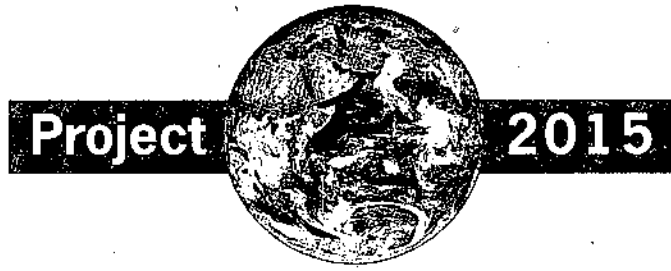


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# East and West Africa

REGIONAL STUDIES



# **WEST AND EAST AFRICA**

**Regional studies**



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# **PREFACE**

## **Some conclusions from Project 2015**

### **1 A NEW PARTNERSHIP POLICY IN AFRICA**

The views expressed in this paper are a first effort by the Department for East and West Africa (REWA) to draw some tentative conclusions from the studies commissioned under Project 2015. We will not try to further develop the analyses made of the various problems. Nor do we try to establish direct links between these analyses and our own recommendations and suggestions. In some cases the links are very indirect indeed. What is clear, however, is that Project 2015 and the studies related to REWA included here have provided a lot of inspiration for new thinking and new visions in a longer-term perspective.

We believe that there is a need for developing a new overall framework for cooperation with Africa. The notion of such a perceived need now seems to be quickly emerging, not least through the efforts made by the Ministry for Foreign Affairs. In this context reference is made to the introduction by Under-Secretary of State, Mr Mats Karlsson, to the recent Nordic Africa Institute publication "Domination or Dialogue? Experiences and Prospects for African Development Cooperation". Some key phrases are: changing the political basis of the aid relationship; broadening the sometimes narrow aid focus to a more political approach and to economic cooperation built primarily on trade and investments; getting out of aid dependency and the receivership mentality, often still characterized by paternalism and domination through traditional donor-recipient relationships; exploiting in a much more active and determined way the potential for regional cooperation in Africa; and reforming and strengthening internationalism, not least through defending the multilateral cooperation system which is today under severe attack.

Sida can pave the way for development of a new partnership policy for Africa, based on dialogue and mutual interests. Efforts in this direction will be significantly facilitated by the new budgetary allocation system. This provides more flexibility and does not necessarily "bind" available resources to country frames. REWA thus recommends further determined steps towards the establishment of regional funds to complement country allocations, along the lines which are now being tried out by Norway. The new built-in flexibility could be used, for example, in the following innovative ways:

- Support to various centres of excellence and policy-oriented intellectual think-tanks in Africa, aiming at building up African capacity to take a much more active part in multilateral discussions and to counteract the on-going marginalisation of Africa in the global economy and in the international arena.
- Support to new efforts to forge strong regional links among African countries in defence of long-term interests. Reference is made to recent REWA discussions on possible Swedish support to East African cooperation around Lake Victoria and to the renewed regional cooperation in East Africa as well as to regional cooperation around the Great Lakes Area.

- Support to conflict resolution and to African efforts to build up strong regional capacity to deal with conflicts and regional crises – preferably through institution-building in cooperation with OAU, ECA and similar organizations.
- Support to new ways of reaching out to poor people with the active involvement and participation of the civil society, i.e. through autonomous funds or similar intermediaries which are now rapidly emerging particularly in southern Africa (cf. recent discussions SEKA/REWA in connection with a visit from Synergos Institute in New York).
- Future-oriented support to protect children and women in Africa through an active involvement – in cooperation with UNICEF – in the follow-up of the commitments made under the Convention of the Rights of the Child.

In the following chapters views and recommendations are formulated under the headlines: Conflict Resolution, Security and Development, the Economic Reform Process, Agricultural and Rural Development, Indigenous Institutions in Africa and Governance Issues. From the point of view of the overriding partnership policy perspective REWA would attach particular importance to the recommendation regarding debt relief for the poorest and most debt-distressed countries in Africa.

## **2 CONFLICT RESOLUTION, SECURITY AND DEVELOPMENT**

Today's Africa is characterized by an increasing number of conflicts and tensions. The underlining reasons are different and cannot be easily summarized. Armed conflicts are normally related to political participation, distribution of economic resources or identity. Conflicts can be part of a long and difficult transition from non-democratic to democratic constitutions. They can be part of economic class struggles, relate to authoritarian oppression or to ethnic factors. In spite of all these differences however, there seems to be, finally, one common denominator: the crisis of the state and the central political power.

There are two fundamental causes behind this crisis of the African state. The first one is historic and has its roots in the mechanisms of colonial powers. Africa's "first liberation", i.e. political independence, led to a change of those in power; but the structure of the state apparatus and the forms of power wielding remained about the same. Political elites were established, often encouraged and supported by the bipolar international system of the time, and became more and more isolated from the people. This development induced increasing demands during the 1980s and 90s for a "second liberation". Rather than blaming all evils on colonialism and imperialism, the critics point at the lack of reform of the state apparatus, non-existing development inputs in support of the traditional family sector in rural areas, the lack of real democracy and nation building, negative distribution policies, the weaknesses of the civil society, the lack of social contracts between the main state and society actors, arbitrary and undisciplined actions by the military and the police, and so on.

The second main cause is more contextual and is linked to the end of the cold war and the bipolar world. This has led to increased marginalisation and fragmentation of Africa and to increased pressures for integration and political and economic reform. This has in turn deepened the crisis of the African state through negative effects on the maneuverability, resources and norms of the state apparatus.

The key to conflict resolution, increased security and development in Africa is a reduction of the intensity of the crisis of the African state. The challenge is to try to close the gap between what the state has the capacity and willingness to do on the one hand, and what the citizens demand that the state should do on the other. Reducing this gap could increase the legitimacy of the political power structure.

Conflict, insecurity, a lack of democracy and underdevelopment are all closely interlinked. Thus conflict resolution, national consolidation and poverty alleviation should be integrated elements in all processes aimed at solving the crises of Africa. There are no "quick fix" solutions. The best way of preventing and solving conflicts is to promote economic and social development and democratic principles for exercising power.

All future Swedish development assistance to Africa should be planned and implemented from a conflict and security perspective. Strong efforts should be made to internalize and increase the capacity of decision-makers to deal with security-related issues and with the complex nature of such issues. Consistent efforts should be made to promote interaction between the state and the civil society, as well as increased regionalization and regional identity through bottom up approaches.

### **3 THE ECONOMIC REFORM PROCESS**

This chapter deals with some important aspects of the present economic situation and on-going processes affecting countries in the region. It is suggested that past experience, both recent and more remote, has taught recipient countries and donors a great deal of what promotes development and what obstructs it. To this end, it is emphasized that the debt crisis is not over for many countries either in or out of Africa. Constructive measures that go well beyond current practices are needed. The last half decade or so has seen two clear trends, one is the almost universal spread of multi-party democracy, and the other is a surge in internal violent conflict – not least in Africa.

#### **The globalization of the economy and the continued debt crisis**

The world economy has gone through remarkable changes in the last 5-10 years. Rapid technological change, technical diffusion, transfers of capital and labour, and the almost universal adoption of the notion of market liberalization, means too that development aid has a new setting.

The implications are many and difficult to dissect, but one seems outstanding: it has become increasingly difficult, if not impossible for a single country to isolate itself from the rest of the world and choose a development path that is at odds with the current global market-led liberalization of the economy. The clear implication for donors is to focus development programs on facilitating the recipient country joining the global economy through, for example, international trade at the regional and global level. The need in this respect for a reduction of trade barriers in the developed countries is critical.

The so-called debt crisis swept much of the world during the 1980's. Mexico set the pace in 1982 by withholding interest payments and amortizations to its creditors. For a number of different and inter-related reasons such as cancellations, rescheduling and economic growth in debt ridden countries, the extent of the crisis from a global perspective has diminished.

However, for some countries the crisis is not over. Judged on current IMF/WB standards 8 countries are in an unsustainable debt situation. But, using a more realistic perspective, the number of countries classified as either unsustainable or possibly stressed increases to 28. Among these we find several of Sida's program countries. The main reason for their predicament is their high share of multi-lateral debts, debts which are not covered by current debt rescheduling arrangements.

One of the most constructive proposals for assisting these countries is the setting up of multi-lateral debt funds (MDF). Sida has already become involved in one such fund in Uganda, and this is likely to be followed by others.

The introduction of MDFs on a wider scale is, however, not in itself enough to solve the debt problems of many poor countries. We suggest, to this end, that Sweden work more actively with like-minded countries, for example the Nordics, the Netherlands and Switzerland, to bring about large scale debt write-offs for the most heavily indebted countries.

### **After Structural Adjustment Programs**

The almost universal response to the crisis situation in which many countries found themselves in the early 1980's was the initiation of structural adjustment programs (SAP) prescribed and designed by the IMF and the WB. Few would argue against the need for change in many poor countries at that time, both in terms of economic structure and economic policy practices.

Despite the long period of SAPs, there is still a need to continue the reforms and changes in some countries in some form and at some pace worked out in each country according to its specific state. In others, there will most likely still be opportunities to go beyond the macro level and look more closely at the sectoral level. Guidelines for Sector Investment Programs or Sector Program Support have been produced, and over the next decade, as more and more of these programs are implemented, experience of their impact will be available and assessed by recipient countries and donors alike.

It is most likely that this is a positive trend, although one must not shy away from the immense problems related to working effectively at the sectoral level of the economy. It requires, among other things, that the recipient country is capable of coordinating a vast number of donors under one comprehensive and unifying sector program.

It may also be hoped that the increased adoption of SIPs, will enable donors to get away from the present situation in which a set of conditions for support dictate the development cooperation process. We should welcome the signals from the WB that commitment to reform and ownership of the programs cannot be bought by imposing conditionality on the recipient. Conditionality has never worked and never will, because it rests on a fundamentally misconceived notion that people (e.g. within governments) act against their own interest, while the opposite is actually true: people act according to the incentive structure with which they are faced.

A related issue to SAP/conditionality is the notion of a country being 'off-track' (its development path), because it has failed to meet one or two IMF-imposed benchmarks. This is, of course, wrong since development and adjustment, is a continuous process that takes little account of what may be written on official documents. The implication for bilateral donors is that we too should look more at actual development than staff statements. It is suggested that performance leading to a good reputation will be the guiding star for donors in the future when allocating scarce development resources around the world.

### **The Macroeconomics of Democratization and Conflicts**

In the wake of the end of the cold-war and in the midst of the 'new world disorder' two prominent global features can be discerned: the almost global process of democratization and the rather frequent occurrence of internal conflicts and subsequent gradual decay and disintegration of the state.

The effects of regional and internal conflicts on the prospects for economic growth and development are obvious. The macroeconomic effects of going from a state of war to peace are not so obvious. A number of case studies show that there is actually not a very substantial 'peace dividend' to be reckoned with, at least not from a macroeconomic perspective. The costs saved from refraining from war are offset by increased direct cost for reconstruction, deployment and so on. In the long run, however, there is of course much to be gained from settling violent conflicts in the shortest possible time.

When it comes to the question of whether multi-party democratic parliamentarianism is good for the economy or not, reports do not agree. Nothing or very little can be concluded as to the pros and cons of democracy for economic growth.

Looking at the empirical picture might give reason for doubt. The single most prominent example of fast and sustained economic growth the contemporary world knows is the so-called 'East Asian Miracle'. Without going into detail, none of these countries can be characterized as having well developed democratic leadership. On the other hand, to the extent that democracy promotes social and economic equality and equity, democracy is favourable to economic growth, since equality has been found to be highly related to sustainable economic growth and development. In any case, the process of democratization will and should continue and be intensified, and it is the duty of donor and recipient alike to take into account all of the opportunities and obstacles to economic growth resulting from this process when designing development programs and entering into policy dialogue.

### **Tentative conclusions**

We have argued here that the on-going process of globalization of the world economy, driven by new technological breakthroughs, presents new limits and options to development cooperation between Sida and recipient countries.

Old problems remain however. The worst of these is the debt problem of many heavily-indebted low-income countries. The provision of capital in the form of multilateral debt funds is the most constructive proposal to date, and it should be applied more extensively in the future. Likewise, it is suggested that the use of sector programme or budgetary support should take precedence over both balance of payment support and micro-projects. If possible, such budgetary support should be combined with efforts to encourage decentralization. To get away from the IMF/WB dictated conditionality package support to structural reforms should be based on independent analysis by bilateral donors.

## **4 AGRICULTURAL AND RURAL DEVELOPMENT**

Over the years, assistance to Tanzania, Kenya and Ethiopia for agricultural and rural development has been extensive and a priority area for all participating donors. Assistance has mainly been concentrated on peasant farmers and food crops. However, there are hardly any indications that aid has had any positive impact on small-scale food production. Instead, large and small-scale production of cash crops, such as coffee and tea, have been relatively successful. This shows that agricultural policies not supported by the donor community play a more important role than expected.

During the 70s equity and food security were the catch words, whereas during the latter part of the 80s and into the 90s "economic efficiency" was favoured. Now, it is thought that donors should avoid such pendulum swings and pay more attention to basic long-term political problems and to a better understanding of traditional African culture. The (previous) "hard mentality" among donors has not been beneficial to African partner countries. Havnevik (included in this volume, pp. 101-125) suggests that the "flock mentality" of the donors increased the amplitude of the collective mistakes when it turned out that the catch words were not founded on the realities of African societies. He is of the opinion that the failures, at least partly, can be explained by the donors' inability to understand the intrinsic value systems of traditional African societies. So, more profound socio and anthropological analyses are needed.

On the basis of the studies included here some tentative conclusions can be drawn.



A long term strategy – or vision – for agricultural development is needed within the framework of a growth-oriented macro-economic policy. More efforts should be devoted to the build up of African competence for macro-economic and agricultural policy analyses. More advanced agricultural education is also needed.

There must be a balanced approach towards the production of cash crops and food crops. In the past the equity goal seems to have induced SIDA and other donors to emphasize small-scale production of food crops to the detriment of cash crops, i.e. commodities where the recipient countries have their comparative advantages on the world market. Food security cannot be achieved by one-sided production of food-crops.

Nevertheless, production of food will have to play a very important role in the next decades due to increases in population and rapid urbanisation. Therefore it is extremely important for African countries to develop stable market structures that can resist erratic and oppressive state interventions. Experiences in Africa suggest that, if conditions allow, smallholders are receptive to price signals and do shift their labour to new more profitable crops.

It has for long been the belief of Western donors, including the World Bank, that customary land tenure systems have not provided sufficient security for individual farmers. The negative consequence is that they are unwilling to invest in long-term improvements or unable to use land as collateral for credits. Research, however, has shown that there is no marked difference between customary tenure arrangements and individual ownership or tenure in terms of efficiency and productivity. Besides, traditional tenure provides some sort of safety net for the farmers, promotes equity and hinders abject poverty.

Rapid population growth, increased environmental threats and the low rate of agricultural intensification means that it is absolutely essential to enhance efforts on productivity improvements in agriculture. The countries which have managed to increase their agricultural production have not, as a rule, improved productivity but instead cultivated more land and substituted cash crops for subsistence food production. But even here average yields have been low, mainly because agricultural research so far has had little impact on small-scale agriculture.

Programmes for increased agricultural production should be geared towards high potential areas. A special policy should be developed for support to remote and low potential areas and a long-term strategy for support to such areas should be elaborated taking into consideration the problems of recurrent costs.

Donors could facilitate the growth of the emerging private sector, e.g. for the sale of fertilizers. Bottlenecks in terms of research, transport, credits, market information, cooperatives and other “micro problems” can often be removed or alleviated with outside assistance.

However, privatization as such is not always a solution. Many parastatals have become ineffective because tasks that are (were) politically motivated but commercially unsustainable have been imposed upon them by the state.

Donors should be more supply oriented, develop their comparative advantages and reduce the width of their agricultural interventions in the Third World. For instance Sida could concentrate on soil conservation and small-scale (social) forestry, Norad on fisheries development and Danida on animal husbandry.

It would be a great advantage if the various donors could agree on a common agricultural and rural development strategy for each country where the recipients should play the major role. Not only is better

coordination among donors required but also more exchange of ideas, intentions and experiences between the donors under the chairmanship of the recipient country.

## 5 INDIGENOUS INSTITUTIONS IN AFRICA

Recent research into local institutions in Africa indicate that they will exert a considerable influence in the future. According to Havnevik they will have to be much better understood by both African governments and the international community. Otherwise no relevant strategies will be elaborated and pursued. So far the development of the modernisation concept is closely associated with such Western concepts and values as market institutions, individualised property, secularism, competition, liberal democracy etc. In African societies other values such as risk minimization, resilience, the importance of basic means of survival, collective community responsibility, ancestral spirits etc prevail. Local values and institutions are still central to the lives of most people. Access to productive resources such as land, labour and credit and a sense of cultural well-being and status are still mediated through African institutions, traditional forms of authority and various forms of social networks. According to one survey the production factor least exposed to market exchange is land.

Another problem linked with nation building in Africa is its tendency towards centralized authoritarianism. Blind loyalty to the political leadership is often demanded so there is not much scope for regional autonomy because of central government interference. In addition, political disagreement at central level is often translated into ethnic conflict.

A related problem is the widespread misuse of public funds among those with access to them, and the concomitant lack of effective systems of accountability. Political patronage and rent-seeking activities flourish and economic liberalisation is often resisted by those who take advantage of the present non-transparent forms of rule. It is believed by Havnevik that these negative tendencies cannot be changed without radical reforms in the direction of democratic pluralism, regional autonomy and decentralisation.

An answer to the very important question of why it has been so difficult to advance a market-led economy in Africa is not to be found only in the practice of authoritarianism and rent-seeking. As has been argued above it is also related to the specific local institutions that still guide the lives of most people. Access to productive resources is not the result of market transactions but of traditional practices, social relations and conceptions of meaningful livelihoods. The market is not accessible to the poor, the more well-to-do are not willing to take that the volatile market represents great risks. If crises occur and the rich do better by rent seeking, untouched by any system of accountability.

The market based reforms – or the SAPs – were never intended only to eliminate rent-seeking practices but also to undermine the African state. Even if it is necessary to solve the rent-seeking problem in order to improve governance, the drive to undermine the African state is seen as controversial by some participants in the 2015-project. Sobhan, in “Aid Dependence and Donor Policy” (included in the volume *Aid Dependency*, pp. 111-245), when comparing developments in East Africa with those in Bangladesh, argues that the “free market” a highly competitive institution – does not provide a sound basis for the development of poor countries with poor governance capacities when they compete on the world market with highly developed economies. This problem comes out very clearly in Jonathan Baker’s study on the Horn of Africa (included in this volume, pp. 55-73). Here he paints a very gloomy picture of the development potentials of Ethiopia. It is very difficult to imagine in what field of agricultural production whose “distinctive feature is its progressive decline” Ethiopia could become competitive on the world market. Göran Hydén believes that global free trade and specialised production – one cornerstone of the

SAPs – will be discarded as a doctrine for Africa since it seems to be of little relevance (this paper will be printed in a final synthesis volume from Project 2015).

Havnevik is of the opinion that in poor countries the state is required to present and implement a vision of long term development while Hydén believes that in the next 20 years or so African states will be subjected to conflicts and struggles between central governments and local organisations – including the civic society.

The fact that only a slow and uneven emergence of the market has occurred has led to new external demands for political reform. A liberal political system is seen as a complement to economic reforms. They each reinforce the other. But also domestic demands for political change in the direction of democratisation and pluralism have been gradually built up. These internal demands can be seen as a response to the state dominated development under a single party as economic stagnation and crises intensified.

The external and internal pressures for democratisation has led to an emergence of multi-party systems. All governments in Eastern Africa except Uganda have held multi-party elections, but as a rule the transition has been difficult and only reluctantly accepted by the incumbent parties.

One conclusion reached from the analyses above is that development policies must take into consideration the role of indigenous institutions in the context of structural adjustment programmes and political reforms. The aim would be improved and more relevant policies and strategies that could counteract the on-going marginalisation of Africa in the global economy. This conclusion relates to the proposal made in “A new Partnership in Africa” to support policy-oriented intellectual think-tanks.

## **6 GOVERNANCE ISSUES**

The economic crises in Africa and the subsequent introduction of SAPs led to a weakening and withdrawal of the state from commercial activities and the supply of social services. A new economic window was opened up for initiatives by individuals and organisations. As a result, new community-based organisations emerged, existing NGOs expanded, the informal sector in urban areas started to grow, private health services became more frequent, private traders in crop marketing expanded their operations and so on.

The subsequent political reforms initiated in the early 1990s, mainly in the form of multi-party politics, led to the opening up of a new political space. Various professional and interest groups were formed including women’s associations and networks. The press became more diversified.

Despite these positive developments a genuine will for more pluralism and the growth of civil society has not emerged, nor for democratisation reflected in respect for democratic institutions. It is fair to characterise recent developments as democratic struggles and as a stop-go process. Only a stable political process can enhance the legitimacy of political, economic and judiciary institutions and regulations. Without such a stable process it is difficult to predict a sound base of economic development where the private sector can play an important role. Had a stable political process been established, foreign direct investments could have been attracted but very low levels of such investments have so far been made (except perhaps for South Africa and Nigeria). The obvious interpretation is a lack of confidence abroad for the political process in the countries concerned.

The revival of civil society is important as a complement to the recent multi-party political process. The role of indigenous institutions, suppressed in periods of state domination, are seen as very important since they continue to guide meaningful livelihoods of the majority of Africans.

Finally, the reforms much needed to promote a development-oriented state must be based on and pursued by Africa societies themselves.

Sten Rylander  
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# THE HORN OF AFRICA BEYOND THE YEAR 2015: Poverty or Prosperity?

by

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1996

## 1 INTRODUCTION

The recent history of the Horn of Africa can be described as a history of wars, civil unrest, droughts, famine and poverty.<sup>1</sup> As noted by Markakis (1994: 218) 'Scarcity remains a harsh fact of life in the Horn.' One reason behind this is the resource endowments, in particular the availability of land suitable for agricultural production. Most of the Horn of Africa has an arid soil that do not lend itself for cultivation without huge investments in irrigation. Thus, in the Horn of Africa we find the world's highest concentration of traditional pastoralists (Markakis 1994: 218).

The harsh living conditions in the Horn of Africa is one of the reasons behind the ever ongoing conflicts in the region. Another reason is the nature of the political and economic systems in the Horn. During the past decades dictatorship and centralism have characterised most of the countries. However, during the 1990s the political and economic situation in the region has changed quite dramatically.

In May 1991 more than 30 years of civil war in Ethiopia came to an end and the socialist military government led by Mengistu Haile Mariam was replaced by a transitional government which in 1995 was succeeded by a publicly elected EPRDF-dominated government. When the Mengistu government was replaced by the Transitional Government of Ethiopia in 1991 Eritrea was given the right to achieve independence. After a referendum in Eritrea, in May 1993 this *de facto* independence was transformed into formal independence and Eritrea is since then recognised as a sovereign nation state in the global community.

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<sup>1</sup>In the present study Horn of Africa is defined as the region comprising Djibouti, Eritrea, Ethiopia, Somalia (incl. Somaliland) and Sudan.



## SOME BASIC DATA FOR THE COUNTRIES IN THE HORN OF AFRICA

**Table 1: Some general characteristics of the Horn of Africa countries (most recent data)**

	Djibouti	Ethiopia (including Eritrea)	Eritrea	Somalia (including Somaliland)	Sudan
Population (millions)	0.4 - 0.6	55	3 - 4	6.7	28.3
Population growth rate	4.9	3.4	2.7 - 3.4	3.2	2.4
Land area (km <sup>2</sup> )	22 000	1 120 000	125 000	627 000	2 380 000
Arable land (%)	0	12	3	2	5
Per capita income (USD)	771	110	120-150	34	
Real economic growth (%)	0.3	1.4	6.7	-1.6	-4 - 0
Agriculture (per cent)	2.8	48a	28.5	65.5	33.8
Industry (per cent)	21.2	6.3a	29.2	8.7	16.7
Service per cent)	76.0	26.2a	42.3	25.8	49.5
Private cons. (% of GDP)	78.7	86.3		91.1b	93.7
Government cons (% of GDP)	36.0	11.8		22.9b	8.9
Gross domestic inv. (% of GDP)	11.9	16.8		21.4b	12.9
Net exports of goods and services (% of GDP)	-26.5	-14.9	-23.1	-35.4b	-15.6
Main destination of exports (% of total)	Somalia (34) Ethiopia (30)	Germany (19) Japan (17)	Ethiopia (89) Italy (7)	Saudi Arab. (49) USA (25)	Saudi Arab (19) Italy (14)
Main origin of imports	France (17) Thailand (10)	USA (23) Italy (11)	Saudi Arab. (49) Ethiopia (17)	USA (17) Djibouti (16)	Libya (18) France (8)
Principal exports (% of total)	Re-exports (20 - 30)	Coffee (87)a	Raw materials (75) Food (14)	Livestock (22)b	Cattle & Beef (18) Gum arab (16)
Principal imports (% of total)	Cons. goods (35-40)	Machinery incl. aircraft (36)a	Food (31) Manuf. (58)	Manuf. (53)	Petroleum (51) Manuf. (11)
External debt service ratio (% of exports)	2.7	~ 55		11.7	10
International reserves (excl. gold) (months of import coverage)	2.7	24.3		0.4	1.8
Political system	Unitary republic	Federal republic	Unitary state	Unitary republic	Republic
Opposition parties allowed	Yes, max 4	Yes	No	No	Yes

**Table 2: Some social indicators for the Horn of Africa countries 1992**

	Djibouti	Ethiopia (incl. Eritrea)	Eritrea	Somalia (including Somaliland)	Sudan
Population (millions)	0.4 - 0.6	55	3 - 4	6.7	28.3
Population growth rate	4.9	3.4	2.7 - 3.4	3.2	2.4
HDI rank (out of 173 countries reported) and HDI index (average for low human development = 0.355) 1992	163 (0.226)	161 (0.249)		165 (0.217)	151 (0.276)
Life expectancy at birth (42.6; 55.8) 1960; 1992	36.0; 48.3	36.0; 46.4	46	36.0; 46.4	38.7; 51.2
Infant mortality rate (per 1000 births) (165; 98) 1960; 1992	186; 113	175; 123	135	175; 123	170; 100
Adult literacy rate (%) (28; 47.4, excl India) 1970; 1992	19	50	20	27	28
Mean years of schooling (2.0) 1992	0.4	1.1		0.3	0.8
Educational attainment (...) 1992	0.41	1.07		0.56	0.62
Population with access to Health services (62, excl India) 1985-91	99	46		27	60
Population with access to Safe water (28; 45, excl India) 175-80; 1988-91	42; 86	8; 28	8	38; 60	...; 45
Population with access to Sanitation (22) (30, excl India) 1988-91	59	16	14	17	70
Daily calorie supply (% of requirements) (93) 1988-90	...	71		81	83
Real GDP per capita (PPP\$) (670; 1170) 1960; 1991	...; 1000	262; 370		891; 759	975; 1162
Daily newspaper (copies per 100 people) (1.0) 1990	2.0	0.1		...	2.4
HDI rank minus GNP per capita rank	-38	10		7	-14

Another geopolitical change that dates back to 1991 was the *de facto* independence of the Republic of Somaliland from Somalia. Thus, in former Somalia, like in former Ethiopia, the changes in 1991 led to disintegration.

In addition to these changes also in Sudan far-reaching political changes have taken place. In August 1989 the quite unstable political situation, with conflicts between the northern and southern parts of the country, became even worse. Today there are analysts who predict a secession in Sudan also (see e.g. Gurdon 1994: 109f).

If the development in Sudan leads to a secession of the northern and the southern parts of Sudan it would mean that all countries in the Horn of Africa but Djibouti have been divided into two sovereign nation states. Even with the present Sudanese situation it is interesting to note that the number of sovereign states in the Horn has increased from four to six, in spite of the OAU-declaration that the post-colonial geopolitical borders should be kept intact.

Djibouti is the only country in the Horn that so far has not been subject to severe military internal conflicts and secession even though in the northern part of the country the tensions between government forces and Afars have increased in intensity since 1991. It is too early to evaluate the effects on the internal stability in Djibouti of the reshuffle of government that took place in June 1995, when as a consequence of the 1994 peace agreement with a faction of the Afar rebellion party (FRUD), two FRUD members joined the government as cabinet members. Djibouti is also the only country in the region that is classified as a lower middle-income country by the World Bank. All the other Horn countries are classified as low-income countries and are ranked at the very bottom in this group.

As a consequence of the conflicts in the region and the domestic policy design where ideology rather than economic realities has been the guiding star, the social standards in the Horn of Africa are extremely low even as compared with the average for sub-Saharan countries. This is true also for Djibouti, notwithstanding her relative superiority in terms of per capita income.

On the global scene also the 1980s meant drastic changes. The Cold War came to an end, or at least took a rest, through the collapse of the Soviet Union and the Eastern Bloc by the end of the 1980s. This also meant that these countries' moral, ideological, military, and economic support to the Horn of Africa was drastically reduced. Thereby, in a way the countries in this region were left much to themselves and the international donor organisations.

Most of the Horn countries are characterised by quite high foreign debts. The future servicing of debts will be an important restriction on the prospects for economic and social development. In order to mobilise foreign assistance, both as debt reductions and in the form of more direct development aid, various economic reform programmes have been introduced: in Ethiopia since 1990, in Eritrea since 1992/93, and in Sudan since the late 1970s. In Djibouti intensive talks about economic reforms took place between the government and the IMF during the summer of 1995.

### **Aim of the study**

The present study will analyse the problems and potentials of development in the Horn of Africa. Various crucial factors for the development in the region during the next twenty years will be discussed and the Horn of Africa conditions for them will be analysed. Naturally it is very difficult, or even impossible, to predict the future. Who could twenty years ago foresee the dramatic changes that have taken place in Europe during the last decade? Twenty years ago dramatic political and economic system changes were introduced in Ethiopia. Changes that during the 1990s have been reversed. Who could have foreseen this development with some credibility? By formulating and analysing some crucial question about the

potentials and problems of the Horn of Africa this study attempts to point to various likely or at least not completely unrealistic paths of developments.

Our study is based on a survey and analysis of the past and the present developments. Even though the study aims at analysing the future economic prospects of the region, political factors and developments will be important points of departure. The research methodology can best be described as *political economy* where, in addition to domestic aspects, due attention will be paid to international political economy aspects also. Regarding commercial relations it is important to ask if and how trade liberalisation, in particular regional integration can promote growth in this part of the world.

The Horn of Africa countries are characterised by a high population growth that creates problems as regards the per capita availability of arable land and thus food. Important issues to analyse in this respect are how to increase the quantity and quality of arable land and stop the environmental destruction and the degradation of land.

The high population growth in the region demands quite high economic growth rates if it should be possible to improve the standards of living for the population in the Horn of Africa. It should be noted that the demands on economic performance are very high even if the ambitions are set at the level of social standards indicators that prevail today in the average sub-Saharan country.

Another major characteristic of the Horn of Africa is the strong ethnic diversity. Ethnic and religious conflicts have been frequent in the history of the region, with important signs of what can be called ethnonationalism. Do the recent political changes in the various Horn countries mean a potential or risk for increased ethnonationalism and if so what are the likely consequences for economic development in the region? In this respect it is important to pay special attention to the fact that recently a new constitution with a legal right for secession was introduced in Ethiopia. What would be the effects if secession really becomes frequent? Another interesting issue in this respect is whether the new constitution and the regionalisation programme in Ethiopia can be expected to produce similar problems as formal secession.

The international security and economic situation and the international commercial relations of the countries in the Horn of Africa will be of great importance for the future economic development in the region also. What will be the political economy consequences for the region if the Cold War between the Eastern bloc (at present Russia and its allies) and the Western countries (in particular the EU and the US) arise anew? Alternatively, is there a risk that China or some other country in the role of a great power will be engaged in the process of change in the Horn of Africa in a way that worries the other superpowers? From the point of view of political history this issue has great relevance and can not be neglected in a study about the future development in the region.

Finally, it is important to analyse the potential role of foreign aid in the Horn of Africa during the next 20 years? Can aid work in the region or will it just create aid dependency and lead to stagnation or even regression in terms of economic and social development? Another issue relates to the question of aid design. What type of aid will be most relevant for the region? How much aid, and in what forms can be expected to be made available for the Horn of Africa countries?

### **Plan of the study**

After this introduction, Section 2 presents a brief history of the Horn of Africa countries, both as a region and individual countries. The focus will be on the past and present economic political development and problems. As Ethiopia is the Horn country that at present has come furthest in the process of economic and political transition, the description and analysis in Section 2 will be more detailed for this country than

what will be the case for the other countries in the region. The major section of the study is Section 3 with its analyses of the role of ethnicity, regional integration, and geopolitics for the future economic situation in the Horn of Africa. This analyses are presented under the following headings:

- Is there a potential for harmonious regional cooperation and integration in the Horn of Africa?
- Will ethnic conflicts continue to erode the countries in the Horn of Africa?
- Will there be a new cold war where the Horn of Africa is one arena for cold war activities?

The role of the role of aid in the process towards the year 2015 is analysed in Section 4 where we also summarise our conclusions.

## 2 THE HORN OF AFRICA – A BRIEF REGIONAL REVIEW

### Pre-1990 development<sup>2</sup>

During the 20th century the Horn of Africa has undergone several changes as regards the division of the region and the borders of individual countries. Today the borders of the various nation states in the Horn of Africa are close to identical with the borders of nation states or colonies in the beginning of the century even though the names of the states and colonies differ. Ethiopia in the mid-1990s corresponds to Abyssinia, which together with Liberia were the only independent states in Africa in the beginning of the century. Sudan corresponds to the Anglo-Egyptian Sudan, Eritrea was an Italian colony and so was the Italian Somaliland, today identical to Somalia, exclusive of Somaliland which in turn corresponds to the British Somaliland in the beginning of the century. Present day Djibouti, finally, in the beginning of the century was a French colony named French Somaliland.

In 1935 Abyssinia was contested by the Italians and in 1936 it was turned into an Italian colony. Eritrea had then been under Italian rule since 1884. The Italian rule over Abyssinia come to end in 1941 when the Emperor Haile Selassie assisted by Britain defeated the Italians and returned to Ethiopia.

Unlike the case of mainland Ethiopia, through a military administration the British kept control over Eritrea up to 1952. This year saw the implementation of the UN resolution from 1950 about a federation between Ethiopia and Eritrea. According to this resolution Eritrea should have its own constitution, government, flag etc. while the federal government should be responsible for foreign politics, defence, finance and international communications (Hrbek 1993: 151). However, the Ethiopian Emperor Haile Selassie did not feel seriously committed to the UN resolution and soon he introduced laws and proclamations in direct conflict with the UN resolution, for instance with regard to parliament elections in 1956 and 1960 and the law against the use of the Eritrean flag in 1958. Haile Selassie's refusal to accept the UN resolution culminated in 1962 when Eritrea was proclaimed to be an administrative and integral region of the Ethiopian empire (Hrbek 1993: 151f).

As a consequence of the problems with the Ethiopian central government, the modern Eritrean resistance and liberation movement was arising. The strength of the Eritrean nationalists, which in 1961 resulted in the foundation of the Eritrean Liberation Front (ELF) with its core drawn from a Muslim tribe, was strengthened by the Ethiopian annexation of the country in 1962 (Lewis 1983: 18). However, the situation in Eritrea soon developed into internal problems and strains between the Muslims in the ELF and the Christians but also along non-religious lines, for instance between pastoralists and peasants (ibid.). As

<sup>2</sup>This section is based on various sources among which should be mentioned Lewis 1983: 19, Davidson 1991: 386ff, Hrbek 1993:148ff.

noted by Lewis the situation was complicating by the importance of trying to receive support from the Arab states. It is obvious that such support could more easily be achieved if the Eritreans emphasised the Islamic credentials (*ibid.*). In 1970 the Christian opposition to the Muslim-based ELF formed the Marxist Eritrean Peoples Liberation Front (EPLF).

In the beginning of the 1970s the opposition to the Emperor increased in strength and in 1974 the imperial government led by Emperor Haile Selassie was overthrown through a military revolution. After a short time, the new military government in Ethiopia was re-organised and set under the leadership of the young Colonel Mengistu Haile Mariam who should come to remain in power for seventeen years. During this period, the political motto *Ethiopia Tikdem* (Ethiopia First) was the leading star and incorporated a clear reorientation of the Ethiopian economic life, towards centralisation, state ownership and control, nationalisation of private property, and inward orientation in international economic relations (see e.g. Hansson 1995b: Ch. 3 and references therein). Politically the change of power meant an introduction of an extremely blood demanding dictatorship where opposition was efficiently combated through the execution of opponents even within the ministerial cabinet itself.

Furthermore, the change in power meant a reorientation towards socialism with the leading stars being Marx, Engels and Lenin. The changes also led to a re-orientation away from the West towards the Eastern bloc led by the Soviet Union. This support was an important means in satisfying the most central part of the *Ethiopia Tikdem* motto, the objective to keep Ethiopia including the Eritrean region intact as one country. Thus it became of utmost priority to allocate massive manpower and other resources to the defence sector, sometimes under the motto 'everything to the front', and thus to resist the nationalist movement in Eritrea but also to keep down other internal liberation movements (mainly Tigrean and Oromos) in Ethiopia and to fight neighbouring countries' attempts to take over some parts close to the border. For instance in 1976 there was a brief war with Somalia over the Ogaden province in Ethiopia (Davidson 1991: 405).

The international interest in the Horn region should not be overlooked. The strategic position of the Horn by the Red Sea has made the region of great interest for the super powers (see e.g. Ottaway 1982 and Wiberg 1979). During Mengistu's time in power he and his government received massive moral, advisory, arms and military support from the Soviet Union but as times went on the struggle against various liberation movements became harsh. The moral and motivation of the liberation movements, mainly the EPLF and the Tigray Peoples' Liberation Front (TPLF), led to increased problems for the government troops and President Mengistu Haile Mariam.

The civil war together with the centralised socialist economic system worsened the economic situation that already in 1974 was quite problematic. The government policy undermined the fighting spirits of the government troops and the demoralisation among the military at all levels led to repeated set-backs from the mid 1980s. In May 1989 the internal opposition also within the government troops led to a coup attempt. The attempt failed and the leaders were executed. However, with the execution of the top military officers, the government troops were losing their leaders also and the military strength was reduced even more. Thus, the Ethiopian government entered the 1990s in a situation of rapidly weakening military power, ever growing economic problems and intensified international critique also from the leadership in Moscow (see e.g. Hansson 1995b: Ch. 6). In May 1991 the Mengistu government was eventually defeated.

Sudan achieved independence from its Anglo-Egyptian Condominium in 1956 (see e.g. Hrbek 1993: 148f). However, like in most other countries that have achieved independence after periods of colonialism, internal struggles between various internal factions also arose in Sudan, in fact already in August 1955, that is before independence. According to Hrbek (1993: 149) 'The crisis was the

consequence of the British policy to develop the south in strict separation from the north under the pretext that the Muslim Sudanese would subjugate the unsophisticated southerners and subject them to slavery as they did in the last century. Proselytizing Islam was forbidden; Christian (mostly Catholic) missions were encouraged'. As a consequence, the southern missionary schools used only the English language whereas in the northern parts of the country Arabic held the same position and also became the official language in the Sudan. This division of Sudan into two quite separate regions, has ever since been the source of internal strifes and problems that may well lead to a formal division into two independent nation states

In 1960 the independent Somali Republic was formed out of the former two colonies, British Somaliland and Italian Somalia. The rest of Somaliland, the French Somaliland, achieved independence from France in May 1977 after a referendum and the Republic of Djibouti was formed.

### **Recent political and economic changes**

We now turn to an analysis of the most recent development in each one of the countries in the Horn of Africa. The objective is to provide a basis for the analysis in Section 3 of the potentials of and problems for the future development in the region.

The analysis starts with a survey of the development in Ethiopia. Ethiopia is the largest country in the Horn of Africa and is also the country that today seems to have come furthest in the transformation of both its economic and political system. Thus, like in the past Ethiopia can be assumed to play an important role in the development in the region during the next couple decades. Ethiopia is also the country for which there is most information about the recent developments.

After the analysis of the recent Ethiopian development the analysis continues with brief analyses of in turn Eritrea, Sudan, Somalia (including Somaliland), and Djibouti.

#### ***Ethiopia***

Following the change of government in 1991, not only a new economic system but also new political and administrative structures have been introduced in Ethiopia (see e.g. Hansson 1993a-c, 1995a-c). The declared objective was to transform the dictatorial, one party state of Ethiopia, with its frequent violations of human rights and its socialist command economy, into a multi-party democratic society where human rights are respected, where the regions should benefit from a large degree of autonomy, and where private entrepreneurs and the operation of market forces are encouraged.

In short, the process of systemic transition that is going on in Ethiopia since mid-1991 can be said to have three major aims:

- the creation of a market-oriented economic system
- the creation of a democratic political system
- the decentralisation of administrative powers and functions to secure ethnic and regional autonomy.

During the years when *Ethiopia Tikdem* was the governing political slogan the economic development and performance were deteriorating. This was the case both in absolute terms and in an international relative perspective. As a consequence of the poor economic development and performance, Ethiopia also experienced a poor development of many social dimensions of development.

*Economic Transition*

The quite negative development during the *Ethiopia Tskdem* period was of course one magnificent challenge for the Transitional Government of Ethiopia that took power in 1991. One important condition for making social improvements is that there exist economic resources for improvements. This, in turn, is dependent on the performance of the Ethiopian economy and on the possibilities for the government to mobilise foreign aid.

During the years that have passed since the change of government, an impressive number of systemic reforms in the economy have been introduced. In socialist Ethiopia, the state played a dominant role. The Transitional Government immediately started to question the role of the state and in the transitional economic policy programme it was explicitly stated that 'it is evident that in the past state control over the entire economy was the major cause of economic decline' (TGE 1991:17). Therefore, in transitional Ethiopia, the role of the state was stated to be to design micro- and macroeconomic policies, to introduce laws that can promote economic development, to participate in economic business activities that are considered to be essential and where the private sector is not willing to take part, to provide infrastructure, to stimulate domestic and foreign private capital participation in the economy, to mobilise external resources, and to increase the role of public participation e.g. by giving greater room to local, national and regional administrative authorities (see e.g. TGE 1991: 17ff and Hansson 1995b: Ch. 7 for a more complete analysis).

If implemented successfully, the changes of the role of the state will move the economy towards a higher degree of decentralised decision-making, private ownership and a resource allocation based on market prices, incentives and competition rather than on administrative processes, orders, and non-competition. The transitional economic policy can be seen as a continuation and further development of the reform process that was initiated already by the Mengistu government.

Then, what changes have really been introduced since the presentation of the Transitional Economic Policy Programme in November 1991? Examples of major economic reforms or economic reform proclamations that the Transitional Government of Ethiopia has introduced are:

- National/Regional self-government (January, October 1992)
- Public enterprise proclamation (August 1992)
- Devaluation (September 1992)
- Increased NBE allocation of foreign exchange to the private sector (October 1992, February 1993)
- Foreign exchange auctioning (May 1993)
- Financial sector reforms (January, February 1994)
- Establishment of a privatisation agency (February 1994)
- Elimination of restrictions on hiring agricultural workers and renting land (November 1991)<sup>3</sup>
- Security of land usership (November 1991)<sup>4</sup>
- Investment code (May 1992)
- Interest rate reform (October 1992)
- Liberalisation of the road transport sector (December 1992)

<sup>3</sup> In fact to some extent this was already announced by the Mengistu government in March 1990, see e.g. Mengistu 1990.

<sup>4</sup> See footnote 3.



- Labour code (January 1993)
- Liberalisation of product markets (mid-1993)
- Harmonisation of customs duties and sales taxes (August 1993)
- Liberalisation of coffee trading and exports (August 1993)
- Reform of trade licensing procedures (December 1992)
- Elimination of taxes and duties on non-coffee exports (December 1992)

The Ethiopian government has thus taken numerous measures and as part of this, in 1992 the government agreed with the IMF, the World Bank, and the donors to adopt a structural adjustment programme. In September 1992 a Policy Framework Paper for 1992/93 – 1994/95 (World Bank 1992), was worked out and agreed upon with the World Bank and the IMF.

It should be noted that the reforms that so far have been introduced by the Transitional Government mainly concern the non-agricultural sectors. This is natural since agriculture was reformed already through a reform announcement by Mengistu in March 1990 (see e.g. Hansson 1995b: Ch. 6). However, it is worth noting that in 1993 the government presented a development strategy paper where it emphasised Agricultural-Development-Led-Industrialisation (ADLI). This strategy paper is based on the circumstance that the basic source of development and industrialisation in Ethiopia is the small-holder agricultural sector. Therefore it is important to strengthen this sector and to improve its economic performance, thus paving the way for generating an agricultural surplus that can be used in industrial activities, both directly by producing inputs for further industrial processing and indirectly by producing for exports that can be exchanged for imports of inputs and capital equipment. The strategy also aims at increasing incomes in the agricultural sector, thereby increasing the demand for industrial products.

#### *Political Transition*

The major problems for the new economic strategy in Ethiopia lie in the political risks. Among these risks, the issue of ethnic conflicts, regional liberation, independence and nation building should be subject to particular concern. Second, economic performance is heavily dependent on political and institutional factors.<sup>5</sup> The political system defines both the rules and the institutional framework of the economy, and thereby has an important influence on economic performance.

In most dimensions of liberty, political and economic, Ethiopia during the Mengistu period ranked at the very bottom in the world (Scully 1992: Ch. 5). As noted above, the Transitional Government has introduced a great number of economic systemic changes that have definitely liberalised the Ethiopian economy. In the field of politics, the government has introduced numerous changes also, even if there is still an urgent need for reforms, not least reforms that can handle the important and sensitive issue of ethnicity. This conclusion is in line with Otunnu (1992) who concludes that probably the major challenge of Africa today is 'how to transform the ethnic diversities inherited from colonial boundaries into national States' (Otunnu 1992: 288).

Even though ethnic diversity in Ethiopia is not the result of European colonialism, one of the most challenging and important issues for the future of Ethiopia is to find politically acceptable solutions for a peaceful coexistence of various ethnic groups (see Section 3 below).

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<sup>5</sup> For the experience from different LDCs, see e.g. Hansson 1993d.

War does not only lead to direct war victims but also occupies great economic resources and gives rise to enormous material and infrastructural damage and great uncertainties. All these factors have a both direct and indirect negative impact on the economy (Azam et al. 1993). Obviously, war has directly and indirectly contributed to the recurrent famines that have hit several African countries, including Ethiopia, during the last few decades. According to Otunnu (1992: 290) 'these internecine conflicts have become a kind of political hemorrhage, steadily draining the collective strength of the African peoples.' Thus, it is concluded that "the way out of this tragic quagmire involves two related steps: the fashioning of a new democratic space and the rediscovery of the art of political compromise" (Otunnu 1992: 290).

The democratising objectives of the Transitional Government were formulated in the Transitional Period Charter of Ethiopia of 22 July 1991. When working on transforming a former dictatorial system into a democratic one it is important to keep in mind that implementing political reforms of the magnitude that is aimed for in Ethiopia is a very difficult and complex project that demands a thorough revision of the constitution.

In political science a distinction is made between "democracy of the people" and "democracy for the people", where the former requires knowledge about the will of the people, which is not the case with the latter, where the interest and the liberties of the individual are less important than equality, for example. Many of the African countries that claim to be democracies, up to now, have been democracies for rather than of the people. Thus, elections of the type we are used to in the Western democracies have not been regarded as necessary or even important.

According to the Transitional Charter, '... the rights and interests of the deprived citizens [should be] safeguarded by a democratic government elected by and accountable to the People' (Negarit Gazeta, No 1, 22 July 1991: 1). Thus, the intended form of democracy in Ethiopia is democracy of rather than for the people.

To make "democracy of the people" work, some basic liberties, such as freedom of expression, assembly, organisation, and publication are needed. In Ethiopia these rights or liberties are guaranteed by the Transitional Charter and the 1994 Constitution that state that the United Nation's Universal Declaration on Human Rights from 1948 shall be respected fully.

It should be noted that there are several groups in opposition, i.e. parties and other organisations, that now are active and work openly in Ethiopia. Even if there are abuses reported by some of these groups, and even if the government has a long way to go in implementing the recently introduced human rights articles of the 1994 Constitution, it seems fair to say that compared to the situation during the Mengistu government, the Ethiopian government has taken a leap towards a system where the basic human rights will be respected (see also e.g. Africa Watch 1992: 17 and Amnesty International 1995).

#### *Electoral system considerations*

In liberal democracies people should feel that political participation is possible for them and that their concerns and interests are represented in the elected parliament and government. Therefore, the design of the electoral system is of crucial importance and is also an important factor that determines the interest among the ordinary men and women in voting and engaging in active political work (Lijphart 1992: 207). That the choice of electoral system is a very important instrument of politics can be concluded from the following quotation from Sartori who has classified it as 'the most specific manipulative instrument of politics' (Here quoted from Lijphart 1991: 73. For an analysis of electoral systems, see also e.g. Linz 1990, Horowitz, and Hyden 1993).

In Table 3 various characteristics or dimensions of democracies are listed and for each one the plurality/majority electoral system is compared with the proportional electoral system. It should be noted that the table should be read as describing tendencies of the respective system for the various variables rather than clear-cut unique differences.

**Table 3: Characteristics of various electoral systems**

	Plurality/Majority Elections (The Ethiopian electoral system)	Proportional Elections
1. Manipulation of the division of the country into voting districts	+	-
2. Two-party system	+	-
3. Multi-party system	-	+
4. Consensus democracy	-	+
5. One party cabinet	+	-
6. Coalition cabinet	-	+
7. Executive vs legislature	Executive dominates	Balance
8. Ethnic/minority representation	-	+
9. Peoples access to legislature	-	+
10. Accountability	+	-
11. Capacity to govern	+	-
12. Unity and peace in divided societies	-	+
13. Strong leadership	+	-
14. Stability and continuity in leadership	-	+
15. Speed in decision-making	+	-

Note: + (-) denotes stronger (weaker) tendency compared to the other type of electoral system.

Source: Compiled from the discussion in Lijphart (1991).

The table suggests that in a proportional electoral system the minorities tend to be better protected or represented than in a plurality/majority system. This is due to the fact that in the former system, the districts' representation in the parliament will be proportional to the actual votes in the respective districts, whereas in a plurality (majority) system the candidate or party obtaining most (majority of the) votes in the district will take all seats for the district in the parliament. Thus, in a country aiming at democracy of the people we should expect a preference for a proportional electoral system. Furthermore, in comparison with a plurality/majority system, a proportional electoral system leave less room for manipulation with the division of the country into voting districts.

On the other hand, in a country where there is a high preference for strong governments, we should expect a preference for a plurality/majority system. In such a system, there is a relatively stronger tendency for a one or two-party system and a government with an absolute majority in the parliament. With a plurality/majority system there is a greater potential to carry through difficult policy programmes, for example various types of economic or structural adjustment programmes, *ceteris paribus*. This is an important aspect, in particular in countries that face deep economic crisis and where far-reaching structural reforms are needed.

At a first glance, in the case of present-day Ethiopia, with its economic problems and a need for successful implementation of economic reforms and thus a need for a strong government, there seems to be an obvious case for choosing a plurality/majority electoral system. Furthermore, in Ethiopia there are a large number of ethnic or regional groups with political ambitions. This makes the situation quite complex in terms of stability and continuity.

Majority rule is central in democratic decision-making. It is important, however, to note that in the doctrine of liberal democracy, decision-making is preceded by discussion and a search for compromises so that the opinion of the minorities can be taken into explicit consideration. This should be particularly important in multi-ethnic societies like Ethiopia.

It should be noted that the EPRDF has formed its own ethnic and regional groups that compete with the "original" groups, something that tends to weaken these latter groups. In the local and regional elections in 1992, the EPRDF and its direct associate ethnic and regional parties obtained more than 90 per cent of all votes. These elections and the result have been criticised by other groups, in particular the Oromo Liberalisation Front, who claim that they were not given a fair chance of preparing and organising themselves for the elections.

Due to the lack of democratic tradition, and thus of well-organised parties and well-functioning information channels in the country, together with the low level of education and literacy, it will take considerable time to build a basis for democratic elections of the type we are used to in the Western world. Coalitions between various parties in the electoral processes will be difficult to establish on a national level. It should be noted also that at present there are great differences in the resources available for political work, where naturally the parties in government, in particular EPRDF, have a better position than most other organisations. One can expect that, for quite a long time, the EPRDF and its associate parties will obtain a clear majority of the votes and a majority of the seats in the National Assembly. Therefore, in the short- and medium-term perspective we should not expect that the electoral system per se will be a critical factor for the governance of the country and the possibility to implement economic reforms. However, with a plurality/majority system, it can be expected that EPRDF and its associate ethnic and regional groups will obtain a clear majority of the votes and that the resulting National Assembly will be close to a one-party assembly. This was also what happened in the 5 June 1994 national elections to the constitutional national assembly where the EPRDF and its associate regional parties obtained 484 (88 per cent) out of the total 547 seats, in the regular elections for the national assembly, and in the parliamentary elections in May 1995. If these results become linked to the characteristics of the electoral system, there is a risk that political democracy will be seen as something unattainable among groups in opposition. As a consequence, there is a risk that the interest for political work will disappear and the democratisation project will fail. There may also arise regional opposition against the national government, something that easily can develop into a series of regional conflicts and eventually into a civil war (see also Pocock 1995: 18).

Looking at the history of democracy, according to Rokkan 'it was no accident that the earliest moves toward proportional representation (PR) came in the ethnically most heterogeneous countries' (quoted from Lijphart 1991: 75). In the case of a highly complex country like Ethiopia, which has just embarked on the road of liberal democracy, it is important to reach a high degree of political participation among the very large number of ethnic and regional groups, and to create a constitutional framework of peaceful coexistence among these groups. According to Lijphart (1991: 81) 'such power sharing can be arranged much more easily in parliamentary and PR [proportional] systems than in presidential and plurality systems'. The conclusion of the above discussion is that there seems to be a relatively strong case for a proportional electoral system in Ethiopia.

However, in August 1993, a proclamation with the Electoral Law was released which stated that the Ethiopian national elections should take place in a parliamentary plurality/majority electoral system, with single-member districts (Negarit Gazeta, No.64, 23 August 1993). Furthermore, it was decided that the party or coalition of parties that holds a majority of seats in the National Assembly should form the government of the country.

One important reason behind the choice of a plurality/majority electoral system is probably the emphasis on the capacity to govern the country. However, capacity to govern has a time dimension. In the short run, it is obvious that centralised and heavy concentrated power, in its extreme form a dictatorship, is more efficient in terms of governance. In a longer term perspective, however, governance is not just a question of strength of the executive and the speed of the decision-making process but also of the credibility, stability, and continuity of government. This is particularly important in societies like Ethiopia where structural systemic changes must take place, changes that require a long period of implementation before they have become well-established in legislation and attitudes among the population.

From a long-term perspective, stability and continuity is a crucial prerequisite for introducing and implementing substantial and thus time-consuming economic systemic changes of the kind now under way in Ethiopia. Stability and continuity in a democracy are dependent on the situation of minority groups. Even if the Electoral Law contains some brief and imprecise declarations about minority groups, the electoral system, and thus the political system in Ethiopia, is not satisfactory from the perspective of the minority groups, whose interests tend to be better protected in a proportional electoral system.

One important work in the political transition towards democracy in Ethiopia has been the revision of the Ethiopian Constitution. Two major issues dominated this work and the related political debate. First, the highly controversial issue of secession, that is of the right for regional states within Ethiopia to become independent and sovereign states. Second, the likewise sensitive and long-standing issue of land ownership. Both these issues have great implications for the economy. First, they have direct consequences for the system of incentives and thus for economic performance. Secondly, by being politically highly sensitive they easily can lead to political unrest and thus instability. This in turn means increased economic uncertainty and thereby there is also a risk that they will lead to lower economic growth.

*The issue of secession:* The issue of sovereignty and independence for the various regional states within Ethiopia was raised already when the Transitional Government of Ethiopia was formed and took power in 1991 (Negarit Gazeta, no. 1, 22 July 1991: 2). The declaration about national and regional self-determination was probably an important precondition for the successful creation of a politically and ethnically widely based transitional government. It can be interpreted also as a direct consequence of the decision to offer independence for Eritrea.

Already from the very start there were nationalities within Ethiopia that claimed the rights of nationals to become independent. In particular this was the case for parts of the Oromo people. On the other hand, other groups within Ethiopia, mainly the Amharas in Addis Ababa, have been quite negative to both the solution of the Eritrean issue and the content and possible implications of the Transitional Charter's second article.

The Transitional Government claimed that the right to secession is a prerequisite for Ethiopian unity and peace and that membership of the Federal Democratic Republic of Ethiopia shall be based on free choice of the people in the respective Regional State (Constitution 1994, Article 39: 1).

On 23 and 24 November 1994, after an intensive debate, the Constitutional Assembly decided, by an overwhelming majority, that there should exist a possibility for a regional state to obtain independence. According to the new constitution an important precondition for a regional state or nationality to become independent is that the application for independence should be the result of a democratic political process within the nation/region concerned and that it should be 'approved by a two-thirds majority of the members of the legislative council of the respective nation, nationality or people' and thereafter be supported by a majority vote in a referendum that the Federal Government has to organise 'within three

years from the time it received the concerned Council's decision for secession' (Constitution 1994, Article 39: 4).

*The land ownership issue:* Turning to the issue of land ownership, a decision was also taken by the Constitutional Assembly. By 495 votes in favour, 3 votes against, and 4 absentees it was decided that all land, rural and urban, shall continue to be the property of the state (Constitution 1994, Article 40: 3). The minority view claims, as do some opposition groups, in particular in the business society in Addis Ababa, that the decision is in conflict with the ongoing transition to a market-oriented economy, where the right to private property is crucial (Constitution 1994, Article 40: 1).

When analysing property rights it is important to stress that property rights can be divided into two sub-rights: (i) the right to *use* the property in question and (ii) the right to *exchange* (i.e. *sell*) this property.

Rural land tenure was reformed already by the Mengistu government in the March 1990 reform announcement (see e.g. Hansson 1990 and 1995b: Ch. 6 and references therein). In this announcement the individual farmer was guaranteed user rights for his or her lifetime and it was also declared that the user rights could be transferred to legal heirs who farm the land. Also the property rights article of the new constitution deals explicitly with the user rights to rural land for the farmer (Constitution 1994, Article 40: 4, 5, 6). It is important to stress the importance of legal protection of the user rights and the rights to transfer these rights to legal heirs. Furthermore, it should be noted that it is possible for the individual farmer to rent out his land. The aspect that may imply a problem relates to collateral in the credit market. However, considering the poorly developed rural credit market system and the fact that user rights, buildings and other assets on the land can be taken as collateral, it can be debated whether there are any serious disincentives in this land tenure system as compared with a system where rural land can be owned privately. Furthermore, at present there in Ethiopia is an ongoing work aiming to reform the Commercial Code so that it will be possible to use the land user rights as collateral.

Even though full private ownership normally is thought to give rise to greater security for the owner than well-defined and legally protected user rights, this may well be an illusion in countries like Ethiopia where the risks of nationalisation of private property may be of the same magnitude as the risks of changes in the user rights. This type of risk is not unique for Ethiopia but is also found in developed market economies. What creates a problem in Ethiopia is the legacy of the past socialist policy as concerns nationalisation of property. Therefore, to a great extent it is not primarily the ownership per se but the legislation and political environment and stability that is decisive for the uncertainties related to land tenure and thus to investments in land.

#### *Has the government really consolidated the political reforms?*

Through the adoption of the new constitution in December 1994, the election of representatives to the new parliament on 7 May 1995, and the formal handover of power to the new parliament on 21 August 1995, the political transition period can be said to have come to an end. In conclusion, by the newly adopted constitution and by complementing the 1992 elections for local and regional parliaments with the national parliament elections the Transitional Government can be said to have tried to consolidate its political system reforms. Many opposition parties felt uncomfortable with their possibilities to campaign for seats in the national and regional councils, and therefore refrained from participating in the elections. Thus, the recent parliamentary elections resulted in a clear-cut consolidation of formal power for the ruling EPRDF-party.

**Table 4: Allocation of seats in the National Council of Representatives**

Political organisations and others	Number of seats held
EPRDF	483
Other parties	46
Independent	8
<b>TOTAL</b>	<b>537</b>

Source: Abiotawi Demokrasi 1995, special edition, 6th year. Here quoted from *Press Digest*, 31 August 1995:15

One problem in interpreting the results of the elections in terms of true political support relates to the above criticism about the opposition's campaigning possibilities. Another problem relates to the electoral system with majority instead of proportional representation (see e.g. Hansson 1993c and 1995b: Ch. 9). Therefore, whether the reforms of the political system so far can be seen as a consolidation of the true EPRDF support among the Ethiopian population is a question that remains to be analysed when the more detailed election results and the actual distribution of votes from the various constituencies have been published.

There are strong reasons to believe that the issues of secession and land ownership will continue to be at the centre of the political debate in Ethiopia for a long time. Furthermore, one should not overlook the risks that these issues may lead to political unrest and thus increased economic uncertainty. The same is true for the issue of human rights. The opposition in Ethiopia and various international human rights organisations, e.g. Amnesty International, have criticised the past and present human rights situation in Ethiopia. It falls outside this study to go into details on this issue but it is interesting to note that the 1994 constitution introduces two new human rights institutions:

It [the Council of Peoples' Representatives] shall establish a Human Rights Commission and shall determine by law its powers and its functions.

(Constitution 1994, Article 55:14)

It [the Council of Peoples' Representatives] shall establish the institution of the Ombudsman. It shall elect its members. It shall determine by law the powers and functions of the institution.

(Constitution 1994, Article 55:15)

From the point of view of domestic politics, but perhaps even more from the point of view of Ethiopian international relations, it is crucial that these two institutions really are created and come to work in a way that efficiently protects and supervises human rights in Ethiopia. If this not become the case before too long, there is an obvious risk that potential domestic and foreign investors will refrain from engaging in investment activities in Ethiopia and that foreign donors do not increase their contribution to the Ethiopian development to the extent that is motivated by the social and economic conditions prevailing in the country.

It should be noted that the donors' protests against Mengistu's economic system and the civil war (and its related human rights violations) did not stop or become significantly reduced when Mengistu introduced his March 1990 economic reforms. The donors instead increased their demands for a solution of the civil war, and its related human rights problems, as a precondition for making significant increases in their contributions to Ethiopian development (Hansson 1995b: 100ff). There is an obvious risk that this situation can arise anew if the two above mentioned human rights articles of the new Ethiopian Constitution do not come into efficient operation before too long. Therefore, there is good reasons for the

Government of Ethiopia to intensify the efforts in the field of human rights protection and as part of this become increasingly open in its documentation of human rights violations and how they work to combat such violations (see e.g. Amnesty International 1995).

#### *Decentralisation Through Regionalisation*

By giving the people of Eritrea the right to decide upon their future status, the new leadership made a clear break with the history of Ethiopia. In imperial as well as in socialist Ethiopia national unity was heavily stressed. In the latter case national unity was one of the major points included in the political slogan *Ethiopia Tikdem* (Ethiopia First). Today Ethiopia is a federal state where the regional division of the country is based on ethnicity. A majority of the regions consist of 5 to 13 nationalities each.

The decentralisation of power and the regionalisation of administration have both positive and negative implications for the governance and efficient performance of the economy. In general it is positive to try to delegate functions to as low a level as possible, given that efficiency and consistency on the national level can be preserved. There are, however, policy areas that should be kept on a central national level. Areas that fall into this category are monetary and fiscal policy, which are necessary to achieve macroeconomic balance in the economy. The dissolution and privatisation of state enterprises falls into this category also. The same is true for the provision of public and semi-public goods, such as the institutions that are necessary supports to the intended market-oriented economic system, but also public and semi-public goods that are characterised by indivisibility and high fixed costs, such as some parts of the physical infrastructure.

Environmental policy also risk becoming inefficient when determined and implemented on a local or regional level. Bourdet (1992: 81) points to the experience of the forest sector in Laos where there is a conflict between the interests of the provinces, who tend to over-exploit the forest resources, and the central government's objective of environmental protection. In Laos, the central government in 1990 started to implement a recentralisation process as a response to the experience from the earlier decentralisation policy (Bourdet 1992: 82).

In Ethiopia the regions are expected to finance 25 per cent of their expenditure through their own taxes and revenues. Thus, the grants from the central government are crucial for the development of the regions. The distribution of such grants among various Regional States is subject to debate in Ethiopia. There are claims from the opposition that Region 1, that is Tigray, the home of most EPRDF leaders, receives preferential treatment in various ways.

Table 5 shows that the total central government grants allocated to the regions largely follow the distribution of the population between the regions. However, there is no direct uniform link between the two. Dire Dawa, Addis Ababa and Harar are the regions with the highest shares of self-financed expenditure whereas Gambella, Afar, Beshangul, and Tigray are the regions that receive the highest central government grants per capita. Furthermore, on a per capita level the table indicates an inverse relationship between the grants received from the central government and the regional states' capacity to generate revenues by themselves. This may stimulate advocates of secession from better equipped regional states.



**Table 5: Regional distribution of population, revenues, expenditure and central government grants, 1993/94**

	Population (millions)	Revenues per capita (birr)	Grants per capita (birr)	Expenditure per capita (birr)	Grants per cent of expenditure
Tigray (1)	3,5	16,4	63,6	80,0	79,5
Afar (2)	1,0	7,7	106,0	113,7	93,2
Amhara (3)	13,3	8,5	43,9	52,4	83,7
Oromia (4)	16,9	11,0	41,2	52,2	78,9
Somali (5)	2,4	13,0	44,3	57,2	77,3
Benshangul (6)	0,9	5,1	90,0	95,1	94,6
SEPA (former regions 7-11)	11,1	7,5	35,0	42,5	82,4
Gambella (12)	0,1	26,0	625,0	651,0	96,0
Harar (13)	0,2	94,5	32,5	127,0	25,6
Addis Ababa (14)	2,1	132,5	37,6	170,1	22,1
Dire Dawa	0,5	47,6	11,4	59,2	19,3
TOTAL	52,0	15,5	45,0	60,5	74,4

Source: Budget data from the Ministry of Finance

In conclusion, through its regionalisation programme and the new constitution the Transitional Government has signalled its intentions to increase the autonomy of the Regional States. The new constitution even gives the various member states the formal right to secession. The future degree of economic and political autonomy for the member states given by the Federal Government will be of crucial importance for the success or failure of the secessionist political forces. The more centralisation of powers, the stronger the demands and tendencies for secession can be expected to be.

#### *Concluding Remarks*

The termination of the war and the removal of the Mengistu government introduced a new period in Ethiopian political and economic history. In the field of economics the changes introduced by the Transitional Government have been impressive and quite far-reaching, and mean a more or less complete termination of the *Ethiopia Tikdem* period which was based on Ethiopian or scientific socialism. In the new Ethiopian economic system both commodity and factor markets have been liberalised. In one particular field, however, namely privatisation of business, including the issue of foreign ownership and investments, the government has not progressed far enough to satisfy the demands from many foreign observers and donors.

Even if the reforms of the Ethiopian economic system are of quite recent date and it is premature to make a true evaluation of their long-run impact on the Ethiopian economy, it seems reasonable to conclude that through its introduction and implementation of economic systemic reform and policy the government has succeeded in improving economic performance and growth. In particular this is the case for the peasant sector and the former state-dominated manufacturing sector. Furthermore, available statistics show that the macroeconomic situation in the country has improved during the transitional period (see e.g. Hansson 1995a and b: Ch. 8).

Notwithstanding the fact that much remains to be done before the intended systemic change of the Ethiopian economy is completed, it is important to stress that, considering the short time the reform program has been under way, Ethiopia has made considerable progress on her way away from socialism and towards more private-based economic activities where markets, rather than the government, play an increasingly central role in the determination of the allocation of resources. This is particularly so if

comparisons are made with the experience (speed and magnitude of changes) in many other reforming sub-Saharan countries.

The future of the Ethiopian economy largely depends on the success of the government to create a climate for the private business sector so that both domestic and foreign private investors will find it interesting and attractive to make investments in Ethiopia. In particular this can be expected to be important in a country like Ethiopia with its legacy of seventeen years of quite extreme socialist rule. Political stability, transparency, and credibility of the government are all crucial components in an attractive climate for business. Thus, the future of and the risks for the Ethiopian economy lie largely in the field of politics, and maybe particularly in the government's work in protecting human rights in line with the content of the 1994 constitution.

### *Eritrea*

After more than thirty years of liberation war Eritrea obtained *de facto* independence from Ethiopia when the EPRDF overthrew the Mengistu government in May 1991. Already from the outset, the new Ethiopian leaders agreed with the *Eritrean People's Liberation Front* (EPLF) that Eritrea should be given independence if this was the will of the Eritrean people. On 24 May 1993, after a referendum on 19 April, Eritrea formally declared its independence as a sovereign state. Eritrea also received international recognition as a sovereign nation state.

Eritrea is governed by a provisional government, headed by president Issayas Afwerki, and a National Assembly consisting of 75 members from the *Central Committee of the People's Front for Democracy and Justice* (PFDJ, formerly EPLF) and 30 (3,10) representatives from the ten regions of Eritrea. A pluralist national election for president and the National Assembly, is scheduled for May 1997. It should be noted that at present there is just one legal political party in Eritrea, PFDJ. Thus there must be a new law on political parties before May 1997. At present it is not allowed to form political parties on the basis of religion or ethnicity.

As Eritrea up to 1991 was a part of Ethiopia, the Eritrean economy suffered from the same system deficiencies as the one that prevailed in mainland Ethiopia (see the foregoing section). Immediately after the *de facto* independence, on 22 – 24 July 1991, there was a conference about the economic policy challenges and options held at the University of Asmara (Gebre Hiwet Tesfagioris 1993). Participants were both academic researchers, civil servants, and politicians. This conference produced some consensus about the main characteristics of the new Eritrean economic system and strategy. For instance, consensus was reached to develop the Eritrean economy to a mixed economy, to stimulate industries that could augment the output from the dominant agricultural sector, develop regional cooperation with neighbouring countries, and to incorporate environmental and ecological aspects in industrialisation and other economic development decisions (Gebre Hiwet Tesfagioris 1993: ix f).

Quite soon after the *de facto* independence a *Recovery and Rehabilitation Programme for Eritrea* (RRPE) was designed and began to be implemented. The priority issues identified in the RRPE relates to agricultural and industrial inputs, rehabilitation of the infrastructure, launching labour intensive projects, and the strengthening of central economic agencies (UNDP 1993: 5f). Furthermore, already from the fall of the Derg the Eritrean provisional government and the Ethiopian transitional government worked on and in January 1992 also signed agreements about transit trade and that Assab will be a free port for Ethiopia. They also signed a free trade pact that among other things should stimulate cooperation between enterprises in the two countries (UNDP 1993: 3). The two countries also have a currency union where the Ethiopian Birr is the common currency unit.

The main economic system changes included in the RRPE are e.g. to

- encourage the development of a market economy
- denationalisation of enterprises that were nationalised by the former regime in Ethiopia
- encourage private sector activities
- reform the land tenure system
- liberalise trade and exchange regimes

In order to facilitate these system changes the labour, investment, and commercial codes have been reformed, the tax system has been revised, and establishment of small business has been simplified by the establishment of an efficient licence office (EIU 1995: 4:29).

Thus, we note that with regard to economic system dimensions the intentions and actual development in Eritrea have great similarities with the intentions and development in the Ethiopian economic system and follows the major line of World Bank and IMF strategies for structural adjustment and economic reform programmes.

As a result of the changes introduced and the attempts to introduce pluralistic democracy and the important circumstance that the Eritrean government, i.e. PFDJ, receives a wide support from the Eritrean population, have all contributed to increased interest from individual donor countries as well as from multilateral donor organisations. Here it should be noted that the ruling government has been quite clear in its position towards foreign agencies, NGOs as well as UN agencies (EIU 1995: 4:25). The government has made clear statements that it does not accept foreign interventions and that religious-based NGOs should keep its religious objectives apart from their relief assistance activities (ibid.).

### *Somalia*

Somalia is the Horn country that during the 1990s more than the other countries in the region has been characterised by warfare and chaos. The problems arose already by the loss of the 1977 Ogaden war with Ethiopia and the aftermaths of this war. Demoralisation became frequent and tribalism and conflicts between various tribal clans increased and 1988-91 led to a civil war between the Siyad regime and the Isaq clansmen (Lewis 1993: 67ff). This war led to a defeat for the Siyad regime by the United Somali Congress (Hawiye) guerrillas in the south (Lewis 1993: 70ff and 92) and a total destruction of the Somali capital Mogadishu. In the north the Somali National Movement (SNM) in January 1991 can be said to have overcome the Siyad defence forces and on 18 May the same year the leaders of the SNM proclaimed that the former British Somaliland Protectorate, e.g. the northern parts of Somalia, should be freed from the southern parts and be an independent and sovereign state, Somaliland Republic.

During 1992-1994 the UN and the US were active in humanitarian work in the chaotic Somalia but also tried to improve the security situation in the country. However, largely the efforts can be classified as failures. Quoting two journalists who in 1994 reported from the country: 'UNOSOM has failed either to disarm the factions or provide an alternative to the gun. ... UN troops now face increasing difficulty in keeping even themselves alive' (Flint 1994, here quoted from Lyons and Samatar 1995: 60). 'After the deaths of more than 100 U.N. peacekeepers here ... Somalia is as unstable and devoid of hope today as at any time since it collapsed into anarchy in January 1991' (Richburg 1994, here quoted from Lyons and Samatar 1995: 60). As a consequence of these problems the UN and US troops left Somalia to itself.

In the Somaliland Republic fighting seems to have lapsed into a stalemate. During 1995 there seems to have been no military progress for any of the conflicting parties. Most parts of the country seems to be

relatively secure and stable. One exception is the border area to Djibouti where clashes between the government forces and groups of the United Somali Front militia occasionally take place.

The economic consequences of the events in the 1980s and the first half of the 1990s have been devastating and has made Somalia and Somaliland even poorer than before. As noted above in the case of Ethiopia, war and perhaps civil war in particular does not only cost lives and direct war damages in terms of resources but also harms economic activities indirectly through the uncertainty it creates in relation to both property rights and direct production activities. Therefore, the economic implications and thus the prospects for economic development in Somalia and Somaliland are and will continue to be quite bleak as long as the civil war continues. Furthermore, like in Ethiopia during the 1970s and 1980s, even without the damages to the economy that are created by the civil war, the characteristics of the economic system should also be given due attention in explaining the poor economic performance. This is particular so when analysing the prospects for economic development when a "solution" to the internal conflicts hopefully has been reached.

The Somali economic system up to the total chaotic political and economic situation in 1991 was a socialist system. As shown in Table 1 the Somali economy is a rural and peasant dominated economy. Like in Ethiopia, however, the dominating peasant sector has been neglected and even negatively discriminated by the government. As a consequence of this policy and a high population growth, food import dependency has increased. An important external factor that has worsened the problems was that the international prices on Somalia's major export commodity (more than 80 per cent of total export value until mid 1988), livestock, fell drastically in the mid 1980s (Lyons and Samatar 1995: 15f). This created problems not only for livestock producers but also for the economy at large by undermining the foreign exchange generation.

Like in many other sub-Saharan African countries, the growing economic problems made it necessary to mobilise external resources. Also in the Somali case the World Bank and the IMF were willing to assist. However, the World Bank and the IMF introduced quite heavy demands on policy as conditions for their assistance. Thus, already in 1981 the Somali government accepted a structural adjustment programme with significant demands for liberalisation (Lyons and Samatar 1995: 16). However, due to the ongoing conflicts in the country, the implementation of this programme has been disrupted.

The government of Somaliland has introduced a new Somaliland Shilling but so far the economy based on this new currency is quite fragile.

Even though Somalia was a big recipient of foreign aid, around 25 per cent of GDP in 1987-88, her indebtedness increased rapidly and the debt to GDP ratio reached a level of 203 per cent. (Lyons and Samatar 1995: 17).

### *Sudan*

The political development in Sudan after the independence in 1956 can be characterised as very unstable. In November 1958 the Army took control after a military coup. In 1964 the military government was overthrown in a civilian revolution. Five years later the Army came back to power and through a military coup in April 1985 a Transitional Military Council took power. The Army took control in Sudan again in 1989. Since February 1992 Sudan is governed by a 300 member Transitional National Assembly and since October 1993 the executive power is with a joint military-civilian cabinet headed by President Lieutenant-General Omar Hassan Ahmed al-Bashir who from June 1989 up to October 1993 was the Head of State without having sworn in as president.

The main problem in the Republic of Sudan has for long been and still is the ongoing civil war between the northern parts of the country, where Islam is the dominating religion, and the southern parts who oppose the ruling government and its Islam ideology. Things are however even more complicated since the southern Sudan is also subject to internal conflicts between at present seven competing rebel groups.

Civil war tends to increase the violation of human rights and the civil war in Sudan is no exception (see e.g. EIU 1995a: 3: 13, 1995a: 4: 14f, and Gurdon 1994: 105ff). These violations creates international opposition and increasingly also increased international isolation and difficulties to mobilise external resources.

During the last year the civil war has intensified, and in June 1995 some of the major opposition groups in the north and in the south met in the Eritrean capital Asmara, under the umbrella of the National Democratic Alliance, to work out a communiqué where emphasis was place on (EIU 1995a: 3: 6f):

- the right to self-determination for all peoples of Sudan. The use of this right prescribes that a referendum should take place in each case.
- the establishment of a decentralised government system within four years. The south should have a confederal system while the north should have a federal system with the central government.
- religion-based political parties should be abolished by law
- to set up a "de facto government-in-exile with a president, an executive bureau, a general secretariat, specialised departments and branches." (ibid.: 7). The executive should consist of 9 heads of political parties and 2 independent individuals (ibid.)

The meeting in Asmara also resulted in a programme where the contracting opposition parties committed themselves to armed opposition and "the instigation of attacks in the north." (ibid.) On 8 January 1996 the Sudanese opposition met again in Asmara, now the center of the main hub-of the Sudanese opposition. In this meeting the opposition agreed to increase cooperation in and coordination of their opposition activities.

Besides creating political instability and loss of lives, the ongoing civil war also creates serious problems for the economy. First, as noted in the cases of Ethiopia and Somalia, civil war directly occupies and destroys enormous resources. Secondly, civil war increases uncertainty and thus indirectly imposes a cost that undermines long term investments in economic activities. Thirdly, the civil war and its religious, read Islamic, basis make the economic relations to neighbouring countries quite problematic for the government and thus undermine the prospects for regional cooperation (see e.g. Adil Ahmed 1995: 17ff). Fourthly, and finally, the civil war in Sudan is a barrier for Sudan to obtain significant foreign aid from the IMF, the World Bank, and individual bilateral donors (EIU 1995a: 3: 16). At present there seems to be few if any signs of hope for a peaceful solution of the conflicts in Sudan during the next couple of years.

The Sudanese economy is dominated by agriculture and trading. Government agencies and companies dominate the economic activities with more than 70 per cent of the new investments (CIA 1994: 5). Private industrial investments dates back to the period before 1980 (ibid.) From 1990 the Sudanese government has been under pressure from the IMF due to problems of paying its debts. In 1992 a reform programme, including fiscal reform, and liberalisation of markets and foreign exchange, was launched and started to be implemented. However, most of the reforms were halted by mid-1993. During 1995 the IMF analysed the Sudanese economic situation and the Sudanese government has introduced some changes, e.g. in relation to tax policies in order to please the IMF and other donors. Without external financial support the prospects for economic development really looks bleak. The needs for increasing the land under irrigation

are great and important in a strategy to reduce the country's sensitivity to variations in climate and thus rainfall. Investments in irrigation facilities demand heavy financial and technical resources for which Sudan more or less exclusively has to rely on foreign donors.

### *Djibouti*

The Republic of Djibouti is the smallest, but also the most prosperous country in the Horn of Africa. Djibouti received independence from France on 27 June 1977 after a referendum and Hassan Gouled Aptidon was elected president.

Difference in opinion between the two major ethnic groups, Afars (Ethiopian) and the Issas (Somalian) led to a crisis in the government in 1978. However, the conflicts between the two ethnic groups have characterised the Djibouti situation ever since independence. In 1991 a coup attempt against president Aptidon failed. However, from 1991 the government allowed political parties and in a referendum in September 1992 a new constitution was approved. However, like recently was the case in Ethiopia, the elections in 1992 (legislative) and 1993 (presidential) were boycotted by most of the opposition. Ethnic conflicts continued and fighting continues even though a peace agreement was agreed and signed by all parties in December 1994 (World Bank 1995: 139). In June 1995 there was a reshuffle of government and two former Afar leaders became members of government. However, notwithstanding this change in government there remains tensions between Afars and Issas in the northern part of the country. To this should be added that there are reports describing tensions and competition among factions of the Issas about the successor of president Aptidon. The presidential election is scheduled to take place in 1999.

Like in the other countries in the Horn of Africa the economic performance in Djibouti is poor and it has been poor ever since independence. This has resulted in a reduction of GDP per capita to a level of half the amount at independence. As a result of the internal conflicts military expenditures increased during the beginning of the 1990s and so did the budget deficit. This increased Djibouti's dependency on foreign assistance. Due to its history of being a French colony the links to France have been crucial for the economic situation.

Recently, the French government has increased its pressure on the Djibouti government to undertake economic reforms in line with recommendations from the IMF. Even though so far no economic reform program has been agreed upon between the Djibouti government and IMF, the Djibouti government has been working with the preparation of an economic reform program since 1994 (World Bank 1995: 140). The draft program has great similarities with the economic reform programs for similar countries, in particular it seems to have many similarities with the program that has been introduced in Ethiopia. Thus, in order to stabilise and diversify the economy and thereby make improvements in social standards and living conditions possible, the government plans to strengthening the Ministry of Finance and the Treasury, liberalising trade, commodity and factor markets, increase the private sector involvement in the economy by privatising and restructuring state owned enterprises and to disengaging the state production activities (World Bank 1995: 140). International observers have classified the intended reforms unsustainable due to the internal opposition from urban citizens against the budget cuts that are an important part of the IMF's and the French government's demands for economic reforms.

### *Concluding Remarks*

From Tables 1 and 2 it is clear that the economic and social situation in the Horn of Africa are quite problematic and that, in all the countries in the region, far-reaching changes have to be introduced both politically and as regards the characteristics and the functioning of the economic system. The review of the most recent developments in the region as a whole and in the individual Horn countries points to a great number of problems and a much smaller number of positive signs.

Starting with the positive changes, these can largely be found in the economic systemic changes that have been introduced in Ethiopia during the past five years. These changes have been made possible partly as a consequence of the peace with Eritrea. In Eritrea also there are positive signs in relation to economic system changes, even though the implementation of the changes has not yet come as far as in Ethiopia. In Eritrea the political situation seems to be less fragile than in Ethiopia where there exists uncertainty and thus risks for conflicts between some of the ethnic groups and the government, who in public elections has received an overwhelming majority of the seats in the regional as well as national parliaments. In Eritrea it is not allowed to organise political parties based on religious or ethnic grounds. This, of course, can be an important source of conflicts in the future. That this is a real problem can be understood by looking into the situation in the other countries in the region – Somalia, Sudan and, even if less so, Djibouti – where ethnic and religious conflicts are both frequent and quite violent. In former Somalia there is now three governments, two in the Republic of Somalia and one in the Somaliland Republic. In Sudan there for long have been internal religious based strifes between the northern Islamic part and the southern Christian parts. In several cases the internal conflicts in these countries have also resulted in conflicts about the borders with neighbouring countries. In particular this has been the case with the Somalian relations with Ethiopia and with the Sudan relations with most of its neighbours. A recent conflict in December 1995 between Eritrea and Yemen about the Hanish Islands has also give rise to increased worries about the future of peace in the region.

With this quite depressing and complex political situation combined with the harsh economic realities that the people in the Horn has to live under we should add that the conflicts have given rise to substantial migration flows between the various Horn countries. Furthermore, we should not overlook the environmental problems that exist in the region and that undermines the prospects for sustainable development and if the current trends continues makes it increasingly difficult to feed the population. However, here it is of utmost importance to understand the links between politics, economics and long term investments in environmental assets. Political instabilities, in particular situations of actual or threats of war, give rise to increased economic uncertainty. This in turn implies less incentives to undertake investments in forestation, irrigation, terracing etc. If this type of investments do not take place, a rapid environmental degradation and thus a shrinking natural resource base will be the result. Thus, the risk for the future of the Horn of Africa should be looked for primarily in the field of politics where the chain of decisive factors for the future starts.

### **3 REGIONAL INTEGRATION, ETHNICITY, AND GEO-POLITICS PROBLEMS AND POTENTIALS FOR THE FUTURE DEVELOPMENT IN THE HORN**

In this section we will present and analyse the Horn of Africa potentials and problems for the coming 20 years of development. We start with analysis of the potentials for harmonious regional cooperation and integration. Then we turn to the case characterised by increased ethnic conflicts and division. Finally, we will briefly discuss the future Horn of Africa development if a situation of cold war between super powers arises anew.

#### **Is there a Case for Harmonious Regional Cooperation and Integration in the Horn of Africa?**

Assume that the present conflicts in the Horn of Africa are ended and that peace and stability will characterise the next twenty years. Furthermore, assume that the geopolitical arena will be characterised by peace, stability and international cooperation. The plausibility of these assumptions will be discussed

at the end of this section but let us now first analyse some crucial characteristics for successful economic cooperation and integration given these assumptions.

In a paper on regional trade arrangements de la Torre and Kelly note that even though the issue of regional integration schemes in developing countries has attract much political attention, and even though sub-Saharan Africa can show the largest numbers of regional groupings in the world, the experience of such arrangements, in particular in sub-Saharan Africa, is quite depressing (de la Torre and Kelly 1992: 25ff). They also conclude that the failure or poor performance of the regional trading arrangements was due to structural factors that limit the potentials for gains from increased regional integration but it was also due to a low degree of implementation (de la Torre and Kelly 1992: 32).

It is not surprising that import substitution strategies seem to have been an important barrier to both increased regional integration and global economic integration at large. Other factors behind the low implementation of regional integration programmes are according to de Torre and Kelly (1992: 33): 'differences in economic philosophies and strategies among members...; powerful vested interests in highly protected sectors; constraints imposed on liberalization in many cases by inappropriate macroeconomic policies; and political problems that sometimes led to military conflict.' Furthermore, lack of proper institutions and capacity in developing countries to implement and administer the regional economic integration schemes has also contributed to the poor performance so far (ibid.: 34f). Still another factor that should be noted is that, contrary to the case in the industrialised countries who have entered regional economic integration programmes, in developing countries the pre-integration intra-regional trade among the members has typically been low (ibid.: 36). Furthermore, the similarity in factor endowments among the members of regional integration arrangements in developing countries and small potentials for economies of scale in the production structures of these countries have not offered the same magnitudes of trade creation and thus of potential gains from regional arrangements as has been the case in the industrialised countries (ibid.: 36).

Then, is there a case for regional integration schemes as a potential for growth and development in less developed countries in general and in the specific case of the Horn of Africa? Some economists argues that there is no strong arguments in favour of regional (or preferential) trade arrangements for reasons mentioned above and that therefore the developing countries would be better off by exploiting their comparative advantages in the global market (ibid.: 38). Following this line of argument, developing countries should pursue a policy of unilateral liberalisation and take active part in the liberal multilateral international trading system (see e.g. Greenaway and Milner 1990, and Hansson 1994). de la Torre and Kelly (1992) conclude, on the basis of empirical evidence, that the potential gains from regional integration programmes can be maximised if the countries involved pursue an outward oriented trade strategy, a liberal and transparent foreign investment strategy, and an intra-regional trade liberalisation programme that follows an 'automatic timetabling' (ibid.:39f).

Turning to the potentials of economic integration in the Horn of Africa we note that with regard to economic factors that have been claimed to be crucial for successful regional integration, liberalisation of markets, in particular trade liberalisation and liberalisation of foreign investments, the process has not come so far yet in the various Horn countries, even though most of them have announced and in some cases also entered various economic reform programmes. As noted in the previous section, Ethiopia is the country that has come furthest in this respect but also in this country more is needed. Trade must be given the potential to work as an "engine of growth" through integration both bilaterally, regionally and multilaterally. It is obvious that the former government did not take full or even reasonable advantage of the potentials of international trade. Furthermore, when they restricted trade, it often took the form of quotas, which are well known to be more distortionary than other types of trade policy measures. The



Transitional Government introduced quite far-reaching trade liberalisation. This is a clear positive change, not least for potential investors in Ethiopia, but will it remain? This is still an open issue, in particular since Ethiopia is not among the countries that have applied for membership in the new World Trade Organisation (the WTO) even though talks with members of the Ethiopian government in February 1996 revealed that an application was under preparation. An Ethiopian application for membership in this organisation, would definitely mean a positive signal to potential investors and businessmen that the new more liberal policy will remain. The reason is of course that an international agreement of this kind disciplines the participating countries and makes their policy more predictable. This would also give a signal of larger commitment when Ethiopia tries to create or enter regional trading arrangements. Another shortcoming in Ethiopia is that the laws and policies about foreign investments and foreign ownership continue to be quite restrictive.

Aside from Ethiopia we note that Djibouti has also a quite liberal foreign trade strategy, while the other Horn of Africa countries have still very restrictive trade policies, even though Eritrea has announced an economic reform programme that is close to the Ethiopian as regards foreign trade policy.

Turning to another crucial economic factor mentioned by de la Torre and Kelly, the macroeconomic situation, we note that also in this perspective Ethiopia is the leading star in the region even though also in this country further improvements are needed (see e.g. Hansson 1995a, b, c). In the other Horn of Africa countries stabilisation programmes have not been introduced or started to be implemented. Thus, from the point of view of pure economic factors, regional integration with all Horn countries as participants seems to be unlikely over the next decades. A more restricted free trade area with Eritrea, Ethiopia and Djibouti as members seems more likely from this point of view. In fact Eritrea and Ethiopia already have formed a sort of free trade area. According to civil servants in the Ethiopian government, the ultimate objective of the cooperation with Eritrea is to create an economic union between the two countries.

Given the relatively pessimistic conclusion about the potentials for regional economic integration in the Horn, one may look at the prospects for and potentials of unilateral and multilateral trade liberalisation. Also in this case Ethiopia seems to have come furthest among the Horn countries. However, in one respect of trade liberalisation Ethiopia is not the leading Horn country, Ethiopia is not yet a member of the WTO (see above) which is the case with Djibouti who joined the new international trade organisation in May 1995.

Taking political aspects into consideration the scope for successful regional integration in the Horn of Africa seems even less likely than when the perspective is limited to pure economic factors. As noted in Section 2 about the recent history and development in the region, military conflicts are frequent in several cases both internally in the individual countries and along the borders between the countries. Also in the case of Ethiopia, where the economic factors in favour of successful international or regional economic integration are the most promising in the region, the issue of secession for the various regions of the country will continue to be of crucial importance. It seems to be all too optimistic to assume that this issue will be solved and stabilised during the foreseeable future. Even though the constitution that was adopted in December 1994 is quite clear on this matter it seems reasonable to classify the issue of secession as one of the, if not *the* most critical issues in Ethiopia. If the outcome of the struggle about the issue of secession leads to internal instability and military conflicts or if it eventually leads to secession, it will mean a severe barrier to economic integration in the Horn of Africa and also in relation to economic integration between Ethiopia and Eritrea.

To conclude, the prospects for harmonious regional economic integration in the Horn of Africa are bleak. The picture seems to be a bit more optimistic if we restrict our perspective to integration among Djibouti, Eritrea, and Ethiopia. However, for successful integration among these three countries it is of crucial

importance that the issue of secession does not develop into serious military struggles and actual secession and disintegration in Ethiopia.

## Will Increased Ethnonationalism Continue to Hamper Economic Development in the Horn of Africa?

### Introduction

The analysis in this section assumes no important changes in the global geopolitical situation. Instead the focus will be on the implications for economic development in the Horn of Africa of increased ethnic polarisation and growing tendencies towards ethnonationalism.

As was made clear in the above sections, the Horn of Africa countries can all be characterised as states that have not completed their state formation in the sense that their borders are well defined and accepted by their population and neighbouring countries. Frequently, the ethnic diversity in the region and also inside each individual Horn country is advanced as one important reason behind this situation.<sup>6</sup> As mentioned in the section about Ethiopia the issue of ethnicity was one of the basic reasons behind the long standing civil war that hampered the economic development in the country (including Eritrea) during some 30 years. It was also the basic reason behind the perhaps most debated and crucial issue during the work on the new Ethiopian constitution, the issue of secession.

From the perspective of global geopolitics there is no clear-cut correspondence between ethnic and political borders. According to Connor (1994: 29) of 'a total of 132 contemporary states, only 12 (9.1 percent) can be described as essentially homogeneous from an ethnic viewpoint'. Table 6 based on Connor (*ibid.*) and complemented with data about the ethnic situation in the Horn of Africa countries describes the relative dominance of the largest ethnic group in the respective country. From this table it is clear that in all Horn countries but Ethiopia, the largest ethnic group comprises 50 per cent or more of the total population.

Furthermore, Connor notes that in 53 countries there are more than five significant ethnic groups (*ibid.*: 30).

In Table 7 the ethnic division in the five Horn of Africa countries is described in more detail. It can be concluded that in all the countries in the region but Somalia there are at least two large ethnic groups.

**Table 6: Ethnic concentration in the Horn of Africa**

Largest ethnic group as per cent of total population	Number of countries	The largest ethnic group's share of total population in the Horn of Africa				
		Djibouti	Eritrea	Ethiopia	Somalia	Sudan
~ 100	12					
90 - 99	25					
75 - 89	25				85%	
50-74	31	60%	50%			52%
< 50	39			40%		

<sup>6</sup> Ethnicity is a concept that is not easy to define in an undisputable manner, see e.g. Connor (1994:100ff) for an interesting analysis. In the present study an ethnic group is defined as 'a social group or category of the population that, in a larger society, is set apart and bound together by common ties or race, language, nationality, or culture' (quoted from *The New Encyclopaedia Britannica*, fifteenth edition, vol.4: 582).

**Table 7: Ethnic division in the Horn of Africa**


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<i>Djibouti:</i>	Somali 60%, Afar 35%, French, Arab, Ethiopian, and Italian 5%
<i>Eritrea:</i>	Ethnic Tigrays 50%, Tigre and Kunama 40%, Afar 4%, Saho 3%
<i>Ethiopia:</i>	Oromo 40%, Amhara and Tigrean 32%, Sidamo 9%, Shankella 6%, Somali 6%, Afar 4%, Gurage 2%, other 1%
<i>Somalia:</i>	Somali 85%, Bantu, Arabs 30 000, Europeans 3 000, Asians 800
<i>Sudan:</i>	Black 52%, Arab 39, Beja 6%, foreigners 2%, other 1%

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Source: CIA (1994)

In this section we will analyse the tendencies for ethnicity to continue being a limiting factor for economic development in the Horn of Africa.

### ***Factors behind ethnonationalism as an efficient political force***

The crucial factors behind efficient state integration and thus successful nation building have been analysed by political scientists for decades. The role of ethnicity has been under heavy debate and the views and findings differ. On the one hand, there are those who seem to ignore the role of ethnicity, or to just treat it as one minor factor working to the disadvantage of nation-building in the sense of effective state integration. On the other hand, there are researchers who see ethnic diversity as one of the major impediments to state-integration (Connor 1994: Ch. 2).

As noted by Connor (1994: 30) people are subject to at least two types of loyalties that are of interest to us, the loyalty to her ethnic group and the loyalty to the state where she or he lives. Connor also notes that the two loyalties are not 'naturally harmonious' (ibid.). This stands out clear in the current world both in Europe (e.g. Bosnia) and in the African continent. In the latter case the description in the previous sections have provided clear evidence of the disharmony between the two loyalties.

Important concepts in this debate and analysis are *modernisation* and *assimilation*. *Modernisation* makes reference to social mobilisation through phenomenons such as urbanisation, industrialisation, increased schooling and thus literacy and increased communication facilities (see e.g. Connor 1994: 31f and references therein). *Assimilation* refers to nation-building based on identity.

In a number of works, from 1953 and onwards, Deutsch has tried to identify the links between modernisation (social mobilisation) and assimilation (nation-building). His opinion has shifted largely over the years (see e.g. Connor 1994: 31-39). This may be one important reason why political theoretical scientists largely have chosen to ignore or devote just a minor interest to the issue of ethnicity in the theories of nation-building.

What factors do then determine the existence of successful ethnonationalist movements and what do empirical studies tell about the characteristics and motives of members of such movements?

In the literature there has long been a debate about the role of economic factors as a basis for the activities of ethnonational separatist movements. One issue of major concern has been, and maybe still is, whether economic factors are decisive for the amalgamation of ethnonationalism (the theory of economic deprivation). Looking at the real world, Connor (1994: 39) concludes that the research so far has demonstrated that:

Ethnic consciousness has been definitely increasing, not decreasing, in recent years. ... Form of government and geography have clearly not been determinative. Nor has the level of economic

development. But the accompaniments of economic development – increased social mobilization and communication – appear to have increased ethnic tensions and to be conducive to separatist demands. Despite all this, leading theoreticians of “nation-building” have tended to ignore or slight the problems associated with ethnicity.

According to Connor (1994: 72), there is no consensus about ‘how ethnic heterogeneity can best be achieved, or indeed, even whether it can be accommodated non-coercively’. However, based mainly on studies about First World states, Connor summarises the findings in relation to the accommodation of ethnonational heterogeneity:

1. Members of ethnonational minorities manifest substantially less affection toward the state than do members of the dominant group.
2. Minorities of the same state can differ significantly in this regard.
3. For most persons, however, the matter is not perceived in either/or terms. Affective ties to the state coexist with ethnonational consciousness.
4. In most cases in which a separated movement is active, large number, usually a majority of the involved group, do not favor secession.
5. In some cases, the percentage represented by pro-secessionists has remained relatively constant; in other cases it has evidenced profound trends.
6. Regardless of their attitude toward secession, a preponderant number do favor major alterations in the political system that would result in greater autonomy.
7. Where separatist parties are allowed to contest elections, their vote is not an adequate index to separatist sentiment.
8. In all cases for which there are attitudinal data, members of ethnonational groups overwhelmingly reject the use of violence carried out in the name of the national group.
9. However, a large percentage, including many who do not favor separation, empathize with those engaged in violence and place the blame for the violence upon others.
10. Separatists draw their support from all social strata and age groups.
11. Disproportionate support, however, comes from those under thirtyfive years of age, with above-average education and income.
12. Professional people are disproportionately represented.
13. Lack of support is particularly pronounced among those over fiftyfive years of age.

(Connor 1994: 81f)

Even though, as stressed by Connor, it may be dangerous to generalise from the above list to the case of ethnicity in Third World countries it may nevertheless be of interest to analyse briefly the situation in the Horn of Africa countries in the light of the above findings. It should also be of interest to consider another finding from Connor’s study, namely that to reduce the risk for political instability due to problems of accommodating ethnic heterogeneity it is important to decentralise authority (Connor 1994: 84).

Some of the points in this list are quite general and are not of the kind that they can be quantified or commented on in individual country cases. In particular this is the case with points 2, 3, 4, and 5 that clearly demonstrate the difficulties to make clear-cut conclusions as regards the roles and attitudes of ethnic minority groups.

As regards the first point, it is interesting to note that in those cases where there is a large number of small competing ethnic groups we should expect that the chances for efficient accommodation of ethnic heterogeneity are smaller than in the case when we have one dominant ethnic group who holds the power. In the Horn of Africa a dominant ethnic group that holds the government power can be said to exist in Sudan where the Muslims in the northern and central parts dominate with around 50 per cent of the population and where the other ethnic groups are of much smaller size (the largest minority group representing less than 15 per cent of the population). In Djibouti there is just two major groups, the Issa, who hold the power and represent around 50 per cent of the population, and the opposition group, the Afar, who claims to represent 40 per cent of the population. In Somalia there are six large clans who dominate the political scene and in Eritrea we find five large ethnic groups and a great number of small ethnic groups. In Ethiopia, finally, the number of ethnic groups are quite large, more than 100. The two dominating ethnic groups in Ethiopia are the Omoro and the Amharas who both can be said to be in opposition to the ruling EPRDF party that is dominated by the Tigrians. Thus, the implication of the first point in the list above is that there is little hope for accommodation of ethnic heterogeneity in all the Horn countries. In the other countries there are either two or a small number of competing large ethnic groups who struggle for political power.

Let us now turn to point 6 about changes in the political system towards increased autonomy for the various ethnic groups. Aside from Ethiopia there is no plans for such changes in the countries in the Horn of Africa. In Somalia the secession of Somaliland was the result of military struggle and can not be seen as a political change towards increased autonomy offered by the central government. Today the situation in the present Somalia (i.e. net of Somaliland) cannot be classified as a situation where the various clans or ethnic groups have been given autonomy even though there are two separate governments residing in Mogadishu. In Eritrea it should be noted that political parties based on ethnicity are not allowed and in Sudan the more or less continuous struggle between the dominating ethnic and religious groups, i.e. between the northern and the southern parts of the country, can definitely not be described as a situation of autonomy for the ethnic groups. The same is true for the ethnic situation in Djibouti. Thus, with exception for Ethiopia, the demands from ethnic groups have not been met by giving them more autonomy. Therefore, one important way to accommodate the ethnic heterogeneity seems to have been neglected in the political development in most Horn countries.

If we turn to Ethiopia, we note that already at the outset the Transitional Government in the Transitional Charter declared its intentions to decentralise powers and give the regions greater autonomy. As the regional division in Ethiopia is based mainly on ethnicity this means that the various ethnic groups have been given greater formal autonomy. However, this does not imply that the situation of ethnicity is solved in Ethiopia. In fact the issue of autonomy and the possibility of secession has been one of the most debated issues during the period since the removal of the Mengistu government in 1991. On the one hand, there are the Oromos and the people in Ogaden who demands self-determination and independence. These groups do not reject the use of violence and military struggle to satisfy their demands. On the other hand, the government in Ethiopia is facing strong opposition from the Amharas who have held the central positions in government throughout the history of Ethiopia but today are quite marginalised in the ministries of the new government. The Amharas have always pledged for Ethiopian unity and opposed both the liberation of Eritrea and the recent introduction of the possibility to secede in the new Ethiopian constitution. It is also interesting to note that the Amharas are quite efficient in their propaganda against the present government. One reason is that the Amhara group seems to be above average in terms of professionalism.

From the description about the recent development in Ethiopia it should be clear that there have been important changes towards increased regional and ethnic autonomy but that some groups demands more, that is independence. Whether these groups have a support or not in the average Ethiopian is not possible

to judge. The reason is that most opposition groups refrained from or boycotted the elections (compare point 7 above). Considering the large number of ethnic groups in Ethiopia and the absence of a large majority group that are in power, quite big differences in the attitude towards self-determination and independence (read secession), it is unlikely that there will arise a stable ethnic situation that can be characterised as the result of successful accommodation of ethnic heterogeneity in Ethiopia (see also e.g. Baker 1996 and Pollock 1995).

To conclude, the prospects for accommodating ethnic heterogeneity in the Horn of Africa are quite bleak if not completely absent. Instead we should expect that ethnic conflicts and struggles will continue both within and between the various Horn of Africa countries. These ethnic conflicts should also be expected to give rise to migration both within and between the countries in the region. This in turn will continue to be a burden for all countries since the migrants are uprooted from their normal environment and lack resources such as housing and food. They also largely lack possibilities to obtain resources for their daily needs. Thus, we should expect that quite large resources will be occupied both for emergency aid to migration or refugee camps and for military purposes. Furthermore, we should not expect any increases in environmental considerations from the individual economic agents. The reason is the great uncertainties that accompany civil wars and ethnic tensions. Thereby, investments in e.g. agricultural land, forest and water will be quite risky and thus be largely neglected. Finally, taking into consideration that ethnic struggles and migration also mean great costs in terms of lives and starvation for the individuals, we conclude that the ethnic situation and its likely developments in the various Horn of Africa countries predict low real economic growth and thus persistent or even increased poverty during the next 20 years.

### **Reemergence of the Cold War – Will it Happen and Will the Horn of Africa be Part of the Arena?**

In this section we turn to the world outside the Horn of Africa and analyse the potentials or risks that the region once more will become involved in the super-powers' security or strategic policies. In short, the objective of this section is to briefly analyse the risks for a new cold war to arise and the potential economic effects for the Horn of Africa.

Since the end of World War II the Soviet Union and the United States have competed for gaining influence in the region. According to Ottaway (1982: 2) 'Ethiopia and Somalia have not been passive victims of manipulation by the great powers. ... Both Ethiopia and Somalia, ... , tried to influence the policies of the great powers in the Horn in order to receive aid for furthering their own goals.' Then why has the Horn of Africa attract such a long-standing and resource demanding presence of the great powers? Ottaway (1982: 13) lists some reasons by stating: 'The countries of the Horn have been considered important, by one or the other foreign power and at different times, in relation to the Suez Canal, the Red Sea, the Indian Ocean, competition with China, access to Middle Eastern oil, and the problem of Israel to mention only a few issues.'

Another important factor behind the engagement of the Soviet Union in the region, in particular in Somalia and Ethiopia, was the wish to support the socialist or more precisely the Marxist-Leninist ideology and principles for societal and economic organisation. The United States on the other hand had exactly the opposite motives to take part in and support activities in the region, to try to avoid the communist bloc led by Soviet Union to grow strong in the Horn. Furthermore, in 1953 as a result of the UN resolution about Eritrea and the accompanying withdrawal of Great Britain and the British military assistance, according to Ottaway (1982: 26f), 'opened the way for a deal between Ethiopia and the United States. An agreement signed in 1953 gave the United States a 25-year lease over the communications station near Asmara, the Kagnev Station; in return the United States agreed to train and equip three

Ethiopian military divisions of 6,000 men each.' The Kagnew Station was seen as a very crucial institution for the Americans and clearly it motivated the United States' aid activities in Ethiopia during the Hailee Selassie regime.

It is interesting to note that both Ethiopia and Somalia understood to take advantage of the interest shown by the two great powers. As a consequence these two Horn countries can be said to have invited the one great power that overbid the other even if it would mean, and in reality also did so, a change of "alliance" from the United States to the Soviet Union or vice versa. Such changes were quite easy to decide upon since the leadership in the undemocratic systems in Ethiopia and Somalia did not have to take a public debate about the changes. The result was that the ruling leaders in both Ethiopia and Somalia gained from the situation and impressive aid to these countries from the competing great powers was the material benefits of the Cold War. This play in the Horn between the two great powers has been described by Ottaway (1982: 31) as follows: 'Soviet and U.S. presence in the Horn made it a theatre of cold war confrontation, although a minor one.'

When the Cold War ended in 1989 it thus had consequences also for the Horn countries. The economic problems in the Soviet Union and its European allies resulted in lower priorities for aid to Ethiopia and other parts of Africa from this bloc of countries, the capabilities to assist were reduced. In addition, the political and economic system changes in Soviet Union and Eastern Europe away from one party states and socialism towards democracy and market economy implied that reduced or even eliminated the interest to support socialist and undemocratic systems in Africa. Thus, the incentives for the Soviet Union and its allies to invest in resources for competition against the Western political and economic ideologies were largely reduced and had to stand back to the advantage of domestic needs in the Soviet Union and the East European countries. President Mengistu in Ethiopia had to face these changes in attitude and support during the second half of the 1980s when he came under heavy pressure from Moscow to change the Ethiopian political and economic systems (see e.g. Hansson 1995b: Ch. 6 – 8 and references therein). It is obvious that these changes in the relations between the Soviet Union and its allies on the one hand and Ethiopia on the other largely contributed to the problems and events in Ethiopia that eventually resulted in the overthrow of the Mengistu government in May 1991.

Then, is there a risk or chance for a global cold war to arise anew? If it does, will the Horn of Africa be of interest for the competitors in such a "war"? In an interesting analysis of the end of the Cold War, Wohlforth (1995: 96) emphasises that the 'Cold War was caused by the rise of Soviet power and the fear this caused in the West' and that the Soviet leaders 'had many reasons for competing with the United States, ranging from genuine fear to ideological conviction, but a necessary condition for competition was their perception that they had the *capability* to do so'. Wohlforth's analysis further concludes that the position of the United States at the top of the international system has been reinforced by the collapse of the Soviet Union (Wohlforth 1995: 99). As concerns the future situation of world politics Wohlforth (1995: 128) arrives at the conclusion from his realist analysis of the end of the Cold War that the fact that 'the challenger [the Soviet union] rather than the defender [the United States] exhausted itself in the struggle augurs well for international stability among the major powers. Presumably, the law of uneven growth would have to operate for many years to the United States' disadvantage before new challengers arise.' However, notwithstanding this, Wohlforth (1995: 129) concludes his analysis by recommending a warning to the West, 'keep a weather eye on Russia ... Russia may be down now, but prudent policymakers should not count it out.' To this one should perhaps add that there is a potential giant on the scene of world politics that may challenge the United States, China. However, China experiences great domestic problems and seems to have far to go before having the capabilities to seriously challenge the United States on the global political scene (for a discussion of China as a new challenger of the United States', see e.g. Shambaugh 1995).

From the perspective of the Horn of Africa countries there also seems to be less potentials to take advantage of a new cold war situation. Their strategic geographical situation seems less important today than before even though not uninteresting, they have little material gains to offer in return for support, and ideologically it is difficult to see that the market economic and democratic systems should be seriously challenged on the global scene during the next 20 years. Therefore, we should not expect the great powers to compete for ideological power in the Horn of Africa. If this optimistic view in terms of global stability among the great powers holds true it clearly affects the potentials of the countries in the Horn of Africa to attract foreign assistance. Paradoxically, the end of the Cold War meant loss of competition for giving support to the Horn countries. Thus, in this new situation the countries in the Horn of Africa have to rely on foreign assistance from the multilateral aid organisations and smaller bilateral donors. It is not clear that this new situation is favourable for the Horn of Africa countries and their political leaders who definitely have lost negotiation power compared to the situation during the period of the Cold War. Furthermore, the former East European donors of aid to some of the Horn countries now instead compete for foreign assistance on the global scene.

Finally, one should not neglect the geopolitical ambitions of the Islamic world. Through the Sudan this has already created tensions with most other countries in the Horn of Africa (see also Baker 1996: 20f). The present situation and the threat of Islamisation in the region can be expected to worry non-Islamic countries, both within and outside the Horn of Africa. It is not all too unrealistic to assume that the United States has an interest in contributing to a development where Islam as a political force does not grow too strong in the region. Therefore, to some extent the Horn of Africa countries can be expected to have a potential for attracting foreign assistance for this purpose and thus to counteract some of the negative effects on their negotiation power that were lost when the Cold War was ended.

#### **4 CONCLUSIONS AND AID IMPLICATIONS**

The Horn of Africa is a region in deep distress both politically and in terms of economic performance and social standards. For long, civil wars and ethnic tensions have plagued the population who have had little influence over the political and economic strategies of their respective country. Looking at the prospects for development during the next twenty years, there is not much hope for self generated economic recovery at a magnitude that can lift the standards of living. The most important reason for this pessimistic prediction is that there in all countries in the region is severe political instability, mainly due to ethnic tensions and strifes. This means that uncertainty about the future direction of these countries can be expected to continue to be of such a magnitude that long term investments in environment and productive resources will be quite low. Furthermore, the prospects for harmonious economic integration in the region seems bleak, in particular if we go beyond the Ethiopia – Eritrea relations. In conclusion the above expectations imply that self-generated economic growth and development in the Horn of Africa can be expected to be very low while population growth will continue to be high.

Finally, the end of the Cold War could not be classified as a uniquely positive change for the countries in the Horn of Africa. During the Cold War the leaders of Somalia and Ethiopia took advantage of the Cold War by letting the two super powers compete in the region by providing various forms of foreign assistance. Even though this assistance to a large extent came in the form of military assistance, and thus could be subject to criticism, it definitely meant a significant inflow of resources. When the Cold War came to an end the position of the countries in the Horn of Africa changed in the "market" for foreign assistance. Now they have to rely on aid mainly from the Western countries and the multilateral aid organisations, the World Bank and the IMF. Furthermore, in the competition for foreign assistance the Horn of Africa countries now also have to compete with the former East European countries. We have also concluded that it is not reasonable to expect a new situation of cold war where the countries in the Horn



of Africa could take advantage of the super-power competition. One reason is that there for the foreseeable future is no country that really will and can challenge the United States as the international leader. To this should be added that the Horn of Africa has lost some of its strategic value in terms of both geopolitical security and ideology.

The above analysis points to the expected conclusion that the Horn of Africa will need large external resources also during the next twenty years if not poverty should increase. Then, what type of aid could help the countries in the Horn of Africa to take them on a positive path of development? So far foreign aid to the region has, aside from military assistance, mainly been associated with emergency assistance. Given the complicated political situation in most countries there is little hope for the need of this type of aid to be reduced. Droughts will continue to hit the region and the political uncertainties and civil unrest will make investments in irrigation highly risky for private actors. The governments will also face problems to undertake huge investments of this kind due to the resources occupied by the government in their defence against secessionist and revolutionary groups. Thus, for the nearest future this type of investments can be expected to be heavily dependent on foreign aid.

The ethnic tensions can be expected to give rise to continued flows of migrants among the countries in the region. This in turn demands emergency aid for taking care of the most basic needs in refugee camps.

Turning to development oriented institutional foreign assistance, this type of aid could be of little importance as long as internal arms struggles and war on the borders continue. However, when some peaceful stability has been created it is important to increase this type of aid to accompany the reform programs that aim to improve economic performance and the moves towards greater political participation. Given the poor social standards in the countries in the Horn of Africa, in particular as regards education and health huge resources are needed and for a long time these resources must come from external sources. To avoid or reduce the risk that aid creates distortions in the allocation among various sectors in the emerging new market-oriented economies that have or are about to introduce economic reform programmes, support to individual sectors should be kept on a low level and more be directed towards creating institutions that can make the market work. For instance, most developing countries, including the countries in the Horn of Africa, have very poorly developed credit and capital markets. Foreign assistance to improve this important part of a market economy must be given high priority. The same is true for creating the legislative framework of a market economy and to establish institutions that can implement the revised legislation, e.g. commercial legislation in general and anti-trust legislation in particular.

Many donor countries and organisations allocate their assistance in the form of balance of payment support. This type of foreign aid is used for financing imports by providing foreign currencies to the countries: When the foreign exchange is allocated to importers these have to buy the foreign currency with domestic currency. The domestic currency revenues from the sale of foreign currency go into counterpart funds. With some exceptions, mainly the U.S., as a rule, the donors do not prescribe how these funds should be used. In the case of Ethiopia for instance, the donors just demand that the funds shall be openly and transparently included in the total financial budget and that they shall promote social and economic development.

The issue of tying the use of counterpart funds to specific areas or sectors of the public sector instead of letting them take the form of a general budget support relates closely to the issue of aid and national sovereignty of the recipient country. This issue is of particular interest in countries like Ethiopia where, parallel to the economic reforms, there is a political reform process aiming at democracy. It is obvious that the higher the share of conditionality in aid the less political and economic-political autonomy of the recipient country, *ceteris paribus*. However, aid is not just a question of autonomy of the recipient country

but it is also a question of the objectives of the donor countries. To contribute to economic growth and to combat poverty are two objectives that are more or less general or universal objectives of non-military foreign aid. Other objectives that are growing in importance concern human rights, democracy and equality, both in relation to gender and to the overall distribution of income and wealth.

Provided that there is a high degree of democracy and a publicly elected government, it seems reasonable that decisions on domestic policy issues should be left to this elected government (inclusive of the parliament). It is not unrealistic to assume that the recipient government, through the democratic process, has lower costs for obtaining information about the preferences of their citizens than donor countries have. When this is the case there are economic efficiency motives for unconditioned aid also. However, in cases with an absent or infant democracy, as is still the case in all the countries in the Horn of Africa, there is no strong case for letting specific donor objectives about poverty alleviation and other policy areas that are of importance for the people stand back in favour of the ruling government's objectives to such an extent that aid is provided in the form of a general budget support. In such cases it is difficult to find any moral, autonomy-based restrictions for aid conditionality until some threshold levels have been reached in the respective field of policy. In the case of most countries in the Horn of Africa, from the perspective of poverty alleviation and standards of living, it is obvious from Table 2 that the low levels of health and education deserve special attention.

Another important aspect of foreign aid and national sovereignty of the recipient countries concerns aid negotiations and the organisation of aid. In principle, foreign aid can be transferred from the richer to the poorer countries through three channels:

- (i) multilateral aid (e.g. aid through the United Nations, the IMF, and the World Bank)
- (ii) bilateral government to government aid (e.g. aid from the Swedish government direct to the recipient government)
- (iii) aid through NGOs (e.g. aid through churches, the Red Cross and other similar organisations)

From the beginning of the 1970s the share of bilateral aid of total Official Development Assistance (ODA) in the world has decreased from around 90 per cent to around 70 per cent (Cassen et.al. 1994: 205).

The qualitative differences between various organisational forms of aid are discussed in Cassen et.al. (1994). Cassen et.al. mainly discuss the efficiency aspects of the various forms of foreign aid. However, the above mentioned three different forms of foreign aid have clear differences also in their respective attitudes to and implications for the recipient country's national sovereignty and autonomy.

From the point of view of a recipient country, the demand for aid can be expected to be an inverse function of the degree of conditionality. Thus, the lower the degree of conditionality that is linked to the aid programme the more aid is demanded, while a strictly conditioned aid programme can be expected to be of much less interest for the recipient.

Turning to the donor side of aid it is reasonable to assume a positive relationship between the offered amount of foreign aid and the degree of aid conditionality. The reason is that the higher the degree of aid conditionality, the higher the donor control of the use of aid and thereby it will also be easier for the government in donor countries to obtain political support among their electorates for an ambitious foreign aid policy.

Given the above assumptions, with increasing degrees of donor coordination, and thus donor power, the conditionality will tend to increase. The same type of reasoning can be applied for the case when, due to

the regionalisation programme in Ethiopia, various regional states begin to approach the donors individually or vice versa. In such cases, the bargaining power of the recipient will be weaker than is the case when bargaining takes place on a nation-wide level. Thus, for a given amount of foreign aid to Ethiopia, the lower the recipient coordination among the various regional states the closer we expect the degree of conditionality to come to the preferences of the donors. Combined with increased donor coordination through the World Bank and the IMF but also through the European Union for members of this organisation, regionalisation clearly means increased power for the donors and less power for the recipients. From the point of view of the recipients, the merits of this process of decentralised aid negotiations are highly dependent on the negotiation capacity of the various regional administrations and on their abilities to present their region as an "attractive" recipient. If they are successful there may be competition among the donors and the above tendencies to less power for the recipients will be counteracted. However, there is an obvious risk that poor regions with a low educational level among its people and leaders will lose and be left behind.

Finally, foreign aid through NGOs has the same principle implications for the recipients as aid negotiated directly with national or regional governments. As in the case with uncoordinated donor activities in the regions, there will be a counteracting tendency for the distribution of power, due to competition among potential donors and donor organisations. Thus, even though it is difficult to draw any clear-cut conclusions about the relative merits of aid through NGOs compared to other forms of bilateral aid it is likely that this form of aid will pay more attention to the preferences of the recipient or recipient organisations. Another thing is that, as a rule, NGOs work together with their counterpart NGOs in the recipient countries and only to a minor extent with the recipient government. Due to the quite problematic political situation in most Horn countries, and given the low social standards in the region, for the coming decades it seems reasonable to combine conditioned government-to-government aid to social sectors with aid allocated through NGOs.

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# **THE HORN OF AFRICA, WITH PARTICULAR REFERENCE TO ETHIOPIA, BY THE YEAR 2015: A vision of hope or despair?**

by

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## **1 INTRODUCTION**

The end of the civil war in Ethiopia in May 1991 which led to the demise of the pseudo-Marxist regime of Mengistu Haile-Mariam and the amicable divorce of Eritrea from Ethiopia apparently signalled the start of a new era of peaceful co-existence in the Horn of Africa. Moreover, the cessation of hostilities raised the real possibility for a meaningful development and transformation to occur.

However, against this encouraging backdrop must be viewed the dangers inherent in the continuing instability characterising Somalia and the emergence of an implacably hostile Islamic regime in the Sudan. Thus, any discussion of long-term future development prospects in the Horn must consider the volatility and unpredictability of some of the main actors in the region. For example, should Sudan be successful in creating instability (as it is attempting to do) in neighbouring states such as Eritrea and Ethiopia, the consequences could be devastating for the social and economic development of all states concerned. And instead of moving away from poverty, the populations of the effected states would be plunged deeper into a quagmire of poverty and underdevelopment.

This study attempts to make projections grounded in past and present trends and data, to illustrate what the most likely scenario will look like in 2015. Attention is devoted to issues relating to, *inter alia*, population, food security, environmental degradation and prospects for environmental sustainability, gender perspectives, ethnic representation, democracy and human rights, and prospects for regional cooperation and integration.

As many of these themes are interrelated, the discussions are broadly grouped into a few major categories.

## 2 ETHNIC REPRESENTATION, DEMOCRACY AND HUMAN RIGHTS

In December 1994, a new constitution was promulgated for Ethiopia (henceforth to be known as *The Federal Democratic Republic of Ethiopia*) which formalised a political system based on ethnic affiliation and ethnic regions.

It has been suggested that **ethnic federalism** is a way of accommodating ethnic claims and diverting rivalry. Indeed, in the Ethiopian context it is officially stated that ethnic regionalism protects the rights of all ethnic groups ("nationalities" has become the preferred convention in Ethiopia). However, ethnic federalism has not been an unreserved success in Africa (for example, during the Nigerian First Republic, 1960-66) or elsewhere for that matter (viz. former Yugoslavia or the former USSR).

Thus, given the generally poor record of the experiments with ethnic regionalism, it is difficult to comprehend why the Ethiopian People's Democratic Revolutionary Front (EPRDF) government opted for such a system, unless there is a hidden agenda. In the view of this study, the establishment of ethnic regions is not a means whereby the real interests of all ethnic groups are represented in Ethiopia, but rather a means whereby the TPLF-created EPRDF has manipulated ethnicity through the establishment of puppet or satellite ethnic parties (which have few links with the peoples they are supposed to represent) under the umbrella of the EPRDF.

A related issue concerns the **democratic credentials** of the EPRDF government. In May 1995, in the first national parliamentary elections since the collapse of the Mengistu government in May 1991, the EPRDF scored a runaway victory and captured more than 90 per cent of the votes and seats in parliament. Ethiopia, for all intents and purposes, is now a one-party state. The electoral success of the EPRDF is attributed to the fact that the main opposition parties and groups boycotted the elections because the EPRDF Transitional Government would not agree to opposition requests for more time to prepare for the elections and other related matters. Even those small opposition parties which did contest the elections did badly because of weak organisation, inadequate financial resources and "they sometimes (also) faced intimidation and restrictions on their ability to campaign, especially in rural areas" (Poluha, 1995: 2).

Another major concern is the fact that the Ethiopian government has, according to Amnesty International, violated the **human rights** of "thousands of suspected opponents". Furthermore, "the Ethiopian authorities are prosecuting officials of the former government for gross human rights violations, but the Transitional Government has not acted with equal determination against abuses by its own forces" (Amnesty International, 1995: 1).

The EPRDF government is obviously concerned about the criticism from Amnesty International, and Ethiopian officials have accused Amnesty of being politically biased and its report based on opposition materials. Furthermore, in August 1995, an organisation calling itself the International Transparency Commission on Africa (ITCO-Africa) published a 212-page report which attempted to crudely refute the accusations by Amnesty. The ITCO-Africa report also rejected allegations of human rights violations made by the New York Branch of the American Association for the International Commission of Jurists. This apologia which purports to be independent could easily have been written by the Ethiopian Ministry of Information.

These comments relating to democracy and human rights are highly relevant in the context of the present study and reveal strong tendencies of a move to greater authoritarianism behind a facade of democratic governance. To some extent, Western donors must share a fair burden of responsibility for this development as they have shown a much greater consistency in pressing for economic liberalization than



they have in criticising human rights violations and pushing for real democratic participation. The reasoning behind this approach by Western governments is apparently that a certain degree of human rights violations, including interference with press freedoms and intimidation of the political opposition, are tolerable (provided they do not get out of hand) so long as relative peace prevails in the country, and as long as Ethiopia can be relied upon to maintain regional stability and to fight extremism and terrorism (viz: Sudan).

Thus in the context of the next twenty years, it is probably that the EPRDF government will have tightened its grip on power to such an extent that any opposition that does exist will be allowed to do so for cosmetic purposes. As long as the government continues to pursue free-market policies (and there is no reason to suggest they will do otherwise) it will receive continued support from the World Bank and IMF. Concomitantly, it will receive political and military support from Western patrons, particularly the USA, as it performs a mediating and stabilising role in the Horn.

### 3 POPULATION GROWTH, INTERNAL MIGRATION AND URBANIZATION

In common with the majority of Sub-Saharan African countries, Ethiopia is experiencing very rapid population growth which is placing increasing and intolerable stress on resources, especially agricultural land.

The population of Ethiopia is expected to reach 56.7 million in 1996. This represents an addition to population of about one million a year over the past five years. On the basis of medium variant projections, Ethiopia's population by the year 2015 should be around 102 million – 45 million more than at present. Another way of portraying this growth is to indicate that annual additions to the country's total population between now and 2015 will be of the magnitude of 2.4 million a year! Tables 1 and 2 present demographic estimates for Ethiopia until 2015.

**Table 1: Estimates of Ethiopia's population, 1990-2015, (in millions) – medium variant**

1990	1996	2000	2005	2010	2015
49.8	56.7	67.2	77.4	89.0	102.0

Source: Economic Commission for Africa

**Table 2: Estimates of Ethiopia's population growth rate per annum and population doubling times (in years) 1990-2015**

	1990/95	1995/2000	2000/2005	2005/2010	2010/2015
Growth rate	3.01	2.92	2.85	2.79	2.72
Doubling time	23	24	24.5	25	25.7

Source: Economic Commission for Africa

In common with a number of other Sub-Saharan African countries, the degree of urbanization in Ethiopia is still relatively low. In 1960, 6.4 per cent of the total population was classified as urban, while the figure

for 1993 was estimated at 13.0 per cent. The figure for 2015 could be as high as 30 per cent of the total population. In other words, thirty million Ethiopians could be urban dwellers within twenty years, compared with six million in 1990. Addis Ababa, the capital of the Federal Democratic Republic of Ethiopia and also of the Oromo Region (where it is referred to as Finfine) will also experience rapid growth. The city will grow from about 1.8 million inhabitants in 1990, to 4.4 million in 2010, and possibly to more than 6 million by 2015.

Table 3 illustrates the impact of projected health improvements and this is shown clearly by continuous reductions in the infant mortality rate from 122 in 1990/95 to 85 by 2015. By way of comparison, the infant mortality rate of Sweden in 1993 was 5, a figure also characteristic of other advanced countries. As infant mortality reductions also positively influence life expectancy at birth, this will also show an improvement for the twenty-year period up until 2015.

**Table 3: Projected reductions in infant mortality rates and improvements in life expectancy at birth for Ethiopia, 1990-2015**

		1990/95	1995/2000	2000/2005	2005/2010	2010/2015
Life expectancy at birth						
(years)	Females	48.7	50.7	52.8	54.8	56.8
	Males	45.4	47.4	49.3	51.3	53.2
Infant mortality rate		122	112	103	94	85

Source: Economic Commission for Africa

Notwithstanding the fact that these health indicators are encouraging, there is every reason for concern with these demographic trends during the time period under review. At the risk of labouring the point, Ethiopia is facing a considerable population-agricultural land squeeze. By the year 2015 the country's population will nearly have doubled (the population doubling time is currently 23 years), while environmental sustainability, including the ability to produce more and more food each year, will remain elusive goals.

Consequently, "the erratic fluctuation and stagnating trend in food production is all the more alarming given that Ethiopia needs to produce an *extra 320,000 tons per year simply to keep pace with population growth*" (Economist Intelligence Unit, 1995: 20) – emphasis added.

According to Løerbroks (cited in Ståhl, 1996: 8), grain production in Ethiopia would have to experience an annual growth rate of 5.82 per cent until the year 2000, if calorie intake is to increase from the present 1520 kcal per capita to the official target of 1800 kcal. Table 4 presents data on the fluctuating nature of food production in Ethiopia over the past few years.

**Table 4: Food production and food aid<sup>a</sup> ('000 tons)**

	1989	1990	1991	1992	1993	1994
Food production <sup>b</sup>	6,780	6,698	7,331	7,059	7,947	7,038
Food aid deliveries	418	647	927	1,176	519	1,278 <sup>c</sup>

<sup>a</sup> Up to 1991 production figures include Eritrea. <sup>b</sup> Years ending July 7. <sup>c</sup> Pledges.

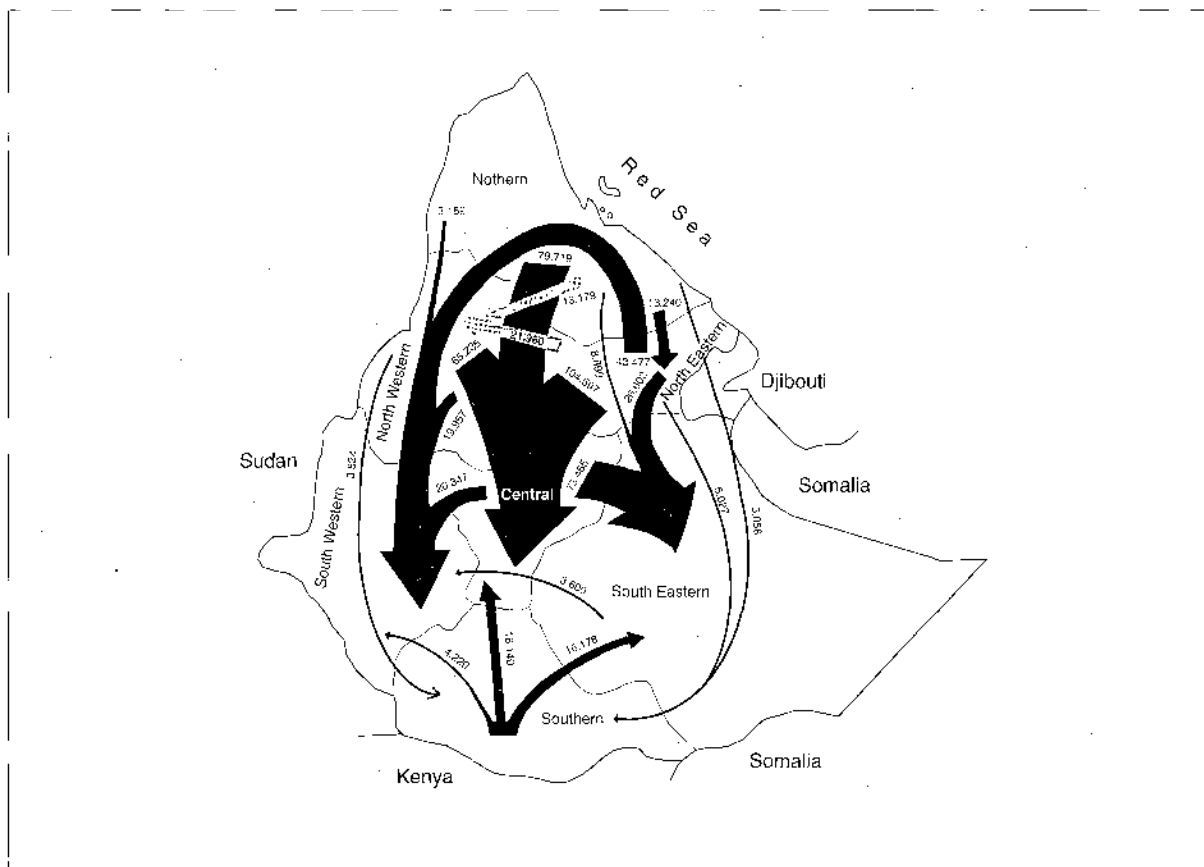
Source: Economist Intelligence Unit, Country Profile, Ethiopia, eritrea, Somalia, Djibouti, 1994-95.

From a historical perspective (i.e. from about 1890), the population-agricultural land squeeze in the northern highlands was overcome by the out-migration of many hundreds of thousands of poor peasants willing to occupy and cultivate alienated lands in the newly-conquered southern territories in what is now present-day Ethiopia. This migration to the south was of such importance in relieving population pressure in the north and promoting Amharisation in the south that it has been described as the most significant single process in the creation of the Ethiopia social formation (McCann, 1986: 399). Map 1 provides an idea of the dimensions of this north-south migration in a contemporary context. However, it is highly doubtful whether large-scale out-migration from the north to the south will occur as before. This issue is discussed later in this study.

In the context of Ethiopia's population growth dynamics there is little or, as yet, no evidence that a demographic transition is occurring. While the demographic transition model presents a clear and easily understandable description of what happened in Europe in a historical perspective and what is happening in large areas of the less-affluent world today – except for most of Sub-Saharan Africa – it is not predictive. In other words, it can describe what has happened but cannot predict what will definitely happen. The model can also be criticized for making a complicated reality superficial.

What has happened in all Sub-Saharan African countries is that mortality rates, particularly of children (although still far too high), have fallen steadily over the last few decades as a result of *inter alia* MCH and vaccination programmes. By contrast, fertility rates have remained exceedingly high and apparently show little sign of a significant decline. For example, in 1970 Ethiopia's total fertility rate was 6.8 and in 1993 it was 6.9. The forecast for the year 2000 is 6.2. However, there is no sign that fertility is decreasing and the figure for 2000 may be wishful thinking.

**Map 1: Net streams of migration, Ethiopia, 1984.**



Source: Baker and Arnesen, 1992

There are at least three conditions which may contribute to significant reductions in fertility – none of which appear to be present in Ethiopia today. First, reductions in fertility rates are often associated with declines in poverty. There is, however, little evidence that poverty is any less in Ethiopia than was previously the case, despite (or because of) the imposition of a structural adjustment programme.

Second, while government attitudes towards high fertility changed in the early 1980s to an anti-natalist position, surprisingly little has been done by government to initiate, promote or support an active birth control programme. At present, only four per cent of married women of childbearing age use contraceptives. Furthermore, the propagation and diffusion of birth control programmes in present-day Ethiopia may prove more difficult than hitherto, bearing in mind the sensitivity of such an issue against an ideological background which promotes and reinforces the ethnic issue.

Third, an improvement in the status of women may do much to bring about a change in attitudes regarding the number of children desired. There is no doubt that increasing the female literacy rate and improving access to education for girls would do much to reduce overall fertility levels. Unfortunately, many of the gains achieved through the mass literacy campaigns promoted by the Derg regime have been lost, and many neo-literates, including presumably many females, have slipped back into illiteracy because of lack of funding for the maintenance of such programmes. Moreover, the widespread practice of early marriage, particularly of girls, in many areas of Ethiopia creates a number of problems. For example, in the Welo area (part of the Amhara Region), the early age of marriage of girls usually by the age of 12, but occasionally as young as 7, means that many discontinue school and do not receive a satisfactory education. Furthermore, this system of early marriage leads to a high incidence of divorce (Baker and Tsion, 1994: 18).

The 1994 Ethiopian Constitution guarantees and protects the rights of women in all areas of life: “women have the right to equality with men in the enjoyment and protection of rights provided for by this Constitution” (Article 35, clause 1). There are specific references to the right of women to maternity leave with full pay and this may include prenatal leave with full pay. Importantly, “women have the right to information and to means that would enable them to plan their families”. An exceptionally vital clause refers to the rights of women to be protected from “harmful customs”, presumably a reference to circumcision although this is not stated explicitly, followed by a bold statement that claims that “laws, customs and practices that oppress women or cause bodily or mental harm to them are prohibited” (Article 25, clause 4). If the rhetoric of the Constitution is transformed into legally-binding and executed substance, then indeed the status of women will see a great improvement and this could be reflected in significant fertility declines in a fairly short period of time. The record of some middle-income and upper middle-income countries is illustrative in this regard. For the period 1955-60 to 1985-90, total fertility rates fell from 7.11 to 3.36 in Costa Rica, from 6.42 to 2.57 for Thailand, and an astonishing decline from 6.07 to 1.73 for South Korea (Egerö, 1995: 30).

It follows from the above discussion that unless, at least, some of these conditions are changed or fulfilled then fertility is likely to remain largely unchanged by 2015. And as a corollary, the population estimate of 102 million will be a considerable underestimate.

### ***The scourge of AIDS***

It would be remiss in any discussion of future demographic and economic developments in Ethiopia to ignore the impact of AIDS. Compared to other African countries such as Uganda or Tanzania, the reported number of AIDS cases is still low. In July 1995, 19,433 cases were reported, although according to Ministry of Health statistics the number could be 25,000. In addition, 680,000 people were estimated as being HIV seropositive. However, great uncertainty must surround the accuracy of these data particularly

bearing in mind the scarcity of medical personnel and the high cost of testing. Moreover, different sources provide conflicting estimates. For example, according to one source, the number of adult AIDS cases was estimated at 4,800 in 1990 and was expected to increase to 36,800 by the year 1993 "if the HIV transmission trend is not changed" (Khodakevich and Debrework, 1993: 326) – and there is little reason to suggest that this has happened.

Persons at greatest risk follow the pattern established in other African countries: prostitutes, military personnel, government employees, and truck drivers. Of great concern, "the highest risk behaviour was found in those with the best knowledge of AIDS" (Khodakevich and Debrework, 1993: 324), or those who should have good knowledge. For example, the average HIV prevalence rate among multipartner sex contact females in Ethiopia increased from 18.5 per cent in 1988 to 29.2 per cent in 1989 representing an increase of 57.8 per cent in 12 months! (Khodakevich and Debrework, 1993: 325). However, these figures were based on a small sample of 318. Not unexpectedly, there is a close correlation between those individuals infected with one or more sexually-transmitted diseases, and HIV infection. According to data from the Ethiopia AIDS and STD Control Programme, around 100,000 people are infected by STDs *every year* in Ethiopia (*Ethiopian Herald*, 11 November, 1995) – emphasis added.

However one views or projects the data the conclusions present a bleak picture for the year 2015. Unless poverty levels can be reduced and until there is widespread awareness and understanding of the dangers of HIV/AIDS, many more people will become infected over the next twenty years and beyond. It has to be stressed that poverty and the incidence of AIDS and HIV are closely related. In Ethiopia many young divorced, single or widowed women are obliged to enter prostitution (which is a very common survival strategy) in order to maintain their children and for the reproduction of their households. One way of seriously confronting the scourge of AIDS in Ethiopia requires that greater attempts than hitherto need to be made to create viable income-generating activities on a sufficiently large scale to absorb the many women who would otherwise become prostitutes (see the insightful studies by Baardson, 1991 and 1993, on prostitution including child prostitution in Addis Ababa). On present evidence, it appears that this will require resources and political commitment far in excess of that which are currently available.

#### **4 FOOD SECURITY, ENVIRONMENTAL DEGRADATION AND POSSIBILITIES FOR LONG-TERM ENVIRONMENTAL SUSTAINABILITY**

There is no doubt that the major issue that will confront Ethiopia over the next 20 years and beyond, will be the problem of environmental degradation. It is *the* central consideration in any discussion regarding Ethiopia's development prospects. On present evidence and unless a major turnaround is achieved involving the development of alternative and bold strategies, the environmental situation could lead to a crisis of national non-sustainability and survival.

##### ***The contexts and dispelling the myths:***

The Ethiopian economy is, despite some attempts at diversification, still overwhelmingly an agricultural one. Agriculture is the lynchpin of the economy and accounts for 45 per cent of the GDP, 90 per cent of total exports (with coffee predominant) and provides 85 per cent of national employment. Thus any disruption to agriculture, whether as a result of natural calamity or policy-induced, has serious repercussions on all other sectors of the economy.

The farm sector is dominated by peasant production; even during the heyday of the pseudo-socialist regime of Mengistu Haile- Mariam 95 per cent of land was cultivated by peasant smallholders.

According to Dessalegn, the “most distinctive feature of Ethiopian agriculture is... its progressive decline” (1994: 193). Furthermore, a myth has been widely maintained, even cherished, that Ethiopia has high agricultural potential and the ability to become the breadbasket of the Horn, provided the right policy decisions are made and sufficient technical inputs and advisory support are promoted. The truth is that Ethiopia is increasingly unable to feed itself, let alone neighbouring countries. While there is disagreement on the degree of food self-sufficiency in Ethiopia, the overall trend is clear. For instance, cereal self-sufficiency (for the period 1978/80-1991/92) has been calculated for “good” years at 90 per cent, and for “bad” years at 80 per cent (Ståhl, 1996: 7). An overall figure of 69 per cent self-sufficiency is provided by Baker and Arnesen (1992: 21). By contrast, Dessalegn presents a much more pessimistic picture and states that more than 40 per cent of the rural population, even under *normal* conditions, are not in a position to feed themselves adequately, and consequently face hunger and malnutrition (1994: 196).

Whichever figure is accepted as reflecting the closest to reality, the situation is serious: for instance, grain production per capita has declined from 175 kgs in 1979/80 to 135 kgs in 1993/94 (Ståhl, 1996: 7). Only three of Ethiopia’s (as formerly defined) thirteen provinces (this excludes Eritrea) produce a marketable food surplus – Gojam, Arsi and, to a lesser extent, Wellega – while Gondar and Shoa are considered to be able to achieve food self-sufficiency. Moreover, at least two of the former provinces of Tigray and Eritrea are considered to be structural grain deficit regions and consequently will never be in a position, using normal economic criteria, to be self-sufficient in food.

Food security (which is here measured as the degree of food self-sufficiency) is also of vital strategic importance and can shape factors such as national status and psyche which, in turn, influences the ability of Ethiopia to portray and assert itself as a regional power (and not merely as a major food aid recipient) and a stabilising force in the Horn.

The food shortfall in Ethiopia is covered by food aid and partly by reduced food consumption which has negative implications for nutritional status. For example, the proportion of children suffering from stunting (low height for age) has increased from 60 per cent to 64 per cent, and the prevalence of child malnutrition has increased from 37 per cent to 47 per cent over the 1983-1992 period (Ståhl, 1996: 7). Another development indicator which is sensitive to nutritional status is the under-five mortality rate (per 1,000 live births); in 1993 the rate was 204 – an extremely high figure (World Development Report, 1995: 214).

The parlous state of Ethiopian agriculture should not be attributed to one particular cause but should be viewed in a multi-dimensional context and a number of central dynamics can be identified.

Natural calamities and environmental degradation associated with and accentuated by population pressures. This has led to widespread deforestation and soil erosion. Estimates of the amounts of top-soil which are eroded annually vary enormously from 1.9 billion tonnes (FAO, 1986) to an unbelievable 30 billion tonnes (Keller, 1992: 609).

Erosion problems are most serious in the provinces of Tigray, Welo, Gondar and Shoa – the latter three approximating to the new ethnic Amhara region. Of particular concern in this instance is the fact that the Ethiopian highlands cover more than 50 per cent of the area of the country and contain 88 per cent of the total population. Furthermore, in many highland areas the soils are of good quality (often of volcanic origin) and, because of altitude, are free from malaria. If present population trends and erosion rates continue, by the year 2010, when Ethiopia’s population will have reached an estimated 89 million, approximately 11 million highlanders will be destitute. Extrapolating to the year 2015 when the total population will be an estimated 102 million, 13 million of the highland population of 90 million will be destitute.

The severity of the environmental problem in Ethiopia has been recognised for, at least, 20 years. As early as 1974, the World Bank cautioned that “if major resettlement and land use improvement programmes were not implemented within the next decade, increasingly severe famines and further deterioration would follow” (World Bank, 1974). The urgency of the situation is reinforced by FAO which indicates that if current demographic trends continue, more than 150,000 people would require resettlement *annually* until at least 2010 (FAO, 1986).

### ***Inappropriate approaches to reversing environmental decline***

Although the Mengistu regime implemented a good deal of conservation work through terracing, bunding and reforestation, commonly in the form of food-for-work projects under the World Food Programme, the approach was top-down whereby the Ministry of Agriculture directed all activities. Between 1976 and 1985, 600,000 kms of bunds and 470,000 kms of hillside terraces were constructed and 80,000 hectares of steep slopes were closed. While the amount of conservation work achieved was impressive, the result of much of this effort was to alienate the peasantry.

In a situation of increasing land scarcity, terracing and bunding not only remove a good deal of agricultural land from production, they also lead to increases in rodent populations. There are examples of where peasants deliberately destroyed terraces to regain access to scarce farmland. Similarly, some community forests were deliberately cut for firewood and/or for grazing land.

While the Transitional Government of Ethiopia and its successor, the EPRDF government, have apparently abandoned the rigid technical solutions to the problems of environmental deterioration propagated and promoted by the Mengistu regime, there appears to be a lack of reality in current thinking. According to Prime Minister Meles in his inaugural speech in August 1995 in which he highlighted aspects of the so-called Five-Year Development, Peace and Democracy Programme:

“Agricultural development is our focus of attention and our efforts in this field will enable us to improve the livelihood of the farming population as well as the consumers. The increase in the production of foodgrains *anticipated in this plan of action* is expected to enable the peasant population *to meet their own needs and have sufficient surplus to make food supply available at affordable prices for the urban population*. To attain this objective, all the peoples of our country and in particular the farming population should *mobilize their efforts* towards the implementation of the programme in the coming year” (*Ethioscope*, 1995: 12) – emphasis added.

In the light of what was discussed earlier regarding the seemingly impossible task of achieving food self-sufficiency, it appears that Meles is again merely reinforcing the attainment of that myth. While it is perhaps technically possible to achieve food self-sufficiency (although certainly not within the time frame of the next 20 years), the level of investments as well as the technical transformation required are far beyond anything presently available. In his inaugural speech outlining the Five-Year Programme, Mr Meles stated correctly that the fortunes of agriculture would determine the overall future of Ethiopia’s economy. Support to agriculture would include construction of rural infrastructure with an emphasis on rural roads, schools and health facilities. It is further suggested that “promising results” through extension service programmes will be achieved in areas where “there is sufficient rainfall” (although this accounts for less than 50 per cent of Ethiopia’s area). Inputs will be provided to the peasantry, including improved seed and fertilizers, and modern technology promoted and credit facilities made available. For areas of the country which do not receive adequate rainfall “short- and long-term plans have been drawn up” whereby drought-resistant seeds as well as small-scale irrigation schemes will be used.

One gets the impression that much of what the Prime Minister is outlining is merely wishful thinking and one that befits the solemnity of a prestigious event such as a political inauguration. An examination of

some central issues may illustrate why the hoped-for transformation will remain a pipe-dream. The current level of fertilizer consumption in Ethiopia is dismally low, even by the standards of other poor countries. For the period 1990-91, fertilizer consumption per hectare of arable land in Ethiopia amounted to only 8 kgs, compared to 99.3 kgs for all low-income countries, 74.3 kgs in India, and 277.2 kgs in China (Yao, 1996: 69). Thus, if Ethiopia is to achieve the average intensity of fertilizer use attained by all low-income economies, this would require a twelve-fold increase in fertilizer supplies, which would place a very substantial burden on the balance of payments.

One of the major achievements of the Mengistu era was the radical land reform programme (implemented in 1975) which nationalised all rural (and urban) land, and which brought about the demise of feudalism and ended a hierarchical and onerous system of tenancy and share cropping. There is no doubt that the nationalisation of land was welcomed by the peasantry, particularly the landless rural population, and should be seen as an important element for promoting social justice. However, the reform also threw up a basic conundrum: because rural population increases have greatly increased the number of farm families who have the right to claim agricultural land, peasant-associations have been obliged to reallocate farm land between "old" and "new" households with the result that farm sizes are decreasing. This process of land redistribution has created two intractable problems. First, the amount of land per farm family is continually diminishing so that peasants are forced to survive on economically non-viable "starvation plots" (Ståhl, 1996: 8). Second, because farmland is subject to periodic redistributions there is little incentive for a peasant farmer to invest in the land if he might lose it in a redistribution.

The present EPRDF government continues to maintain that the ownership of land is vested in the state and the new constitution of Ethiopia promulgated in December 1994 states that "any Ethiopian who wants to earn a living by farming has a right, which shall not be alienated, to obtain, without payment, the use of land" (Article 40, clause 4). However, given the above rights which are clearly enshrined in the constitution, the fundamental issue which has to be addressed is how will the demands of the forthcoming generations of farm families for farmland be met? It is clear within the context of the next 20 years, that increasingly farm sizes will assume the dimension of "starvation plots", and this is particularly the case in the overexploited northern highlands referred to above. Data for 1989 published by the Central Statistical Authority, show that the average size of farm holding was estimated to be 0.8 hectares, but with many as 47 per cent of rural households having only 0.5 hectare or less. Very recent data from the South Welo Region (the main source of settlers during the 1984-85 resettlement programme) show very small mean sizes of farm holdings for three locations of 0.169, 0.368 and 0.483 hectares per household (Baker and Tsion, 1994:21). It could be argued that the increasing miniaturisation of farmland will lead to situations whereby, in the short-term, the land will be worked beyond the limits considered to be environmentally-sustainable in order to prevent farm households from slipping deeper into poverty. In the medium- to long-term, environmental non-sustainability will set in leading to the establishment of irreversible poverty.

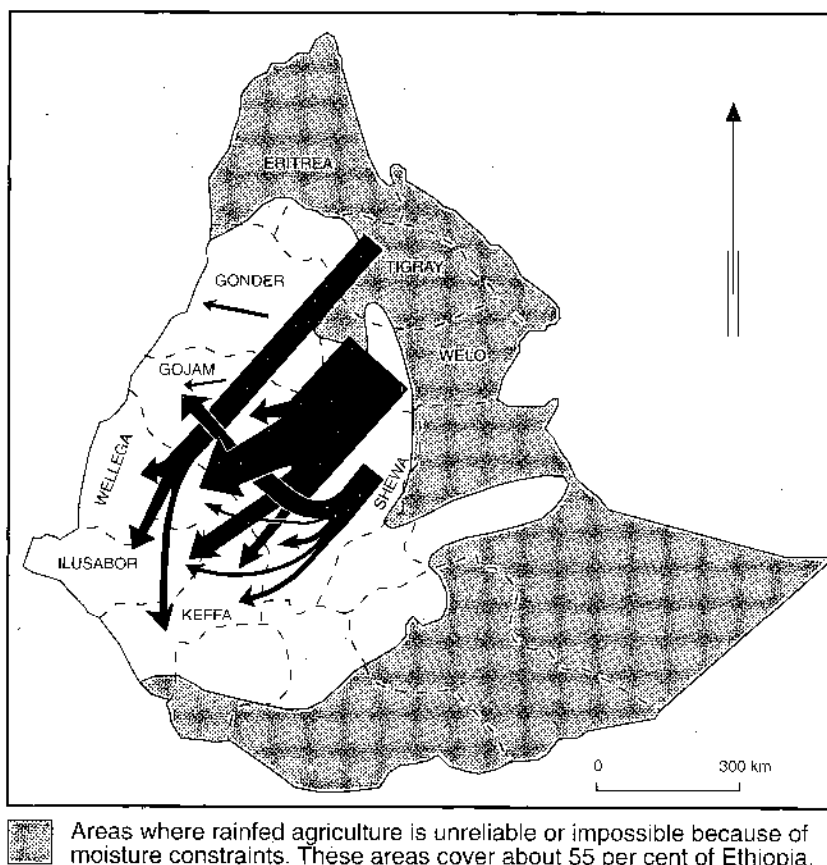
Although the above perspective does present a neo-Malthusian trajectory, at least three other approaches should also be considered.

First, the work of Ester Boserup (1965 and 1981) provides a point of *départure* for a discussion of agricultural intensification. Her hypothesis argues that as population densities increase, changes occur in cropping techniques including reducing the length of fallow periods, the introduction of innovation or intensifying the labour input to satisfy the greater demand for food. Boserup's work appears to have had the greatest relevance for the Asian experience. But in the context of contemporary Ethiopia and in the decades beyond, it appears unlikely to have much suitability; in this case more people does not lead to greater agrarian intensification but to greater environmental imbalance.



Second, as was pointed out earlier in this study, the political economy of Ethiopia since the end of the Nineteenth Century has been shaped by major population movements from the north to the south of the country. Under the Mengistu regime these movements became more restricted for political purposes, although government-sponsored large-scale resettlement programmes were promoted following the 1984-85 famine. Over a period of eighteen months, nearly 600,000 famine-devastated peasants were relocated from the northern highlands to the south-western areas of the country (Baker, 1995). Map 2 presents a diagrammatic view of these movements.

**Map 2: Settler origins and destinations, administrative regions, 1984-85**



Source: Baker, 1995.

The present EPRDF government has abandoned large-scale resettlement schemes as a solution to problems of environmental degradation. While there appears to be no declared official policy regarding movements of individual farm households to different parts of the country in search of farmland, the constitution does guarantee all Ethiopians “the right to freedom-of movement anywhere within the national territory” and “to choose freely his place of residence anywhere in the national territory” (Article 32, clause 1). Thus, on the face of it, it would seem as if the government is prescribing, or at least not preventing, a return to the system of free migration which pertained earlier. If this is the case, it raises a central problematique. The creation of ethnic regions has exacerbated the feeling of ethnic identity and possibly ethnic exclusivity. As a result, it is difficult for example to see Oromo peasants in southern Ethiopia being willing to forfeit some of their valuable agricultural land to Amhara peasants from the overpopulated north. Thus, while the creation of ethnic regions provided the TPLF-dominated EPRDF alliance with some kind of national legitimacy, it has also provided a Pandora’s box which when opened will produce ethnic conflict. Unless the present government and succeeding ones play down ethnic contradictions, the situation in 2015 may well be characterised by bloody struggles over land, based on ethnic distinctions.

Third, an imaginative policy of creating off-farm employment opportunities on a sufficiently large scale to provide alternative sources of income for many land scarce rural households has great appeal. Kenya is a prime example of a country which is experiencing an agricultural land-population squeeze and from whose experience Ethiopia could learn much. About 20 per cent of Kenya's area of 583,000 square kilometres is considered as high or medium quality land, and an additional 9 per cent can be cultivated, but is subject to periodic droughts. Kenya's total population which was estimated to be nearly 28 million in 1995 will increase 32 million by the year 2000 and to 50 million in 2015. As rural population densities are already high, further population increases will only exacerbate the problem of agricultural land scarcity and landlessness. In the absence of "extra" farmland it is unavoidable that much of this population increase must be absorbed in towns and cities.

Indeed, the government has recognised the importance of this urban focus, and in particular has placed emphasis on smaller urban settlements which are close to the rural population. The *Rural Trade and Production Centre* (RTPC) programme was established in 1986 to promote the development of up to 200 small towns by the year 2000. Among other things, it is anticipated that the RTPC programme will facilitate the evolution of rural-urban linkages and exchange, promote agricultural development in surrounding rural hinterlands, and stimulate the growth of off-farm employment opportunities in small towns.

For Ethiopia to pursue an urban-based employment creation strategy similar to the Kenyan experience would require resources and investments in urban infrastructure considerably beyond the existing levels of capital infusion. However as Table 5 illustrates, there are problems associated with an urban-based development strategy for Ethiopia where towns are characterised by high degrees of poverty which may reflect widespread underemployment and unemployment. Notwithstanding this, support to the development of income-generating and other activities in small rural towns in the environmentally-degraded northern regions of Ethiopia would do much to relieve the pressure on scarce agricultural land resources. Moreover, it would add an important element of economic diversification into rural Ethiopia which in the longer term could be an important component in national economic transformation.

**Table 5: Levels of household poverty in selected Ethiopian towns**

Town	Population (1988)	% of households living below absolute poverty threshold
Ambo	19,900	69
Arsi-Negele	16,400	69
Assela	40,100	79
Goba	28,600	77
Robe	14,600	71
Mizan Teferi	7,600	86
Shashemane	41,300	79
Wollisso	19,700	77
Ziway	7,200	72

Source: World Bank, 1989.

## 5 REGIONAL INTEGRATION AND CONFLICT IN THE HORN

The question of the nature of future regional integration or conflict in the Horn is the theme which presents the greatest difficulties in terms of forecasting even in the short term.

Until 1991, most attention was devoted to the issues surrounding the conflicts in Somalia and Southern Sudan, and inevitably the civil war between the Derg government and the TPLF fighting to dislodge that government and the EPLF fighting for the independence of Eritrea. On the face of it the conflicts in the Horn of Africa appeared clearcut and easily identifiable, and this is particularly true of Ethiopia/Eritrea. Moreover, the mutual support and close ties that developed between Meles Zenawi of Ethiopia and Isaias Afewerki of Eritrea during the bloody and protracted struggle against the Derg regime, assured the fairly rapid transition to independence for Eritrea and a return to a situation of reasonable stability for Ethiopia. Furthermore, relations between the two countries, at the government level at least, appear excellent. It is clear that both countries need one another and that instability in one will lead to unstable conditions in the other. In an attempt to reinforce their mutual security, concrete steps have therefore been taken in a number of areas including defence, the free flow of labour, Ethiopia's access to Eritrea's ports and the use of the Ethiopian Birr as a common unit of currency, although in the case of the latter the Eritreans are planning to introduce their own currency sometime in 1996.

The one question that must be addressed concerning the relationship between the two countries is what happens in the longer term following the departure of Meles from the political scene, or the assumption to power in Addis Ababa of an irredentist regime which lays claims to Eritrea? This study considers that the chances are very favourable that the EPRDF government will enjoy longevity (until at least 2015) for a number of reasons, and that Eritrea's independence will not be threatened. The reasoning for this is that the EPRDF government has decisively neutralised the internal opposition, and appears to have effective national control through the federal armed forces, and via the ethnic administrations and their control apparatuses which are extremely loyal to the EPRDF government. Moreover, if the EPRDF government is successful in preventing its democratic facade from slipping completely and can effectively deflect accusations of increasing human rights abuses, it will continue to receive economic, diplomatic and military support from the USA and Europe and through these patrons, from the International Financial Institutions. Finally, if the government can overcome some formidable economic hurdles and bring about a positive economic transformation which will benefit most Ethiopians, then disgruntlement with the "loss" of Eritrea will disappear. There is no doubt that Eritrea and Ethiopia have a very special relationship, which is based on a shared cultural and linguistic experience, which is quite distinct from that which they share with other countries in the region. As a result, it is quite possible that sometime in the future the two countries may draw closer together in the form of a loose political union or federation. Not long after Eritrea celebrated its independence in May 1993, Isaias Afewerki expressed the view that it could be quite possible for the two countries to enter a more formalised federal arrangement in the future, if that was the wish of the people.

While there is every reason to be optimistic about Eritrean-Ethiopian relations in the time frame under review in this study, what appears very uncertain and unpredictable are the relationships of Eritrea and Ethiopia with other countries in the region. At the beginning of the decade no forecaster could have predicted that within five years Eritrea would be in a state of virtual war with both Sudan and Yemen, and that Ethiopia would be involved in armed confrontation with Sudanese forces along their common border.

The most unstable factor in the the Horn of Africa is, without doubt, the Sudanese government which is promoting and pursuing what can only be described as a policy of destabilisation. Indeed, the Sudanese regime has adopted a provocative position vis a vis Sub-Saharan Africa by suggesting that Islam should apply not only in Sudan but throughout the rest of the continent (Africa South of the Sahara, 1996: 907).

Moreover, successive regimes in Khartoum have also pursued policies of genocide against the South, including enforced Islamisation and the application of the *sharia* on non-Muslim populations.

Eritrea's relations with Sudan began to deteriorate in December 1993 (which led to a severing of diplomatic relations a year later), following the infiltration into Eritrea by the Sudanese-supported *Eritrean Islamic Jihad* whose declared aim was the overthrow of the Asmara government. What appears particularly interesting about the strategy of Sudan in supporting the *Jihad* is the targeting of Eritrea. First, perhaps it was hoped that by focussing on the newly-independent nation of Eritrea, where the potential for religious confrontation between Christians and Muslims had been subsumed by the interests of the guerrilla struggle, would awaken any latent conflict, if it existed, between the two groups. If such a situation arose, it follows that the *Jihad* would be in a position to exploit pro-extremist Islamist feelings. Second, if such a strategy succeeded and Eritrea became an extremist ally of Sudan, this would place Ethiopia in a difficult position surrounded as it would be by a hostile Sudan and Eritrea and a volatile Somalia. The result would most likely precipitate an outbreak of hostilities, the consequences of which could be disastrous. While such a scenario almost appears as a worse case, in view of Sudanese official statements and support to extremist groups such a threat must be considered a real possibility.

Further evidence to support this view was the attempt on the life of President Mubarak of Egypt while on a visit to Addis Ababa in June 1995. Sudan is suspected of implication in the plot and has shown consistent unwillingness to extradite to Ethiopia three men suspected of involvement in the attempted assassination. The extremist National Islamic Front, which is allied to the ruling military junta in Khartoum, supports the Egyptian extremist Islamic movement, *Al Gama A' Islamia*, which is also considered a party to the assassination attempt. The reticence of Sudan to comply with the request for extradition which has led to a severe deterioration in relations between Sudan and Ethiopia, resulted in military clashes in October 1995 along their common border and a considerable number of fatalities.

Sudanese attempts at regional destabilisation should be seen in a context of a wider web of political relationships. Sudan has very cordial links with two other pariah states – Iran and Iraq. The former is reported to have supplied Sudan with weaponry presumably to fight the war in the South, and also to assist in the spread of international terrorism. The common ideological thread that ties all three states together is their anti-Americanism. Consequently, Sudan is, from the viewpoint of this shared ideology, pursuing a very consistent, but very dangerous, policy of attempting to subvert and ultimately bring down pro-Western and pro-American governments, including Eritrea, Ethiopia, and Egypt.

Viewed from the perspective of the next twenty years, it is extremely difficult, if not impossible, to make any kind of "best" prediction in terms of the regional political situation, particularly that relating to Sudan. It is probably quite fair to say that both Ethiopia and Eritrea appear to be attaining a degree of stability which will be conducive to longevity. However, Sudan by the very nature of its present policies has become an extremely volatile and unstable state. Over the last few years alliances within the military government and its Islamic extremist allies have shifted enormously, and a number of attempted coup d'états have been reported. Internal dissension and riots over political repression, on the one hand, and escalating food prices, on the other, have added to the government's litany of problems. Finally, a number of what can be described as like-minded countries comprising Egypt, Eritrea, Ethiopia and Uganda, supported by the USA, will most likely, if their patience runs out, coordinate and implement action against Sudan. This is already occurring but whether it represents a coordinated action is unknown. Eritrea, for example, has hosted a number of meetings of the Sudanese opposition and President Isaias has stated explicitly that Eritrea's primary aim in relation to Sudan is the removal of the current regime. In addition, the government of Uganda has been providing assistance to the southern Sudanese rebels.

Against this backdrop, it is inconceivable that the present Sudanese regime can last much longer, and certainly not many years into the next millenium. However, the question that remains is what kind of complexion will its successor have?

While the above discussion has painted a somewhat bleak picture of political developments in the Horn, there are nevertheless some grounds for optimism.

### ***A new role for IGADD?***

While all countries in the region belong to the United Nations, its specialised agencies, the Organisation of African Unity, and so on, there is, as yet, only one organisation, the Intergovernmental Authority on Drought and Development (IGADD), which comes closest to representing the regional interests of the countries of the Horn. IGADD was established in 1986 by six drought-affected countries to fight the effects of drought and desertification. The members are Djibouti, Ethiopia, Kenya, Somalia, Sudan and Uganda. Eritrea became the seventh member following independence in 1993. The aims of IGADD are as follows: food security programmes, desertification control measures, environmental protection, agricultural research, water resource management, fisheries, early warning and remote-sensing systems to enhance food security, and manpower development.

Thus IGADD has a potentially very important integrating role to play and could, given political commitment and sufficient external resources, also develop conflict- resolution and mediator functions for member states. Until 1991, IGADD was an “uninvolved, unknown and underfunded” grouping with few contacts between members (Shaw, 1995: 255). The end of the war in Ethiopia/Eritrea and the appointment of a new and enthusiastic Executive Secretary signalled the start of a dynamic phase in IGADD’s history. An indication of IGADD’s new dynamism were the mediation efforts to end the civil war in Southern Sudan, under the chairmanship of President Moi of Kenya, in September 1993. Interestingly, the majority of IGADD members considered the conflict in the South as a regional rather than as a national conflict.

Further evidence of IGADD’s determination to act more forcefully and concretely was at the special summit held in Addis Ababa in April, 1995, where a four-point declaration to revitalize the organisation was adopted. A number of important recommendations were accepted including reaffirmation of regional efforts to enhance environmental protection, as well as sustainable natural resource development. Of particular interest to Ethiopia and especially Eritrea was the decision to strengthen the functions of the Desert Locust Control Office within IGADD. A central recommendation referred to the need to increase the capacity of member states to prevent, manage and resolve conflicts through dialogue. Conflict in this context was also meant to include domestic ones, a possible allusion to the Southern Sudan conflict. And, of course, the link between environmental concerns and conflict are fundamental: “neither drought nor desertification can be transcended, terminated or rolled-back unless there is sustained regional peace” (Shaw, 1995: 258).

Some emphasis has been placed on discussing the role of IGADD because, in the view of this study, it appears to be the only organisation currently dealing specifically with the two regional agendas of environmental sustainability and security which has any chance of actively promoting and achieving normal interstate relations over the next twenty years. As a corollary, donor support and encouragement to IGADD may bring handsome rewards in terms of increased well-being in the Horn.

### ***Conflict or cooperation over Nile water resources?***

The Horn of Africa region, and particularly Ethiopia, is home to one of the most important water catchments anywhere in the world. Moreover, no other country is so dependent upon river water for its

very existence than Egypt. It is, therefore, somewhat surprising that there has not been more debate-scholarly or otherwise-concerning the tremendous geo-political implications of this issue. Moreover, in light of the projected rapid population increase of the main riparian states (Ethiopia, Egypt, Sudan and Uganda) from around 165 million inhabitants in 1995 to an estimated 270 million by the year 2015, the demand for Nile water will show a commensurate increase.

To contextualise the importance of the Nile it is worthwhile noting that most of Egypt's population live along the Nile Valley and 60 per cent of the country's agricultural land is in the Nile Delta. The Aswan High Dam provides 40 per cent of Egypt's electricity supplies. In Sudan, the vast Gezira irrigation project which is highly dependent on Nile water produces 60 per cent of the country's cotton (the major export earner) and 50 per cent of the country's wheat. In the case of Uganda, the Owen Falls Dam located on the White Nile is the largest producer of electricity in the country (Akinyemi, 1995: 7-8).

Consequently any major reduction in water supplies from either the Blue or White Niles could have catastrophic implications for Sudan, but most especially for Egypt. This can be illustrated by the fact that in 1987 after seven years of declining rainfall over the Ethiopian Highlands, the level of the Nile fell to its lowest this century. As a result of low water levels in Lake Nasser, the turbines at the Aswan High Dam were operating at only half their capacity (Akinyemi, 1995: 8). Egypt is extremely sensitive to even any hint of upstream dam construction which would lessen the flow of Nile waters to Egypt and has threatened to use force if any projects are implemented. When Mengistu Haile-Mariam announced that Ethiopia was considering dam construction projects on the Blue Nile, the Egyptian President Anwar Sadat responded that "if Ethiopia takes any action to block our rights to the Nile waters, there will be no alternative for us but to use force" (cited in Akinyemi, 1995: 21).

The most remarkable feature surrounding the agreement on the use of the Nile waters is that the main water catchment countries (Ethiopia in the case of the Blue Nile and Uganda in the case of the White) are not parties to the agreement. Herein lies a source of potential future conflict. The most important agreement dates from 1959, which superseded the 1929 Exchange of Notes drawn up between Great Britain and Egypt for regulating the use of Nile water between Egypt and Sudan. Both the 1929 and 1959 agreements exclude other Nile states, and the issue is clearly perceived by Egypt not as a question of equity but of Egyptian control. While there can be no denying the validity of the Egyptian position and their very legitimate concerns regarding natural security and survival, there can also be no denying the fact that the two main water catchment countries also have undeniable rights to use more Nile water than they presently do for the development of their own states and to cater for the needs of their growing populations. It has been estimated that the Blue Nile, the Sobat River and the Atbara River, which all originate in the Ethiopian Highlands, contribute about 86 per cent of all water received by Egypt while the White Nile, originating in the highlands of East Africa and particularly Uganda, provides the balance. Given the context of greatly increased populations in the riparian states by the year 2015 and the associated demands for water (for human and livestock consumption, as well as for irrigation purposes) conflict appears unavoidable unless Egypt agrees to negotiate, or at least discuss, a more equitable allocation of water resources.

## 6 CONCLUSIONS

Making a projection of possible outcomes at the end of a twenty-year period in the Horn of Africa is fraught with difficulties. The greatest uncertainty surrounds the nature of political regimes. The Sudan, for example, is considered as highly volatile, as well as extremist, and is thus highly unstable. In this study, the assumption is also made that there are two regimes in the Horn (Ethiopia and Eritrea) which are proceeding towards a situation of increasing political (and over the longer term economic) stability and which will play an important role in containing the destabilising ambitions of Sudan. Moreover, two non-Horn countries, Egypt and Uganda, have a very vital interest in promoting a stable regional situation as this enhances their own security. Thus, a case can be made that these four countries constitute a natural alliance against Sudan.

Although the democratic credentials of Ethiopia have been tarnished, as a result of the emasculation of the opposition, which has turned Ethiopia into a *de facto* one-party state, the present Ethiopian-EPRDF government will continue to receive Western support. And it will continue to be a prioritised client as long as it continues to play the role as regional mediator. The caveat being that violations of human rights are not allowed to get out of control, because if this occurred it could embarrass or compromise Western patrons. On the basis of this continued external support, the present Ethiopian regime appears set to experience longevity until, at least, 2015.

While the political situation for Ethiopia appears promising, a good deal of concern and uncertainty surrounds the issue of environmental non-sustainability. The congruence of a consistently high population growth rate associated with a diminishing agricultural land base would seem to pose a major threat to long-term sustainability. Ethiopia, in common with a number of other Sub-Saharan countries, appears trapped in the high fertility stage of the demographic transition and, worryingly, there appears to be little sign of a fertility decline.

However, a very central issue may be that the seriousness of the environment's ability to adapt to stress may be overstated. Furthermore, the end of hostilities in Ethiopia/Eritrea means that the serious environmental damage incurred as a result of these tragic events has now ceased. Finally, the demise of the top-down and authoritarian agricultural system of the Derg, with its explicitly anti-peasant bias, means that the small-scale farmer now has greater flexibility and freedom to operate, which may permit some degree of transformation which so far has seemed so elusive.

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# WEST AFRICA TOWARDS 2015: Retrospect and prospect

by

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## 1 INTRODUCTION

The West African sub-region is unique in many important respects. Home to Africa's oldest republic (Liberia), it is also the region which produced the first African country (Ghana in 1957) to win its independence from European colonial rule. Additionally, it is in West Africa that one of the first military *coups d'etat* in post-independence Africa took place when members of the Togolese armed forces toppled and murdered Sylvanus Olympio. Since the Togolese *coup d'etat* of January, 1963, West Africa has developed a reputation as the *coup d'etat* belt of the African continent with only two of the countries (Senegal and Cote D'Ivoire) in the area having managed to escape military rule. Presently, three of the four Anglophone countries (Nigeria, Sierra Leone, and the Gambia) are under military rule; the fourth, Ghana, is ruled by a political party dominated by a former military dictator who transformed himself into a civilian politician. The other English-speaking country, Liberia (not a product of British colonialism like the Anglophone countries to which we referred earlier), was led into a prolonged and ruinous war following the collapse of the military dictatorship of Samuel Doe. The two countries that have not had a history of direct military rule have had their share of authoritarian, even personal rule. Yet, relatively, the sub-region has a thriving civil society and was in the forefront of the movement, in the late 1980s and early 1990s, towards political liberalisation through the innovative and popular sovereign national conferences that were held in several Francophone countries, beginning with Benin Republic.

Unlike the other regions of Africa, West Africa did not experience settler forms of colonialism – certainly, no where in West Africa were the kinds of spirited attempts at developing white settler colonialism in such places as South Africa, Namibia, Zimbabwe, Mozambique, Kenya, Algeria, and the Belgian Congo (Zaire) ever experienced. The general explanation for the absence of settler colonial rule in West Africa centres on the prevalence of malaria in the mosquito-infested rain forest and savannah belts of the region. The deadly toll in lives which the West African mosquito exacted on the early European explorers and colonial officials was a key factor which dissuaded white settler colonial rule in the sub-region. It is

however also possible that the widespread influence of Islam in the savannah belts of the area also played a part, especially as a number of the pre-colonial political formations in the area, not least the Sokoto caliphate and the Kanem Bornu Empire, were already built along theocratic lines. Partly on account of the absence of settler colonialism in the area, the struggles for independence in West Africa, though intense and vigorous, did not, in most cases, result in the kinds of sustained and prolonged armed struggles that characterised the experiences of most of the settler colonies of East, Southern, and North Africa. Only in the Portuguese colony of Guinea Bissau and Cape Verde were armed struggles fought to force independence on the colonising power.

That armed liberation wars were not fought to usher most of the countries of West Africa into independence was, taken in a historical context, ironical. For it was in West Africa that some of the stiffest wars of resistance to colonial rule were encountered by the forces of European imperialism. Prior to the arrival of the forces of colonialism, the West African sub-region was dotted by a host of kingdoms and empires ranging from the Ashanti Kingdom to the Sokoto Caliphate, the Kanem Bornu Empire, Samory Touré's Guinea, the Oyo Alafinate, and the Dahomey kingdom, among others. Some of these established political structures were to form the focal point of the armed resistance in West Africa to the colonial incursion. The pre-colonial political formations represented some of the most advanced efforts at nation-state building in Africa; not surprisingly, a host of vested interests had developed around them to make resistance to the colonial incursion almost inevitable. Once the armed resistance to the colonial incursion was defeated, the colonial powers proceeded to introduce measures aimed at facilitating their rule. In the Francophone colonies, the main mode of control that was developed centred around the policy of assimilation and the goal of obliterating local cultures and creating black French men and women; in Anglophone Africa, "indirect rule" which entailed reliance on existing, if re-oriented, "traditional" structures of governance tended to be the norm.

This study is concerned to examine the various trends and structural factors in the political economy of West Africa with a view to determining how they are likely to affect the needs and capabilities of the countries of the sub-region in the period to 2015. In doing this, particular attention will be paid to the following issues: population, food security, poverty, democracy/human rights, civil society and governance, macro-economic developments, the external debt problems of the countries, the prospects for regional co-operation/integration, the extremely important geo-political and economic role which France plays in West Africa, and changing forms of popular identity, with emphasis on Islam and its growing relative influence. On the basis of the trends which we are able to identify, we will attempt to spell out possible alternative scenarios for West Africa to 2015. In essence, this study will be both retrospective and prospective. We argue that West Africa's future centres around a choice between closer regional co-operation and the continued pursuit of individual national strategies which are often not co-ordinated on a regional basis.

## **2 THE WEST AFRICAN SUB-REGION: A PANORAMIC VIEW OF MAIN TRENDS AND PROCESSES AND THE STRUCTURAL FACTORS THAT UNDERPIN THEM**

### **The Demographic Picture**

West Africa consists of a total of 16 states, excluding Cameroun which is usually categorised as belonging to Central Africa. It is, by far, one of Africa's most populous regions. With a population of 215 million people in 1995, it accounts for almost two out of every four African living on the continent. In the period between 1960 and 1995, the population of the sub-region increased by a staggering total of 130 million people. With an average growth rate of 3% per annum, it is forecast that the sub-region will have a

population of about 430 million in 2020, a trend which is not expected to be affected by increased mortality from AIDS. This population level will also represent a nearly ten-fold increase in the sub-region's population in a space of less than a hundred years. The rapid increase in the size of West Africa's population is buttressed by a fertility rate exceeding six children per woman, with every mother having, on average, more than three daughters as of the end of 1994. By the middle of the second decade of the 21st century, these daughters will, themselves, become mothers.

40% of the inhabitants of the area lived in urban centres as of 1990; internal population movement and cross-border population flows are quite rife in the sub-region. Indeed, West Africans are reckoned to be amongst the most mobile people in Africa; they are to be found in large numbers outside their countries and outside the region. One third of the rural population of the sub-region does not live in the districts from which they originated. Similarly, 12% of the sub-region's population outside Nigeria does not live in their country of birth. Between 1960 and 1990, the urban population of West Africa grew five-fold; the ratio of urban residents increased from 14% in 1960 to 40% in 1990. By the year 2020, the ratio is expected to stand at 60%. Furthermore, there is a growing trend of migration southwards towards the coast, a fact which is already increasing population density in the area. In the major coastal settlements of the sub-region, the population density averages 124 inhabitants per sq. Km; 41 per cent of West Africa's population was already concentrated in the main coastal centres which represent 8% of the area.

On the basis of the above-mentioned demographic characteristics and trends, it seems clear that West African leaders and policy makers will have to brace themselves for major policy challenges. The first of these relates to just how the massive population that will live in the area in the period to 2015 and beyond will be fed and provisioned. Related to this is the capacity of West African governments and voluntary, non-governmental organisations to provide the adequate infrastructural support essential to the pursuit of a decent livelihood. This question will be particularly relevant to the southerly, coastal population belts of the area where the majority of the inhabitants of the sub-region are increasingly concentrated. Furthermore, given that the continuing intensity of internal and cross-border migration will result in the acceleration of the creation of multi-ethnic, multi-religious urban, semi-urban, and rural settlements, issues of the re-definition of citizenship rights will have to be re-visited. Presently, these rights are closely tied to ancestral birth; this definition will certainly come under severe strain as more people live in settlements other than their places of origin or birth.

The question of citizenship rights is likely to be just one of several political challenges that will flow from the demographic dynamics of the sub-region in the period to 2015.

### **Ethno-Religious Pluralism**

Without exception, all of the countries of the sub-region are ethnically plural; no ethnically homogenous countries like Botswana or Somalia exist in the area. In Nigeria, the sub-region's biggest country alone, it is reckoned that there are some 250 ethnic groups in existence. Members of some ethnic groups are spread out across several countries in the sub-region. For example, the Yoruba are to be found in Nigeria, Benin, Ghana, and Cote D'Ivoire, Hausas in Nigeria, Ghana, and Niger, Kanuris in Nigeria, Niger, and Tchad, Wollofs in Senegal and the Gambia, Toucouleurs in Senegal and Mauritania, Shuwa Arabs in Tchad, Nigeria, and Niger, Mandingos in Guinea, Guinea Bissau, Sierra Leone, and Liberia. Ewes in Ghana and Togo, Akans in Ghana and Cote D'Ivoire, Fulanis in virtually all the states in the region, and Tuaregs in Niger, Mali, and Burkina Faso. Furthermore, religious pluralism is the norm in most of the countries of the sub-region. The most commonly practised religions are Christianity (various versions), Islam (various versions) and a variety of "traditional"/indigenous religions; syncretism is not uncommon. Although in some states there is a preponderance of (nominal) Muslims over Christians and vice versa, all over West Africa, there are ethnic, religious and other minorities the management of whose affairs has direct implications for the conduct of governance.

In the period from the late 1970s, especially following the Iranian revolution, there has been a revival of radical Islam in the West African sub-region. This revivalism has been particularly evident in the main urban centres and has resulted, in several countries, not only in inter-factional fights among Muslims following different sects but also in direct challenges to the secular nation-state. At the same time, the growth of Christian pentecostalism, mostly imported or inspired from America, has been in evidence and has also produced challenges to the secular constitution which most countries operate. Taken together with the revival of ethnic identities in all of the countries of the sub-region, it seems that religion and ethnicity will be key elements of the political terrain in West Africa, testing the boundaries of the secular state to their limits. The worsening problem of economic decline in the area, as in the rest of Africa, and the heightening of social fragmentation as the quest for structural adjustment continues will probably keep the flame of ethnic and religious revivalism burning for a while. Already, in response to the diminution of the capacity of the state to meet its social responsibilities to the citizenry, religious and ethnic associations have been established to play a role in social provisioning – and win more converts.

### **Inherited Languages in West Africa's Internal Geo-Politics**

The countries of the sub-region are grouped together in the Economic Community of West African States (ECOWAS) which was founded in 1975 as a Togolese-Nigerian joint initiative. As we shall see later, each of the countries also belongs to a host of smaller organisations grouping a smaller number of states together. Although all of the countries of the sub-region signed the ECOWAS treaty and its protocols, there are several lines of division that continue to keep them apart and shape their efforts at co-operation. Perhaps the most important of these is the one that corresponds to the lines of the colonial partition of Africa: four of the countries are Anglophone, being former colonies of Britain and members of the British Commonwealth; two, namely Guinea Bissau and Cape Verde, are Lusophone, being former Portuguese colonies; Liberia is English-speaking as it was founded with the help of the United States and has remained in the American sphere of influence; the remaining countries are Francophone, being former colonies of France and members of the French Francophonie. With English, French, and Portuguese being the lingua franca of the countries according to who their former colonisers were, the "language divide" and the political load which it carries and symbolises has often been a factor militating against closer interaction among the countries of the sub-region. Matters are not helped by the massive influence which France continues to exert on its former colonies in West Africa but we will return to this later. The international geo-politics of the Francophone-Anglophone contest are all too often refracted into the West African sub-region with consequences for the will and scope for the extension of the boundaries of cross-cutting sub-regional co-operation.

If France's geo-political and commercial interests in Francophone West Africa have fed into the language divide and, therefore, constrained the scope for fully-fledged regional co-operation across linguistic lines, a legitimate question to raise, and one which has generated debate and anxiety in Francophone West Africa, relates to the future of the "special" links between Paris and its ex-colonies in the sub-region. This question has become all the more important in view of France's own commitment to the European Union. (See also the appendix to this report for a discussion of the issue in the context of Nigeria's role in West Africa). We will return more fully to this issue when we come to discuss the French factor in West Africa. Suffice it to note that the potential now exists in Francophone Africa for policy makers to begin to think of ways of forging ties with other countries/interests outside the Francophonie and it will certainly be a point of interest, both for policy and political reasons, to see how this potential "flexibility" evolves in the period to 2015. Of course, it cannot be taken for granted that France's growing pre-occupation with the European Union will result in a disengagement from Francophone West Africa; it is however possible that in the years ahead, as they cease to be "special" to Paris, the Francophone countries will themselves seek to diversify their relations more aggressively and, in so doing, probably engage other West African states more intimately than is presently the case.

## The Political Framework for Governance

A majority of the countries of the sub-region attained independence as multi-party systems, at least nominally. However, in many countries, multi-partyism soon gave way to single party or military rule. In those countries like Cote D'Ivoire and Senegal where the multi-party framework was maintained, one party, the party of the independence struggle, was overwhelmingly dominant. The rapidity with which military rule spread from Togo to encompass all the other countries of the sub-region, with the exception of Cote D'Ivoire and Senegal, and the rapid, often violent regime turnover that the region witnessed in the period up to the late 1990s, is symptomatic of the crisis of governance that continues to afflict the area. In the overwhelming majority of the countries in West Africa, political succession was, until the onset of multi-party political reforms in Africa, unpredictable, achieved by unconstitutional means (mainly *coup d'etat*), and accompanied by violence. Even as most of Africa moved decisively to embrace electoral pluralism, Nigeria, Sierra Leone, and the Gambia were, as we noted earlier, sliding into military rule. It is on account of the foregoing that many commentators consider West Africa to be one of Africa's most volatile regions. The test of the recent political reforms which many of the countries of the sub-region have embraced, under local popular and donor pressure, will be their capacity to deliver orderly, constitutional succession in the years ahead.

Most of the countries in the sub-region have convened and held multi-party elections as part of the political reform process that swept through much of Africa during the late 1980s onwards. As can be expected, all of the elections were bitterly contested and in the cases of Ghana, Guinea, and Cote D'Ivoire, sections of the opposition boycotted the polls altogether. In Senegal, violence associated with the contestation between the incumbent regime and its opponents resulted in a number of key opposition leaders being arrested; in Togo, assassinations and attempted killings were rife and marred the entire electoral process. Only Mali, Benin, Cape Verde, and Niger had fairly open elections that were not too bitterly contested. It was also only in Cape Verde, Niger, Benin, and Mali that the electoral outcome resulted in the removal of incumbents from power. In Cape Verde, the incumbent government was outrightly beaten by the opposition; in Mali and Niger, the heads of the incumbent regimes that presided over the national conferences they had were not eligible contestants in the elections that took place; in Benin Republic, Matthew Kerekou was already too weakened and discredited by the processes that led to the convening of that country's sovereign national conference to represent any serious source of challenge to the main opposition coalition.

It seems clear from the evidence available on the elections that have been held in West Africa that the task of national reconciliation is still a major one in the sub-region and that the quest for democratisation is still a fragile one which may not necessarily deliver sustained political stability. The bitterness between the opposition and incumbents is still very strong in many countries. When this is taken together with military rule in Nigeria, Sierra Leone, and the Gambia, the absence of acceptable power-sharing mechanisms in hotly contested terrains like Cote D'Ivoire, Ghana, Burkina Faso, and, to a lesser extent, Senegal and Togo, the Tuareg rebellion in Mali, Niger, and Burkina Faso, the crisis in the Mano tri-state area, and the continuing tensions in the Casamance, it would seem that a key theme that will dominate internal political debate in the years ahead will be the reconciliation of competing domestic political interests. Evolving a framework for such interest reconciliation will not be easy given the numerous vested interests that have developed in support of competing claims for power; there may however be some scope for constructive intervention by the international community.

One important feature of politics in West Africa, and one which is often not sufficiently remarked but which will be central to the future of the countries of the sub-region, centres around the mode of organisation of government in multi-ethnic, multi-religious societies. With the exception of Nigeria, all

other West African states attained independence as Jacobin centralised state systems with the central government wielding a great deal of power. Nigeria was ushered into independence as a fairly loose federal system but the period from 1967, when the country's civil war started, has seen the rapid erosion of the basis of its federal system of government and the increased centralisation of power in the central government. This is partly the result of prolonged military rule; for all but 10 years out of the 35 years since the country became independent in October 1960, the military has ruled Nigeria. Thus, all of West Africa was, in the period up to the 1990s, governed under highly centralised systems of government that were also, in most cases, underpinned by varying degrees of political authoritarianism.

The unitarist state project which the countries embraced was supposed to feed into their strategy for promoting national unity and integration; the legitimacy crisis of the state created/exacerbated by the prolonged economic crisis in the region and the revival of ethnic and religious identities have posed direct challenges to the unitary, centralized state project. It would seem that the other dimension of the governance question in West Africa in the years ahead will centre on the most appropriate system of government: centralised/unitarist or decentralised/federalist/confederalist? The increasing restlessness of minorities in Niger, Mali, Burkina Faso, (with their Tuareg problem), Cote D'Ivoire (with the increasing frictions between the so-called autochthons and muslim migrants in the north), Senegal (with its long-standing Casamance problem), Nigeria (with its deepening ethnic, religious and regional crises), Guinea (with the contest pitching Mandingos, Sousous, and Foullahs against one another), Ghana (Nanumbas vs Konkombas, for example), and other countries suggests that the question of how best to administer the countries will remain a key issue in the years ahead.

### **Political Conflicts and Civil Wars**

For all of the volatility and instability that have characterised politics in West Africa, it is amazing that, with the exception of Nigeria which slid into a civil war between 1967 and 1970 and discounting the on-off conflict in Senegal's Casamance province, the region knew no major systemic breakdowns until the very late 1980s/early 1990s when Liberia slid into a prolonged and hugely devastating civil war. This war was to spread to Sierra Leone in 1993 with the consequence that the mano tri-state area (which consists of the countries with an interest around the Mano River) became engulfed in war and disorder. Certainly, the crisis in the Mano tri-state area is the most serious systemic breakdown witnessed in the sub-region since the end of the Nigerian civil war. Liberia became the first country in West Africa to qualify for description as a collapsed or failed state on the same level as Somalia. In the Sahelian states of Mali, Burkina Faso, and Niger, the central governmental authorities were, from the late 1980s, locked in conflict with their Tuareg populations, resulting in skirmishes between government troops and rebel fighters. The problems which some of the Sahelian state have with their Tuareg populations are, however, far less serious than the Liberian and Sierra Leonean civil wars. For the majority of the Francophone countries, a strong French presence, not just in terms of investments but also in terms of the siting of military personnel, may have played a role in reducing the pressures towards separatism and internal civil war. Still, it is clear that for the foreseeable future, the promotion of reconciliation and reconstruction in war-torn societies and the prevention of systemic break down in the other countries will remain key features of politics and governance.

### **Boundaries that Unite or Boundaries that Divide?**

The colonial partition of Africa, arbitrary and shoddy as it was, left most of the continent with "artificial" boundaries that were bound to be sources of conflict. Members of some ethnic groups found themselves divided between two or three states while the life styles of nomadic groups like the Fulani and the Tuareg were insufficiently catered for. In a bid to minimise the conflict potential which the arbitrariness of the boundaries could generate, the Organisation of African Unity (OAU) decided that all inherited boundaries should be accepted and respected as demarcated by the forces of colonialism. It is however in West Africa

that most of the (often violent) boundary disputes that have been witnessed on the continent have unfolded: Nigeria vs Cameroun; Nigeria vs Benin; Ghana vs Togo; Mali vs Burkina Faso; Burkina Faso vs Cote D'Ivoire; Senegal vs Mauritania; Guinea vs Sierra Leone, etc. In several cases, the border disputes between neighbouring West African countries have degenerated into recurring, if often short-lived armed conflicts. These conflicts have often been fuelled by struggles over the control of human, mineral, or land resources.

Existing attempts at managing inter-state boundary disputes have mostly centred on the establishment of bilateral joint commissions or bilateral boundary commissions to map out areas of disagreement between the countries involved. These commissions have, however not been successful at preventing the outbreak of armed hostilities between neighbours in the sub-region. Beyond *ad hoc* mediation efforts which are put in place after border wars have started, there is no effective multilateral mechanism for preventing the outbreak of violent border disputes in the sub-region. The platform provided by ECOWAS has never been used for tackling boundary disputes; this is so in spite of the rhetoric in the late 1970s and early 1980s about an ECOWAS defence and security pact. Clearly then, boundary disputes will continue to constitute a significant element of the politico-security problems afflicting the sub-region in the years ahead.

### **Coping with Desertification**

With the exception of Mali, Burkina Faso, and Niger which are fully land-locked, the majority of the states of the sub-region consist of countries that have a coastal front on the Atlantic ocean, making them open to and accessible for international commercial interactions. It is common in the recent literature on the sub-region to refer to the countries with an Atlantic flank as the coastal Sahelian states, an appellation which seeks simultaneously to underline the increasing desertification of the area as the Sahara encroaches southwards whilst acknowledging the existence of mangrove swamps and some belts of tropical rain forest in the southernmost parts of the coastal countries. The encroaching Sahara and the deterioration of agricultural land associated with the desertification process was a factor in the Sahelian droughts that were experienced in the area over the last 25 years, droughts which took their toll on livestock and human life and have resulted in a general downward push of population towards the coast. The most well-known of the Sahelian droughts was the one that occurred in 1973 but in the period since then, there have been several others that, on the whole, have been no less devastating in their effects on the livelihoods of nomadic and desertic groups in the northern zones of West Africa.

The problem of increasing desertification that has been a key element in the geo-ecology of West Africa provides an insight into a second dimension of the security problem in the sub-region, namely, food security. For, much of West Africa's food output comes from the savannah belt that is increasing threatened by the desertification process; the sub-region's livestock population is concentrated in the areas most threatened by the Sahara's encroachment. But beyond this, the desertification process points to a major aspect of the environmental crisis in West Africa. The southwards encroachment of the Sahara has a lot to do with the overgrazing of the savannah belt by livestock, the widespread practise of felling trees for wood fuel in rural West Africa, the pressure on farming land associated with non-intensive farming practices, and the varieties of erosion associated with them. Efforts at halting the desertification process through official tree planting campaigns have, on the whole, been ineffective. The multilateral effort represented by the Permanent Inter-State Committee for Drought Control in the Sahel (CILSS) which was set up with the assistance of the European Commission following the 1973 drought has also not been able to support a sufficient number and spread of projects that can stem the desertification process. Without doubt then, desertification will be one of the most important challenges which West African states will have to grapple with into the next century.



Enduring environmental difficulties and the problem of food security are only two dimensions of the consequences that are likely to flow from the desertification process. A third dimension centres on the socio-political problems that are bound to result in the southerly flow of population in response to the encroaching desert. As we noted earlier, this process, already evident in the extremely rapid growth which coastal cities are experiencing, will not only strain existing physical and social infrastructure at a time of continuing economic crisis and structural adjustment-related austerity, it will also pose direct challenges to the widespread practice of tying citizenship rights to people's place of birth or origin, as opposed to their place of residence and site of labour. Yet it is not at all certain, on present evidence, that there is a sufficient level of consciousness both in the local policy community and among the main donors active in West Africa, that remedial measures need urgently to be introduced in order to address this problem.

### Shared Water Resources

The main internal waterways in the sub-region are the rivers Niger, Senegal, Mano, Volta, and Benue. Both the Niger and Senegal are two of the seven most important bodies of water in all of Africa. From the overall regional point of view, by far the most important is the Niger which is also bigger than the Senegal. Emerging from the Futa Djallon mountains in Sierra Leone, it traverses several African countries before emptying itself into the Atlantic ocean through the Nigerian delta. In addition to its huge hydro-electrical potential, the Niger river is also home to a variety of marine life, especially fish, and a source of water both for household use and farming. Given its strategic importance to the socio-economic developmental strategies of the countries of the sub-region, it is clear that it can be both a motivator of tremendous levels of co-operation and a source of disputes between the countries that have an interest in the use to which it is put in the various countries it traverses during the course of its long journey from the mountains in Sierra Leone to the Atlantic delta of Nigeria. As the desertification process continues, the strategic significance of the Niger, Senegal, Volta, Mano, and Benue rivers to the water resource and agricultural development objectives of various West African states is bound to grow. So too will the potential for conflict.

It is perhaps a foretaste of the kinds of disputes which shared water resources have a potential for generating in West Africa that in the period since the 1960s, growing concerns have been expressed by interested countries about the use to which individual countries have sought to put the sections of regional rivers that traverse their territories. Nigeria, for example, had to address the concerns of some of its neighbours (especially Niger) when it embarked on the construction on the gigantic Kainji dam; it has also had cause to express its anxieties to Mali over attempts to tap from the Niger for rice irrigation and other agricultural purposes. Obviously, on the face of things at least, the easiest way to avert the possible outbreak of "water wars" in the future will be to devise strategies for developing the full potentialities of the rivers in the wider framework of regional co-operation/integration in West Africa. This was attempted through the Mano River Union and the organisation for the development of the Niger river; both agencies are however moribund as they were never really well-founded and were unable to attract sufficient international support for their operations. Thus, as it is, each country has basically been left to its devices as far as the use to which the shared rivers is put; the potential for conflict is open-ended.

In addition to the rivers that serve as a common resource for several of the countries of West Africa, the area also has two important lakes. These are Lake Chad on the northeast boundary of Nigeria with Tchad and the Volta Lake. The latter is listed among the biggest human-made (artificial) lakes in the world and is a legacy of Nkrumah's grand vision for the agro-industrial transformation of Ghana. It is a source not only of water for domestic, agricultural and industrial use, but also of hydro-electric power for Ghana itself and its immediate neighbours like Mali, Burkina Faso, and Cote D'Ivoire. Fed by the Volta River, it is clear that any interference with the main source of water flow into the lake will have far-reaching consequences. Ghana has therefore always closely monitored the use to which the authorities in Burkina Faso put the section of the Volta River that traverses their territory. So far, open hostilities have been

avoided in the management of the common interests which several West African countries have in the Volta River and Lake Volta. Nigeria and Tchad have however had occasion several times to exchange military fire over the use of Lake Chad, including the fishing rights of the boundary communities living near or around the lake. These hostilities have taken place in spite of the existence of a Nigeria-Tchad commission that is supposed to harmonise the interests of both countries in the development and use of the resources of the lake. Interest in the lake and the territory around it has been heightened by suspicion that the area may be rich in hydrocarbons.

### **The Agrarian Base of Economies: Strengthening or Weakening?**

The economics of the countries of the sub-region remain predominantly agricultural, with most ushered into independence as exporters of primary agricultural commodities like cocoa (mainly Nigeria, Ghana, and Cote D'Ivoire), coffee (principally Nigeria, Ghana, Cote D'Ivoire, and Sierra Leone), cotton (mainly Burkina Faso, Nigeria, Niger, Mali, Guinea, and Mauritania), palm produce (chiefly Nigeria, Sierra Leone, Liberia, and Cote D'Ivoire), rubber (mainly Liberia, Cote D'Ivoire, and Nigeria), and groundnuts (principally Senegal, the Gambia, and Nigeria). Livestock and hides and skin exports are also important to the economies of the region with the non-coastal sahelian states dominating the trade. Minerals like gold (Ghana), diamonds and rutile (Sierra Leone and Guinea), columbite and tin (Nigeria and Guinea), uranium (Niger), crude oil (Nigeria), iron ore (Nigeria, Sierra Leone, and Liberia), limestone (Benin, Nigeria, and Sierra Leone), and bauxite (Guinea and Sierra Leone) also feature prominently in the export profile of the sub-region. In the years after independence, most of the countries of the sub-region, like the rest of Africa, witnessed a further narrowing of their export base as they increasingly depended on the export of one or two commodities for their revenues in their almost inexorable march towards monoculturalism. Countries like Nigeria and Sierra Leone took on a decisively rentier character as they depended almost exclusively on mineral rents for their revenues.

The bulk of the population of the sub-region, some 60%, remains rural and is immersed in agricultural activities. Because settler colonialism did not take root in the sub-region, the kinds of large-scale land alienation that were witnessed in parts of Eastern and Southern Africa did not occur in West Africa and the sub-region's agricultural output is overwhelmingly dependent on small-holder peasant households than on large-scale commercial farming. Plantation agriculture was however attempted in the sub-region, sinking its deepest roots in Cote D'Ivoire but also gaining ground in Nigeria, Ghana, and Senegal as corporate and non-corporate interests take to large-scale farming in the context of the continuing and prolonged economic crises in the area. Peasant agriculture has been accompanied by a lot of rural-rural and rural-urban migration; peri-urban farming, mostly on the outskirts of cities and towns, is also commonplace in the sub-region. As in other parts of Africa, women are active members of the farming population of West Africa, participating in planting and harvesting activities.

The rapid expansion of West Africa's population, coupled with the difficulties associated with raising peasant productivity, poses a major question with regard to the food security of the region. Almost all governments in the sub-region attempted to improve agricultural output first through "Green Revolution" programmes that amounted to little and then through market-led macro-economic reform efforts associated with International Monetary Fund (IMF)/World Bank-sponsored structural adjustment programmes. The programmes have, on the whole, not resulted in any dramatic increases in agricultural output or productivity although increases, in absolute terms, may have been recorded for certain food and cash crops produced in the sub-region. The reasons for the lacklustre performance of the adjustment programmes have been extensively analysed in the literature and need not detain us here. Suffice it to note that key elements in the market reform programmes tended to cancel out one another with the consequence that they did not produce the ends that were desired. The quest for an improvement in agricultural output and productivity therefore seems to be one area that will continue to attract a great deal of policy attention.

## West Africa's External Debt Burden

The severe economic strains which West African countries have been faced with date back in some cases to the early 1970s when the Organisation of Petroleum Exporting Countries (OPEC) quadrupled oil prices and in so doing created severe balance of payments problems for most of the states of the sub-region. With the exception of Nigeria which is Africa's biggest oil exporter and also a member of OPEC, all other West African countries were and still are net importers of oil. Combined with the diminishing terms of trade for their agricultural exports, their growing budgetary problems, and the inflationary consequences of their fiscal policies, the payments problems which the majority of West Africa states suffered as a result of the OPEC oil price increases of the 1970s translated into a domestic and external debt crisis in the early 1980s for the countries of the sub-region. As far as the external debt problems were concerned, these were mainly the result of the bilateral, multilateral, and private trade loans which the countries accumulated during the course of the 1970s but which they became increasingly unable to service by the early 1980s. Nigeria, which was a big winner from the OPEC oil price increases, was itself to join the bandwagon of economic crisis and external indebtedness following the collapse, in the early 1980s, of the world oil market.

Nigeria is, by far, West Africa's single biggest debtor nation; it owes some USD35 billion to members of the London and Paris clubs as well as multilateral financial institutions like the World Bank. A majority of the countries however have debts that are about or over USD10 billion. Servicing the debt has been one of the greatest economic challenges facing West African countries. Burkina Faso's debt for example represents some 50 per cent of its Gross Domestic Product (GDP). For Togo, Senegal, Niger, Sierra Leone, Benin, Ghana, and Cape Verde, it is between 55% and 100% of their GDP. For Nigeria, Mali, Guinea, the Gambia, Cote D'Ivoire, and Mauritania, their external debt ranges between 110% and 200% of their GDP. Guinea Bissau's external debt is an astonishing 350% of its GDP. It is little wonder then that for much of the 1980s, the entire sub-region suffered net resource transfers. With the exception of Nigeria and to a lesser extent, Cote D'Ivoire, the debt of most West African countries is mostly owed to multilateral donors. Nine countries in the sub-region – Burkina Faso, Ghana, Mali, Mauritania, Guinea, Senegal, Benin, Guinea Bissau, and Sierra Leone owe 40% or more of their outstanding debts to the multilaterals.

Given the massive levels of resources which the countries of the sub-region have had to devote to the servicing of their external debts, it is not surprising that during the 1980s, West Africa earned the dubious distinction of being home to some of the very poorest nations on earth. The human development surveys which the United Nations Development Programme carried out during the 1980s and early 1990s indicated clearly that Sierra Leone, the Gambia, Niger, Benin, Burkina Faso, Guinea Bissau, Guinea, Mali, and Liberia were among the most backward of the underdeveloped countries of the world. Most of the countries of the sub-region are also categorised as having some of the harshest environments in the world for livelihood on account of the socio-economic, political, and environmental problems that are prevalent. None of the countries of the sub-region had a per capita GDP that was up to USD1000 as of 1990; for 13 of them (Mali, Niger, Burkina Faso, Guinea Bissau, Guinea, Mauritania, the Gambia, Sierra Leone, Liberia, Togo, Benin, Ghana, and Nigeria), it was under USD500. Similarly, the per capita income of the overwhelming majority of the countries was well below USD500 as of the end of 1994. Some 45 per cent of the population of the sub-region live below the poverty datum level; the poor (including those in absolute poverty) will account for almost three quarters of the sub-region's total population. Amidst all of this, per capita aid was under USD100 for 12 out of the 17 countries that make up the sub-region.

Clearly, the magnitude of the debt problem in West Africa and the toll which it has taken on the social sector (especially health facilities and educational institutions) as well as on the sub-region's physical infrastructure is one which, if not contained, threatens to completely undermine the entire

“modernisation” process in the area. It is, in fact, partly in response to the decline of formal social institutions and the physical infrastructure that the process of informalisation has been accelerated (see discussion below). How to contain the debt crisis in West Africa beyond the traditional resort to rescheduling exercises and token gestures of cancellation (such as those that have been implemented within the ambit of the Francophonie and by the Group of Seven countries) will be one of the key economic policy challenges facing the sub-region and the donor community in the years ahead. It is now generally recognised that the prospects for economic recovery and a return to the path of growth will be enhanced by a substantial reduction in the debt service obligations of the debtor countries. This is likely to be the argument that will be pursued by West African leaders as there is neither appetite nor unanimity among them for the creation of a debtors’ club that will enable them push a collective case for debt repudiation.

### **France in West Africa: Does the CFA Franc Zone Have a Future?**

France’s central role in the West African sub-region has been a major focus of scholarly and policy debate for some time. It was the coloniser of 9 out of the 16 countries that presently make up the sub-region. A key element of its colonial policy in Africa was the promotion of the “assimilation” of the colonised into French culture through a systematic attempt at the denial and negation of their indigenous cultures. Through the legacy of assimilation and a host of neo-colonial instruments and mechanisms, France’s relations with its former colonies have remained very close in spite of the fact they became independent in the early 1960s. Paris has a direct say in the internal political and economic affairs of the majority of the countries. Indeed, France maintains a military presence in several of them and has defence/security co-operation pacts with practically all of them. As members of the Francophonie, their alliance with France was and remains central to Paris’ claim to a big power status in world affairs. French commercial interests spanning practically all economic sectors not only dominate the economies of the Francophone countries but also enjoy privileged access to them.

Perhaps the most important instrument through which France has developed its politico-economic grip on the Francophone countries is the CFA Franc. This is the common currency of all of the Francophone West African countries, with the exception of Guinea which had much earlier said “Non” to Charles De Gaulle’s neo-colonial project in Africa and opted for an autonomous path of its own, with its own national currency. Guinea maintained this course until Sekou Toure, its independence leader, died in office. The CFA was, from the outset, connected to the French Franc in a fixed parity. It was also convertible, with that convertibility guaranteed by the French Central Bank but fully backed by the foreign exchange earnings of the Francophone countries lodged with the Bank in Paris. Each of the Francophone countries maintained an account with the Bank of France and with the Banque Central des Etats de l’Afrique de l’Ouest (BCEAO) which served as their common central bank. From 1948 to January 1994, the fixed parity remained unchanged at 50CFA to 1FF. In January 1994, the parity was changed to 100CFA to 1FF, a devaluation of 50%. That devaluation was preceded by the restriction of the convertibility of the CFA to its West African Francophone zone.

A lot has been written about the CFA Franc and its linkage to the French Franc. Much of the recent discussion has centred on the devaluation of the CFA Franc in January 1994 (see the appendix on Nigeria’s role in West Africa for a detailed analysis). We would only note here that the arrangement whereby the currency was linked to the French Franc played an important part in bolstering the French currency as an international, freely convertible medium of exchange; but more than that, it conferred numerous advantages to French businesses by way of preferential access to the markets of the Francophone countries. For the leaders of the Francophone countries, in addition to the convertibility of their currency which they seemed to cherish, the arrangement was perhaps the greatest symbol of the “special” relations which they believed they enjoyed with France and its leaders. The devaluation of the

CFA Franc was therefore an important matter laden with great symbolism for them. Did it, for example, mean the devaluation of France's relations with them? Beyond this, France's own increasing engagement with Germany and the wider European Union project has also raised questions about the future of the link between the French Franc and the CFA Franc. What will the abandonment of the Franc and the adoption by Paris and other key European players of a common currency mean for the CFA? Will the European Union be prepared to inherit France's commitments to the Francophone countries, including the guarantee of the convertibility of the CFA Franc? The questions are many and will increase as the European economic and political integration project gathers pace, however unevenly or unsteadily, in the years ahead.

### **Between Functional Regionalism and Regional Economic Integration**

The West African sub-region is home to an innumerable number of cross-national organisations that, nominally at least, are interested in the promotion of one aspect or the other of regional co-operation. Only one organisation, ECOWAS, exists with membership that cuts across the linguistic divide in the area. This, by itself, is not necessarily a bad thing. What is worrying for most observers is the existence of parallel organisations that, in many cases, are linguistically exclusive, compete with ECOWAS, and duplicate its functions. Perhaps the most prominent of these is the Francophone Communauté Economique des Etats de l'Afrique de l'Ouest (CEAO) which was set up soon after the founding of ECOWAS. The Union Economique et Monetaire Ouest Africaine (UEMOA) formed in January 1994 also stands in direct competition to ECOWAS at a time when the latter's persistent funding difficulties continue unabated. West Africa is therefore suffused with regional integration projects that do little co-ordination among themselves and whose record of achievement leaves much room for improvement.

Yet, functional organisations which could carry out specific tasks, though numerous, have also been plagued with operational and financial difficulties. We have already cited the experience of CILSS and the problems it has encountered in carrying out its desert control tasks. The problems of the West African Clearing House (WACH) set up by the central banks of the sub-region are even worse; most countries simply do not use its services and thus, its goal of promoting greater formal regional commercial and financial interaction have been frustrated. Several other examples can be cited of stalled, failed, or moribund efforts at functional co-operation. It would seem, therefore, that the sub-region is lost between functionalism and integration. Neither functionalism nor integration has been able to attract sufficient political/policy commitment (and finance) to make a difference in the levels of co-operation among the countries of the sub-region. The two are, of course, not necessarily incompatible; policy makers and donors will however have to decide which area to give greater priority in order to improve the livelihood chances of the majority of the people of the sub-region.

### **Sub-Regional Infrastructural Facilities**

The development of infrastructural facilities in West Africa with a view to facilitating transport and communication in the sub-region has been one of the cardinal objectives of ECOWAS since its founding in 1975. In this regard, a great deal of emphasis was placed on the development of a trans-ECOWAS highway project from Lagos to Nouakchot and the promotion of a cross-country telecommunications system to ease contacts among the peoples of the sub-region. The record of achievement as far as the road project is concerned is highly uneven, with some sectors quite good and motorable all year round and others still undeveloped and only properly motorable during the dry season. The same is true for the telecommunications project where the goals achieved have been extremely modest. Although the days are gone when users of telephone services in Anglophone and Francophone Africa wishing to reach themselves had to go through exchanges in Paris and London, direct contact remains extremely tedious and is highly inefficient. Part of the reason for this is the slowness of the optic fibre telecommunication

project approved by the leaders of the region to come on stream. Like the trans-ECOWAS highway, it has been stalled by severe financial difficulties. Both the highway and telecommunications projects are two areas where some donor support might be helpful; already, the African Development Bank has taken an active interest in the projects.

### **Sub-Regional Peace-Keeping**

Following the onset of the Liberian civil war in the early 1990s, attempts were made to give teeth to ECOWAS' security and defence pact in order to stem the slide into anarchy in that country. The issue was however a highly divisive one since several countries, especially those supporting Charles Taylor, were suspicious of Nigeria's intentions given that it had been openly partisan in support of the dictatorship of Samuel Doe. The Nigeria-led ECOWAS Monitoring Group (ECOMOG) which was eventually formed to serve as a peace-keeping force in Liberia was controversial from the outset, outrightly opposed by Cote D'Ivoire, Burkina Faso and several other Francophone countries. This fact, and the indiscipline of the ECOMOG force, contributed a great deal to the prolongation of the intervention and raised questions about the efficacy of the initiative. Although ECOMOG was hailed as a major initiative at regional peace-keeping and conflict resolution, the numerous difficulties which it encountered – military, politico-diplomatic, and financial – make it extremely difficult to imagine if it could ever be replicated should a similar systemic breakdown as was experienced in Liberia happen again in the sub-region. ECOMOG will seem to have been a one-off ad hoc arrangement whose numerous problems will make it hard for it to form the kernel of a standing sub-regional peace-keeping and conflict resolution framework.

### **Organising West African Women for Development and Equality**

Most West African communities are heavily patriarchal in orientation. Even in "matrilineal" Ghana, women are generally subordinated to men and bear a disproportionate part of the burden for reproducing society. In a bid to strengthen the prospects for greater equality for women in the development process, various womens' organisations from Anglophone and Francophone West Africa came together to found the West African Womens' Association (AFAO-WAWA) as the latest in a series of efforts at organising women in the sub-region for the collective promotion and defence of their interests. Its work is an admixture of advocacy, awareness-building, and project support (especially of the income-generating type relevant to women). It encourages all womens' associations at the national and domestic level to work with it and, in this respect, is basically aiming to be an umbrella organisation. Its success will depend on its ability to establish itself as a credible body worth supporting by West African women and interested donors. Certainly, its interest in promoting womens' income-generating activities fits in well with numerous projects promoted by local groups and NGOs in various countries aimed at achieving the same objective.

### **The Widening Frontiers of Informalisation**

Perhaps more than other parts of sub-Saharan Africa, West Africa is an area where informal economic activities are most widespread. These activities span virtually all economic sectors and cover both domestic retailing and cross-border trading activities. Informal sector operations are evident in the financial sector through the activities of parallel market currency dealers, local-level money lenders, and community-based savings clubs; informal production structures mostly take the form of cottage-type manufacturing. But it is in the commercial sector, and the financial processes associated with it, that informal sector structures and processes have been most fully developed. Women play a very prominent role in informal commercial operations not just as retailers at the domestic level but also in the transborder transactions that have been booming over the years. Indeed, so central are women to West Africa's informal trade that many myths have been developed about the ubiquitous West African "market mummies" and the vast resources which they control. Yet, not all of the women have managed to

transform their informal sector activities into sites of accumulation; a majority remain at the level of subsistence in a market characterised by very intense competition and serving low income households. As of the end of 1990, it is reckoned that about 40% of the entire population of West Africa was involved in informal sector activities of one kind or another.

Much of the inter-state trade in West Africa is accounted for by the informal sector. Indeed, while formal commercial exchanges between the countries of the area amounts to just over 5% of their total exports, informal sector flows are way more significant and are increasing. Small-scale traders shift resources from places as far apart as Nigeria and Senegal in West Africa and Nigeria and Niger in Central Africa in their search for markets; they were aided in this by the free convertibility of the Francophone CFA Franc. The suspension in August, 1993 of the CFA Franc's convertibility outside of the West and Central African zones did not however deter the informal sector operatives. Most observers/commentators seem to share the view that informal sector commercial flows are destined to inherit a greater share of sub-regional trade in spite (perhaps even because) of the many obstacles that stand in the way of formal trade flows. This way, it is expected that the economies of the countries of the sub-region will get increasingly integrated even if formal regional co-operation efforts such as those represented by ECOWAS continue to be plagued by problems or come to grief.

The commodities which are traded by the informal sector operatives across boundaries consist of imports which are brought in from Europe, North America, and the Far East into one or more of the countries in the area and then re-exported to other parts of the sub-region. Benin Republic is, by far, one of the most important re-export centres in West Africa although Niger and Senegal are also significant players in this regard. The former colonial powers in West Africa, especially Britain and France, remain the main trading partners of the countries of the sub-region; they are also the leading sources of foreign investment in the area. However, commodities produced by locally-established factories in various West African countries are also widely circulated by the informal sector operatives. Nigeria, Cote D'Ivoire, and, to a lesser extent, Ghana and Senegal are the main centres of industrial production in the region. The region's industrial sector is dominated by light, consumer goods production activities; intermediate and capital goods production are much more underdeveloped, especially the latter. Little wonder then that the importation of technological goods features in the import profile of the countries of the sub-region.

### **Civil Society**

One final issue which we would like to raise here relates to the nature of civil society in West Africa. At one level, given the early entry of the region into anti-colonial nationalism and radical as well as moderate forms of pan-Africanism, several West African countries were home to a host of civil society associations, including youth organisations like the West African Students' Union (WASU), which served as platforms, in the post-1945 period, for agitations for an end to colonial rule. The rapid spread of Western education in the region acted as a catalyst in the formation and proliferation of civil society organizations like the professional associations of lawyers, doctors, journalists, and teachers. The development of the colonial economy itself spawned a number of local interest groups associated with the emergence and spread of capitalist relations. Perhaps the most prominent of them were the trade unions of workers, the associations of farmers set up to promote their case for better prices, and the chambers of commerce that brought various categories of business people together. Added to these are the innumerable town/community development associations/unions for which West Africa, especially its Anglophone component is famed. These associations/unions, though set up to serve a developmental purpose fed into the process of the "thickening" of West African civil society as did the establishment, by the "educated elite"/*les assimilés*, of independent newspapers.

### 3 MAKING SENSE OF WEST AFRICA'S FUTURE PROSPECTS IN THE LITERATURE: THE PESSIMISTS VERSUS THE OPTIMISTS

In seeking to come to terms with the West African scene in all of its complexity and variety, scholars engaged in overview analyses of a retrospective/prospective kind have tended to fall into two broad categories. The first category, typified by the work of Robert Kaplan entitled "The Coming Anarchy" and published in 1994 in the *Atlantic Journal*, is an extremely pessimistic one which sees only an Armageddon awaiting the countries and peoples of West Africa on account of trends in the political economy of the sub-region. According to Kaplan, prolonged economic crisis, widespread social fragmentation, including the widening of the gulf between the rich and the poor, collapsing public institutions, worsening problems of corruption and lack of public accountability, increasingly illegitimate states, and rising ethnic, regionalist, and religious identities, especially Islamic religious identities, have combined to pose direct threats to political order and stability in the sub-region. The absence of any mitigating factors suggests that the area is headed for a major anarchy which can only be prevented through some form of external intervention. Already, several parts of the West African sub-region are enmeshed in civil conflicts; those places where systematic breakdown has not occurred are time bombs waiting to explode. Cronyism, drug peddling, prostitution, urban squalor, gangsterism, widespread and worsening poverty, and a range of illicit transactions have eaten deep into the fabric of society and refracted themselves into public institutions as to render them completely ineffective.

According to Kaplan, the West African sub-region is witnessing:

The withering away of central governments, the rise of tribal and regional domains, the unchecked spread of disease, and the growing pervasiveness of war.

He goes further to contend that:

West Africa is reverting to the Africa of the Victorian atlas. It consists now of a series of coastal trading posts, such as Freetown and Conakry, and an interior that, owing to violence and volatility, is again becoming as Graham Greene once observed, "blank" and "unexplored".

In direct and complete contrast to the extreme pessimism of the school represented by Kaplan is the strong optimism projected by the studies undertaken under the direction of Jean-Marie Cour and Brahm Mahamane for the Club du Sahel. Anchored on the assumption that the rapid growth and re-distribution of population is West Africa's most restrictive yet dynamic characteristic, Cour, Mahamane and their colleagues attempted to show, through retrospective and prospective analyses, how the mobility of West Africa's energetic population has brought about massive structural changes in the economy and society, including settlement patterns. The capacity of the peoples of the sub-region to quickly adapt themselves to changing circumstances and in so doing to improvise and innovate has been central to their efforts at improving their livelihood chances. As they point out, "In a situation of rapid population growth, West Africans have striven with great vigour and individualism to improve their living conditions". As a consequence of the high mobility of the population of the sub-region, mobility which includes cross-border flows of peoples, the pace of urbanisation and of the economic processes, industrial and agricultural, associated with it have accelerated. In the towns to which most migrants settle, "citizens have invested savings and labour to make their surroundings acceptable". Furthermore, "... they have created jobs to absorb the uninterrupted influx of migrants. ...Farmers, for their part, have moved closer to population centres where their products find more reliable outlets than in areas of more scattered settlement".



Cour, Mahamane and their collaborators note that for the foreseeable future, there can be no doubt that exceptional levels of population growth and exposure to the world market will continue to exert a direct influence on the countries of the sub-region. These twin factors will further the trend of southward shift of West Africa's population towards the coast, accelerate the market orientation of farming and, in so doing, ensure some degree of food security, improve the capacity of the peoples to meet their requirements for goods and services, and make social and economic competition the norm in the sub-region. All together, West Africa is poised for massive structural change and the outlook, from a demo-economic perspective, is not one that gives cause for negative concern given the record of flexibility and adaptability of the peoples of the area. The international community can assist this process of structural transformation by making available long-term financing in the context of a long-term partnership and a sharp reduction in the level of donor involvement in the definition of national policy objectives. As to the countries of West Africa themselves, they would do well to maintain and even extend their policy of free movement of people within the broader framework of sub-regional co-operation as this will be beneficial to their quest for economic development, especially with regard to the expansion of regional markets.

#### **4 ALTERNATIVE FUTURES FOR WEST AFRICA TO 2015**

The projections for West Africa produced by the two dominant schools in the on-going discourse about the future of the sub-region raise a lot of questions. Kaplan's analysis has been severely criticised as much for what some commentators see as its underlying racist undertone as for its thinly disguised invitation for the re-colonisation of the sub-region. We would add that his extreme pessimism assumes that events can only follow one downward course as if there are no actors or actresses within (and outside) the sub-region with an objective and subjective interest in reversing the trend of economic decline and social fragmentation and, in so doing, turning the table of underdevelopment and authoritarian governance. As to the works of Cour, Mahamane and their colleagues, the main weakness of their optimistic projection is that it is overwhelming based on a one-sided confidence on the positive outcomes that will be associated with rapid population growth and migration and exposure to the world market. Surely, an incapacity to adequately manage the socio-economic and political stimuli which population growth and flows might trigger cannot be ruled out of any scenario that is anchored on demography. But it is precisely this which Cour and his colleagues do.

So what future awaits West Africa in the years ahead? On the whole, it would seem that the options before the countries of the sub-region will centre around a straight choice between a greater effort at promoting regional co-operation or persisting with individual national efforts with little or no cross-country co-ordination. Most West African policy makers are aware of the similarity of the problems that confront their countries; they are equally aware that they have to take dialogue with one another more seriously. Yet the impediments that stand in their way are many, not least among them the French factor and Nigeria's lingering crisis of governance as well as the political difficulties in several other West African countries. This question is taken up more fully in the appendix to this report. On the evidence that is available presently though, it seems likely that most countries will continue to try to develop individual national strategies whilst paying comparatively smaller attention to regional integration. Perhaps the best that can be hoped for is that the governments will be inclined to integrate some regional perspective into their national strategies. Most of the governments themselves will have more than their fair share of internal political problems to worry about in the years ahead and since politics dictates a lot of what happens in the area, it can be expected that a great deal of policy attention and political energy will be devoted to managing domestic affairs. Unfortunately, popular, civil-society pressures for concerted regional co-operation remain underdeveloped in West Africa; the continuing economic crisis in the area will also limit the scope for functional forms of co-operation. The expansion of cross-border informal sector exchanges will however ensure that the boundaries of interaction among the peoples of the sub-region are widened.

In sum, it would seem that the future of the sub-region will lie somewhere in between the extremely pessimism of Kaplan and the wild optimism of Cour and his associates. Several factors, including the performance of the economy, the quality of governance, the capacity of civil society to organise and assert itself, the outcome of Nigeria's deepening crisis of governance, and the long-term global strategy of France, could act to sway the balance more in one direction rather than the other. The remarkable adaptability and innovativeness of the people in difficult circumstances, including their capacity to devise multiple livelihood strategies and popular alternative forms of provisioning, should however mean that many will manage to live at or just above subsistence in spite of all indicators that point to a continuing crisis in the formal economy. It is such resilience and adaptability that explain why the sub-region has not previously been engulfed in widespread, all-encompassing anarchy and although these attributes should not be taken for granted, they probably will still ensure that the countries somehow manage to keep ticking on. Such is the centrality of West Africa's human resources to its survival and future prospects. The creative harnessing of these resources should help ultimately to rid the area of underdevelopment. Perhaps it is to the harnessing of these human resources that donor attention could be usefully focused in the years ahead.

Translating the foregoing into specific scenarios, we would suggest three possible alternative futures. The first, which is centred on demo-economic dynamics and the socio-political consequences that are likely to flow from them is one which assumes that the sub-region will witness a population explosion along the lines described by Cour and Mahamane in their studies. Unlike their overly optimistic projections however, we envision a scenario in which most governments are unable to develop the capacity and infrastructure to cope with the requirements of this massive population. We assume that this incapacity will be reinforced by the unwillingness of the governments to deepen the process of regional co-operation. But unlike Kaplan, we assume that this incapacity may not necessarily produce wholesale political anarchy and systemic breakdown. What we envisage under this scenario is a process where growing squalor will co-exist with small pockets of affluence, where violence may be rife but not sufficient to produce all-embracing anarchy, where patronage ties will feed into wider processes of socio-economic and political informalisation to produce norms that are supportive of a semblance of order, and where the pace of socio-economic informalisation will be accelerated. In short, this scenario anticipates a West Africa of very sharp contrasts, promising and depressing at once, simultaneously liveable and suffocating, marked by intense inter-personal and group competition for subsistence and "primitive" accumulation, characterised by micro-level violence and macro-level authoritarianism but not complete systemic breakdown, and underpinned by patronage ties that tend to reinforce an existing political status quo. It is not a scenario that gives much to cheer but it also does not warrant the apocalyptic vision of Kaplan.

The second scenario is one in which the countries of the West African sub-region, responding to the changing face of the international political economy and global geo-politics, increase their commitment to regional co-operation and integration even as France broadly maintains its engagement with the countries of the sub-region side by side with its growing commitment to European integration. This is a scenario which assumes that the French factor in West African affairs will continue to be very significant into the next century but that it is one which might develop in co-habitation with a regional co-operation and integration process with which Paris and the Francophone countries of the sub-region are comfortable. This scenario is made plausible by the deepening commercial ties between Nigeria and France, ties which are also helping to strengthen the political links between both countries. An accommodation between Nigeria and France which also offers the possibility of a leading role in any integration process to Cote d'Ivoire, Ghana, and Senegal may well help to give regional co-operation in the sub-region a boost. This could occur as part of the renewed interest, officially promoted by the Organisation of African Unity and the Economic Commission for Africa, in a continental economic union towards the end of the first quarter of the next century. Certainly, while it will not solve all of the developmental problems that confront the countries and peoples of the area, increased co-operation will

help to enhance the capacity of the governments of West Africa to deal with the myriad of problems that they will encounter in the years ahead. This is the most optimistic scenario which we can think of; it may not however be the most realistic.

The third and final scenario is based on Nigeria and its prospects over the medium term. Given its centrality to the socio-economic and political affairs of the sub-region, there is a sense in which it can be argued that West Africa's destiny is closely tied to Nigeria's. A Nigeria that functions optimally is one that is more than likely to act as a major source of stimulus for all of the sub-region. Conversely, a Nigeria that continues to under-perform its potential and promise is one which is likely to be a bad example for the countries of West Africa and even serve as a source of disruption in the quest for rapid sub-regional transformation. A Nigeria which disintegrates, which is also a distinct possibility, will certainly spell disaster for West Africa, causing serious humanitarian problems that will probably surpass anything seen in Africa to date. On present evidence, it would seem that Nigeria might continue to wobble along, characterised by acute political instability and violence and economic policy volatility but never totally disintegrating. The popular will for democratic reforms is very strong in Nigeria; the will for secession and national disintegration is not, at least for now. The outlook then is of a Nigeria mired in deep crisis, in which the government will remain locked in a struggle with the opposition, with the country not inspiring change in West Africa, and remaining a source of negative influences in the sub-region even as the internal and international campaign for political and economic reforms intensify.

## **APPENDIX: NIGERIA IN THE WEST AFRICAN SUB-REGION**

*by Adebayo O. Olukoshi*

### **1 INTRODUCTION**

There has, of recent, emerged a renewed interest in the economic, political, and military-security role which Nigeria could play in the West African sub-region. This renewed interest is the product of a confluence of factors which have served to underline the fact that, for better or for worse, Nigeria's role in West African sub-regional affairs can neither be ignored nor underplayed. Of these factors, two are particularly important. The first has to do with the events in Liberia during the second half of the 1980s which culminated in the slide by that country into a civil war and in the formation of a Nigeria-dominated West African intervention force, ECOMOG, that had as its stated but disputed goal, the restoration of order in the sub-region's oldest republic. The Liberian crisis and Nigeria's role in it generated considerable interest - and controversy on the country's political and military-security capabilities and aspirations in the West African sub-region. There was no West African capital that did not have to tackle, one way or another, the issue of how to respond to Nigeria's role in ECOMOG and in Liberia during the course of the late 1980s and early 1990s.

The second factor that helped to concentrate interest afresh in the actual and potential role of Nigeria in West Africa centred around the devaluation of the Francophone West African Franc (the FCFA) in January 1994 and the possibilities which some in Nigeria, Francophone Africa, and Europe felt that the development opened for stronger sub-regional co-operation in West Africa. One of the most widely discussed possibilities, and one which was premised on highly controversial grounds, centred on the perception that the 50 per cent devaluation of the FCFA from its parity of 50 to the French Franc (FF) to 100 to the FF, symbolized the beginning of the end of the "special" ties that link France to its former African colonies as Europe marches, however unevenly, towards a single market, currency, and even political union. The devaluation of the FCFA was not, in this view, merely an economic action but also a political one, laden with historical symbolism. Taking place as it did in the context of the end of the Cold War, the attempts at speeding up the pace of European integration, and the diversification of French economic interests beyond the Francophonie, the devaluation exercise signalled the beginning of the end of an era in France's Africa policy and enhanced the chance for Nigeria to play an effective leadership role in the West African sub-region.

Within Nigeria itself, not a few commentators took the view that the FCFA's devaluation, insofar as it was thought to signal the beginning of the end of France's "excessive" neo-colonial influence over the African Francophonie, would enhance the prospects for greater West African regional co-operation and integration, a cardinal element of Nigeria's post-civil war foreign policy which successive governments have sought to realize through the Economic Community of West African States (ECOWAS). This perception within Nigeria, disputed by critics on a host of grounds, was reinforced by increasing opinion, especially in intellectual circles in Francophone West Africa, that the time had come for Nigeria to play a more direct and effective role in pushing through the objectives of regional co-operation and integration given what they considered to be France's waning interest in their countries. For these Francophone West African intellectuals and technocrats, the only thing that appeared seriously to stand in the way of the realization of this objective is the "Nigerian problem." This "Nigerian problem" has been variously defined as a problem of the will, a problem of domestic political and economic instability, a problem of bad governance and corruption, or a problem of policy inconsistency that has failed to sufficiently assuage

the fears of the country's smaller neighbours that they might be dominated and subordinated in an integrated West African economic and political space.

My concern in this essay is to critically assess, in an overview manner, Nigeria's role in the West African sub-region with a view to underlining the case for greater policy co-ordination among the countries in support of the quest for closer economic co-operation and integration. In doing this, I argue the position that what has often been referred to as the "Nigerian problem" is, in fact, a generalized and/or generalizable West African problem which can only be effectively resolved through a sub-regional rather than a narrow national or bloc perspective. This calls for nothing less than the total revision of the paradigms within which previous discussion of West Africa's problems have been undertaken and although Nigeria might take a lead in this direction, the governments and peoples of the sub-region have to work towards a *partnership* for stemming the increasing political, economic, and social disarray in the area.

## 2 NIGERIA'S DEMO-ECONOMIC POSITION IN THE WEST AFRICAN SUB-REGION

Nigeria is, by far, the most populous country in Africa generally and West Africa in particular. With a population of some 90 million people, Nigeria dwarfs every other West African country in demographic size. Almost one out of every two West African is a Nigerian living within the boundaries of the country. In many countries of the sub-region, in places as far apart as Benin Republic and Senegal, the number of Nigerian residents is quite significant, especially in the main urban/business centres and the trend in the last few years suggests an increase in the number of Nigerians settling in other West African countries. With a growth rate of about 3 per cent per annum, it is clear that Nigeria will maintain its demographic advantage and pre-eminence in the sub-region for the foreseeable future. This sheer demographic weight and the economic potentialities which go with it, especially in terms of actual and potential market size and depth, means that, relatively, Nigeria exerts far more influence on its neighbours than they do on it. Many are the West African policy makers who have to watch economic and political developments in Nigeria closely as they often carry far-reaching positive and negative economic consequences for the other countries even though the physical presence of Nigerian economic agents in the countries of the sub-region is mainly in the form of informal sector operators.

With West Africa's most urbanized population (some 56 per cent of Nigerians live in towns) and also the sub-region's most mobile people, Nigeria's influence on the sub-region's other countries also extends to the socio-cultural realm. Having about 40 federal and state universities, a similar number of polytechnics/colleges of technology, and colleges of education, some 80 daily and weekly newspapers, tabloids, and magazines, about 40 radio stations and another 40 television houses, Nigeria's socio-cultural output far exceeds those of its sub-regional neighbours. This socio-cultural dimension is strengthened by the overwhelming role which Nigerian informal sector traders, especially of the cross-border type, play in the largely unrecorded or insufficiently documented commerce in the sub-region.

But even beyond the informal sector, the formal Nigerian economy, in terms of its sheer size, dwarfs the economies of most other West African countries. With an official gross domestic product (GDP) of about \$30 billion in 1988 (amounting to about half of the total GDP of all West African states put together), an industrial sector that is by far the largest and most diversified, with some 5,500 formally registered manufacturing concerns of which about 90 consist of textile mills employing nearly 100,000 workers, an import capacity that at one point during the oil boom years of the 1970s topped \$12 billion annually, export receipts which, also during the oil boom of the 1970s averaged about \$10 billion annually, an infrastructural base, including seaports, airports, road and rail networks, that is the most extensive in the

sub-region, an agricultural sector which though has been a victim of the many misdirected agrarian policies applied by successive governments since independence in 1960, remains central to the food security strategies of many countries, and a labour force that is both the largest and among the most skilled in the area, Nigeria occupies the position of an economic giant of some sort in West Africa. Its financial sector includes over 100 merchant and commercial banks (a couple of which maintain branches/subsidiaries in the Francophone states that are in the country's immediate neighbourhood), and a stock market which is the most capitalised in the sub-region and which has some three million individual and institutional shareholders. Indeed, so significant is the Nigerian economic factor that one can talk, rightly, of a Nigeria-dominated "economic space" in West and Central Africa.

Reinforcing Nigeria's economic weight in the West African sub-region is the factor of crude oil which the country produces and exports on a massive scale. With most West and Central African states being energy-deficit countries, Nigeria's position as Africa's biggest oil producer and exporter acquires an added significance which has boosted the expansion of the country's "economic space" in West and Central Africa. Mostly flowing to neighbouring countries through informal channels, Nigerian petroleum products are central to the satisfaction of the energy needs of many West African economies. Furthermore, the hydroelectric power generated in Nigeria is the biggest in West Africa and the country supplies some of the electric energy needs of a few of its immediate neighbours. Taken together with the fact that the country also has the biggest energy reserves in the sub-region, including more recently, huge gas reserves that are beginning to be harnessed, it is clear that Nigeria's economic weight in the sub-region as well as its economic policy direction cannot be taken too lightly, by many of the countries of West Africa. Partly on account of this economic weight, including its market size and potentials, Nigeria has in the course of the 1980s and 1990s become a major recipient of direct and portfolio investments from France, Germany, Holland and Asia. It has been suggested that by the early 1990s, France's investments in Nigeria had gradually begun to outstrip its combined investments in all of Francophone West Africa.

At the politico-military level, Nigeria also exerts a great deal of influence that cannot be ignored completely by other actors in the sub-region. Part of this politico-military influence is tied to the country's demo-economic weight which can be deployed to advantage. It is, however, also linked to the fact that the Nigerian army, with some 75,000 officers and men, is the largest in the sub-region, with the most sophisticated arsenal of weapons, and the greatest reach on land, at sea and in the air. This military advantage was reinforced first by the Nigerian civil war and the heavy weapons procurement programme which it generated and then by the oil revenue boom of the 1970s which enabled the federal state to finance the purchase of additional, generally more sophisticated equipment and material. Certainly, in terms of all the conventional economic, military and geo-strategic factors on the basis of which the power endowments of countries are calculated, Nigeria practically towers above all the other countries of West and Central Africa. Conscious of this, successive Nigerian governments have been keen to promote policies centring around the principles of non-interference in the domestic affairs of other countries in the sub-region and good neighbourliness in the conduct of bilateral and multilateral relations.

### **3 DEFINING NIGERIA'S ROLE IN THE WEST AFRICAN SUB-REGION**

It is necessary at this stage to underline the fact that for all the demo-economic weight and politico-military advantage which Nigeria has in West Africa, the actual performance of the country when measured against its potentials both domestically and in terms of its sub-regional involvement leaves much to be desired. There are many important respects in which the country's actual performance both at home and in the West African sub-region falls well below its potentialities. This is true even if Nigeria, in spite of all of its difficulties, has managed to retain a lead over its sub-regional neighbours in most socio-economic spheres as brought out by some of the evidence we pointed to in the preceding section of this

essay. This deficit between reality and potentiality at home and in the West African sub-region more generally, has dogged Nigeria since its independence in October 1960, a fact which led one of the West African sub-region's foremost nationalists, Kwame Nkrumah, to polemicize that the country is like a giant of an elephant that finds it difficult to lift itself on account of its clay footedness. Nkrumah's view has been echoed and carried forward by many within and outside Nigeria frustrated that such a hugely endowed country with a capacity to transform the West Africa socio-economic and political space has repeatedly failed to properly harness all or most of its potentials for the benefit of its peoples and the peoples of West Africa.

Thus, although Nigeria may tower above many a West African state in several socio-economic spheres, neither its domestic record nor its regional achievement are at an optimal level. Indeed, as far as the latter is concerned, there is a big gap between Nigeria's potentials and its actual involvement in the economies of West Africa. For example, Nigerian direct and portfolio investments in the West African sub-region, even in the energy sector (petroleum and gas especially) where it enjoys vast advantages, remain insignificant. Informal processes and networks, as distinct from formal processes and structures have been the defining element of much of the Nigerian commercial presence in the rest of West Africa and although these cannot be dismissed as totally insignificant, they have not been sufficient as a basis on which to build a sustainable sub-regional policy for the country. Indeed, the total volume of Nigeria's external trade with the countries of West Africa, including informal commercial transactions, remains quite low especially when measured against what it can be.

Many explanations have been proffered for the failure of Nigeria to realize its full potentials for the benefit of both itself, and the peoples of West Africa but in our view, two are particularly salient, namely the failure of domestic economic policy and a deepening crisis of domestic governance. These two factors have played themselves out in the context of an enduring French economic and geo-political/military interest in the West African sub-region, the recent devaluation of the FCFA notwithstanding. Regarding domestic economic policy, the consequences of poor policy articulation and implementation have combined with the expansion of opportunities for corrupt enrichment and the diminution of a clear public purpose to ensure that the country has generally underperformed its potentials. No where is this most dramatically brought out than in the area of the *per capita* income of Nigerians which, inspite of the vast wealth of the country, has fallen precipitously from over \$1,000 a year during the 1970s to less than \$300 a year during the 1990s. The policy and managerial failure that underlies this sharp decline in the fortunes of Nigerians is reflective of the overall structural malaise that has afflicted the organisation and management of the economy since the 1960s. To be sure, externalities such as diminishing terms of trade for agricultural commodity exports have served to exacerbate the crisis of domestic economic policy formation and implementation but without doubt, it is in the domestic arena itself that the main explanation for the country's many missed opportunities to turn the table of underdevelopment rests.

As to the crisis of governance which has continued to afflict the country with increasingly alarming consequences, this problem is a function of the multiple pluralism of Nigeria and of the failure of the country's leaders to devise a relatively stable and equitable formula for managing this multiple pluralism. As a consequence, Nigeria has a record as one of the most unstable countries in the West African sub-region with a high level of regime turnover which in most cases involves unconstitutional, atimes extremely bloody change. Of the nine post-independence governments that have been set up in the country, only two have been based on the electoral mandate of the people. Military rule has been the norm, and civilian rule the exception in Nigeria's post-colonial political experience. What is more, the quality of governance and leadership provided by a succession of military rulers has left much to be desired, deteriorating so much that in many cases, accountability and transparency have been thrown overboard and the country led to the brink of the political precipice. Thus, the country has failed repeatedly to tap the democratic vitality in what is one of Africa's most vibrant civil societies to full advantage. The failure of

democratic political processes and institutions to sink roots has been the result. As far as it concerns the rest of West Africa, one implication of this deepening crisis of governance centres around the fact that, its foreign policy commitment to ECOWAS notwithstanding, Nigeria's policy-making energies have focused more on managing domestic political problems and less on addressing regional socio-economic and political concerns.

Nigeria's deep-seated economic and political problems have been with it since it attained independence in 1960 but they have probably never been more acute than in the period since the early 1980s. Although these problems have weighed the country down in many respects, they have not fully obviated the objective reality of Nigeria's place as a giant in West Africa. While this giant, on account of major domestic problems has failed to serve as an example for the other countries of the sub-region, it nevertheless still has a presence which cannot be ignored. It is this dilemma posed by a Nigeria which is at once both a potential source of positive energy and a potential factor for stagnation that has been described by commentators as the "Nigerian problem." But to the extent that this problem, willy-nilly, has implications for other West African countries, to that extent, it is also, at the very least, a West African problem whose resolution might profit from a sub-regional approach. Moreover, none of the other countries that make up the West African sub-region are necessarily or qualitatively better governed than Nigeria; to a greater or lesser extent, they are all afflicted by crises of economic policy formulation and implementation and of governance. Thus, the West African belt as a whole is one characterized by a series of political and economic policy disarticulation, with the Nigerian case being the most prominent and consequential but by no means the most exceptional one. The lack of any semblance of economic policy harmonization in the sub-region has not helped matters much.

Complicating the picture of how West African countries might attempt to tackle their problems on a sub-regional basis is the presence of other non-regional actors with extensive interests or medium- to long-term strategic objectives in the sub-region. Of these actors, France, Britain, and America are particularly prominent. For the purposes of our discussion in this paper however, we shall concentrate only on France since there has been a lively discussion in the literature on its role *vis-a-vis* that of Nigeria in the quest for West Africa regional co-operation and integration. In this regard, two views predominate in the literature on the role of France in West Africa. The first rests on the conviction that for as long as France enjoys a position of pre-eminence in Francophone West Africa's domestic economic and political processes and structures, for so long will the goal of regional co-operation and integration elude the countries of the area. In this perception, Nigeria's interests are considered to be irreconcilably opposed to those of France in West Africa. However, this position is one which, in our view, is significantly tempered by the fact that during the 1980s and 1990s, France emerged as the key source of foreign investments, direct and portfolio, to be watched as business people from that country expanded their stake in Nigeria by leaps and bounds. Surely, the massive expansion of France's economic interests and, therefore, political stake in Nigeria are bound sooner or later, to have implications for the ways both countries conduct their policies in West Africa.

The second major view that exists in the literature on France's role in West Africa is one which basically sees Paris as playing a "father christmas" role in the Francophone countries, a "benevolence" which it can no longer sustain on account of its own domestic economic problems, the increasing priority of European economic integration and political union, and the ever-rising but increasingly intolerable costs borne by the French treasury in its quest to prop up the Francophone states. Given this situation, some of the scholars who have argued this position take the view that as France, will-nilly, re-defines its domestic and global priorities, Nigeria could be encouraged to take on a more active leadership role in West Africa that might guarantee economic and political order in the sub-region. It seems, however, that like the first view, this second position can only offer us a partial, limited insight into the process of change that is underway in West Africa. For one, it overstates French "benevolence" to Francophone West Africa, underplays the



important fact of the calculation of naked self-interest by Paris in its dealings with its "allies" in the sub-region and ignores the costs to the West African Francophonie of the years of "special" association with France. For another, it does not offer a sufficiently creative response to the question of just how the extensive French interests in West Africa will be managed in the context of the policy shift which is supposed, in this view, to be taking place in Paris. It is as if the potential for a clash of interests between Nigeria and France counts for nothing. Worse still, it is as if the Francophone countries are themselves only pawns in a power game, available to be transferred at will from one "benevolence" to another without any problem. Surely, this perception cannot serve as a credible basis for the construction of a sub-regional *entente* that is collaborative as opposed to being domineering.

It seems to me that in the light of all of the foregoing, there is a strong and urgent need for a new paradigm in the quest for greater sub-regional co-operation in West Africa either as part of a more long-term vision of integration or merely for the purposes of exploiting policy synergies to maximum advantage. There is little disagreement that policy co-ordination among West African governments, especially at the level of the economic, will be beneficial to all of the countries of the sub-region. The issue that has been in contention is just how this process of harmonization can be given substance, and moved beyond the realm of the rhetorical. In our view the difficulties that have prevented this process of harmonization from developing go well beyond the issue of the will of West African leaders - the will itself begs too many questions. Rather, they are reflective of the entrenched structures of dichotomization, conditioned by the history of colonialism, between Francophone and Anglophone Africa which now need to be dismantled for the benefit of the peoples of the sub-region. This dichotomization is becoming increasingly outdated and irrelevant and the sooner it is jettisoned, the better for the sub-region.

## 5 CONCLUDING REMARKS: TOWARDS A NEW WEST AFRICAN *ENTENTE*

In order for West Africa to realize its full potential, there is no doubt that Nigeria will have to function properly at home so that the energies of its peoples can be properly harnessed to provide an appropriate catalytic boost for the sub-region. But the quest for a West Africa that is able more effectively to tackle its political, social, and economic problems is not a task which Nigeria can or should undertake alone. Rather, what is called for is a *partnership*, a new *entente* of some sort which requires of all West African countries a commitment to agreed sub-regional objectives. In order for this to happen, all West African states and their citizenry have to see themselves as having a direct stake in the West African project of regional co-operation and integration. At one level, this will involve a radical departure from the present top-bottom approach to co-operation and integration that fails to carry the citizenry in each country along in the vision which leaders may have for the region. At another level, it implies that the peoples of West Africa themselves will have to take on a more activist role in the quest for greater sub-regional co-operation and integration. History has shown clearly that it is popular interest on the part of the citizenry that can sustain any project of integration over the long-term; governments may attempt to push the project but it is only people who can sustain it.

The new paradigm for pursuing the goal of greater West African co-operation and integration which we are calling for will require some far-reaching philosophical re-think of the foundations, objectives, and strategies of greater sub-regional interaction and engagement. Out of this re-appraisal should emerge a host of practical measures which not only embrace government-to-government co-operation but also people-to-people links. As far as the latter is concerned, deliberate incentive measures could be articulated to promote and invigorate the development of cross-border associational life, cross-national cultural projects, especially those with a potential for reducing the linguistic barriers in the sub-region, multi-national centres of research and study mandated specifically to address sub-regional concerns, cross-border private sector socio-economic initiatives, and a West Africa-wide programme of student and

youth exchanges, among many others. Some of these measures could be deliberately developed as part of a wider objective of promoting national goals, such as national unity and integration, within a sub-regional framework. This way, it might be possible to harmonise domestic political or economic pre-occupations with broader regional aspirations.

Given the foregoing, it would seem that the immediate response of most Francophone West African states to the devaluation of the FCFA is one which leaves much to be desired. In March 1994 they created the Union Economique et Monetaire Ouest-Africaine (UEMOA) to replace the Communauté Economique de l'Afrique de l'Ouest (CEAO). This move clearly signified the continuing prevalence in many Francophone West African governmental circles of a go-it-alone attitude which will not be conducive to the goal of an all-embracing project of regional co-operation and integration. And although it may be true that ECOWAS which links the Anglophone, Lusophone and Francophone countries of the sub-region is plagued with many problems, this does not obviate the need for the dismantling of the barriers between the three blocs of countries. The formation of UEMOA does not assist the realization of this objective and to that extent cannot be a basis for a new paradigm for West African co-operation. The search for a fresh *entente* to serve as a basis for West African co-operation must therefore still continue and for Nigeria, this should be the challenge of UEMOA and of the lackluster record of ECOWAS.

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# TANZANIA AND POSSIBLE SCENARIOS FOR KENYA AND UGANDA

by

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## **1 INTRODUCTION – METHODOLOGY AND PREDICTIONS**

The study will through analyses of trends, structural features and processes of change attempt to identify scenarios of development in major areas in Tanzania and even in Kenya and Uganda during the next twenty years.

Such predictions for the future must necessarily be speculative. Some of the most important global and African events and trends could hardly have been predicted twenty years ago. Therefore a simple prolongation of historical developments is unlikely to accurately predict future events and development trends. This may be particularly so on a continent in which crisis, internal conflict, war and impoverishment have become increasingly entrenched during the last two decades. Of the countries in East Africa, Uganda was particularly negatively affected by the regime of Idi Amin during most of the 1970s and internal strife far into the 1980s.

After presenting some basic statistics which depict past trends and the present situation in the region, the study will subsequently try to analyse trends and areas that are seen to be of great importance for future developments in the region, and will discuss various scenarios in relation to these. The analysis will put major emphasis on the function of government and the role of the state as these issues are considered to be of particular importance for most other trends and areas of development. Towards the end of the paper an attempt will be made to link the discussion of economic reform with the issue of government.

## 2 REGIONAL BACKGROUND

All the countries of the region became independent from colonial rule in the early 1960s. Their combined population in 1960 was 25 million which in 1992 had increased to 72 million, thereby tripling in 32 years. In 1992 Tanzania's population was estimated at 28 million which with the current rate of increase would imply a doubling of the country's population by 2012. In Kenya, the population will have doubled in 2012 from 25.3 million in 1992. In Uganda, the population will have doubled in 2014 from 18.4 million in 1992. For the period 1992-2000 the average annual population growth rate is estimated to decline compared to the average rate for the period 1960-1992, for Kenya, from 3.5 to 3.3 per cent, and Uganda, from 3.3 to 2.8 per cent, while that of Tanzania is estimated to be stable at 3.2 per cent (UN/ECA 1995). While UN/ECA seems to have taken into account the impact of AIDS on population growth rates for Kenya and Uganda, this seems not to be the case for Tanzania. For Tanzania UN estimates that the average annual population growth rate for 1995-2000, when AIDS is taken into account will be 2.76 per cent compared to 3.0 per cent if AIDS is not taken into account (UN 1995:90). While the difference between a without- and with AIDS scenario in Tanzania is to lower the average annual growth rate with 0.24 per cent, this difference is much higher in Kenya, 0.33 per cent, and Uganda, 0.46 per cent (UN 1995:83 and 69, see also section 5).

Closely associated with population and population growth are the issues of migration and urbanisation. Estimates for sub-Saharan African urbanisation show that by 2020 approximately half of the region's population will live in urban areas. This trend is reflected also in East Africa where urban population as a percentage of total population in Tanzania increased from 6 to 31 per cent between 1970 and 1993 and in Kenya from 10 to 26 per cent during the same period. The comparable figures for Uganda are 8 and 12 per cent, indicating considerably less urbanisation in that country. However while annual average growth rates for urban areas are increasing in Uganda from 3.9 per cent (average for 1970-80) to 4.8 per cent (average for 1980-1993), they were declining for Tanzania, from 11 to 6.5 per cent, and for Kenya (from 8.1 to 7.0 per cent) for the same periods (World Development Report 1995).

The above trends for population growth and urbanisation in the region can only slowly be altered and hence they will be important factors in the development of the region into the next two decades.

The structure of the economy of the region's countries is different in the sense that Kenya has a more developed industrial sector than the others. While the percentage of GDP originating from agriculture dropped in Kenya from 33 percent in 1970 to 29 per cent in 1993 it increased in Tanzania from 41 to 56 per cent during the same period (World Development Report 1995). A comparison with Uganda is impossible due to the reign of Amin during the 1970s and internal unrest during most of the 1980s. The share of agriculture in GDP in Uganda 1993 was 53 per cent. While the Kenyan manufacturing sector contributed 12 per cent to GDP in 1970, this share had declined to 10 per cent by 1993, compared to a drop from 10 to 5 per cent in Tanzania over the same period. Uganda's manufacturing sector contributed 5 per cent to GDP in 1993, equal to that of Tanzania.

These figures have however to be seen in the light of the overall GDP which in USD amounted to 4 700 million in Kenya, 3 300 million in Uganda and 2 000 million in Tanzania in 1993 (World Development Report 1995:166). The figures relating to the economic structures of 1970 and 1993 indicate that a retrogression had taken place in Tanzania while Kenya had stagnated. Uganda was developing fast from the late 1980s mainly due to the return to normality after internal strife and the positive development in the world market prices of coffee.

Data for daily calorie supply (average for 1988-90) indicates that Tanzania has by far the best situation. Here per capita daily calorie supply amounted to 2 200 kcal representing 91 per cent of total requirements,

while the comparable figure for Kenya was 2 060 kcal and 86 per cent and for Uganda 2 180 kcal and 83 per cent (UN/ECA 1995:83). While the food import dependency rate had increased in Kenya from the late 1960s until the late 1980s, it had declined in Tanzania and Uganda. The two latter countries also received much less food aid than Kenya e.g. in 1992, when Kenya received food aid worth USD 69 million, Uganda received USD 14.8 million and Tanzania USD 6.6 million (UN/ECA 1995:83-4).

The above statistics indicate a dominant role for agriculture in the economies of Uganda and Tanzania. This is not only a reflection of a weak industrial sector, but also of the availability of land for cultivation. While a process of land individualisation has taken place in Kenya since the 1950s, the role of traditional and/or village based land tenure systems are still dominant in Tanzania and Uganda. This means that most land in Kenya has been individualised, a process which has created large numbers of landless people. Studies show however that areas of the country where the land market had been most efficient are also those where the highest degree of absentee ownership occurs (Green 1987). In Tanzania and Uganda, at least until now, most rural people have had access to land for cultivation for their own consumption and/or sale (World Bank 1995 Draft and Jamal 1995). This represents an important safety net and is a way for rural people to avoid abject poverty. The issue of land and natural resources for future development in the region will be addressed in sections 6 and 8.

The three countries all have similar features with regard to the existence of large groups of pastoral people alongside agriculturalists. This is most dominant in the case of Tanzania. The Masaai, Barbaig and other pastoralist groups in Kenya and Tanzania and the Acholi and the Langi tribes in Uganda graze their herds on large areas and are increasingly coming into conflict over land with agriculturalists who are encroaching on their land or with private or state interests obtaining control over land, often in dubious ways, for large scale commercial agriculture, for tourist promotion including game parks and for hunting and for state bureaucrats.

A special feature in Tanzania is the existence of areas of major agricultural potential on the northern and western fringes of the country far away from the major consumption areas. This fact, combined with the vast area of the country, puts high demands on the infrastructure for the supply of inputs and for the transportation of crops to the major consumption areas of the country. The large geographical area of Tanzania, of which some parts are only sparsely populated, and have a poor infrastructure, creates a great challenge to state intervention and makes political control of these areas difficult.

All countries of the region recorded impressive improvements in health and education indicators in particular during the first decade and a half of the post-colonial period. While Kenya and Tanzania maintained this development throughout the 1970s, Uganda fell behind because of the despotic rule of Idi Amin. These developments are reflected in the improvements in life expectancy at birth which increased from 44.7 years in 1960 to 58.6 years in 1992 in Kenya while the respective figures for Tanzania were 40.5 and 51.2 years. In comparison, life expectancy at birth in Uganda remained at approximately 42 years, the same as in 1960. The tendency during the 1980s was for a slowing down of the improvements or a direct retrogression in many social sector and education indicators. For instance between 1980 and 1990 the school enrolment ratio for all levels (% age 6-23) declined from 62 to 58 per cent in Kenya and from 44 to 32 per cent in Tanzania. For Uganda, recovering from the Amin period this percentage increased from 25 to 41 per cent, albeit from a very low base, during the same period (UN/ECA 1995:76).

The declining trend in many of the social indicators from the late 1970s onwards is partly due to external and internal factors leading to the economic, political and social crises which affected nearly all countries of sub-Saharan Africa. One major internal reason for this maldevelopment can be ascribed to problems of government. Another reason which accentuated the negative trend in many health indicators from the late 1980s onward was the spread of AIDS.

While economic development in the region increased rapidly during the 1960s and into the 1970s, stagnation and crises arose from the late 1970s and into the 1980s. State authoritarianism and individual rent seeking within the bureaucracies spread to undermine the ability of the state to govern. The aid dependency which emerged during the 1970s and resulted in the accumulation of huge debts by sub-Saharan African countries, deepened in the era of structural adjustment. Structural adjustment programmes were introduced into Kenya in the early 1980s, into Tanzania in 1986 and into Uganda in 1987.

A basic and underlying problem of development in sub-Saharan Africa is tied to the deterioration in government in the region which is reflected in the disintegration of the state and undermining of its capacity to design and promote development oriented policies. Structural adjustment policies have not been able to address the deeper problems underlying the erosion of the ability of African states to govern. Improvements to overall development in sub-Saharan Africa during the next two decades, including the East African region, will require profound changes in the ability of the state to govern. Let me now turn to address these issues as they will be fundamentally underlying the direction of development in the region in the next two decades.

### 3 THE ABILITY TO GOVERN<sup>1</sup>

Improvements in the system of government in the region are of fundamental importance for initiating future broad based developments. On the one hand areas that have to be drawn into the analysis of government include the role of social relations, ethnic diversity, local institutions and structures of authority for people's access to productive resources such as land, labour and credit. On the other hand there is the need to analyse the character of the state, its different factions, and how it interferes with and employs traditional structures and external aid for promoting more limited or sectional interests. The preoccupation of structural adjustment with the market as a solution to African development problems has hindered the policy promoters from undertaking such a deep analysis of African societies.

Among some strands of prominent African social scientists the frustration over lack of development on the continent has even led to calls for recolonisation (Ali Mazrui, *International Herald Tribune*, August 4 1994). Mazrui's image of decay of present day Africa which prompted him to call for recolonisation was that the gains of modernisation attained under colonial rule are being reversed: war and famine have spread throughout the continent since independence; Africans have failed to unite for promoting economic development and political stability; and the disintegration and collapse of the state have emerged as a common feature on the continent.

The call for recolonisation by Mazrui included two variants: one external under some kind of trusteeship under the UN; and another termed self-colonisation which implied that regional powers such as Egypt, Zaire, Ethiopia, Nigeria and South-Africa should be allowed to colonise countries which were not able to govern themselves. Examples of countries in need to re-submit themselves to re-colonisation include, according to Mazrui, Somalia, Rwanda, Burundi, Liberia, Angola, Sudan and Zaire (It is however difficult to understand how Zaire should re-submit itself to colonisation and subsequently command capacity to colonise countries such as Rwanda and Burundi into the next century). East African countries, such as Uganda and Tanzania would in such a context also be likely to promote strategies through which they could gain more control over or promote more stability in Rwanda and Burundi. In the same context it could be implied that Nyerere's former Tanganyika 'colonised' Zanzibar in order to create political stability around its borders.

<sup>1</sup> This section of the article is inspired by and heavily based on Bangura 1995.

This drastic proposal by an African scholar of great repute has caused an outrage among African scholars, and probably among most African people who have had access to his views, who find it abhorrent that Mazrui seems to endorse a long-standing Western view of colonialism as the 'white man's burden'. While many African scholars meet Mazrui head-on, there is in my opinion, a more nuanced and important discussion that has emerged from Mazrui's intervention, not about his specific proposals which everyone else involved rejects strongly, but more about the broader analysis of the problem of government, its causes and manifestations and ways to combat it, ways which are much more relevant to the African socio-economic situation and polity than the recipes advanced by the international financial institutions.

The first thing to note is that this more nuanced response does not basically challenge Mazrui's image of the state of decay of the continent except on the issue of the reversal of the gains of the dependent modernisation of colonialism. Otherwise, "the overall thrust of the comments will be very difficult to challenge even by a casual reading of Africa's recent experience"

(Bangura 1995). The fact that vital institutions in many parts of Africa are being seriously eroded implies that the concept of social and political decay should apply for what is being witnessed in Africa today, and it should not be restricted to socially viable and old societies (In the subsequent discussion I will follow the arguments of Bangura 1995 in his response to Mazrui but with some qualifications and elaborations in relation to Tanzania and East Africa).

An important divide in the debate on African government is the analysis of the post-colonial state. Mazrui, by trying to depict the socio-economic situation of Africa today as inferior to that during colonialism, is attempting to make sense of his proposal of return of the colonialists (be they external or internal). However what the response to Mazrui correctly asserts, is that every available indicator on social- and educational development shows that more has been gained during the rather short span of post-colonial rule than under more than seventy years of colonial rule. The relevant issue, and what should be bemoaned, is consequently the weakening or the reversal of these major advances of post-colonial African societies (refer statistics on East African background in section 2). However, what is also true is that colonialism provided part of the foundation for the post-colonial advances, and this, according to Bangura, is one reason why many of the sub-Saharan African states today are dysfunctional.

Mazrui's proposals for establishing some kind of UN trusteeship over Africa is dismissed with reference to the constraints as well as to the mixed experiences of recent UN activities in the limited field of peacekeeping or reconciliation missions. Likewise the notion of internal colonisation is rebutted after a thorough analysis of the problems riddling these so-called major African powers including their lack of moral authority. The argument is that the great African powers, Nigeria, South Africa, Egypt, Ethiopia and Zaire could have played a much more positive role in their respective regions than they have hitherto done or are doing at present. Ethiopia is recommended for having drawn the correct lesson from Africa's history that there exists no other viable alternative to local or sub-regional autonomy, "if Africa's ethnic groups are to co-exist peacefully and develop their economics and rich cultural heritage". On the other hand one may question the way in which Ethiopia has attempted to reconstruct its political system.

South Africa stands out as the only substantial and credible power in the continent at present. Its government has raised the tone of moral leadership on several occasions in and outside the region by exerting pressures on other African leaders. But any attempt at regional colonisation would risk setting in motion "a largely unreconstructed war-making machine and system of administration, which may ultimately have negative repercussions in its own society". According to Bangura and most other observers, the greatest contribution which South Africa could make would be to resolve its great problem of racial inequalities and prepare Africans to take on the responsibility of ownership and management in a truly modern industrial state and economy.



Hence it should be clear that the solution to the African crises of government is neither external trusteeship nor internal colonisation. Neither has the past 10-15 years of structural adjustment policies led to a turn around of the negative economic, social, political and government crises on the continent (Mkandawire 1996 and CDR 1995). The international financial institutions have disregarded African expertise and capacities in the management of their countries and have only to a very limited extent made use of African expertise, insight and knowledge when trying to understand the particular features of African societies that undermine governments and collective self-discipline. A constructive future African development will be intimately tied to the restoration of African values and therefore the reform of the state.

In the process of the reform of the African state, there is a need to more deeply investigate the mechanisms employed by the states to allocate and administer power and identify ways and means by which social structures and relations can assist in promoting political representation, accountability and good government. An understanding of the failure of Africans to unite to promote economic development and political stability, must take as its starting point an analysis of the unity that African states attempted to create after independence (refer also Olukoshi 1996). A deeper analysis may go some way towards explaining the present dismal state of African government and how it can be dealt with.

At the heart of the post-colonial African ideal of unity was the notion of rejecting or providing insufficient recognition to the autonomous existence of the variety of ethnic groups that lived in the different countries. In the post-colonial setting individuals were expected or forced to give up their ethnic identities and rally around a new national identity which would in return provide to each and everyone the fruits of modernisation. The creation of nation states in Africa was thus based on the suppression of ethnic units and promotion of larger ones. However, these ethnic units provided the cultural base for meaningful social life of various peoples and most of them had been constituted around relative self-governing units before the onset of colonisation.

What made things worse in the African setting was that the creation of the new nation states and their associated identities, values and institutions which were derived, not from African cultures, but from the values of the out-going colonial authorities and Western societies.

Realisation of the problems of nation-state unity leads to a better understanding of the negative implications emerging from these projects. These negative implications can be grouped in three.

The first problem is the downgrading of African values, traditions and institutions that have underwritten and sustained African societies throughout history. But unlike other continents, which experienced a much higher degree of Western penetration and domination and where local values and institutions have given way, in Africa they continue to be practiced by the majority of the people. Hence people's access to productive resources such as land, labour and credit and a sense of cultural well-being and status are still mediated through African institutions, traditional forms of authority and various forms of social relations and networks (Berry 1993). This does not imply that these institutions are static and non-responsive to change. On the contrary, African institutions have been continuously reformed and modified throughout history. While the market also plays a role e.g. for access to productive resources, and always has, this role has varied over time and there has been no uniform trend in terms of market access in relation to land, labour and credit/capital. A historical survey indicates that land has been the factor least exposed to market exchange (*ibid.*). As to land access, Kenya is a special case as schemes for individualisation and privatisation of land were introduced as early as the 1950s and carried over into the post-colonial period.

Indigenous African institutions and values are, to varying degrees, important for the majority of African peoples and this is a fundamental factor when the African élite or external financial institutions attempt to reorganise or improve the African landscape.

A second problem linked with the nation-state project in Africa is its tendency towards authoritarianism (Mkandawire 1996 and Olukoshi 1996). Due to lack of recognition or rejection of local culture and institutions, the élite may show no constraint in extending conflicts that have emerged at central level to the assumed ethnic groups of their national adversaries on the local level. Thus political disagreement is translated into ethnic conflict. The African leader who has most often taken refuge in this tactic and used it in a systematic way in order to destabilise political opponents, is the incumbent Kenyan President Daniel Arap Moi (Kanyingi 1994 and Mkandawire 1996). The mingling of political conflict with ethnic affiliation has made it difficult to develop mechanisms of checks and balances which can allow local communities some kind of self-government without central government interference or the demand for blind loyalty to their national élite.

A third problem with the nation-state project in Africa is its tendency to accelerate rent-seeking activities and the concomitant lack of any system of effective sanctions for imposing penalties on the culprits. In Europe, the nation-state revolutions led to the rise of nationalist industrialists and middle class professionals who struggled for homogenous and effective states to support industrial development. No such group has yet to emerge on the African scene. This allows those with access to or control over state power to feed on the state without any system of accountability. For example, in 1994 in Tanzania the import revenue losses from import taxes including exemptions and at least partly due to irregular operations at the Ministry of Finance, amounted to Tsh 70 billion, about 5-6 per cent of GDP. This exceeds the allocations planned for agricultural development for the three year period 1994-96 (World Bank Draft 1995:50).

In Kenya the cereal production and marketing chain is extremely important to the government because of its central role in the country's food supply and its importance to the national political patronage system and rent seeking activities. This has therefore come to be the main aspect of the Kenyan government's resistance to economic liberalisation (Ikiara et. al 1995). In Kenya in particular, rent seeking activities are often connected with the ethnic questions as those who pilfer public resources often turn to their ethnic constituencies to protect them from public scrutiny and punishment, if necessary.

What is needed to come to terms with these negative tendencies of the nation-state project in Africa which underlies the severe erosion of its capacity for government, seems to be a radical reform of the African nation-state in the direction of democratic pluralism and regional autonomy and decentralisation (Bangura 1995 and Olukoshi 1996). According to Bangura (1995), there are several ways in which such reforms can be pursued;

- (1) Exert pressure for making the one party rule and military dictatorships a historic feature as such systems cannot manage multi-ethnic societies;
- (2) Transfer real autonomy to local communities to restrict the spread of authoritarianism and the collection of economic rent at central level. Such transferral would also assist in establishing constructive inter-ethnic politics and institutions in local communities which is a pre-condition for the maintenance of local democracy;
- (3) Protect the full rights of ethnic minorities at all levels of society including in local areas. This may contribute to a civic climate at the local level which will obstruct party politics being turned into ethnic politics;
- (4) Work out a system for the sharing of power among major political actors at local, regional and national levels. Such a system should ensure that the various ethnic groups feel sufficiently well represented so that a system of electoral competition that opens up the possibility for broad representation in legislative organs can be established;

- (5) Develop mechanisms that can ensure that the leaders and public officers on all levels of society are accountable for their actions. Part of this endeavour includes the strengthening and independence of the press, the judiciary, and inter-ethnic organisations.

#### 4 POLITICS AND GOVERNMENT IN EAST AFRICA

The discussion of politics and government in East Africa can now be conducted against the more general analysis of problems of African government laid out above. The conditions associated with the political reform process which began in the early 1990s comprise items (1), and parts of (3) and (5) above. However, so far the implementation of the political reform process has mainly focused on the introduction of a Western style multi-party political system. This system seems unable to promote a democratisation that can lead to improved government in a multi-ethnic context. In most African countries today multi-party democracy also seems unable to transfer real autonomy to local communities or societies. Neither has it so far been able to promote a scheme of power sharing that takes into account the need to have all major political actors and various ethnic groups sufficiently well represented in the system so that they can feel that they have a stake in it. The multi-party system can, at least in the present circumstances, primarily be seen as a mechanism to do away with one party rule, however formally. The way multi-party politics has been implemented so far in East Africa has meant the carry-over of the rule of the dominant party of the previous one party system to the democratic phase.

The pressure for political reform in East Africa was first felt in Kenya where the level of development had secured some degree of activity in society in spite of the authoritarian one party "ethnic politics" that had already developed in Kenya in the 1960s. The pressure from below coupled with the increased donor focus on democratisation (and human rights) from the early 1990 onwards, set in motion democratisation processes in all East African countries. Kenya conducted her multi-party elections as early as 1992 while Tanzania conducted hers in October 1995.

Uganda has designed its own route, where the National Resistance Movement (NRM) has rejected the formation of political parties for the next four years and has also rejected federalism based on semi-autonomous regional governments. The NRM however hopes to come a long way towards meeting these regional and ethnic sentiments by the creation of a system of local government where decisions concerning local matters will be devolved from the centre to the districts.

In both Kenya and Tanzania the quest of the incumbent parties (and previously the single parties KANU and CCM in the respective countries) to cling on to state power was reflected in the preparation and conduct of the elections. The international community supplied observers to oversee whether the elections were fair and free. However, as the period of observation was limited mainly to the election itself, observers were unable to identify and document irregularities including the violation of human rights that took place prior to the elections. It is well documented by non-election observers that the Kenyan government under Daniel Arap Moi made massive and effective use of ethnic cleansing in order to secure election victory in certain areas. Combined with the disintegration of the opposition, Moi was able to secure election victory with the stamp of the international observers in spite of obtaining only about one third of the votes cast. The extensive use of "ethnic politics" by Moi has led to an acceleration in the system of bad governance in Kenya which is disquieting for the future and as well for the prospects for regional cooperation.

In Tanzania the incumbent party controlling the state, also applied unreasonable tactics in order to win the country's first multi-party elections. The situation in Tanzania is complicated by the existence of two governments, the Zanzibari and the national union government, which required the holding of two

elections. The situation is further compounded by the tense relationship between Zanzibar and mainland Tanzania, including strong political forces on Zanzibar in favour of breaking with the Tanzanian union.

The Zanzibari election was held one week ahead of the union election, and the experience of the former election clearly indicates that CCM would not allow the opposition to win, not only because of the fear of the introduction of secessionist policies by the major opposition party, CUF, but also because of the precedent which a CCM loss in the Zanzibari elections would have for the union elections the subsequent week. Evidence exists to indicate that the narrow win for the CCM candidate, a majority of 0.4 per cent, in the Zanzibari presidential election was based on rigging in the final counting of votes. Nearly all the major donor countries to Tanzania signed a statement where they concluded that, "given the narrow margin between the Presidential candidates, the results of the Presidential election declared by the ZEC (Zanzibari Election Committee) may be inaccurate". The donor countries in their statement reiterated that the International Observation Team had found serious discrepancies in the compilation of the votes for the Zanzibar presidential elections. The ZEC was made aware of these discrepancies prior to its announcement of the election result, but it proceeded nevertheless to inaugurate the President "while the outcome of the election remained unclear". (Statement on the 22 October 1995 Presidential and House of Representative Elections on Zanzibar dated November 21 and signed by all major donors to Tanzania except Sweden and Finland).

In the union election the subsequent week, the problem with polling materials and electoral officials was worst in Dar es Salaam where a fear of a major win by the opposition candidates was the strongest. Eventually the Dar es Salaam vote was cancelled by the National Election Committee and the later rerun was boycotted by the opposition parties. While the final outcome of the union election is likely to fairly reflect the aspirations of a majority of Tanzania voters, the irregularities detected in Dar es Salaam could not but nurture the notion that CCM was ready to go a long way in order to secure election victory both on Zanzibar as well as in the union election. The experiences of the multi-party elections in Kenya and Tanzania clearly show that the potential of this system for fair power sharing and the devolving of political and economic power to lower administrative levels is limited.

This implies that there is little in the present situation which may indicate a movement, at least in Kenya and Tanzania, in the direction of improved government in the sense of establishing a system of collective self-discipline (refer the 5 points above). In both countries a local government structure is in place, supported by a legal framework, but it has effectively been starved of resources (as in Tanzania) or manipulated for political patronage reasons (as in Kenya) and therefore cannot play a meaningful role in promoting collective self-discipline and autonomy at the local level. The devolution of power to lower levels in Uganda may prove to be more valuable than that which has so far taken place in this area in Kenya and Tanzania.

The survival of the Moi regime in Kenya is likely to represent obstacles for the implementation of more constructive and wider regional cooperation in the region, in spite of the more recent attitude towards cooperation. A change of regime in Kenya in the next election may however provide a better climate for regional cooperation in the next decade. But the lack of a genuine will among leading élites and parties to go for democratic pluralism and regional autonomy and decentralisation is bound to act as a major restriction on any kind of blossoming of regional cooperation. The situation in Kenya is particularly unstable and violence may spread again in the run up towards the second multi-party elections in 1997.

The withdrawal of the state in East Africa and in sub-Saharan Africa in general from areas depicted as central to its responsibility only a few years ago, has created room for a more pluralistic organisational climate at grass root level both in terms of locally organised vigilante groups and the rise of non-

governmental organisations (NGO) in areas such as education, health service and water supply (Gibbon 1994).

The erosion of law and order has been a particular rallying point for the rise of grass root vigilante groups organised with the village as the nucleus both in Uganda and Tanzania. A most striking example is the Sungusungu groups among the Sukuma and Nyamwezi people in Mwanza and Shinyanga regions in Tanzania. These groups, spread over a large geographical area, were created in response to increased crime and cattle thefts and the incapacity of the state to deal with the problems. The groups are partly traditional, but also display new features and dynamics (Bukurura 1994). The Sungusungu groups have taken over most of the important law and order functions of the state including the establishment of their own tribunals. In addition the groups have extended their control over village youth and women. In Uganda evidence shows that in the villages it is the better-off indigenous male peasantry which has formulated the concepts of law and order (Tidemand 1994).

While these organisations both in Tanzania and Uganda aim at improving law and order and security and peace in the villages, they at the same time represent organisations with strong autonomy in relation to central state authority and as such challenge the legitimacy of the state. As such these types of grass root autonomous organisations reflect a break-down or disintegration of state rule, in particular in Tanzania, which may force the state either in the direction of a more authoritarian response towards these organisations or into reexamining its position vis-à-vis local autonomy, political pluralism and increased decentralisation. Recent information from Tanzania indicates that the dominant political party, CCM, has engaged in some kind of cooperation with the Sungusungu groups (L. Johansson 1996).

The non-governmental organisations that have blossomed upon state withdrawal seem not to represent the same type of organisational autonomy. They emerged mainly as gap fillers when the state withdrew from its developmental role. Many NGO operations are affiliates of large international organisations and may be funded directly by external donors or act in close liason with political patrons at higher levels or in some way come under the umbrella of the state. Empirical evidence from Tanzania (Kiondo 1994 and 1995) indicates as well that the spread of NGO in the developmental field is not so much a question of community participation, although this trait exists in various forms in many NGOs, but a question of privatisation of important services, i.e. health and education, where the state was previously the sole provider. The extension of profit based service supply is likely to further accentuate the tendencies towards increased regional imbalances emerging from the withdrawal of all kinds of subsidies (e.g. transport and input subsidies) under structural adjustment programmes.

Based on the above discussion, three possible scenarios related to government, politics and the role of the state in the next decades in East Africa may emerge. The first is a deepening of ongoing trends where government continues to deteriorate. The narrow base of multi-party politics is unable to turn this trend around due to its limitations in addressing the deeper lying origins of government problems, i.e. authoritarianism, rent seeking and the lack of respect for cultural and ethnic diversity. This scenario is likely to lead to increased economic and political disintegration and informalisation where sections of the population will be forced to eke out their survival outside of society. The state will increasingly be split into various factions pursuing rent seeking activities. The state will consequently be unable to provide a unified vision for development hoping that external aid will continue to bail it out. Externally, the state needs to keep a respectable image and to accept the major conditions placed upon it by donor nations in order to continue to attract the aid so critical for survival.

A second scenario is one in which the ongoing democratisation process manages to instill some kind of collective self-discipline, thus halting the further erosion of government. Lack of organisational capacity and outside interference will continue to keep the rural areas outside of the democratic process in a real

sense. The party (ies) controlling state power, mainly from the old regime, will use its political power, however carefully, to block any kind of major political and economic change. The acknowledgement of the critical role of donor assistance will however make the state accept some internal compromises and external demands in order to secure the continued flow of external assistance. This scenario will imply limited improvement but it will not accelerate into a situation of destabilisation. This may be the most likely scenario for the coming two decades.

A third scenario is one in which African cultural and ethnic diversity is recognised by the state and where processes are set in motion towards real democratic pluralism and transfer of autonomy to local levels. The problem with this scenario is however, at least at present, to identify social forces which are powerful enough to set in motion such a transition. The popular movements demanding self-renewal, accountability and genuine democratisation which do exist in Africa, represent a very important source of development, especially at an early stage. Their limited economic and organisational strength will imply however that their growth will come about slowly. Their growth may also be impaired by onslaughts from authoritarian states feeling under threat.

External donors may have an important role to play in the promotion of an alternative scenario, since incumbent regimes are so dependent upon them for their survival. It is doubtful however whether external aid donors or other interested bodies are willing to or even have the capacity to analyse their own roles and responsibilities in the problems faced by African governments today. Even more difficult for donors and international financial institutions will be transcending the present strategies of structural adjustment and narrow multi-party democracy which hardly hold the answers for a sound development in East Africa. The present wish of Western donors to switch from a relationship based on aid to one of genuine cooperation with Africa, must, to be meaningful, imply that these donors look with fresh eyes at how their own beliefs, attitudes and interests restrict the emergence of a more level playing field. It is of relevance in this context to refer to the contradiction and dilemma inherent in the donor community's promotion of democratisation on the one hand and their stress on market-oriented reforms on the other (Sobhan 1995:143).

## **5 POPULATION GROWTH, HIV/AIDS AND FOOD SECURITY**

Rapid population growth will continue, but the serious spread of HIV/AIDS in certain regions of East Africa has and will continue to lead to social and economic tragedy as the level of productive activities cannot be upheld. UN (1995) estimates that the average annual population growth rate with AIDS at existing levels (without AIDS at existing levels in brackets) in Uganda will decline from 2.9 per cent (3.36) in 1995-2000 to 2.72 per cent (3.18) in 2000-2005 while the comparable figures for Tanzania are 2.76 percent (3.00) in 1995-2000 and 2.63 per cent (2.88) in 2000-2005 and for Kenya 2.84 per cent (3.17) in 1995-2000 and 2.97 per cent (3.29) in 2000-2005.

The spread of AIDS will have the most dramatic effect on some of the social indicators of the region. For instance, it is estimated that the life expectancy at birth in Uganda in 2005 will be 54.2 years without AIDS at existing levels and only 43.9 years with AIDS at existing levels, which is only marginally above that of 42 years in 1960. For Tanzania life expectancy at birth is estimated to be 59.2 years in 2005 without AIDS at existing levels and 52.6 with AIDS at existing levels, while comparable figures for Kenya in 2005 are 65.9 years without AIDS at existing levels and 55.2 years with AIDS at existing levels (UN 1995). The rather dramatic impact that AIDS has on life expectancy at birth is because the disease affects people at a rather young and productive age of their life cycle, i.e. mainly those between 15 and 49 years old. As such AIDS is not only a medical problem, it is as well a social and an economic problem, and particularly so in relation to agriculture development.

A study by FAO (1994) reveals the direct and indirect ways in which HIV/AIDS affects food security. In farming households it was found that both cash income and labour are partly diverted to cope with HIV/AIDS. This leaves less labour for agriculture and less income for the purchase of agricultural inputs and for off-farm activities. Likewise a study of AIDS in Uganda, Tanzania and Zambia indicates that the keeping of livestock is affected by the epidemic both in terms of depletion of stock as the livestock is sold to cope with illness and death and also in terms of labour loss for the care of remaining animals (Barnett 1994).

In some rural communities labour shortages have occurred both in on-farm and off-farm activities. This situation is aggravated by farming systems with sharp labour peaks and by a marked gender division of labour. Results further show that labour intensive farming systems with low input use are particularly vulnerable to the impact of HIV/AIDS. This is particularly the case in Uganda where the areas which are most vulnerable to the epidemic are those with a farming system which is particularly vulnerable to labour loss (ibid.)

The impact on crop production relates both to a decline in the land use, a reduction in crop yields and a narrowing of the range of crops grown. As such the impact is negative in terms of all food security indicators, i.e. abundance, adequacy and access (FAO 1994).

As most land tenure and land inheritance systems in East Africa favour men, the prevalence of HIV/AIDS has been most devastating for widowed women who are left without rights to land and often forced to leave their homesteads (FAO 1994 and Rwebangira 1995).

## **6 LAND, WATER AND AGRICULTURAL INTENSIFICATION**

The rapid population growth will increasingly put pressure on the land. Landlessness in East Africa is mainly a Kenyan feature, but even here large tracts of privatised land are lying idle and mainly held for speculative reasons.

Kenya represents a special "land case" in Africa because the colonial government's programme of compulsory titling of farmland from the 1950s was carried over into the post-colonial period. The control of state power, bureaucratic manipulation and pressure for individualisation of land gradually led to the take-over of the "White Highlands" by mainly highly placed Kenyan bureaucrats.

Evidence from Kenya with its long experience with land titling is of particular interest in throwing light on the issue of the impact of various forms of land tenure. Evidence from Kenya shows that titling reduces risks and transaction costs for some categories or groups of people, but at the same time it may create new uncertainties for other categories which in particular rely on customary and informal practices and rules to establish and protect their land claims. Examples from Kenya clearly reveal that the local population faces serious risks of not being given legal recognition of their customary rights to land during the land registration process. This was found to be especially applicable to women, pastoralist and other groups who have traditionally enjoyed subsidiary or usufruct right to land. As to these latter categories, and in particular women cultivators, the issue at stake is not only that of increased inequity, but also reduced efficiency as output losses might result from land titling (Platteau 1995).

The evidence further shows that traditional land tenure rules and rights which regulate and determine access to land make proper recording or classification difficult because multiple rights to land under customary law usually exist. This subsequently creates new uncertainties for vulnerable sections of the population and reduces the efficiency of traditional institutions, geared to providing security to all

members of the village communities and to helping to check economic differentiation. In consideration of the evidence from Kenya, it is not surprising that the incidence of land disputes has apparently not diminished, but on the contrary it may have increased.

Evidence from Kenya likewise refutes the notion of proponents of land individualisation, titling and registration that land sales will promote dynamic cultivators and stop fragmentation of land. When land is transferred, the majority of parcels were found to follow customary channels. Many owners of titled land state that they do not consider that they can freely transfer their lands outside the lineage or that they can make permanent transfers without the approval of the community.

Whereas landlessness is closely correlated with poverty in many agrarian economies, this, according to the Tanzania Poverty Assessment (World Bank Draft 1995), is less true of Tanzania. Still the situation in Tanzania is characterised by relative land abundance and land is perceived as the most important safety net. It is claimed that 99 per cent of all rural households in the bottom income quintile (20 per cent) and 98 per cent of rural households in general, own some land. The average size of the landholdings is about 6 acres (Ibid.). This does not amount to saying that land is generally in abundant supply as Tanzania is quite heterogenous in respect to land quality and availability. A survey of villages of several farming systems found that 96 per cent of the households surveyed in the Northern Highlands considered access to new land for agricultural cultivation "quite or very difficult" (World Bank Draft 1995).

According to the World Bank Agricultural Sector Study (1994), many of the 730 large farms in Tanzania, of which half are operated by parastatals and cover 2 million hectares (compared to 3.5 million smallholders in the country farming about 3.1 million hectares), are located in the Northern zones. What is of interest from a land redistribution and efficiency point of view is that only 30 per cent of the large farms' land (23 per cent for parastatals and 57 per cent for private large farms) is under cropping, while overall 14 per cent is under crops and livestock and 56 per cent is purely for grazing. This signals a high degree of underutilisation of high-potential land, in particular on government farms, as the government owns 80 per cent of the area under large scale farms in the high potential areas including Kilimanjaro and Mbeya regions (World Bank 1994).

In Uganda since 1975 all land has belonged to the state, as a result of a "reform" launched by Amin to ease the eviction of peasants holding land by customary rights. There seems to be disagreement among researchers as to the impact of this reform (Gibbon et al. 1993). However, more general agreement has emerged on the issue of land shortage and near or actual landlessness. Investigations have shown differentiation by land ownership to be acute in four districts in 1984 (USAID 1984). In another district it was found that 93 per cent of the land was in the hands of one per cent of the population and increasing levels of "voluntary" land sales were reported (Bazaara 1991). The World Bank expressed concern in the early 1990s that the supply of arable land in Uganda would run out by the end of the century (World Bank 1991). In another study Jamal (1995) reports that 4 per cent of the rural households of Uganda were classified as landless.

The potential for agricultural production is however much more than a question of land as this potential is also intimately related to the introduction and spread of improved agricultural techniques and the availability of water. New and improved agricultural techniques, e.g. a shift from hoe to ox cultivation, for which there is a great potential in Uganda, and more efficient water management also act as land saving devices. Of the East African countries, Kenya has particularly low per capita water availability, only 636 cubic meters compared to around 2 900 for Tanzania and 3 800 for Uganda (Population Action International 1993). Such figures cannot however easily be translated into a potential for improved water management in agriculture, but nevertheless they provide an indication of water availability in the region.



Agricultural expansion in the next decades will in many areas be dependent upon more efficient water management including the spread of simple water protection devices that can reduce the hazards of drought and the impact of the sharp variability in rainfall.

The various development trajectories which may evolve from high population growth and limited land will differ between high potential and low potential agricultural areas. In high potential areas agricultural intensification is likely to deepen. Depending on the circumstances and conditions such intensification may be sustainable (e.g. Machacos district in Kenya) or unsustainable. In the latter case intensification will lead to loss of soil fertility and biodiversity. In low productive areas such as semi-arid regions of Tanzania, e. g. Shinyanga region, agricultural intensification combined with cattle grazing has led to signs of desertification.

The challenge in the medium to longer term will be to develop more agro-ecologically sustainable agricultural systems reaping the potential from complementarities between animal and crop production and various types of rotation of crops. A fundamental problem in the low productive agricultural areas has been the shortening of fallow periods due to pressure on the land. In most areas no alternative has yet been developed that can regenerate the fertility of soils at low costs.

Successful agricultural intensification coupled with increased income generation in certain regions may however mainly be associated with factors such as proximity to urban areas for the sale of produce and access to the same areas for inputs, services and assistance. In addition such a development will depend upon sufficient availability of water or enhanced water use efficiency. Successful cases may require money outlays and investments in soil improvements that may not be attainable for small peasants. For instance in the much quoted example of Machacos (Tiffen, Mortimore and Gichuki 1994), a fact often forgotten and with important implications, is that absentee ownership in this area is extremely high. Of the total number of holdings sampled by Green (1987) as much as 80 per cent had absentee owners.

Considering the population of the region is likely to double around year 2015, the issue of distribution of land and its utilisation will undoubtedly become one of the most burning issues. The mainstay of agriculture, in particular in Tanzania and Uganda, is the small farmers whose productivity improvements will be most closely related to access to markets, more efficient use of available local inputs, the supply of external inputs at affordable prices, relevant extension advice based on research with active small farmer participation, improved techniques including mixed livestock/crop systems and most importantly tenure security. Evidence emerging indicates that an agricultural system which is better able to maintain biological diversity is likely to be more sustainable and may as well contribute to establishing important links between agricultural production and food security.

Small scale farmers conduct labour intensive agriculture which is not in need of the type of investments for which collateral is required. Hence individualisation and privatisation of land in Tanzania and Uganda is not a pressing issue for the next decades. What is required, however, is legal protection of customary tenure arrangements and clarification of the village based land tenure system that developed in Tanzania during the Ujamaa policies in the 1970s.

Larger scale investments in titled land is likely to correlate with world market prices for crops which the region can supply. In Tanzania at present land is fairly equitably distributed. However large tracts are still under the control of parastatal companies and most land is unutilised or underutilised. There is definitely scope for the redistribution of this land to smaller farmers in need of land. A more equitable distribution of land in Kenya would also increase user rates, at least in some areas, and hence promote efficiency and equity.

The most likely scenario for the next decades is however that the state will overrule customary tenure arrangements by yielding to pressures from domestic and internal interests for land and initiate large scale cultivation (in particular with rising world market prices), tourism and hunting activities. This process has already started in many areas of Tanzania. South African interest in East African land may also lead to some land based investments in the future. South African investments have already been made in industrial ventures in the region. However, such investments will not represent a force that can develop agriculture and industry in parts of East Africa.

An impetus to a more sustainable agricultural system may however emerge in many localities in response to the withdrawal of subsidies and other support functions as a consequence of structural adjustment policies (see section 7).

What is required in the East African countries is consistent plans related to realistic visions as to how the economy can develop. This does not exist at the moment neither internally nor in the strategies or development embedded in structural adjustment (refer Sobhan 1995 discussing the case of Tanzania).

In the last instance the proper handling of the land question in East Africa, including the establishing of sound laws, rules and regulations implemented in a consistent and systematic way, will rely on the restoration of good government in state affairs.

## **7 REGIONAL SHIFTS IN AGRICULTURAL PRODUCTION AND REGIONAL IMBALANCES**

The growth of agricultural production in more marginal areas such as western Tanzania and northern Zambia since the 1970s and into the 1980s was associated with high levels of subsidies both in terms of inputs and for transport. Pan-territorial pricing regimes also favoured these regions located far from the major consumption areas of the respective countries. The withdrawal of subsidies and privatisation of agricultural markets rendered maize production for the market uneconomic.

During the 1990s maize production in Tanzania has moved to areas in central and northern Tanzania where soils are more fertile and distances to major markets are shorter. Areas in west and south-western Tanzania, regions which in the mid-1980s supplied 80 per cent of the country's marketed maize, are presently facing grave problems in their search for viable alternatives to maize cultivation. A liberalised domestic market is not likely to solve this problem, either in the short or longer term. One possibility which may emerge during the next years is increased regional cooperation between Zambia, Malawi and Tanzania. This may create a larger regional market in northern Zambia and Malawi and western Tanzania where there is a sufficient population base, adequate purchasing power and relatively short transport lines to develop a market based development. Such regional cooperation may develop in this area, and possibly on a broader scale throughout East Africa, not because it is a precondition of development, but rather because of a lack of overall development.

This change of circumstances may also lead to small farmers' adopting a system of agriculture based on more knowledge and less external inputs if relevant extension and support can be provided by the environment.

The likely development into the next two decades is however increased regional imbalances where areas enjoying reasonable infrastructure and access to markets alongside fertile land will gain and where more marginal areas may lose. This process is likely to be most accentuated in Tanzania with its vast territory and poorly developed infrastructure. Added to this growth of regional imbalances is likely to be that of

increased social differentiation, a trend already identified by several recent field studies in Tanzania (Östberg 1995 and Loiske 1995).

In some areas dynamic responses to land shortage and degradation might put the course of development on a positive track. This will be particularly the case where agricultural intensification is successful and where extraction of other natural resources, trees, fish, other productive activities and trading can be conducted in a sustainable manner and the benefits converted into higher regional incomes. However again, areas most likely to enter such a positive development are those with reasonable access to markets, i.e. towns or cities, and with a varied resource profile.

The predicaments of massive deforestation in sub-Saharan Africa that emerged two decades ago proved to be erroneous (Holmgren et al. 1994). This does not imply that deforestation has vanished as a major and growing problem in the East African region. From Tanzania it is reported that uncontrolled clearing of forest land – at a rate of 300 000 to 400 000 hectares a year – takes place for collection of fuel wood. High value forest resources are also increasingly channelled into the non-traditional export market under economic liberalisation, though this may not be depicted well in official statistics (refer Sobhan 1995: table 13). One reason for this is that much of the felling of valuable species for the export market takes place illegally outside the control of the government or with its tacit blessing.

## **8 DIVERSIFICATION OF RURAL PRODUCTION – UNDERMINING OF THE NATURAL RESOURCE BUFFER OR IMPROVING RURAL LIVELIHOODS?**

Evidence from various regions of all East African countries indicates that rural diversification increased rapidly during the crises years prior to economic reform. With liberalisation the structure of informal non-agricultural activities in the rural areas seems to have changed. During the crises much of the informal rural activities revolved around crafts and small workshop production (recycling, reuse, repair etc.) aimed at filling the supply gap due to unavailability or limited supply of manufactured or imported basic commodities (Havnevik 1993). With the resumption of imports and restoration of production capacities in certain manufacturing lines, crafts and small workshop activities were increasingly made redundant and overtaken by intensification of rural people's natural resource exploitation.

A likely scenario for the next two decades, given limited improvement in terms of trade, is for the people in the rural areas of Tanzania and East Africa to continue to "mine" their natural resources such as forests, fish and minerals. These resources acted as a buffer providing a compensatory source for food and income during the course of the economic crises. The undermining of this buffer due to unsustainable levels of exploitation may accelerate during the next two decades if liberalisation is unchecked. Liberalisation also implied the opening up of natural resource exploitation to external interests which could be in direct competition to the livelihood and survival strategies of rural people in East Africa. The following case, the harvesting of natural resources in Lake Victoria fisheries, will exemplify these issues in a more concrete way.

Lake Victoria is the world's second largest inland lake and it is owned by Tanzania (49 per cent), Uganda (45 per cent) and Kenya (6 per cent). Increased external interest in the exploitation of its natural resources is reflected in the establishment of about 50 fish processing factories around Lake Victoria during the last decade. These factories purchase fish, process and sell it to markets in Europe, Israel, Japan, USA and Australia. The catch increased fivefold between 1980 and 1993 to 500 000 tonnes, while for 1995 it is estimated to decline to 400 000 tonnes (Jansen 1995).

Before 1980 Lake Victoria fish was basically for direct consumption or to sell to the local communities around the lake and boats and gear were owned and controlled by local people. The activity was extremely labour intensive and processing and trading of the fish were conducted by tens of thousands of women. The Lake Victoria fisheries were the principal source of animal protein (80 per cent, Reynolds and Greboval 1988) for millions of consumers in the area and incomes generated were fairly equitably distributed and to a large extent reinvested in the communities around the lake (Jansen 1973, 1976 and 1995 and Reynolds and Greboval 1988). In the early 1970s about 200 000 people had their primary income from the fisheries, including 50 000 fishermen. In terms of family income this implied that about one million people were dependent upon income from the fisheries on the Lake.

Today most of the Nile Perch is exported and the processing factories are pressing East African governments to allow the introduction of trawlers in order to secure sufficient fish supplies to the factories. Factory agents are overbidding local processors/traders thereby undermining employment opportunities for thousands of women. Consequently less fish is available for sale to the local communities. A new market has been developed locally for the sale of the head and skeleton after the fish has been processed by factories. Hence a situation has been created in which the local population are now sucking the bones of the fish, while fish fillets are being exported. The consequences are lack of employment opportunities in particular for women, lower supply of animal protein and hence decline in food security and the possibility that over exploitation will occur in Lake Victoria fisheries due to the introduction of trawlers (Jansen 1995). In early 1996 it was reported that trawlers from Taiwan were already in operation on Lake Victoria.

The benefits may certainly show up in an increase in non-traditional exports for the East African countries which is likely to improve their debt-servicing performance. Benefits are also likely to accrue to agents and managers and owners of the companies and to constructors who built the factories. The major benefit accruing to some of the local population will be the possibility of obtaining wage labour contracts in the factories, while much larger numbers will have lost their income opportunities through this structural change of Lake Victoria fisheries.

The Lake Victoria example is outlined in some detail to show the possible impact of modernisation under liberalisation. Similar effects from new forms of resource extraction may have occurred in other areas, but are not yet documented, such as the introduction of trawlers in the rich shallow water prawn fisheries off the Rufiji Delta in Tanzania.

The scenario for the next twenty years if these new forms of resource extraction, based on modernisation from above, are allowed to continue unchecked, will be the intensification of exploitation of natural resources with the possible threat of undermining their reproduction, loss of control over and benefits derived from natural resources by local people resulting in increased food insecurity, loss of income opportunities and spread of poverty.

In this context it should be underlined that enhanced food security among the rural population will require a diversification of income sources so that people can become less vulnerable to droughts and set-backs affecting agricultural cultivation. It is further of major importance that the more diversified incomes are retained in the rural areas as a means of providing broad based rural development. The spread of the types of unchecked natural resource exploitation as discussed above can only act to undermine the potential for local production diversification and income retention.

## 9 MIGRATION AND URBANISATION

Estimates indicate that more than 50 per cent of the African population will live in urban areas around 2020. The process of urbanisation will take place in the context of poverty which, with increased water scarcity and poor sanitation, will lead to poor nutritional levels and declining levels of food security in the cities. The limited income generation opportunities in major towns and the weakening of traditional safety nets associated with urbanisation may act as additional fuel to increased food insecurity in urban areas.

Migration of the agriculturally based population from marginal areas of East Africa will increase, both to more high productive areas and in particular to urban areas. The future scenario of migration in Tanzania and East Africa may however also be one of considerable migration to smaller or regional towns such as Nzega and Mbeya in Tanzania and not only to the major cities. One reason for this is that the "carrying capacities" of large cities in terms of informal sector activities is likely to be exhausted thus providing low income potential for migrants. A city such as Dar es Salaam is in addition affected by being situated in a region of low agricultural potential which limits the ability of urban dwellers to produce their own food. A reverse trend of migration of pastoralists from areas of higher land pressure into more marginal areas in Tanzania and Kenya, where the land might offer better opportunities for pasture, is likely to emerge.

This scenario indicates that for development assistance to be relevant to migratory challenges, there will have to be a two pronged approach in the coming decades. On the one hand a more sustainable agriculture and rural development is required to improve livelihoods and food security for rural people. This may reduce migratory flows into urban areas. On the other hand there exists a great need for upgrading and expansion of the infrastructure of urban areas, in particular water supply, health services and sanitation in order for them not to become highly infectious areas. There should also be an awareness of how to support the growth of small and intermediary towns so that they are better prepared to absorb migrants. Support should also be given to the rural hinterland in terms of inputs, knowledge about existing markets and processing of agricultural produce (Baker 1992).

It should not be forgotten however that migration is associated with hopes about and also the actual creation of new opportunities, the establishment of networks for learning and most importantly the sending of remittances. The latter is one of the strongest features of African migration systems and it demonstrates that African migration is basically a family and not an individual activity (Adepoju 1995). This as well has important implications for theories about rural-urban linkages implying that the urban-rural dichotomy, which structural adjustment policies are based upon, may be false.

## 10 ECONOMIC REFORM AND GOVERNANCE

Structural adjustment programmes have been pursued in East Africa for more than a decade, in Kenya from the early 1980s, in Tanzania from 1986 and in Uganda from 1987. Elements of such programmes would have had to be implemented sooner or later by African governments of any make-up. However, several of the items of the structural adjustment package were linked mainly with the changing Western ideological currents emerging in the early 1980s, rather than with the perceived needs or problems of sub-Saharan African countries. One major problem related to the adjustment packages was thus that they could not be unwrapped so that African governments could choose from them those elements which seemed most appropriate for the situation of a specific country.

The introduction of political conditionality, mainly in the form of multi-party democracy, in the early 1990s, did not entail a withdrawal of the basic economic reform conditionalities. And more important, in areas where political and economic reform conditionality appeared to be contradictory, it became clear

that the economic reform conditionality was the overriding priority of Western donors. This has prompted observers to argue that what was offered by Western donors was "democracy without choice" (Mkandawire 1996).

This discussion will not include a detailed analysis of the elements of the economic reform programmes, their level of implementation and the attained results (World Bank 1994b, Mosley and Weeks 1994, Gibbon et al. 1993 and Mkandawire 1996). Those interested in these aspects could also turn to the contribution to the 2015 project by Sobhan (1995) who provides a thorough and intelligent assessment of structural adjustment in the Tanzanian context, seen from the perspective of the Bangladesh experience.

Here I will focus more on assessing the economic reform programmes (or structural adjustment programmes) in relation to the discussion on government and the role of the state, which has been singled out in this contribution as the most important issue related to development in East Africa in the next two decades.

The primary aim of economic reform was basically to introduce the market as a means for resource allocation in African societies. The market would, if it could be made to operate effectively, undermine the intricate system of regulatory mechanisms that had developed under the state dominated development model. This regulatory system and its widespread abuse by the bureaucracy and highly placed people, was precisely what provided the basis for the array of rent seeking activities which enriched a few, threw many people into poverty and made the African state unable to fulfill its functions. In this sense economic reform aimed at one of the major dysfunctional areas of the state. If successful, the introduction of the market could have been a major contribution to improved government.

However, after some 10-15 years of economic reform in sub-Saharan Africa, the market has not been able to break through on a large front and rent seeking activities abound, though now in a different shape. The important question to raise in this context is why a market led economy could not be advanced in Africa. I believe the answer to this question is related to the specific features of African societies that were discussed in section 3. In Africa, unlike other continents, local institutions and traditions continue to guide the lives of most people. People's access to productive resources is not primarily connected with market transactions but by their location and place in relation to social relations and local traditions, authority and practices. This means that the success of the market would imply the break-down of meaningful livelihoods which commanded some kind of entitlement even in periods of severe crises. The market was nearly inaccessible to the poor, the more well to do could not risk embracing it entirely because of its lack of safety net in crises, and the rich could still do better by participating in rent seeking activities, unchecked by any system of accountability.

But the highly placed state bureaucrats and well to do did more than just rebuff the market. Instead they utilised it for their own benefit at the same time as they were embedded in the indigenous social relations and with access to state power. Thus the coming of economic reform opened up new avenues for rent seeking in the interface between the private sector and the state. Highly placed officials could branch out into the private sector or enter into alliance with private partners interested in and keen on getting access to "cheap" state resources. So far only a slow and uneven emergence of the market has taken place and it is far from permeating the economy and hence unable to establish a "rational culture".

The aim of market based reform was not simply to undercut rent-seeking activities, but to undermine the African state. While the resolve of the rent seeking problem is a fundamental necessity for Africa in order to improve government, the drive to undermine the African state seems a reform more inclined towards the dominant current Western ideology. More than in developed countries, the state is required in poor countries to implement a vision based on a long term perspective of how underdevelopment can be

transcended. This theme is eloquently discussed by Sobhan (1995) referring to the experiences of Bangladesh's development struggle. The market, a highly competitive institution, cannot provide a sound basis for development of poor countries when they face in the same market, highly developed economies. Analysis of history has proved this point in depth (Bairoch 1972 and 1989).

Poor countries should, according to Sobhan, try to identify a niche through which they could enter the international market on favourable terms and support the backward linkages of this niche to gain maximum overall development momentum (Sobhan 1995). The establishment of such a strategy of natural resource processing or manufacturing requires a vision which is bound by a realistic perspective of what the internal and external constraint and possibilities for development are. Such a vision, if it was forthcoming could not be sustained by the types of policies associated with structural adjustment today. But as well such a vision could not be implemented unless the country in question had control over a state which promoted good government. Hence we are forced back to the crucial role and interrelation of good government with development in all other sectors and areas.

For the above reasons, it is likely that the economic reform programmes that today guide African and East African development will be scrapped as they do not hold the key to a sound development. The reforms will not be scrapped immediately, but slowly other elements will be loaded onto the reform programmes so that they eventually may take on a new shape. This process is already taking place. However what still needs to be done is to challenge the core of the economic reform programme with the complex and realistic picture of African societies. Such a process is bound to emerge sooner or later, and it will come sooner if forces with a genuine interest in the well-being of Africa, its peoples and countries, use their power and influence to initiate it. The process has to evolve in true partnership between donors and the African state with the full involvement of the emerging African democratic institutions. In this process Swedish and Nordic development assistance has an important role to play.

## **11 SUMMARY, CONCLUSIONS AND SOME OPTIONS FOR FUTURE DEVELOPMENT ASSISTANCE**

This analysis has singled out the ability to govern as the most important issue for East African development into the next two decades. Its importance derives from its inextricability from nearly all types and areas of development in which the state is a stakeholder in one form or another. The urgency of the issue is related to the need for the emergence of development oriented states which can promote a vision for East African development into the two next decades in the context of growing domestic poverty and marginalisation and fierce competitive conditions on international markets.

Sustainable improvements in government in East Africa can only come about through making the states more accountable to their own peoples. Hence the challenge for shifting conditionalities from the external to the internal sphere. This is a long term process which requires that the balance of power is tilted towards lower administrative levels and peoples' organisations. Such a transition will be closely associated with the ability or space to organise from below and is consequently tied to the emergence of democratic structures at all levels in East Africa. It is the argument of the above analysis that the ongoing process of multi-party democratisation is unable to address the deeper lying problems of the problems of government related to authoritarianism, rent seeking and the lack of respect for cultural and ethnic diversity.

For development assistance to be of relevance for the emergence of a genuine democratic process it has to strengthen its capacity for identifying and assisting local institutions and movements that can play a role in this process without imposing on them their own ideas or strategies.

The participatory and organisational issue is of particular relevance for the promotion of more sustainable agricultural and rural development. Sustainable agriculture requires the emergence of a more intensive knowledge based farming system which can allow for the reduction in the use of external inputs without the loss of productivity and the maintenance of biological diversity. For this to occur the knowledge of small scale farmers must come to play an integral part in agricultural research. The organisation of small scale farmers will play an important role and give them a voice in matters of importance including making sure that relevant information reaches farm level.

Sustainable agriculture thus represents a combination of production, environmental and participatory elements. For external aid agencies and universities to be able to support such a development effectively they would need to restructure their specialist oriented organisations allowing for a deeper understanding of the integration and mutual interdependency of the various aspects. This implies that an improvement in government in recipient countries is not a sufficient condition for the emergence of more relevant external assistance.

In order to address the problem of food security in East Africa issues related to nutrition and access must be added to that of production. Sustainable agriculture may in itself help improve food security through its focus on participation and employment of indigenous knowledge, its awareness of regeneration of natural resources and its emphasis on biological diversity. Diversification of rural incomes is one way through which rural people can get access to food. Such a process may develop as part of rural households' conscious strategies or as a result of pressure on land from population growth, large scale farming and tourist expansion. Increased privatisation of land linked to the latter activities also implies the lack of legal protection of customary tenure systems. In areas where the scope for diversification of rural incomes is limited, increased migratory flows will occur, primarily to urban areas. Food insecurity in urban areas, in particular in the larger cities, may become acute due to lack of income opportunities and the limited scope for production of own food in such areas.

Support for rural development through the creation of income earning opportunities linked for instance to small scale agricultural- or natural resource processing in such a way that additional incomes are retained in the region, will play an important role for improving rural livelihoods and stemming migration to urban areas. Migration should be encouraged to smaller rural or regional towns rather than to the larger cities where sanitation and water supply are poor and informal sector employment activities are being exhausted. The smaller towns in addition have an important role to play in input and service delivery to neighbouring rural areas. Improvements to infrastructure and sanitation in urban areas are required in order to establish a positive link between increased food consumption on the one hand and better nutrition and health on the other.

Increased efficiency in water management is required both for the production and the consumption needs in both rural and urban areas. Water shortage may be the most critical factor in some areas of East Africa for the sustenance of cultivation. Expansion of cultivation into semi-arid areas of Kenya and Tanzania is not advisable since in these areas communally managed livestock systems may be the most productive form of land use. These systems should also be supported in the interest of food security.

Present trends towards increased insecurity in terms of land tenure and control over land mitigate against pastoral peoples and smallholder cultivators. The issue of tenure security will be central in East Africa in the next two decades. The protection of customary land tenure systems by law should be encouraged including the broader protection of women's legal rights. The undermining of tenure security for large sections of smallholder cultivators and pastoralists reflects more than just the lack of awareness of the needs of these groups by the state. Rather it indicates that the interests of the state are in direct opposition to this part of the population. This again underlines that the process of democratisation from below will encounter many problems.



Several strategic decisions have to be taken by the external aid agencies which wish to contribute to East African development. One major decision relates to whether aid should focus on those social groups, areas or sectors that can "manage" in the market oriented setting, or whether aid should concentrate on those which are becoming marginalised in the process.

Another important issue relates to the forms of relationship between the donor and East African governments. Should this be one of continuation of the external conditionalities based on strategic entry points in the recipient state machinery? Or should it be one in which a serious attempt is made to develop some kind of development cooperation? And to what extent should such cooperation also include the emerging autonomous institutions and democratic structures of the recipient countries which are beyond the control of the state? And to what extent would the recipient state "allow" such a broad base for the cooperation? If the aid agency wishes to enter at a lower administrative level, for example the district, and the central authority rejects such a proposition, what would be the response of the donor?

There are no simple answers to these questions. But to some extent they hinge on the basic objectives which the aid agency was set up to fulfill. But as such objectives are multiple and outlined in rather general ways, contradictions and inconsistencies will occur when they are specified at the operational level. This problem is compounded by the existence of different "interest groups" within aid agencies and the institutions or organisations close to them.

It may still however be possible to extract a few general principles upon which the activities and operations of the aid agency are based. One central issue of development assistance is the objective that the assistance should help the recipient to enhance self reliance, to manage on its own. We have seen, however, in the case of Tanzania, that external assistance has made that country completely dependent upon development assistance. Thus it seems necessary for donors to think through once more what the objective of self reliance implies and how this principle can permeate all forms of development assistance.

Another major principle which could guide donors is that they should do more of what they are good at, given that this is needed in the recipient countries. Given the above analysis, assistance to launch participatory processes and promote accountable organisations at all level of East African societies are important. Is the aid agency in question good at promoting participatory processes? It may be difficult for an aid agency to find a clear cut answer to such a question, because the agency itself might not have taken stock of its performance in the area. The implication is that aid agencies could improve by evaluating themselves with the purpose of identifying which activities they are good at and maybe should do more of, and which ones they conduct poorly and which they should leave or develop additional capacity to run well.

For East African countries to develop into the next two decades, the major responsibility will rest on themselves. In a region, such as East Africa, conflicting tendencies occur, some in favour of development others obstructing it. Such a setting puts particular demands on aid agencies to prepare a sound analysis on which their operations can rest. The developmental forces, sectors or areas in such a setting are likely to be supported most effectively through a combination of initiatives and actions. This as well puts demands on aid agencies to develop capacity for more holistic analyses. In this process assistance could preferably be sought from African scholars and experts who know their own recipient cultures from within. The externally originated strategies to develop East- and sub-Saharan Africa have all failed. This indicates that the next round of strategies promoted on the continent will have to be based on thorough insights of these societies, on how external conditions obstruct their development. These strategies also require broad support from within these countries.

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**W**hen the new Sida was formed out of six former independent aid-agencies, five inquiries were undertaken to give the new Sida a common policy in vital areas and a coherent vision of the future. The inquiry into the future, Project 2015, consists of a series of studies and seminars aiming to review trends, problems and opinions which will have bearing on the environment within which Sida will be working 5-20 years from now. This volume is one of nine publications that presents the results from the 2015 project.

A number of regional studies have been undertaken. These have been designed in different manners depending on the development problems of the regions. Four scholars have contributed to this volume concerning East and West Africa: Göte Hansson (on the Horn of Africa beyond the year 2015), Jonathan Baker (on the Horn of Africa with a particular reference to Ethiopia), Hussaina Abdullah (on West Africa towards the year 2015) and Kjell J. Havnevik (on Tanzania with outlooks to Kenya and Uganda). A commentary paper by Sten Rylander, Head of Sida's Department for Africa, introduces the present volume.

**Other publications from the 2015 project:**

- Aid Dependency
- Aid Management
- Trends in Social Development
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