is unnecessary but what is imperative is for the decision-makers and particularly the implementers to participate in determining the next steps of the reform. Since discussion of the next phase is taking place prior to the upcoming election, it is important to involve all potential decision-makers and implementers in the debate. Malawian involvement has been and will continue to be particularly critical since there are many possible reforms being discussed that may have serious implications for food security and foreign exchange earnings. The Malawians will have to live with the consequences of these decisions, so they must continue to have a role in making them.

Interviews

Dr. Stephen Carr, Consultant

Dr. Graham Chipande, former Principal Secretary for the Ministry of Finance

Mr. Windham Freyer, General Manager, Press Corp.

Ms. JoAnne Hale, Sr. Agriculture Officer, USAID/Malawi

Mr. Stanley Hiwa, The World Bank

Mr. H.W. Kabambe, Tobacco Marketing Controller, ADMARC

Mr. Edward Kabuye, Acting Chief, Agriculture Extension and Training Services, Ministry of Agriculture

Mr. Kachala, Program Officer, Ntcheu Regional Development Program, Ministry of Agriculture

Ms. Mai Beatrice Kuwengana, burley tobacco farmer, Zomba

Mr. Francis M'buka, The World Bank

Mr. Justin Malawezi, former Secretary to the President's Cabinet

Mr. Steve McDougal, General Manager, Auction Holdings

Mr. Johnston Mhango, Controller of Agriculture Services, Ministry of Agriculture

Mr. Mike Mughogho, Economist, Planning Division, Ministry of Agriculture

Mr. Muyaya, Program Manager, Lilongwe Agriculture Development District, Ministry of Agriculture

Mr. D. Sankani Marketing Services Controller, ADMARC.

Mr. Penembe, Program Officer, Zomba RDD, LWADD

Mr. John Phiri, former Principal Secretary, Ministry of Economic, Planning and Development

Mr. Steve Shumba, Agriculture Officer, USAID/Malawi

Mr. Thanda, Vice Chairman, Mulemba Burley Club

Dr. G. A. Thyangathyanga, Executive Secretary, Tobacco Association of Malawi

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Expanding civil society and participation in the political process: the donor role

By Robert Shoemaker, USAID/AFR/SD/HRD

Introduction

As my colleagues have pointed out, there are great expectations for the role that civil society will play in the transition to and consolidation of democratic governance in Africa. At the same time, however, many in the donor community are concerned that civil society is being asked to assume too much of the burden of this transition. Moreover, given the comparative advantage of elitist civil society groups, particularly at the central governance level, civil society alone may not necessarily produce democratic outcomes. No matter how effective civil society is, given the major socioeconomic problems African countries face, including the prolonged economic and financial crises that are exacerbating worrisome ethnic problems, the path to democracy is going to be long and difficult. If African countries are to successfully institutionalize democratic governance, they will have to do so in ways that reflect their unique cultural and historic makeup. Moreover, if we are to help African leadership and civil society prepare for the long-term challenges they face, it is essential to better understand these patterns as well as their influence on the transition to and the consolidation of democratic governance. With this need in mind, the Africa Bureau, with major assistance from Associates in Rural Development and Dr. Robert Charlick has intensified its efforts since 1993 to develop and test analytical approaches to strengthening its capacity to assess democratic transition in Africa, and thereby enhance USAID and African capacity to support the transition processes.

My presentation is divided into two parts. First I will discuss the theoretical underpinnings of our recent assessment efforts and the impact of different institutional arrangements on the level and quality of civil society participation. Then I will discuss how the framework USAID is developing can help Africans design institutional arrangements that create incentives for civil society to participate more fully and effectively in the governance process.

What is civil society?

Civil society is an ambiguous concept. In USAID's Africa Bureau it refers to a broad range of non-state actors above the family level. Civil society includes civic associations that define their purpose primarily as civic action—action to influence state institutions and policy processes and to foster a democratic culture. Civil society also includes multipurpose non-governmental organizations and community-based development associations that may define their purpose primarily in terms of service delivery in the health, agriculture, or natural resource sectors. With their service delivery mission, these organizations fulfill an important governance role, supplementing that of the state. In addition, our experience suggests that, over time, these organizations frequently become involved in civic action.

Not included in civil society are a related set of what are called "linkage actors," which includes political parties, independent media, and neutral organizations such as consultative councils. These groups are studied in the context of how to move the civil society agenda and with civil society and government institutions.

In our country assessments, we look at a wide range of civil society actors, including unions, professional associations, indigenous NGOs and grassroots associations, religious and cultural organizations, produce and commercial associations, and gender organizations. The key questions we focus on in our assessments include the following:

- How do these groups participate in governance?
- How effectively do they participate in governance?
- To what extent is their effectiveness or ineffectiveness a result of the institutional enabling environment, and/or a result of their organizational capacity?

The still-evolving institutional assessment process

Since 1991, the Africa Bureau's approach to assessing democratic governance has combined elements of institutional analysis, political economy, and state-society paradigms. Since 1993, however, USAID has increasingly focused on the institutional analysis paradigm, which begins with two simple propositions. First, people make rational choices when they organize themselves to take collective action. The second proposition is that individual behavior is driven by incentives, and incentives are a function of rules. Incentives produce patterns of political interaction that in turn produce welfare outcomes. Deleterious patterns of political interaction under both authoritarian and nominally democratic governments have produced poor governance results in Africa. This suggests, and our assessments have confirmed, that there are serious incentive problems at all levels of governance in African countries. Democratization has improved some things, but major problems remain. The short- and long-term success of democratic regimes will depend greatly on the quality of the rules in force, both those currently existing and those developed in the future. The primary focus of my comments is on how rules affect the ability of civil society to participate in the governance process. Our purpose is to identify the ways in which appropriate rules can increase the benefits and reduce the costs of participation.

The institutional assessment approach requires analysis at the operational, governance, and constitutional levels. It is important to understand the nested relationship among these three institutions. The constitutional level is the broadest, determining the set of rules defining (and limiting) the authority of the government in its internal interactions and its interactions with society. At the governance level, both governmental and non-governmental institutions undertake activities within the framework of the rules outlined at the constitutional level. At the operational level, individuals, based on their perceived interests, decide when and how to interact within the framework of rules (and incentives) established at the governance level.

We examine the mix of rules and incentives at all three levels, using what we have identified as six functional components (or disciplines) of relatively stable, effective, and sustainable democracies. These components are called democratic disciplines, because it is the focus on the discipline of state authority that differentiates democratic rule from authoritarian rule. The concept and function of democratic disciplines are the brain child of Dr. Ronald Oakerson, who is currently teaching at Houghton University. Each of these disciplines defines basic rule configurations that should be in place in order to generate incentives for the behaviors associated with democratic governance. The six disciplines are:

- Open public realm–citizen activity that asserts the interests of the governed
- Popular limits on governors–use of elections to choose official representatives
- Due deliberation among elected representatives–use of discussion to make collective choices
- Governance at multiple levels–devolution of authority
- Rule of law–use of courts to apply law in individual cases
- Constitutionalism–use of rules to assign, distribute, and limit descretion used in governance

Each of these disciplines reflects institutional arrangements that affect, among other things, the financial and human costs of collective action, and thus the incentives and disincentives for taking collective action.

Participation and the Democratic Disciplines

In the tables below, the left-hand column contains the name of each of the six disciplines and their major components. In the middle column, some of the rules are identified that are important to both the growth and the sustainability of participation. The right-hand column identifies some of the implications of these rules for participation.

Open Public Realm–Civic Disciplines

Governance Disciplines	Institutional Arrangements	Participation Implications
1. Freedom of Association	• Rules for formation and operation of voluntary associations	Taken together, these institutional arrangements greatly affect the cost and effectiveness of collective action and therefore the incentive for civil society participation in the governance process.
2. Freedom of information (print and electronic media)	• Rules governing the flow of information critical to effective collective action	
3. Access to information	• Rules governing access to governance-relevant information	

Popular Limits on Governors–Electoral Discipline

Governance Disciplines	Institutional Arrangements	Participation Implications
1. Electoral Process 2. Recall	• Rules for electing/recalling authorities and the extent/nature of their accountability/accessibility	The more fair, open, inclusive, and competitive the election process, the more accountable elected officials are to their constituents and to collective action, and the greater the potential payoff for participation, individually and collectively.
3. Initiative/Referendum	• Rules for direct participation by civil society in the policy-making process	

Elections create an incentive on the part of elected officials to take into account the needs of ordinary citizens (particularly civil society) on a regular basis. Electoral laws determine not only the fairness of the electoral process, but also the extent and nature of the accountability, accessibility, and responsiveness of elected officials.

Deliberation Among Elected Representatives–Deliberative Disckipline

Governance Disciplines	Institutional Arrangements	Participation Implications
1. Structure/independence/procedures of legislative assemblies 2. Authority to initiate legislation and modify legislation submitted by executive	• Rules defining role of legislative bodies in initiation of legislation, modification of legislation submitted by executive, and oversight of executive • Rules defining transparency/accessibility of legislative process	The greater the independence and power of the legislative branch and the more accessible and transparent the legislative process, the greater the potential payoff for participation.

If legislative bodies are to create legislation, they must have access to information as well as possess the intellectual and material resources required to collect and analyze the information. Finally, they should make their decisions on the basis of open and transparent debate.

Governance Disciplines	Institutional Arrangements	Participation Implications

Governance at Multiple Levels—Decentralization Discipline

1. Fiscal autonomy 2. Rule-making autonomy 3. Provision for non-state governance	• Rules for governance roles, responsibilities and relationships of state and civil society actors at national and local levels	The more vertically differentiated the levels of governance (including non-state governance), the more alternative points of access to the governance process, the greater the incentives for civil society to participate in the governance process.

The advantages of decentralization are that it creates alternative points of access to government, lower costs of participation, and greater benefits to civil society. Although African governments endorsed decentralization before the democratization process began, their commitment to decentralization is not reflected in the current rules.

Rule of Law Discipline

1. Independence of judiciary 2. Access to judiciary 3. Judicial scrutiny of law and law enforcement	• Rules for the role/ independence of judiciary • Rules for civil society's access to and role in the judicial process • Rules for judicial scrutiny of law and law enforcement	The lower the cost of civil society's access to the judicial process, the more willing civil society will be to invoke the law to challenge the government, thereby more clearly delimiting the boundary of rules for both government and civil society at multiple levels. Greater predictability will reduce the transaction costs associated with participation.

The main contribution that the rule of law makes to participation is the greater certainty it introduces into the process. Perhaps one of the most important ways that civil society participates in governance is by testing the boundaries of public authority and, in the process, creating greater certainty and predictability regarding the accepted limits of citizen (and government) action.

Constitutional Discipline

1. Subjects governance process to fundamental rules that are sharply distinguished from ordinary rules 2. Provides a distinct process for making and altering #1. 3. Subjects public officials to enforceable limits under fundamental rules.	• Rules for the other disciplines are nested in the constitutional discipline • Constitutional discipline sets the broad framework of rules for civil society's participation in both the constitutional change and in the governance process	The effectiveness of the constitution-building process depends on broad and effective participation in that process, since the constitutional settlement represents the bargain reached among major groups in society on how they will live together.

Conclusions

1. If we accept that incentives guide human behavior and that rules define incentives, then it is important to understand the rules. The institutional assessment framework we are developing is designed to help us understand the governance rules.

2. Given the long-term nature of the democratization process, it is important to create appropriate rules and incentives in order to discipline governments long-practiced in poor governance behavior, and to encourage civil society to play a larger role in encouraging and producing good governance.

3. While it is important to work at the operational level, i.e., to engage civil society in the analysis, design, implementation, and evaluation of donor macro-policy reform and sector-level reform projects, we know from decades of promoting participation at this level that more is needed.

4. Each of the six disciplines affects the rules that create incentives or disincentives for civil society to participate in the governance process.

5. The enabling environment for participation must be understood as a multidimensional concept, requiring multidimensional interventions if it is to be created.

6. Africa is in the early stages of democratization. Some rules have been changed, but many old rules are still on the books, creating incentive incompatibilities that, unless changed, will not improve governance.

Agriculture in Africa: Gloom and Doom, Or New Hope for the Future?

Newly Emerging Evidence

by George Gardner and Curt Reintsma, USAID/SD/PSGE

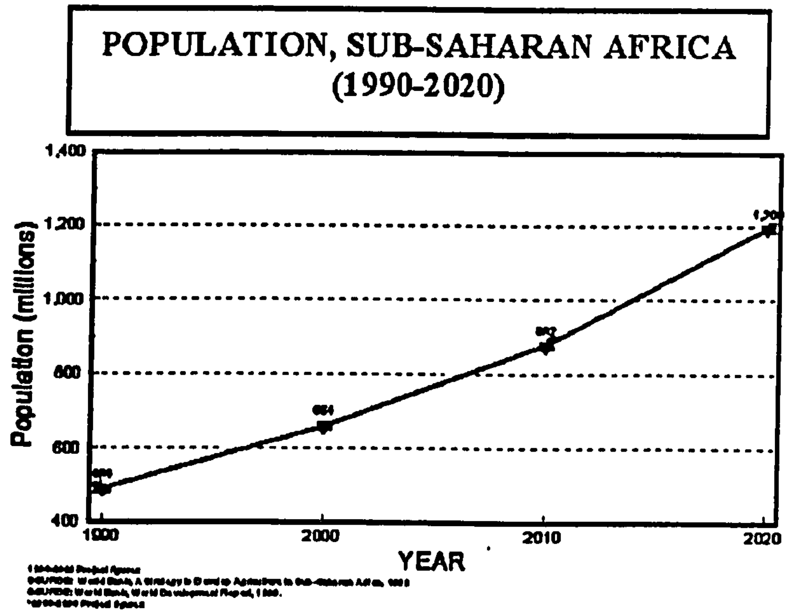
Introduction

The problem of weak overall economic growth in sub-Saharan Africa during the 1970s and 1980s has been well documented by researchers and journalists. The situation can be discussed from various perspectives, with room to see a glass that is half-empty or one that is half-full. In this paper, the authors limit their focus to several of the causes and consequences of the problem with emphasis on the agricultural sector, and report on a growing body of new empirical research on African agriculture that, contrary to the conventional wisdom, provides the basis for substantial optimism.

First, the authors contend that agriculture remains the key to economic growth and development in Africa. While the authors do not dispute that Africa's food and agriculture problems are severe, they will argue that production and productivity gains are often underestimated, that past investments in agriculture are paying off, that agriculture must serve as the growth stimulus of African economies, and that there is now room for some optimism if investments in agriculture continue. Unfortunately, donor funding trends in support of African agriculture are declining.

The problem

Rapid population growth, within the context of weak economic expansion, has led to growing food insecurity and a deteriorating natural resource base in many African countries. Overall population growth has increased, from about 2.7 percent annually from 1965-80, to about 3.1 percent annually since 1980. For the 1990-2000 decade, the overall population growth rate is expected to decrease only slightly to 3.0 percent annually. (2)



The conventional wisdom is that this rapid population growth, combined with weak overall growth and (in some cases) even weaker agricultural sector performance, has resulted in a real decline in per capita food production. This decline has in turn led to a rapid rate of increase in commercial food imports (increasing about 4 percent annually since 1974) and food aid (increasing at an average of 7 percent annually since 1974) to fill the growing gap between domestic production and consumption.

Despite the increase in food imports, food intake per person in Africa has been estimated at 87 percent of requirement in the 1980s. In many countries, decreasing food security at the household level has resulted for large segments of the population. (1,2)

Annual Rate of Forest Destruction, 1980s (in percent)

Cote d'Ivoire	5.2
Malawi	3.5
Burundi	2.7
Nigeria	2.7
Guinea-Bissau	2.7
Niger	2.6
The Gambia	2.4
Mauritania	2.4
Liberia	2.3
Rwanda	2.3
Sub-Saharan Africa	0.6

Source: (2)

African Food Imports Average Annual Cereal Imports (In Thousands of Metric Tons)

	1974	1990
Mali	281	61
Niger	155	86
Tanzania	431	73
Uganda	36	7
Sub-Saharan Africa	4,209	7,838

Source: (2)

However, it must be noted that "Africa-wide" averages cited here mask great variations in individual countries. (2) About one-third of the countries in the region had impressive annual growth rates (3.5 percent or higher) in recent years, with 10 countries actually surpassing the World Bank's target of 4 percent annually during 1986-89. (2)

Rapid population growth has also contributed to the deteriorating natural resource base in Africa by increasing the pressure on the agricultural land base. In the countries where agricultural production growth has been stronger, too much of it has been due to the extensification of the production process (using more and more increasingly fragile land for agricultural production), rather than the intensification of production (using more labor and technology such as improved varieties and fertilizer without expanding the land base). The resulting problems, such as deforestation, erosion, overgrazing by livestock, declining soil fertility, and loss of biodiversity have all been well documented by other researchers. For example, during the 1980s net deforestation averaged over 2.5 percent annually in many African countries and averaged in the 3 to 5 percent range in several nations. Once again, however, caution must be exercised when using "Africa-wide" averages that mask tremendous variations among specific nations. (2,16,17)

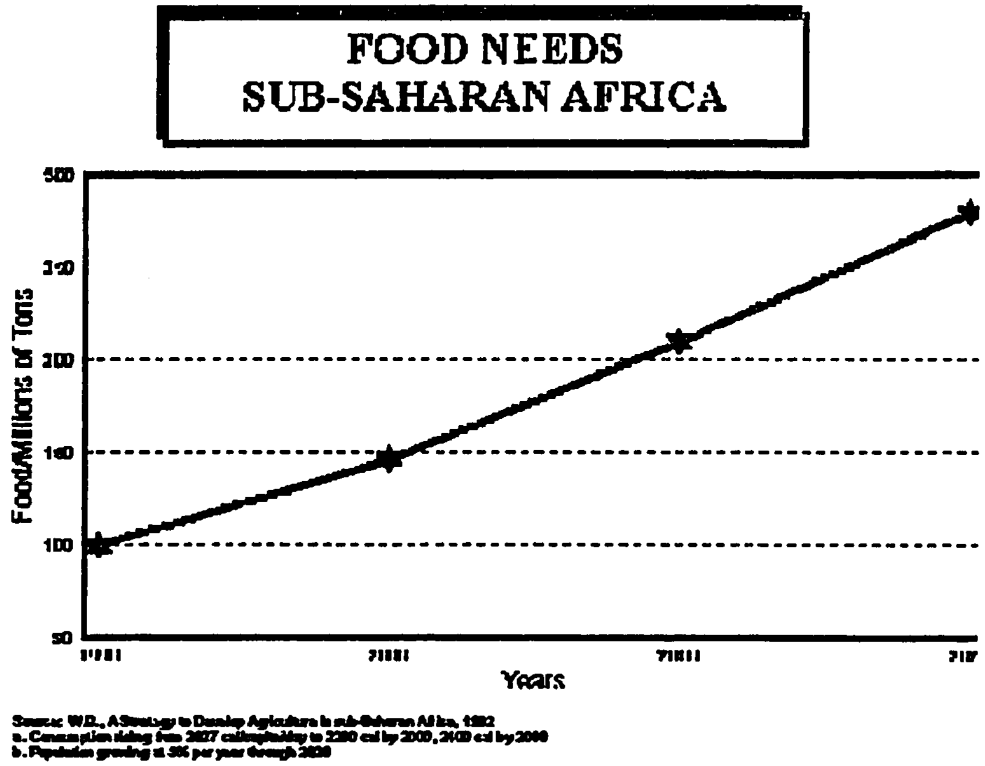
The importance of the agricultural sector

Despite its relative decline in importance vis-à-vis other sectors (mainly services and manufacturing) during the late 1970s and 1980s, agriculture is still the dominant sector in most African nations. In many, it is by far the largest sector, and is the best hope for providing an engine of growth for the overall economy. One of the prime lessons of development economics is that all nations (except several small anomaly city-states such as Hong Kong, Singapore, or Kuwait) have undergone the process of agricultural transformation as a critical stage in their development. Given the resource endowment of most sub-Saharan Africa nations, agriculture is the one sector where they have a comparative advantage relative to more industrialized nations.

The importance of the agricultural sector in Africa can be measured in various ways, the most common of which are agriculture's direct contribution to gross domestic product (GDP), its share of total employment, and its contribution to total foreign exchange earnings (necessary to buy imports).

Agriculture's share of GDP was estimated at 32 percent for all of sub-Saharan African in the early 1990s, and is much higher in several countries. In many of the nations, agriculture's share of GDP exceeds 40 percent, and in a few nations it still exceeds 60 percent. In comparison, China's figure is about 27 percent and India's is 31 percent. (2,3,16)

As a provider of employment in Africa overall, agriculture is still the dominant sector: about 75 percent of all employment is derived directly from the agricultural sector. Just as in the case of GDP, this aggregate figure for employment is deceptive in that it masks tremendous variations. In more than 30 sub-Saharan nations, agriculture provides more than 70 percent of total employment. (2,16)



Foreign exchange earnings are critical in Africa because most of the technology needed to develop other sectors of the economy (such as transport, services, manufacturing) must be imported. As a contributor to foreign exchange earnings, agriculture is again dominant, providing about 40 percent of exports (by value) overall. Once again, as in the cases of GDP and employment, the average figure is deceptively low. In many African nations, agriculture provides more than three-quarters of all foreign exchange earnings. In a few countries, the percentage is even higher. (2,16)

Thus, the topic of the understated magnitude and efficiency of the agricultural sector in Africa having been reviewed, the notion of its continuing critical role in economic growth and development is next addressed.

The role of agriculture in development

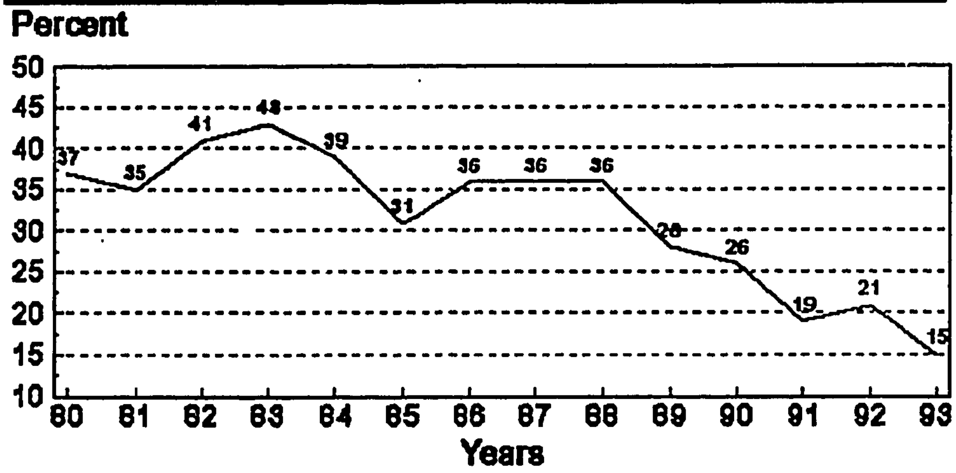
Agricultural transformation is the process by which individual farms shift from highly diversified, subsistence-oriented production towards more specialized production oriented towards the market. The process involves a greater reliance on input and output markets and increased integration of agriculture with other sectors of the domestic and international economies.

Because the agricultural sector still looms so large in Africa, its role in the structural transformation of African economies is critical. Staatz and others maintain that agricultural transformation is a necessary part of the broader process of structural transformation in Africa, in which an increasing proportion of economic output and employment are generated by sectors outside agriculture. (8,14)

If a major aim of development policy is structural transformation (i.e., a reduction in the relative contribution of agriculture to the total economy), then why invest in improved agricultural productivity? First, though agriculture's relative share of the economy may decline, the absolute level of agricultural output is likely to continue to grow as the economy as a whole expands. (14) Second, in the context of rapidly growing population, some net investment in agriculture is usually necessary before agriculture can produce a reliable surplus to finance investment in other sectors. Third, even where agriculture is currently producing such a surplus, maintenance research is necessary to maintain this level of intersectoral transfer.

However, for structural transformation to occur (and no country in the world has passed through this development stage without increasing agricultural productivity), technological change alone is not sufficient. Structural transformation involves greater integration of agriculture with the rest of the economy. This integration requires low-cost systems of exchange, such as well-functioning input and output markets. Furthermore, the general policy environment needs to support the specialization and risk-taking inherent in structural transformation as well as foster the eventual transfer of resources between agriculture and the other sectors of the economy. (14, 2)

USAID Funding Trends
Agriculture in Africa
(% of Total USAID Development Assistance Funds)



Footnotes:
1980-87 includes DFA funds obligated by & AFR; excludes Central Bureau funds & ESF Funds.
1988-93 includes DFA & SADCC funds; excludes Central Bureau & ESF Funds, excludes NRM Funding.

Analyzing the role of technological change (generated by agricultural research) on agricultural and structural transformation therefore requires attention to two broad types of complementarities. First, there is strong complementarity between the agricultural and non-agricultural sectors (discussed in more detail later). In particular, some net investment in agriculture is often necessary to "prime the pump" so agriculture can generate a surplus for investment in other sectors. Second, there is strong complementarity between technological change and changes in institutions and policies needed to foster greater integration, intersectoral resource transfers, and exchange within the economy. (11)

Failure to invest adequately in agriculture and the rest of the food system can choke off the process of structural transformation and hunger alleviation. Not only is the food system a major employer of the poor, but it also generates capital, inputs, and demand necessary for expansion of non-agricultural sectors. (14)

Particularly important for transformation are actions that promote intersectoral resource flows from agriculture to other sectors of the economy while still maintaining the profitability of agriculture. Two of the most important transfer mechanisms are voluntary investment of physical and human capital by farmers and landlords in other sectors and "invisible transfers" brought about by lower food prices. Lower food prices increase consumers' real incomes, thus increasing household food security, and help employers hold down nominal wage rates, thereby fostering expanded employment. (14)

For both types of intersectoral transfers to be economically sustainable, they must be fueled by increasing productivity throughout the food system. This involves improved marketing, processing, and input delivery technologies and institutions as well as better farm-level technologies. (14)

The emerging evidence for optimism

There is a growing body of evidence regarding the agricultural sector in Africa that, taken together, provides empirical underpinnings for a more optimistic view. In fact, this research suggests that the role of agriculture as an engine of economic growth in Africa has been substantially underestimated regarding both its potential contribution, and underreported regarding its actual contribution (in the past). (4,8,12)

The major research findings briefly reviewed in this section confirm that: a) growth of agricultural production has probably been greater than previously believed; b) the growth multiplier linkages between the agricultural sector and the overall economy are stronger in Africa than previously believed; c) the economic rates of return to investments in agricultural research are higher than previously assumed; and d) a number of preconditions to widespread agricultural transformation are being addressed throughout Africa.

A growing body of research and evidence has emerged in the early 1990s that verifies that both total production and productivity growth in the African agricultural sector are being underestimated. Total production is being underestimated because the value added of both on- and off-farm processing is not being measured adequately. Furthermore, the growing importance of the informal markets and unrecorded trade both within and between Africa nations is underestimated. There is also some emerging evidence that food prices have actually declined in real terms in some countries, indicating greater supply response than the standard official international databases estimate. (8,9,15)

For example, Nall and Graham have recently verified some real successes in the growth of non-traditional agricultural exports in various African countries. For fruits and vegetables, Kenya recorded an average annual growth rate of 12.3 percent during the 1986-91 period. This is especially impressive given that fruits and vegetables account for over 18 percent of Kenya's total exports (by value). During the same period, the value of Uganda's fruit and vegetable exports increased by 9.3 percent annually. In Zimbabwe, where fruits and vegetables do not account for a large share of total exports, their export increased by 23.4 percent annually during the 1986-91 period. (10) Once again, however, the individual country non-traditional export growth rates vary tremendously, and an overall average would mask numerous success stories.

Using a measurement methodology that allows more precision when measuring aggregate agricultural production across all of sub-Saharan Africa, Block and Timmer found more optimistic growth rates than generally reported. Applying their "wheat unit" methodology allowed them to aggregate the value of production from countries that have overvalued currencies and other distortions that complicate normal measurement. Thus, for the 1983-88 period, Block and Timmer found that sub-Saharan Africa recorded an overall average annual growth rate of agricultural production of 3.2 percent. Even this number masks great regional variation: West Africa recorded a growth rate of 5.7 percent annually, but the overall African average was lowered by the Sahel's rate of only 1.8 percent (largely due to major droughts) during the same period. (5,6)

Agricultural sector labor productivity (value of production divided by agricultural labor) is systematically understated on two counts: in the numerator, on-farm and off-farm value added processing is not being measured, nor is output sold in the informal markets and unrecorded trade—thus deflating the total value of production. In the denominator, much of the rural population is included in the "agricultural laborers" category when in fact many are merely rural residents and not farmers—thus inflating the total agricultural labor pool. (15)

Using macroeconomic data, Block and Timmer recently completed empirical research in Kenya and other sub-Saharan nations that presents new evidence regarding agriculture's role in supporting Kenya's economic growth. One way of describing the relative contributions to overall economic growth of both agriculture and non-agricultural sectors is through calculation of growth multipliers. (4,5,6)

A growth multiplier summarizes the net effects of an external increase in the income of a particular sector on the whole economy. In the absence of positive growth linkages, the multiplier effect would be zero. The results from the Kenya work indicate that the growth multiplier effect from agriculture is substantial, approximately two to three times greater than the growth multiplier from non-agriculture. (4)

Based on their econometric simulation model, Block and Timmer found that an additional dollar of income in Kenya's agricultural sector generates an additional 64 cents of income (mostly in non-agricultural sectors). Thus, the agricultural growth multiplier is 1.64, and suggests that strategies to promote agricultural growth in Kenya can have large payoffs in terms of overall economic growth. (4)

Furthermore, Block and Timmer also identified various non-market mechanisms by which agriculture contributes indirectly to growth. They believe that these same non-market mechanisms are also present in other African economies, and that non-recognition of these mechanisms has led to an undervaluation of agriculture in many countries—which has in turn led to underinvestment in agriculture. (4,5)

Using microeconomic data from household-level surveys, Delgado et al. have recently completed research on agricultural growth linkages in Burkina Faso, Niger, Senegal, and Zambia. From the microeconomic perspective, growth multipliers are equal to extra income from net new production that occurred in response to new household demand. Among their major findings are: a) African rural growth linkages are much stronger than previously assumed; b) sub-sectors that account for growth arising from consumer spending are services, non-tradable farm commodities, and locally-produced non-farm goods; c) only sustained growth in rural incomes that is widely spread across households is capable of triggering significant additional growth; and d) only growth in agricultural exports provides the widespread and recurring income need for an economically sustainable rural growth process. (7)

Economic returns to agricultural research

Until very recently, little empirical evidence was available on the economic returns of past investments in African agricultural research. The impact of various research institutions, and many commodity-specific research programs, was often doubted. However, very little attention had been devoted to quantifying the economic costs and benefits of ongoing research programs in Africa.

Oehmke *et al.* have just published the results of a number of economic rate of return studies recently conducted in Africa, and have found that the economic benefits of agricultural research in Africa have on the whole been very substantial. Oehmke closely examined evidence on the rate of return to investments in African agricultural technology development and transfer. The rate of return measures the economic success of technology development and transfer in generating social impact. While there have been some economic failures, the general picture that emerges is positive and indicates significant returns to investment. In at least one African case, the returns were as high as the highest measured return to investments in Green Revolution technology in Asia. (13)

Taken collectively, these rate of return studies provide empirical evidence that past investments in African agricultural research are yielding positive benefits to African people. Without the increased production based on technological advances derived from this research, the food production gap, agriculturally derived income, and food security situation in many sub-Saharan nations would be much worse than at present.

The policy environment

The policy environment, so necessary to promote real growth in the agricultural sector, has improved remarkably in several African nations in 1993-1994. Of course, some of the policies that affect the sector are macroeconomic policies external to the sector, but there is cause for optimism there also. In terms of agricultural policies, for example, Kenya has removed restrictions on the domestic trading of maize and farmers and traders have responded positively. Malawi has removed the prohibition on small farmers of growing burley tobacco, and smallholders have responded quickly and positively. In Zimbabwe, maize marketing reforms have been widespread with positive supply response. Zambia has dismantled its state marketing monopoly for maize. Farmers in Ghana have started planting more cocoa again. Tanzania, Niger, Uganda, and Mali have greatly decreased food imports. (1,2,3)

On the macroeconomic policy front, the World Bank judges that six countries got the macroeconomic fundamentals of policy adjustment right: Ghana, Tanzania, Burkina Faso, Nigeria, and Zimbabwe. All things considered, all six improved their industrial output, exports, savings and income per person. And the Bank estimates that agricultural growth in African countries successfully adjusting economic policy is now running about 3 percent annually, compared to just under 2 percent annual growth for non-adjusting countries. (3)

Human capacity and institutional development

The human capacity to conduct and manage agricultural research has increased greatly in many African nations during the last decade. Thousands of graduate-level trained agricultural scientists, their education financed by USAID and many other donors, have returned to their homelands and are engaged in technology development at unparalleled rates. Furthermore, their national research institutions, structured not too long ago to focus on the exports needed by colonial powers, are now addressing the urgent food security needs of their growing populations.

Conclusions

The agriculture and natural resources sector is still of central importance in virtually all sub-Saharan African economies, despite the trend of donors to devote proportionately fewer resources to the sector. Continent-wide statistics have underestimated agricultural performance and importance, and masked positive trends in a number of countries. A newly emerging body of research provides evidence for optimism.

Furthermore, because of strong growth linkages to other sectors of the overall economy, agricultural sector growth is still the best hope for many African nations, and probably the only hope for some countries, given their resource endowment.

Agricultural growth is needed in Africa, as an engine of growth that provide inputs for the emerging industrial sector, as a source of employment, to improve food security, to provide foreign exchange earnings for other sectors where inputs must be imported, and to conserve natural resources.

Past investments in African agricultural development have had higher economic payoffs than previously thought. And if continued, these investments are likely to have an even higher payoff in the future due to the improved policy environment in many nations, and stronger human and institutional capacity.

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Demographic Dimensions of Development in Sub-Saharan Africa

By Lenni William Kangas, USAID/AFR/SD[1]

Introduction

In many ways what happens in this arena in the next ten years will determine the future of development in Africa for the next 50 years.

It is difficult to see how poverty can be reduced without substantial declines in the rate of growth of Africa's population. Fortunately, there are beginning to be signs that suggest some regions of East and Southern Africa may be on the verge of a demographic transition.[2] The last five years have seen the broadest and deepest shift in attitudes and in behavior in family planning in Africa in history. To paraphrase Churchill, "we are not at the end or at the beginning of the end, but perhaps we have reached the end of the beginning." If this is so, it is among the most hopeful news to come out of Africa in the last decade.

I will address four issues in my remarks. I would first like to briefly discuss the nature of the problem of rapid population growth in Africa. Second, I will outline how population fits into the current U.S. Administration's foreign policy and development objectives for Africa. Thirdly, I will explain what USAID is doing in the population/family planning arena and how these efforts reinforce and link with other development activities in economic growth, education, environment, child survival, and reproductive health. Lastly, we will look at the impact of USAID-assisted family planning programs and discuss the long-range impacts of these programs in other, related areas.

The demographic problem

Sub-Saharan Africa has the fastest growing population of any region of the world at any time in history. Population is increasing at an average annual rate of 3 percent, which leads to a doubling every quarter-century or in about one generation.

At independence, in 1960, a country such as Ethiopia had less than 25 million people; today it has 55 million; by the year 2025 it will have over 130 million.[3] Although large reaches of the continent are under-populated (frequently because of lack of water), other areas such as the Kenya Highlands, the Mossi Plateau in Burkina Faso, and the Rift Valley areas of Rwanda, Burundi, and Malawi, are experiencing serious population pressures on landholdings and natural resources.

Although most of sub-Saharan Africa is still primarily rural, this, too, is changing fast. Today, Africa is roughly 28 percent urban; in 2015 it is projected to be 45 percent urban. This will create major stresses for Africa's burgeoning cities.

Rapidly growing populations create high dependency ratios; in most African countries children under 15 years represent 46 percent of the population.[4] Rapidly growing populations also place unmanageable pressures on education and health services. Moreover, with every female child likely to become a mother of many children and a grandmother of many more, the momentum of population growth is such that even were fertility levels to drop to replacement level today, Africa's population would still double within a lifetime.

For those familiar with current living conditions in sub-Saharan Africa, including its precarious food security situation, its fragile social services structure, and the tenuous grip many societies and governments have on maintaining civil order, this prospect of doubling population size in a little over two decades and certainly within the lifetimes of most people in this room, must loom as sobering, indeed.

Impacts on Development

The negative impacts upon general development and upon households and individuals are well understood in the development community and by many members of this audience. These include:

- High dependency ratios, i.e., a minority of producers supporting a majority of consumers.
- Unmanageable burdens on public education and basic health services, with the quality of both difficult to sustain.
- Severe strains on individual household budgets limiting resources available for food, health care, other necessities, and possible savings.
- Division of agricultural land into smaller and smaller plots, fewer fallow years, and, consequently, land degradation in terms of overuse and less economical methods of cultivation.
- Pressures on forests in terms of fuel wood, commercial exploitation, and consumption for housing and other construction, as well as pressure on wildlife habitats and areas of biodiversity.
- Reduced savings at the household and national level, because so much of the national product must go for immediate consumption; this is particularly true at the household level, where parents are unable to invest in the health and education of all of their children.
- Increased social unrest, particularly in the cities, as economic growth does not generate sufficient jobs to employ the increased number of school leavers who are unemployed or underemployed, often poorly educated and without hope.

Factors Affecting Fertility and Population Growth

As noted above, fertility rates in Africa are the highest in the world. Among the reasons for this are:

- The high social regard for fertility and large families supported by age-old family, clan, and tribal traditions. (Historically, this has insured survival; today, it threatens survival.)
- Early female marriage and child-bearing.
- Low levels of female education.
- High levels of child mortality.
- Low levels of urbanization.
- A history of policies hostile to family planning.
- Rudimentary delivery systems for health services, including contraception.
- Slow economic growth and no broad system of social security.

Administration policy

Slowing Africa's high population growth has taken on increased significance as the Clinton Administration has redefined our foreign policy and development objectives for Africa.

Promoting sustainable development that improves the livelihood of Africans today, without compromising the well-being of future generations, is an explicit U.S. foreign policy objective, that Assistant Secretary of State George Moose outlined this year before the Congress. The current leadership in both USAID and the State Department recognizes the devastating impact that high fertility has on African women and the long-term threats that, unabated, high population growth poses to sustainable development.

The growing importance of family planning and population to the Administration's foreign policy and development objectives is manifest in a number of ways:

- It is an explicit priority in the Administration's foreign assistance reform legislation and USAID's new "Sustainable Development" strategy.

- It receives increased attention in public for, such as the White House Conference on Africa this past summer and at the International Conference on Population and Development just concluded in Cairo in September 1994.

- Funding is increasing funding for family planning and population activities in Africa.

- USAID is seeking to leverage other donors to commit more resources to family planning in Africa, as is being done in cooperation with the Japanese under the "Common Agenda" led by Under-Secretary of State Timothy Wirth.

In Africa, our enhanced family planning and population efforts are an integral part of an overall sustainable development strategy that is premised on generating broad-based economic growth. As President Clinton recently remarked: "Reducing population growth without providing economic opportunities won't work."[5]

Economic growth is necessary both to increase demand by women for contraception and to sustain and expand public and private services to meet that demand. We know that better jobs and higher income for African women contribute directly to reduced fertility. Conversely, giving women choice and control over reproduction is in itself empowering, and reduced fertility enables them to be more active economically. We are complementing and reinforcing our family planning efforts through investments in other key areas, such as basic education for girls, child survival and reproductive health.

The USAID program

USAID is the largest bilateral donor in the population field in sub-Saharan Africa and has been active there since 1968. Today, major programs are underway in 21 countries where USAID has a sizable assistance presence, and all of the Bureau for Africa's major sustainable development programs include family planning, often coupled with child survival and HIV/AIDS prevention, as a "strategic objective." Typically, the designation of population as a strategic objective means that it is one of only two or three sectors receiving priority attention and funding by the USAID mission.

The combination of bilateral and central funds for population and family planning has exceeded $100 million annually for several years. Between 1988-1994, USAID provided $408 million from the Development Fund for Africa for this purpose, and we anticipate providing $77.6 million more this fiscal year. (See Table 1 below.) USAID's Global Office of Population funds also have provided important technical assistance and financial support.

TABLE 1

Population/Family Planning Funding from the Development Fund for Africa, FY 1988 - FY 1995
(millions of US $)

FY 1988	$ 32.0
FY 1989	40.5
FY 1990	42.0
FY 1991	75.2
FY 1992	66.1
FY 1993	74.6
FY 1994	77.8
FY 1995(est.)	77.6
TOTAL:	$ 485.8

USAID is a recognized leader in providing population assistance in Africa and enjoys a comparative advantage in this field. This advantage is largely based on:

- A strong field staff: USAID is unique among donors with its field presence. We have a dedicated cadre of technical professionals in USAID missions and our two regional offices able to work in host-country environments with government officials, local NGOs, and other donors to tailor USAID assistance to specific country needs.

- A network of cooperating agencies: The single most distinguishing feature of USAID's population program is its impressive network of cooperating agencies and contractors. These organizations harness the best technical talent in the United States and, increasingly, from African countries in areas of clinical training, survey research, logistics management, information, education and communications, and technology transfer.

Equally important has been the experience we have gained in almost 30 years of population programming, which has led to innovative leadership, particularly in:

- Leadership in engaging the private sector: USAID in Africa has taken the lead among all donors in mobilizing the private sector in family planning through contraceptive social marketing and employer-based provision of services.

- Strong technical leadership: USAID's population staff in Washington and the field possess a combination of expertise in policy dialogue, communications, demographic analysis, training, service delivery, logistics management, biomedical and operations research, and hands-on program management.

- Leadership in contraceptive procurement and logistics: recognizing that "you can't contracept without contraceptives," USAID for years has consistently given high priority to providing contraceptive supplies and related assistance in logistics and quality assurance. Recently, the Bureau for Africa has purchased $22-24 million worth of contraceptives annually, an amount we expect will increase in the immediate future.

USAID programs have focused in four areas:

- Changing African government policies.
- Supporting voluntary family planning programs.
- Supporting education, information and communication.
- Developing channels for contraceptive distribution.

Donor Coordination

Population and family planning enjoys high priority among donors, and coordination among major donors has become a prominent feature of African programs. The driving force for this is the recognition that no single donor has enough resources to meet the expanding demand for assistance, and also the fact that no single donor possesses the full spectrum of capabilities that are required.

USAID's principal colleagues in the donor community are the UNFPA, UNICEF (for child survival) the World Bank, the European Community and the U.K.'s Overseas Development Administration. In some countries, such as Tanzania, the Nordic countries are prominent, as is the Canadian International Development Agency. At an individual country level, a division of labor typically emerges in which, for example, the ODA or USAID provides contraceptives, the Bank undertakes construction and facilities rehabilitation, USAID provides the technical assistance.

In Malawi, when the country was establishing a family planning coordinating body (named the Family Welfare Council), USAID funded the consulting team that worked with the Malawians to create the legislative framework for the Council. These consultants, in effect, worked for all donors in the sector, as well as the Government of Malawi. This formed the basis for a consolidated funding proposal for the European Community, the World Bank, the U.K., and the UNFPA.

The largest family planning training center in Africa, the Center for African Family Studies in Nairobi, is jointly funded by the International Planned Parenthood Federation and USAID. CERPOD, the Center for Research on Population and Development in Bamako, Mali, that serves all Sahelian countries, is funded by a host of donors including the Canadians, the U.N., the French, the Belgians, Rockefeller Foundation, and USAID, plus, of course, the Sahelian states themselves.

A new initiative is in its early stages that will involve Japan and the U.S. teaming up to address HIV/AIDS prevention and family planning requirements in Ghana and Kenya. This is part of an initiative to broaden the base of Japanese-American cooperation in development. In order for the Japanese to provide medicines and contraceptives, they had to change their policy against financing consumable goods. A key area in which we are interested in seeing additional support from other donors concerns commodities, particularly drugs for STD treatment and contraceptives, for which the need is growing rapidly.

Linkages with Other Development Programs

We recognize, of course, that even if Africa's rapid population growth slowed, even dramatically, it would not automatically guarantee economic and social development. Simultaneously, we also recognize that unless rapid population growth is slowed, the prospects for improving education, health services, employment and income, the environment, and economic growth and development more generally, are bleak indeed.

~~The key issue, of course, is that there is a demand and a supply side to family planning~~ outcomes. Our assistance to family planning programs is designed to encourage demand and expand supply, while recognizing that the demand for smaller families is correlated with female education, child health and survival, female employment out of the home, urbanization, and overall economic growth.

At the same time, and despite these reinforcing correlations, it is important to recognize that major advances in achieving higher rates of contraceptive prevalence and consequently, lower fertility, can be achieved without concomitant improvements in per capita income, women's status, child survival, and educational attainment. This is illustrated in the graphic "Trends in Contraceptive Prevalence Rates, Selected Countries 1975-1994,[6] where Columbia, Thailand, and Morocco have doubled contraceptive prevalence over 15 years without comparable increases in these social and economic indicators. Bangladesh has had a similar experience, with 40 percent of couples now using contraception and 31 percent using modern methods compared to about 12 percent prevalence in 1980.[7]

Female Education

USAID supports basic education programs in 12 African countries in which special attention is accorded to reaching girls and young women. Countries involved are Benin, Botswana, Ethiopia, Ghana, Guinea, Lesotho, Malawi, Mali, Namibia, South Africa, Swaziland, and Uganda.

Out-of-home Employment

Better education, of course, opens the door to out-of-home employment for women, and when that occurs, fertility drops even further. Education, too, is directly linked to empowerment of women so that they can make their own reproductive health decisions.

Child Survival

Child survival is widely accepted as another key motivation to accepting contraception, spacing births, and limiting family size. If children survive, it will not be necessary to have so many of them to fulfill family goals, including assistance in old age. Although the supporting data for this are less robust than for the influence of education, it remains a reasonable assumption. Additionally, child survival programs are worthwhile in their own right, and to the extent that they support reduced fertility, that remains a plus.

Reproductive Health

A recent and important modification in USAID's family planning and population program approach has been to incorporate significant aspects of reproductive health in our work. In summary form, this means that in addition to promoting access to quality contraception, we will support measures to increase safe delivery, and we will address the neglected area in women's health (and men's health, too) of preventing and treating STDs. In addition, we will begin to address the challenging reproductive health needs of adolescents, with the objective of helping them to protect themselves from unwanted pregnancy and STDs including HIV/AIDS.[8]

Impacts

As mentioned at the outset, several countries in East and Southern Africa are beginning to enter the second stage of the demographic transition, with their birth rates declining after significant drops in mortality. For decades, child mortality rates have been declining, while birth rates have stayed at a very high level, typically at or above 45 births per 1,000 population per year. Large families remain the norm and the ideal in much of Africa, with total fertility rates (the number of children a women will bear in her lifetime) of six to eight children. Rural-urban migration, increased female education and participation in the labor force, and increased survival rates of children are changing the calculus by which families determine how many children to have.

To this, we must add two difficult-to-quantify influences, namely the effects of monetary inflation and the ubiquitous influence of "modern communications." Anecdotal evidence from my personal "sidewalk surveys," i.e., conversations with taxi drivers, hotel waiters, immigration officials (who ask me what I do for a living) and shopkeepers, almost uniformly indicates that having an additional child—or more than two or three—is "too expensive." These respondents indicate that their ideal family size is about half the size of the family in which they were raised.

With regard to communications, my impressions again are anecdotal, but it is abundantly evident that young people especially are becoming members of some kind of global community with shared values of rock music, blue jeans, and delayed and lowered fertility.

USAID has contributed to four major changes over the past decade. A clear lesson is that achieving impact in this area requires long-term, consistent programming. This is why our assistance has achieved significant success in Zimbabwe, Botswana, and Kenya, and why, after 15 years of limited achievements in Ghana and Tanzania, we are now beginning to see major changes in fertility behavior.

African Government Support

Since 1985, USAID has demonstrated through computer modelling (what is known as the "RAPID" model)[9] the impacts of high rates of population growth on economic well being, education, health care, agriculture, and food security to policymakers in over 28 African countries. Today, most African governments have changed from pro-natalist positions to positions that support birth spacing, and in some cases, smaller families. Much of the change in attitudes among senior policymakers can be attributed to these "RAPID" demonstrations and associated dialogue.

In addition to working to change the basic attitudes of policy makers about family planning, USAID is now working in countries such as Tanzania and Senegal to change policies that impede the effective delivery of contraceptives. For example, the Government of Tanzania has agreed to remove a tariff on contraceptives, which should help make them cheaper and more available. In Niger and Zambia, a new policy allows non-medical people to distribute contraceptives.

Lower Fertility Rates

USAID has supported voluntary family planning programs in 38 African countries. In Kenya, USAID has promoted family planning since 1972; in Zimbabwe, since 1983; and in Botswana, since 1973. In each of these countries, USAID is the largest donor.

Fertility rates have actually dropped in a few countries and large changes have occurred in Kenya, Zimbabwe, South Africa, Western Nigeria, and Botswana. Perhaps the most remarkable and most tragic success is in Rwanda, where before the civil war began, preliminary results from the Demographic and Health Survey suggested a dramatic decline in total fertility rates of 25 percent. According to our best estimates, the total fertility rate in Rwanda was among the highest in the world in 1983—8.5 children. In 1993, preliminary estimates show the fertility rate to have declined to 6.2 children. Rwanda has long been characterized as having a Malthusian population problem, and undoubtedly, the growing realization that landholdings can be subdivided no longer, coupled with improved child health and an aggressive family-planning program, have all contributed to this change.

Increased Demand for Contraceptive Services

USAID-financed education, information, and communications programs have heightened the awareness of parents (particularly mothers) to the need to space births for their own welfare and the welfare of their children. They have also communicated the availability of modern contraceptive methods. According to recent demographic health surveys, the demand for contraceptive services has increased. On average about one-quarter of the married women in the countries of Botswana, Burundi, Ghana, Kenya, Liberia, Mali, Togo, Uganda, and Zimbabwe would like to have access to family planning services, but currently do not. About 80 percent of these women would like to put off their next pregnancy, and 20 percent would like to limit the size of their families. (See attached bar chart.)

Development of Service Delivery Infrastructure

USAID continues to develop and strengthen host countries' service delivery infrastructure. Three channels for distributing contraceptives have been created or supported. First, USAID has pioneered social marketing—the provision of contraceptives through private sector outlets using commercial marketing techniques but at subsidized prices. Second, USAID provides contraceptives for distribution through the public health system. Third, USAID supports the use of local communities and NGOs to deliver contraceptive services, frequently called community-based distribution.

The impacts of these programs are demonstrated in Table II. For example, in Guinea, the number of family planning service delivery points increased from 0 to 340 between 1988 and 1992; in Kenya, they went from 762 to 1832 between 1984 and 1993; and in Malawi, they went from 3 to 230 over the same period.

It might be good to look at the Kenya case more carefully. Since 1972, USAID has been supporting and promoting voluntary family planning programs in Kenya (providing more than $53 million since 1983 in bilateral assistance). During the first ten years of USAID assistance, little change in either contraceptive prevalence or fertility could be perceived. Kenya had one of the highest population growth rates in the world—nearly 4 percent per year.

USAID focussed on expanding family planning services and improving their quality. Activities included:

- Fertility surveys that drew attention to the magnitude of the problem and also monitored progress
- Family planning training for health workers
- Community-based family planning
- Encouraging businesses to add family planning to health services for their employees
- Introduction and wide acceptance of voluntary surgical contraception
- Better contraceptive logistics management
- Improved management of NGOs

Our multifaceted program assistance in Kenya has helped to change family planning behavior in a magnitude unprecedented in Africa.

- The use of contraception has almost quintupled over the past decade. In 1978, 7 percent of married couples of reproductive age used family planning. By 1993, the figure had jumped to 33 percent.
- The fertility rate dropped from about 8 children per woman in 1979 to about 5.4 in 1993. In Zimbabwe, while contraception rates have increased, the financial viability of the expanded service delivery systems is also improving. In 1993, the Government of Zimbabwe purchased, from its own budget, 21 percent of all family planning commodities; this rose to 25 percent this year. About half of the cost of commodities is recovered through sales to those who can afford them.

The future

Research is now suggesting that the demographic transition in Africa may be very different from similar transitions in Asia and Latin America. In those regions, contraceptive acceptance occurred first among women and couples wishing to terminate child-bearing, i.e., higher parity and older users.

Several African countries are demonstrating that much of the demand for modern contraception is coming from unmarried or recently married women, and from married women interested in increasing the spacing between births. The desired family size has declined, and there is a considerable pool of unmet need for modern contraceptives from women who do not wish to have any more children. This is illustrated in the bar chart, "Unmet Need for Family Planning, Women Ages 15-49 Years."

These findings have important implications for the impact of various types of family planning interventions. The policy environment is generally supportive. The incentive structure for large families is changing. Information is now more broadly available than ever before. Thus, USAID, along with African leaders and other donors, believe that substantial progress in lowering fertility can be achieved during the next decade.

Two broad constraints remain:

- Male attitudes. Many women are ready to practice birth control and limit family size, but many men still subscribe to the cultural norm of large families as both a social security network and a sign of virility. Without changes in male attitudes, the decline in fertility rates will be postponed.

- Slow Economic Growth. In most parts of the world where the demographic transition has occurred, it has been accompanied by economic growth and urbanization, or major increases in the provision of social services, particularly female education. These changes are occurring very slowly in Africa.

The Impact of HIV/AIDS

There remains one great unknown in Africa's demographic equation—the impact of HIV/AIDS on overall population levels and growth rates. The World Health Organization estimates that in mid-1993 14 million persons worldwide were infected with the human immunodeficiency virus (HIV). HIV was most prevalent in sub-Saharan Africa where more than 8 million were infected.

Heterosexual transmission of HIV continues to predominate and accounts for 80 to 85 percent of all HIV transmission.[10] Basically, HIV is transmitted by men who have sex with infected prostitutes and other women, and who then transmit HIV to their wives and regular partners. Roughly equal numbers of men and women are infected, although more younger women are infected than men.[11]

As Way and Stanecki point out, mother-to-child transmission will result in large rises in infant and child mortality rates in a number of countries. In Zimbabwe and Zambia, for example, AIDS should nearly double what infant mortality would have been in the year 2010. As a general rule, one-third of births to HIV positive mothers are infected at time of birth.

Projections have varied, but the U.S. Bureau of Census now estimates that in heavily infected countries, the annual rate of population growth may be halved or reduced even more by the year 2010; in other countries, it may be reduced by one-third.[12]

Although specific areas with unusually high levels of HIV infection may experience negative population growth rates, this remains unlikely for countries as a whole. In a number of cities, however, where positive HIV levels among reproductive-age adults frequently are 25-30 percent or even higher, the impact will be particularly great as these large numbers of people prematurely die.[13]

The serious question remains unanswered, to wit, whether knowledge of the fatal consequences of this disease and how it is contracted will cause widespread behavior change. The evidence for that is not yet available.

Conclusion

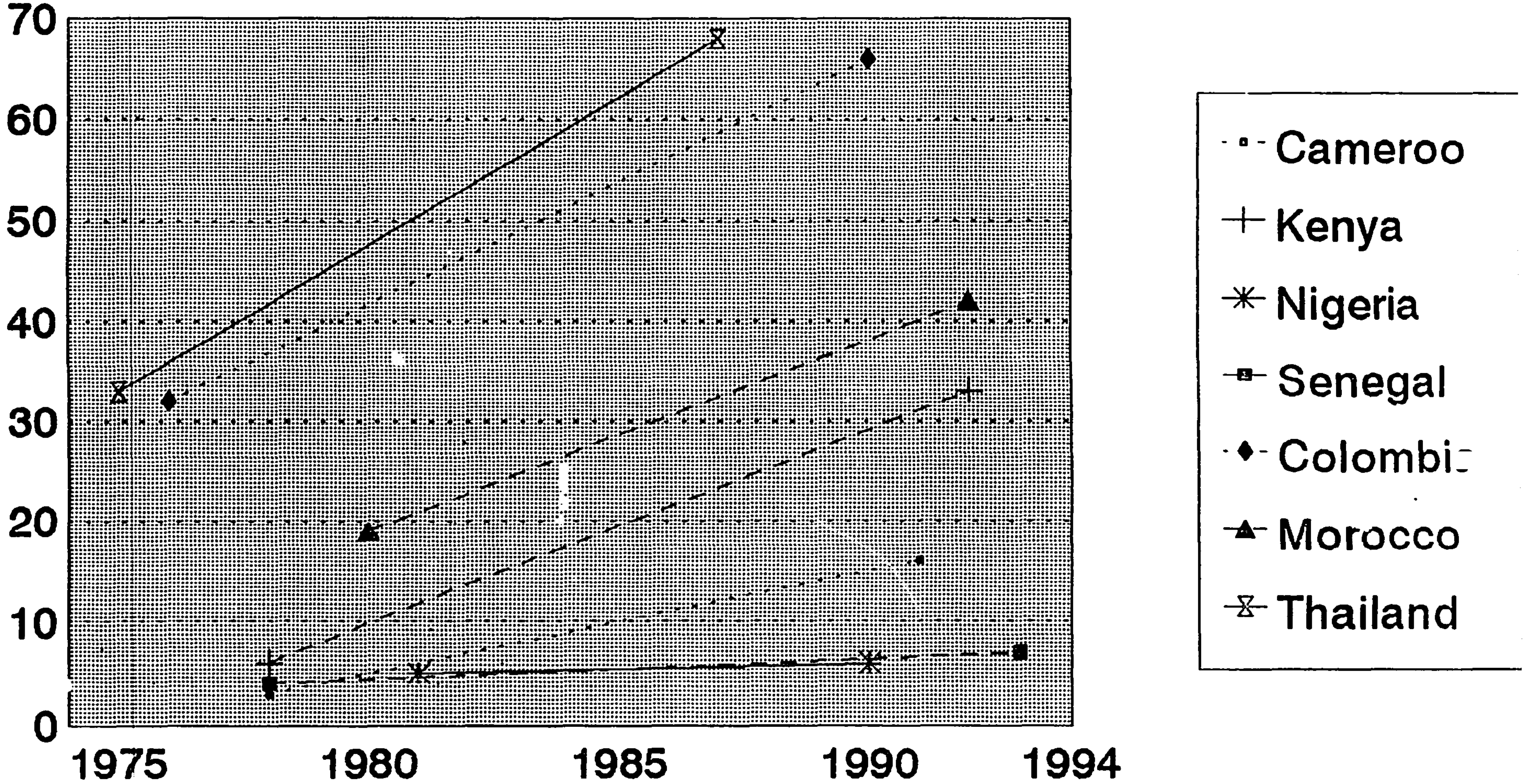
We are encouraged that the time is right to set the stage for major declines in fertility throughout much of Africa. The way to this end is being demonstrated by countries in East and Southern Africa and models are being constructed for francophone Africa to emulate.

USAID remains dedicated to working with African leaders, host country family planning officials and other international donors to:

- Continue to promote reforms that encourage the empowerment of women, including girls education.
- Expand knowledge of and access to family planning services.
- Strengthen primary health and family planning delivery systems.

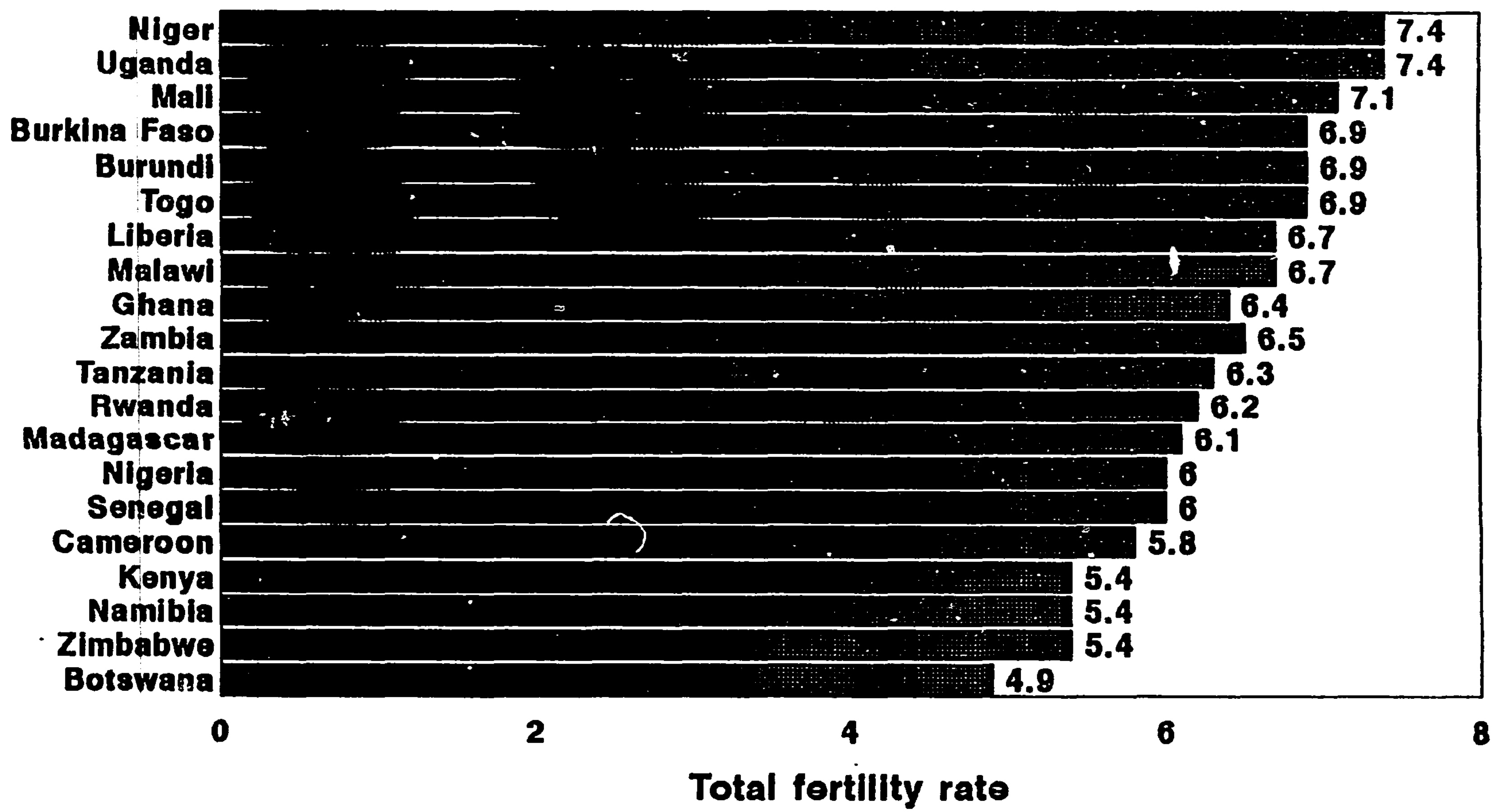
At the same time, our programs in economic growth, in female education, and in child health, will continue to lay the foundation for sustained increases in demand for and acceptance of modern family planning.

Trends in Contraceptive Prevalence Rates
Selected Countries
1975-1994



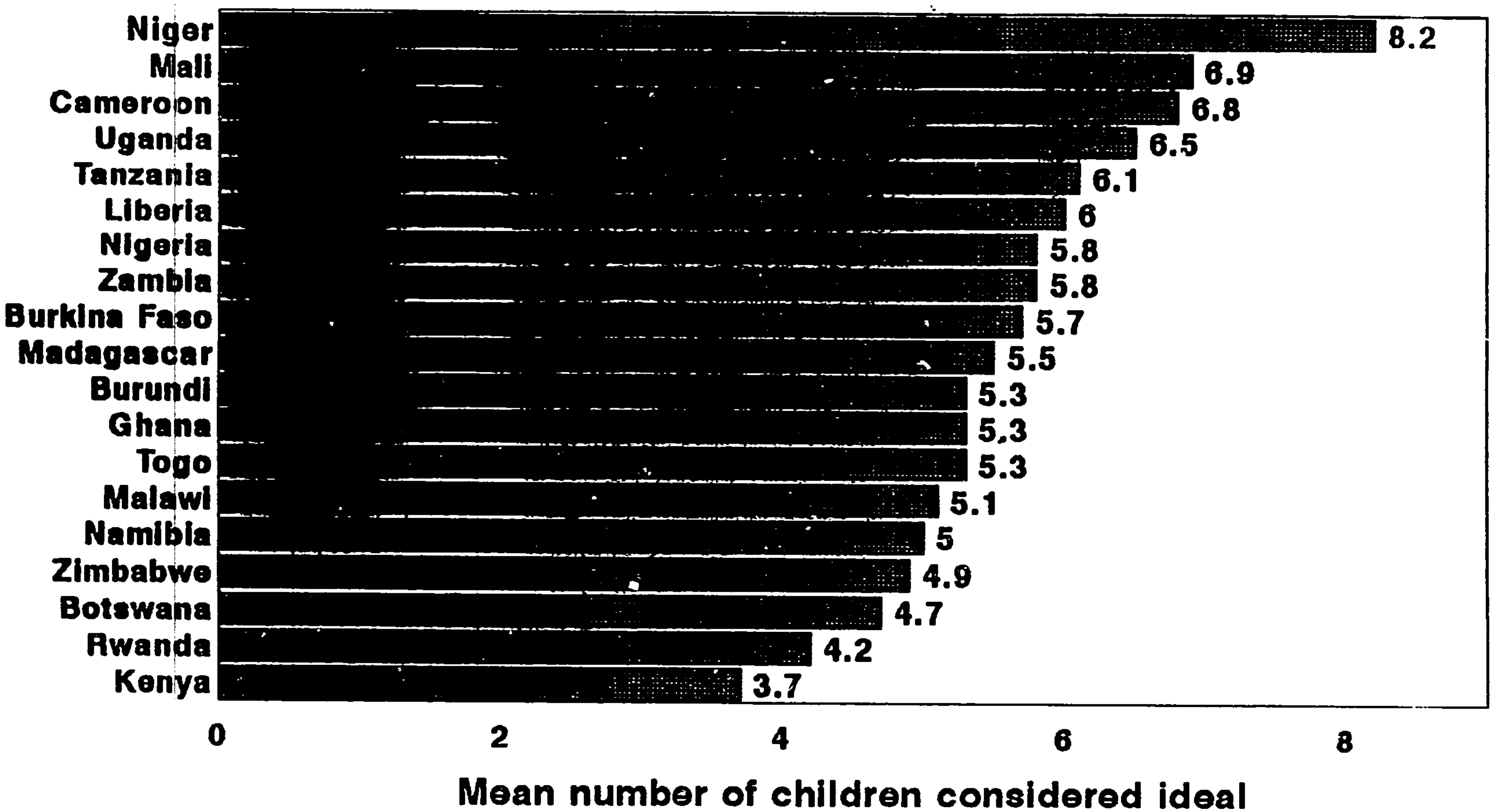
63

Total Fertility Rates in Kenya and Other Sub-Saharan Countries, DHS, 1986-1993



DHS

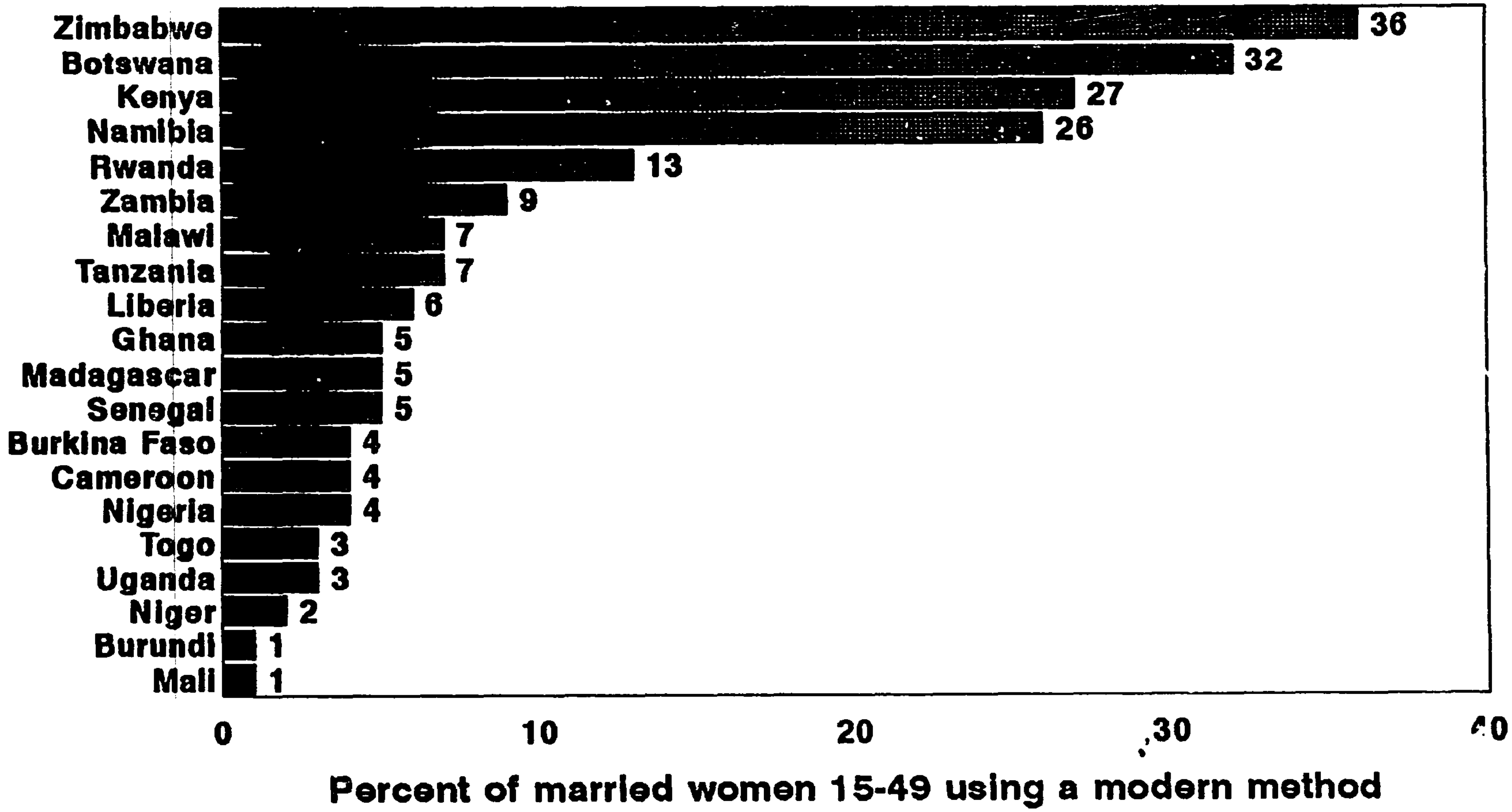
Mean Ideal Family Size in Kenya and Other Sub-Saharan Countries, DHS, 1986-1993



15

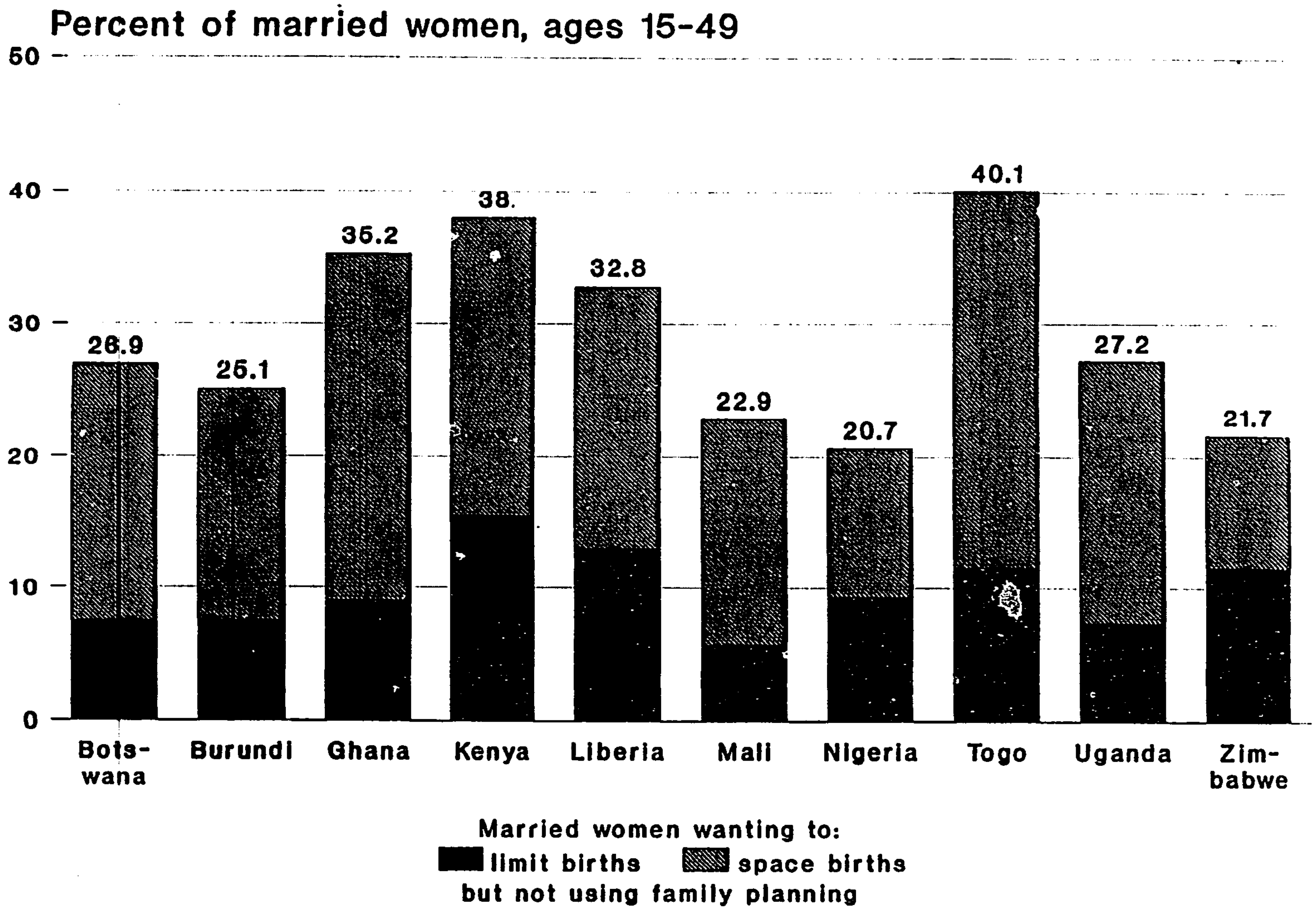
DHS

Modern Contraceptive Use in Kenya and Other Sub-Saharan Countries, DHS, 1986-1993



DHS

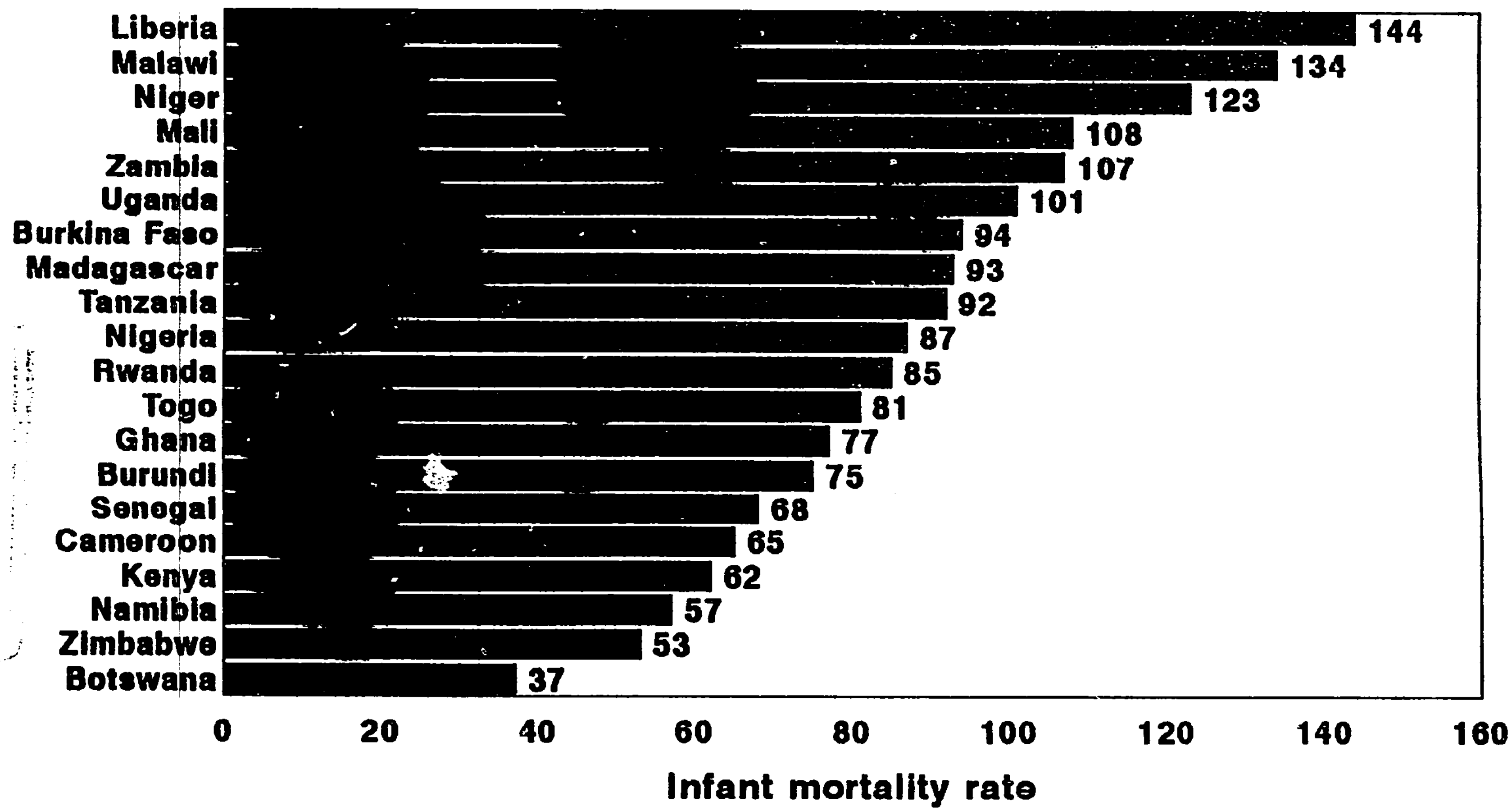
Unmet Need for Family Planning



Source: Westoff & Ochoa, in *Demographic and Health Surveys Comparative Studies* 3 (Columbia, MD: Institute for Resource Development, 1990) Table 4.2.

67

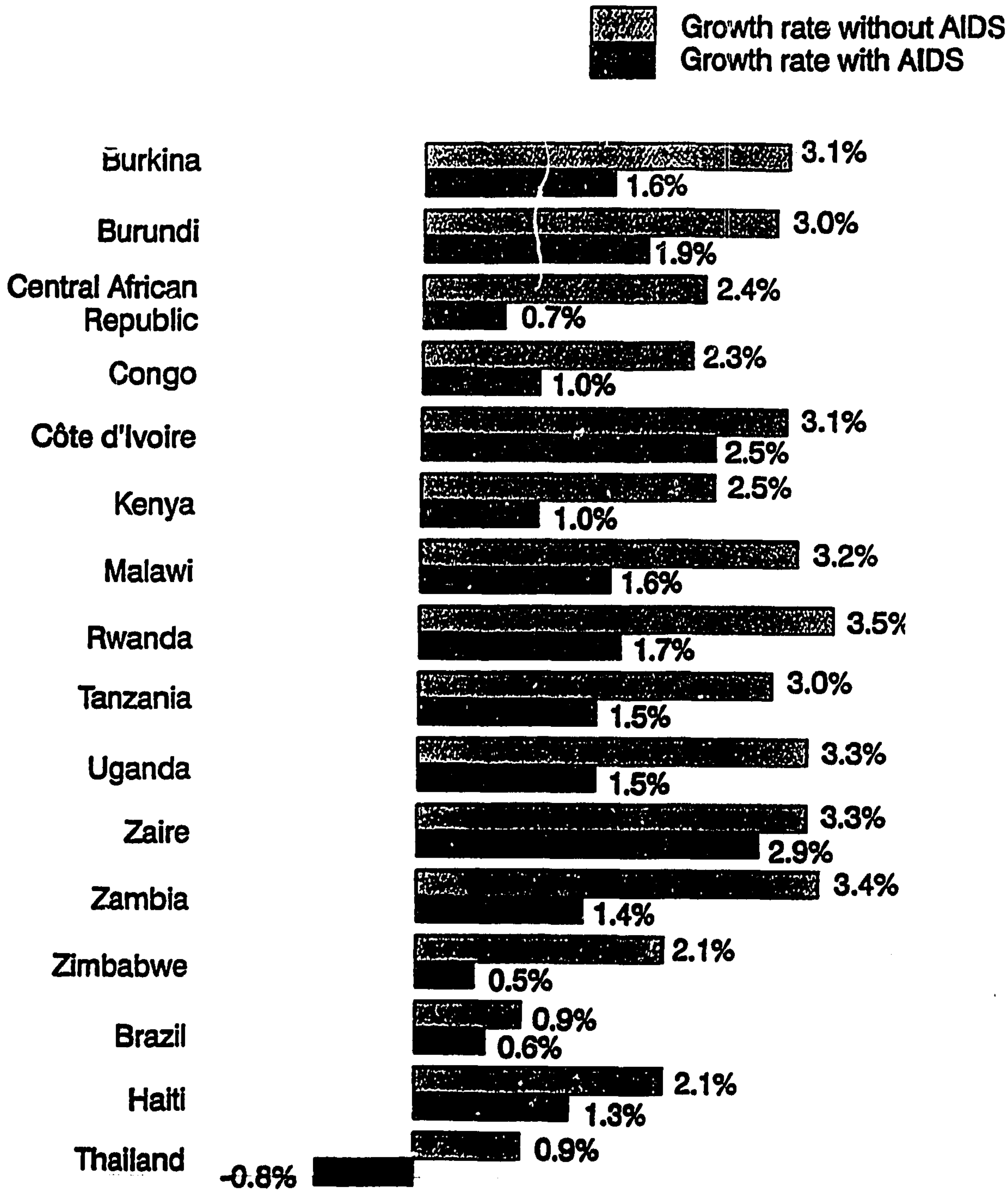
Infant Mortality Rates in Kenya and Other Sub-Saharan Countries, DHS, 1986-1993



DHS

AIDS Epidemic Will Slow Growth Dramatically in a Number of Countries

Projected population growth rate with and without AIDS, selected countries: 2010



The combined population of these 16 countries is projected to be 619 million in 2010, 121 million fewer than there would have been without the AIDS epidemic.

Source: U.S. Bureau of the Census
March, 1994

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Notes

[1] Mr. Kangas is a former member of the Senior Foreign Service and served as health and population officer in USAID missions in India, the Philippines, and Egypt. Presently, he is Senior Population Fellow, University of Michigan School of Public Health, attached to the Bureau for Africa, USAID, Washington as Resident Technical Advisor.

[2] Traditionally a lowering of fertility occurs after mortality has declined, frequently with a significant "lag time."

[3] Population Reference Bureau, World Population Data Sheet, 1994, Washington, D.C.

[4] Population under 15 years of age in Canada are 21 percent, in the U.S. 22 percent, in Sweden, Norway and Finland, 18-19 percent.

[5] Remarks by the President to the National Academy of Sciences, June 29, 1994.

[6] Source: World Fertility Survey and Demographic Health Surveys, Macro International, Washington, D.C.

[7] Ibid.

[8] We do not underestimate the difficulty in addressing these adolescent needs. Providing contraceptive and sexual counseling to young people anywhere can be sensitive, complex, and characterized by uncertain outcomes.

[9] The acronym, "RAPID" stands for Resources for Awareness of Population in Development. RAPID models have been developed by the FUTURES Group of Washington, D.C. on contract with USAID's Office of Population.[10] Peri-natal transmission accounts for most of the balance of HIV transmission; contaminated blood products for only a small percentage.

[11] "The Impact of AIDS Upon Population Growth in Africa: A Perspective." Report to the Africa Technical Department of the World Bank, by Lenni W. Kangas, March 29, 1990.

[12] "The Impact of HIV/AIDS on World Population," by Peter Way and Karen A. Stanecki, U.S. Bureau of the Census, Center for International Research. U.S. Government Printing Office, Washington, D.C. 1994.

[13] The best estimates of HIV prevalence among reproductive age men and women are obtained from antenatal clinics where a patient's blood is routinely tested. In Kigali, Kampala, Bujumbura and other cities in East Africa, levels of 25 to 33 percent have been reported. Pregnant women represent a reasonable surrogate for the sexually active teenage and adult population in urban areas.

Household Bargaining Power and Western Notions of Domesticity: Some Examples from the African Development Literature

By Rita Aggarwal, USAID/AFR/SD

Western notions of domesticity are all too common in development projects. Until very recently, development projects focused too narrowly on women's domestic roles, ignoring the role that African women play in the larger economy. This has meant that African women have been excluded from receiving training, credit, and agricultural inputs; and an even worse consequence of these Western biases has sometimes been the erosion of women's traditional rights over property.[1]

There is a well-documented history of project failures due to a lack of knowledge of the role that women play outside of traditional domestic roles. This, combined with increasing concern over disparities in health and nutritional status of women and children reflected in national level statistics, has led to the increased recognition of the need to target women in a more comprehensive manner in development efforts. WID gained influence among donor agencies during the 1970s. An example of the increased attention on women is the Congressional amendment passed in the early 1980s making women the target recipients of a portion of any developmental funding sponsored by the U.S. Government. Since then, WID interventions have focused on increasing literacy, access to education, income enhancement sources, legal representation, and political participation. In 1982, a WID Policy paper further refined USAID's approach, concluding that:

> The key issue underlying the women in development concept is ultimately an economic one: *misunderstanding of gender differences*, leading to inadequate planning and designing of products, results in diminished returns on investment. Gender, therefore, is a critical category of analysis in A.I.D.'s work, one that has not received sufficient attention to date.[2]

In these past 20 years of effort, although it still remains an uphill battle, there have been some successes in incorporating gender analysis into development projects. Examples of projects that target women, whether as part of a larger project or with women as the sole focus, include the Women in Agricultural Development Project (WIADP) that operated in Malawi from 1981-1983. The WIADP project responded to women's specific constraints by including women as researchers and extension workers, designating women farmers for leadership training, establishing creditworthiness for women who lacked collateral by having the male village headmen vouch for the potential borrower. The women began paying back their loans through beer and craft sales.[3] In Uganda, the Heifer Project International is an income-generating project targeting poor rural women organized into the Kirinya Women's group outside Kampala. The project provides the women cows, training, extension services, and other inputs. The women sell the milk from the cows, as well as any bull calves the cows bear. In addition, they use the readily available milk from the cows for their children, improving household nutrition.[4]

Economists have been particularly interested in the outcomes of such projects, as they fit well with new views of household decisionmaking. A dissatisfaction arose in microeconomic theory with "unitary" models of the household, especially in explaining observed inequality in consumption and achievements of different household members, even after making an allowance for relevant differences among them.[5] Household bargaining models, where intrahousehold allocation is based on individuals' relative bargaining power, are now seen as more reflective of reality. A key means of enhancing bargaining power is through control of independent income. For example, in a paper tracing the effects of structural adjustment programs on women in sub-Saharan Africa, Haddad *et al.* state:

In urban areas, when the male worker loses a public sector job, female labor force participation may increase. While this increases women's time burdens, it may, through the increasing share of household income earned by women, increase women's influence in other resource allocation decisions. This happens through the relative change in male-female fallback positions, strengthening the female power base in decision making.[6]

Thus, increased income for women is not seen only as providing improvements in welfare and productivity for the whole economy, but also as a means of strengthening the "power" of the woman within the household. It is this notion, common among development practitioners, that women's increased participation in activities outside the household leads to their "empowerment" within the household, that I would like to focus on. The link between outside activities and empowerment may have more to do with Western middle-class women's recent movement against a patriarchal domesticity than with the specific forms of domesticity encountered in African rural life.

For example, the assessment of the Uganda Heifer project mentioned above describes how the new income helped to increase the recipients' participation in household decisionmaking. Those interviewed said they plan with their husbands what to do with the profits. Said one, "I decide what to do with the money, then I go and discuss it with my husband." This sort of anecdotal evidence seems to read too much into the potential transformation of household decisions and power, expressing the same sort of connotation of the early days of women's participation in the U.S. labor force, where increased income was assumed to translate into greater individual freedom.

Examples of how the link between income and empowerment is not so straightforward come from two projects designed to provide low-input technology for women to help reduce their work load and increase production. In Ghana, a Shea Butter project was designed in 1989 to promote this traditional women's enterprise. By disseminating a set of equipment for small-scale production of the butter, the project was intended to reduce the labor required, increase the rate of production, improve the value of the product, and increase women's income. A similar technology/credit-related project in Tanzania, Women and Appropriate Food Technology project (WAFT) was established in 1987 to help meet the needs of rural women. The project ultimately was expected to have multiple impacts on the lives of the women who participated.

An assessment questionnaire administered to participants in both programs found that although participating in the project made them feel better about themselves and their prospects for the future, few thought that it had changed their position in the family decision-making. Decisions on where the family lives as well as what it eats, and how much education its children (especially male children) will receive remained the husband's prerogative. Where a change in decision-making has taken place, and was acknowledged by the participants to be due to the project, it involved husbands reasserting their authority over their wive's income. The researchers conclude that this may have been because the wife's increased income became more important to the family.[7]

African women's limited gains in decision-making with new income has been attributed to their traditional involvement in both the domestic and public spheres. This has been contrasted to the impact of similar development projects on Bangladeshi and Indian women, who have traditionally been much more restricted to the domestic sphere. These women experienced a much greater increase in decision-making within the family as a result of income generating opportunities. Although such cross-cultural comparisons are useful, it is important to recognize how African women have struggled with both men and the state for the right to work. Both Gracia Clark's work on market women in Ghana and Karen Trasberg-Hansen's work on urban Zambia point to the complexity of issues involving state intervention, marriage, and work. Only recently have African women gained access to such white collar jobs as civil service employees, and they are vulnerable to retrenchment programs that follow the last-in-first-out rule.

Perhaps what is most relevant to the relationship of women to the public sphere is the quality of their contacts and social networks. Projects that include women's participation in such activities as credit clubs, provide contacts with extension workers, and support legal and political structures that can assist women to exercise their rights may be the most important for enhancing women's status.

The WID literature, rightly so, has drawn attention to gendered differential incentives, often citing the example of wives being forced to contribute labor on their husbands' crops. This literature points to the disincentives women have to contributing their labor power in such situations. While these examples are illustrative of gender imbalances, there may also be cases, such as in the Ghana Shea butter project mentioned above, where women appeared to feel their greater income was more of an asset, rather than feel that any interference by their husbands in their decisions about its use was a hindrance. This is one area where a notion of domesticity, rather than a preconceived notion of gender differences, would be useful to analyze family relations in terms of economic strategies and family obligations.

Over a decade ago, researchers discovered that differences in family structure based on headship—defined by the gender of the household head—was one useful way to look at gender-based constraints and opportunities. Thus female-headed households versus male-headed households became prominent in policy dialog. This has been followed by a move to more specificity of types of family structures in Africa, as evidenced by the broadening number of headship topologies now current in development literature. A World Bank paper on the impact of structural adjustment on women in sub-Saharan Africa, for example, cites data from surveys done for Zambia, Guinea-Bissau, and Côte d'Ivoire that identify five household topologies including the following: monogamous and polygamous, single male-headed households, as well as *de facto* and *de jure* female headed households. The paper argues that this type of specificity allows operationally relevant discussions to be drawn in the education, health, and nutrition of key endogenous factors that characteristically constrain productive activities of such households.

While progress has been made in understanding the various family structures that exist in Africa, an overreliance on topologies and gender *per se*, without sufficient ethnographic research, serves to continue ethnocentric notions of the family, and can create contradictory policy implications. It is a rare project design that includes analysis of economic and social relationships outside of the narrow topologies of gender-defined heads of households. A midterm evaluation of a project to promote burley tobacco production in Malawi, something that only large estates were able to do previously, provides a detailed analysis of the constraints female-headed households face relative to male-headed households in participating in the scheme. However, the evaluation goes on to say that more attention should be given to the women in the male-headed households: "In emphasizing 3,312 female heads of household, it should not disadvantage 23,148 wives."[8]

To sum up, domestic structures have been studied often in isolation by researchers and practitioners who focus on women or gender, and while this has been extremely useful for drawing attention to women's needs, the more analytical research will come from analyzing domesticity in a wider context of family, the community, and the economy. The empirical evidence that has begun to come in from women's participation in development projects has shown mixed results on the more direct hoped for linkage between increased income and increased empowerment for African women. This may have had to do with the inadequacies of our conceptualization of domesticity, having accepted an essentialist notion of both domesticity and African women's role within the family.

Notes

[1] Christine Jones, "Intrahousehold Bargaining in Response to the Introduction of New Crops: a Case Study from North Cameroon," in *Understanding Africa's Rural Households and Family Systems*, ed. Joyce Lewinger Mook, Boulder: Westview, 1986.

[2] Agency for International Development, *Women in Development: A.I.D. Policy Paper*, Washington, D.C.: USAID, 1982.

[3] Christine Pena, *et al.*, "Women's Economic Advancement Through Agricultural Change: A Review of Donor Experience," IFPRI, 1994.

[4] Annie Foster, "Successful Approaches to Integrating Gender in U.S. Development Assistance: USAID/Uganda," USAID/WID, 1994.

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[5] Lawrence Haddad and Ravi Kanbur, "Intrahousehold inequality and the theory of targeting" *European Economic Review* 36 (1992):372.

[6] Forthcoming in *World Development.*

[7] Lucy E. Creevey, *Changing Women's Lives and Work: A Comparative Study of the Impacts of Different Strategies in Projects to Support Small and Medium Scale Enterprises: Final Report,* UNIFEM, 1994. If –asked in a questionnaire whether they contributed a significant amount to household income, such women may answer yes, but the link between this and their ability to influence decisions traditionally controlled by the husband may not be affected, such as whom their daughter marries, who gets medical care if they are sick, and who gets custody of the children in the case of a divorce.

[8] "A Midterm Evaluation of the Agricultural Sector Assistance (ASAP in Malawi," Agency for International Development, 1994.

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