

A COMMENT FROM SOUTHERN AFRICA

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The analysis of Lomé's role in Southern Africa made by Paul Goodison in this Lomé Briefing reflects the major points of concern for SADCC countries during the Lomé negotiations. The issues raised are all of great importance to Southern African ACP states.

The following comments aim at elaborating, from a SADCC point of view, some issues on cooperation with Southern Africa in general, and with SADCC in particular that need special attention in the next Lomé Convention.

1. Necessity to develop the narrow productive base

The question of the need for economic reconstruction is fundamental to the SADCC countries but has so far not been dealt with sufficiently.

The principal economic problem relates to export led growth policies in the agricultural sector. To be successful, these policies require expansion of the productive base in the rural areas amongst a far greater number of small farmers, in particular those in drought-prone and environmentally marginal areas. However, the application of these export policies by the SADCC and the pattern followed by the Lomé Convention have been short term and seem to be more responding to immediate import requirements by the EC rather than to the long term developmental needs of the SADCC.

In the long term, the economic prospects of the SADCC countries do not look very promising. **The heart of the problem is the narrow productive base. The number of producers in the region is small and most land resources that are productive are only accessible to large and commercial farmers.** Food aid on a regular basis will remain necessary as long as the productive base – infrastructure, production methods adapted to the environment – has not been developed.

There is thus a major need for foreign funds – soft loans and grants – to be invested in productive infrastructure. **The negative investment pattern in the communal areas in particular needs to be reversed since most peasants live in these areas.** Improvement of infrastructure in these areas, for instance through water development, would contribute to strengthening the productive base.

For the moment, there is a clear concentration of finance and infrastructure on supporting export oriented agricultural activities. However, **an improvement of the productive base demands a serious policy in support of those who do not produce for export.**

In the medium term, not tackling this investment problem can have serious **political implications** as it is already clear that an inadequate productive base is a source of political instability and conflict in the region.

2. Reverse growing unemployment

Connected with this problem of the limited productive base is the growing level of unemployment which has become more consciously articulated of late.

For instance, mechanization of agriculture production, especially in the commercial sector, has increased, leading to less fulltime agricultural employment and a greater use of casual labour. Also, the possibilities for higher employment in the industrial sphere are low. Even if the growth rate in this sector would be high, its narrow productive base would not provide a high employment absorption capacity.

In these circumstances, the employment growth rate of 1.5 % to 2 % per annum cannot absorb the average population growth of 3.5 % per annum.

What is now required, is a quantum growth in the productive spheres. The policy option for achieving this is to concentrate on a broadly based agricultural led demand strategy to widen the scope of production possibilities in the rural areas. This

would expand the employment and income base in the region and therefore create higher levels of demand for other agricultural and industrial products.

Such a strategy for economic restructuring is not along the same line as many structural adjustment programmes because these do not address the region's fundamental problem. Their appropriate pricing policies cannot have the expected economic response in production as the productive base is inadequate.

Economic reconstruction and investment policies need to be targeted at utilizing the natural production capacity – the whole population having access to productive land –, at decentralizing investment, and at redirecting investment, especially to marginal areas where more efficient life stock production and more irrigation is needed.

3. Reduce SADCC's vulnerability

The region's need for economic reconstruction is closely linked to its defence needs to face South African destabilization policies. It should be stressed that **the SADCC countries are more vulnerable to destabilization when the economic conditions of their people are declining.**

As a result, still more regional economic programmes are needed to counter the effects of South Africa's aggressive policies. The economic linkages between the different SADCC countries, some of which already existed before their independence, need to be strengthened. In the meantime, the important movements of people in the region – migration, refugees, etc. – have to be given consideration.

On the other hand, **each country's economy has to be considered as a whole.** Economic growth in Mozambique, for instance, cannot only be achieved through rehabilitation of its regional transportation routes. Economic policies based on this view would not improve Mozambique's productive base and its resistance towards destabilization. Development of energy, tourism, mining, trade in agricultural and processed goods is needed to create the basis for expanding Mozambique's interaction with the region.

4. Developing the indigenous capacities of SADCC as an organization

The dependence of the SADCC organization on foreign technical assistance for formulating programmes, designing projects, etc., is rather high. At the present time, in contrast to the Nordic countries, the EC is not trying to rectify this situation.

New efforts and concrete actions are needed to build up the indigenous institutional capacities and expertise of the SADCC organization in order to strengthen its activities towards long term economic self-reliance. Enhancing the technical capabilities of the SADCC institutions to mobilize resources and to cope with the multiplicity of differing situations and problems facing the region has to be further explored.

One means of doing this, is **supporting new NGOs and other indigenous organizations that can provide the technical assistance and services needed.** A solid local and regional network, as well as a solid NGO base will guarantee a solid support for SADCC initiatives.

This strengthening of organizational capacity, for which EC assistance would be welcome, will help SADCC's development more than any promised improved coordination between the donors of the region.

Author note

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