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Autonomous Development Funds

Which Way Africa?

Education with Production in South Africa

Editorial Note

This issue of *Development Dialogue* is in its entirety devoted to different aspects of autonomous and innovative developments in Africa while also drawing on relevant experiences from other continents. It is divided into three sections: the first outlines and discusses alternative ways of providing development assistance by setting up politically autonomous development funds; the second section features two deeply thought-provoking contributions by Joseph Ki-Zerbo and Ernest Wamba-dia-Wamba, renowned African historians, dealing with the state and the crisis in Africa and the impasse in which the continent will find itself unless it can escape 'its present dependency, which is almost a perpetuation of the era of slavery'. The third section re-enforces the importance of the concept of 'Education with Production', developed and implemented in Southern Africa over the past 30 years and now attracting increasing public interest in the Republic of South Africa. This issue also pays tribute to the memory of Amir Jamal, who spent his life serving the people and the government of his country, Tanzania, and as an indefatigable negotiator for Africa and the South.

There is nothing special about the Dag Hammarskjöld Foundation devoting a whole issue of *Development Dialogue* to Africa. The activities of the Foundation were, in fact, largely focused on Africa during the first decade of its existence due not only to the tragic death of Dag Hammarskjöld at Ndola in 1961 but also to the emergence of so many new African states at this time. During the following decades, the Foundation's work programme was broadened to include both Asia and Latin America as well as the world of international organisations but without losing its original focus on Africa. Examples of the Foundation's orientation towards Africa are its conferences and seminars on African Refugee Problems, Regional Economic Integration, African Child Care, Education and Training and Alternatives in Education in African Countries, the Development of Autonomous Capacity in Publishing in Africa, Democracy and the Media in Southern Africa and on the State and the Crisis in Africa and the Search for a 'Second Liberation'.

Unlike the cynics in the political and commercial world and in the mainstream media, who, turning towards the lucrative markets in the East, have come to write Africa off as 'a lost cause", we would argue with Joseph Ki-Zerbo that it calls for urgent attention and action as the very survival of the continent is at stake. 'There is no splendid European or American isolation, which on its own could conjure up this apocalypse. Even if one closes one's eyes so as not to see, the stench of the charnel houses of Rwanda, Sudan and elsewhere will eventually reach the nostrils, if not the conscience, of every human being.'

In his essay, Ki-Zerbo emphasises that Africa urgently needs to develop a new vision of its future against the background of past and present ills: the uncritical adoption of the paradigm of the nation state; the destruction of social and cultural cohesion; the growing bias towards the national centre and the mass exodus from the rural areas to cities that are disintegrating under the strain of unregulated growth. The answer would be the transformation of the African nation states into new institutional arrangements better suited to respond to the realities, interests and values of the people. In this task, a vital part will be played by civil society—or the Third System as it was called in Marc Nerfin's seminal paper 'Neither Prince nor Merchant: Citizen—An Introduction to the Third System' in *Development Dialogue* 1987:1.

Ernest Wamba-dia-Wamba concentrates the focus in his paper on Zaire on the role and importance of the Sovereign National Conference and the hitherto frustrated efforts to build a genuinely participatory democracy in this tragically divided country. Wide-ranging conclusions, applicable to the whole African region, can be drawn from this highly relevant essay.

In the section on Education with Production, the old question about the most relevant schooling system for Africa is raised again. It is clear that more than three decades of efforts to copy the systems of the North in large-scale mimetic projects have not yielded the results hoped for and that the quality and relevance of the education provided is sometimes lower than it was 30 years ago, i.e. before the erosion of the indigenous languages and the social fabric by a schooling system whose main aim has been 'modernisation' whatever its social and cultural costs. Is it presumptuous to point to an alternative that has been in existence for a number of years in Southern Africa and applies a resource-saving, development-oriented, Africa-based model, starting with the idea that all young people have a role to play in the development of the continent and with a curriculum which is tested out in Southern Africa and already in place—Education with Production?

What role should the countries of the North play in a new African strategy for development and democracy? The answer is certainly not to leave Africa by the wayside as a hopeless basket case and turn to more profitable ventures in other parts of the world. It is rather to develop a new kind of relationship, tracing its origins to the early years of development cooperation and making it possible for African countries and countries in the North to work together as true partners within a commonly agreed framework. Proposals are made in this issue of Development Dialogue for the establishment of Autonomous Development Funds allowing civil society organisations and governmental bodies in Africa and in the North to cooperate as equals in a trusting relationship freed from corruption and conditionalities.

Reflecting on the material presented in this issue of *Development Dialogue*, it is striking to note how the perspectives and the proposals made relate to the ideas of Another Development advanced in the 1975 Dag Hammarskjöld Report, What Now. As readers of this journal are well aware, Another Development would be need-oriented, i.e. geared to meeting the material and non-material needs of the world's inhabitants; *endogenous*, i.e. stemming from the heart of each society; *self-reliant; ecologically sound* and *based on structural transformations* so as to realise the conditions of self-management and participation in decision-making by all those affected by it, from the rural or urban community to the world as a whole. It may well be that these ideas, formulated 20 years ago, will meet with a renewed interest in the years to come. Could it even be that we will see, before this decade and this century comes to an end, a sobering up of the international debate? Such a sobering up would then mean that the issues of resource waste, both physical and economic, the perverse concentration on economic goals at the expense of social and cultural goals, and the increasing marginalisation of large groups of people in the South as well as in the North, are reappraised in the interest of promoting Another Development, required in all societies, whether in the North or the South, centrally planned or market-dominated, at a high or low level of productivity'.

Autonomous Development Funds
An Alternative to Conventional Official Development Assistance

One of the most pernicious features of the situation in most African countries today is the distrust of so many people in public authority. Government officers often treat their offices as private fiefs, extorting bribes from members of the public seeking their services. Those public servants who are not able to acquire such private benefits in the course of their official duty tend to ignore their public responsibilities and use the better part of their time to look after their own private affairs. Much human ingenuity is being expended on these private pursuits. Public services and public authority suffer. Clearly, private solutions to human survival are not enough. Moreover, without an effective public realm not much comes out of these solutions.

If Africa and the friends of Africa are interested in making the continent move forward both socially and economically, the weakness of public authority constitutes one of the most urgent but also more difficult challenges to deal with. The depreciation of physical capital that is so evident all over the continent and the disturbing flight of human capital are largely the outcome of the parallel erosion of social capital: in recent years people have become increasingly reluctant to engage in collective action. What was once Africa's unique strength—its communitarian spirit—has been wasted in most places. Where it exists, it is typically more parochial and less national in orientation than in the past. So serious is this cancerous influence on what constitutes the backbone of any society that the future of some African countries is now in doubt.

This section of Development Dialogue introduces a new approach to dealing with this challenge. The autonomous development fund model provides an opportunity for governments and non-governmental organisations in Africa, as well as donors, to rethink their strategy of how to make foreign aid play a more constructive and effective role in national development. The principle behind this model is that the restoration of public authority is a necessary prerequisite if Africa is going to have a chance to develop, particularly under some form of democratic governance. People in Africa must be able to experience once again that public institutions can treat them in a fair and predictable fashion; that there are commonly understood rules that apply to everybody; and, that they do not have to pay bribes in order to obtain services from public agencies.

Seen in a broader perspective, this initiative links up with an earlier activity sponsored by the Dag Hammarskjöld Foundation entitled 'The State and the Crisis in Africa'. Under the auspices of the Foundation two seminars were organised: one in 1986, in Uppsala, to which a group of African intellectuals were invited, and a second at Mweya Lodge, Uganda, in 1990,

which was attended by a broad cross-section of Africans interested in and committed to democratic political reform in their respective countries.

Given the prominent role that donors play in most African countries, they must share the task of improving the current situation. They cannot merely continue to stipulate conditions for their aid. They also need to re-examine their own role in these aid-dependent countries. In doing so, they need to ensure that their approach promises a more effective use of their aid, provides incentives for local accountability, and minimises the risk of what is perceived as infringements of national state sovereignty.

The model presented here addresses these concerns of both recipients and donors. It is important to state from the outset that this is an African initiative, originally taken up by the African Association of Public Administration and Management (AAPAM) as a way of encouraging African governments to think of ways to give them more bargaining space with donors. As things have developed in recent years, African governments have been at the receiving end in their relationship with donors, in more than one sense. They have been lectured to and forced to comply with donor conditionalities if they wish to receive further aid. While the toughening of donor positions is understandable in the light of the disintegration of public authority in African countries, it is hardly constructive for development. If anything, it has led either to endless confrontations between donors and recipient governments or to the latter trying to get around the conditions set by donors. Instead of a constructive dialogue, donor-recipient rci^lions have often turned into a cat-and-mouse game. The AAPAM initiative is meant to demonstrate that African governments can be serious about democratic governance if given the right incentives and that they need not be treated in a patronising fashion by their external financial benefactors.

Development funds as mechanisms for channelling resources are new neither to donors nor African governments. What is fresh about the model introduced here is that the fund is not controlled by any one actor. Lessons from previous funds indicate at least two major shortcomings. If they are controlled by the executive alone, they easily become means of dispensing political patronage. They often end up serving the interests of the political leaders who control them. If they remain in the hands of the donors, they may be efficiently managed, but are typically removed from the realities of the recipient country and perceived as donor institutions. As such they do not help foster institution-building and better governance.

The autonomous fund model is different in that it presupposes active col-

laboration between governments and civil society in the recipient country as well as between recipients and donors. This tripartite relationship is confirmed by an equal representation of members on the boards of the funds. Thus donors can 'blow the whistle', if need be., but the fund remains a legal entity incorporated in the recipient country and is likely to be perceived as a domestically controlled public institution. The details of the model are contained in the paper by Göran Hydén, prepared on behalf of and/in collaboration with AAPAM. The discussion that this generated and the additional points that came out of the first Expert Consultation held on this topic in Kampala in April 1995 are reflected in the reports of the four working groups printed in this volume.

The meeting in Kampala, which was co-sponsored by the Ford Foundation and the Carnegie Corporation, must be described as a success. The experts by and large took a constructive and supportive position that facilitated discussions about how to put the model into action. Equally encouraging was the high-level support given by the host government, Uganda, and by the Tanzanian government.' In his closing address, Uganda's Minister of Finance and Economic Planning, M.N. Rukikaire, expressed his governments commitment to a funding model which 'has the potential of reforming the management of foreign aid ... [and] which will in turn contribute to the strengthening of democratic institutions and the broadening of civil society'. Describing the consultations as 'exceptionally serious', he gave his assurance of Uganda's readiness 'to be used as a model for the implementation of the follow-up actions... necessary to institutionalise the independent funds'. A similar commitment was made by representatives of the government of Tanzania.

Since the meeting, the first steps towards implementing these decisions have been made. Funds are being provided through AAPAM for exploring in detail what the setting up of such development funds would mean in a national environment with the specific political, economic, legal and managerial circumstances prevailing in each country. Work is being encouraged in four pilot countries, Uganda, Tanzania, Ghana and Zambia, and the results of the efforts of national task forces set up in these countries will be scrutinised and discussed in a workshop scheduled for the end of the present year. The Economic Commission for Africa, which at the regional conference in 1993 had already accepted the principle of autonomous development funds, is expected to take up the matter again at its next annual meeting of Economic Planning Ministers. On the donor side, the project idea features prominently in the report of the Uppsala Workshop on 'Civil Society and Democracy' held in June 1995 and organised by the Ad Hoc Work-

ing Group on Participatory Development and Good Governance of the OECD Development Assistance Committee. Several donors confirmed their interest at a subsequent meeting of the same committee in February 1996. For example, the Swedish International Development Cooperation Agency (Sida), which was represented at the Kampala consultation by its Assistant Director-General, Mr Sten Rylander, has indicated interest in financing the establishment of this type of fund, provided the agency receives a genuine request from an African country currently receiving Swedish aid. Among multilateral institutions, the United Nations Development Programme (UNDP) has shown particularly strong interest in the model, which has clear similarities with UNDP's own efforts to establish national partnership facilities.

There is strong reason to assume that this model will be important to African governments, NGOs working in Africa and donors interested in achieving a twofold objective: greater aid effectiveness and increased local accountability in the concerned African countries.

The Role of Independent Funds for Social and Economic Development in Africa

An Opening Address

By H.E. Yoweri K. Museveni, President of the Republic of Uganda

'There is a need to overhaul the foreign aid system to make aid a more effective tool of development' writes President Yoweri Museveni in this Address, given at the Opening Session of the Expert Consultation on the Role of Autonomous Funds as Intermediaries in Channelling Money for Social and Economic Development in Africa held in Kampala in April 1995. He continues: 'Aid to Africa should be directed to building independent institutions which give Africans a greater choice and control over incoming resources. In this perspective lies the transformation of the whole foreign aid system from one which is primarily based on political bargaining to one which builds on the principle of marketing aid among competitive bidders,'

President Museveni, who was sworn in as President of Uganda in 1986, was re-elected for a five-year period in May 1996,

I am very pleased to welcome all of you to Uganda for this expert consultation on the role of independent funds as intermediaries in channelling funds for social and economic development in Africa (the development fund model). I believe that this is the first meeting ever convened in an African country to discuss the modalities of establishing a non-partisan fund for socio-economic development in Africa. I would like to extend a very warm welcome to the guest delegates who are with us from outside Africa. And above all, I want to express my most sincere thanks to the Dag Hammarskjöld Foundation and Professor Göran Hydén who have made this meeting possible.

My remarks are intended to provoke a new thinking in dispensing foreign aid to Africa. The new thinking is that, instead of foreign aid being merely an outcome of political bargaining between donor and recipient institutions, it should be marketed through legally and politically independent funds incorporated in the recipient country. These intermediaries would eliminate many of the structural bottlenecks that presently cause foreign aid to be ineffective or misused.

Since the beginning of the 1980s, the major view among donors has been that a developing country's failure to make progress is due to wrong government policies. This opinion that the burden of reform lies squarely with the recipients of external assistance contrasts sharply with the stands taken when foreign aid was still young. In the early years of our independence, donors and recipients participated as equal partners in international com-

missions aimed at formulating packages so as to make aid more effective. The focus was on the shortcomings of the foreign aid system itself. The optimistic assumption prevailed in those days that through bargaining, donor and recipient governments could muster the political will and administrative skill to put these reforms into practice. A number of factors, not least the ideological competition generated by the Cold War, blocked such efforts. Growing donor disappointment with the performance of recipient governments in the late 1970s led to their unilateral decision to force the latter to reform. This was most effectively done through the international finance institutions where both donor and recipient governments are represented but the former dominate by virtue of their economic strength.

This trend has been reinforced in recent years. With the threat of communism gone, political conditionalities have been unilaterally added to the economic ones by the donor community. New foreign aid is given only if the recipient government agrees to introduce certain perceived reforms.

Thirty years after independence, people in most African countries are no better off than they were in 1960. The result is not only that the gap has increased between the rich and the poor countries but also that Africa is falling further behind other regions of the Third World.

Africa's weakness is that it has never really been able to attract private capital on a sustained basis. Many governments scared away private investors by pursuing nationalisation policies. Even where governments did not espouse such strategies, private investors hesitated because of the small size of the market and the perceived political uncertainty in these countries. Compared to other regions, therefore, Africa has in the last 30 years been heavily dependent on capital provided by the donor community. This capital has come in the form of grants or loans.

Because African economies remain predominantly reliant on the production and export of primary commodities, their opportunities in the global market are limited. Combined with the ever-shrinking demand in industrialised countries, this means that they have come to earn less instead of more in return for adopting new economic policies and have been forced to borrow more outside capital. Since commercial banks have largely avoided Africa, its only option has been the international finance institutions. With generally high interest rates, the foreign debt has shot up faster in Africa than in any other region in the South. To service these debts, it costs roughly as much money as is being received.

African countries have been arguing for several years now that their continent cannot develop unless they are provided with some significant debt relief. In response to this call, many creditor countries have cancelled or rescheduled certain categories of the continent's debt. The effect and scope of these measures, however, have been limited.

Some economists and political scientists argue that the most effective response to Africa's predicament is to facilitate a diversification of the capital flow to the continent. They argue that with growing respect for private property rights and a more transparent form of governance, private capital flows will increase. The generation of additional resources through capital investment, however, is also severely hampered by the present debt burden. Investors are reluctant to take risks in countries which are labelled 'bad debtors'. There is, as of now, no evidence that the political reforms in Africa have encouraged much growth in private investment flows.

Fortunately, there is a growing realisation of the need for concerted action to help Africa help herself. It is essential for scholars and experts from the donor community to recognise that foreign aid is as much part of the problem as it is part of the solution. In short, the burden of reform lies as much on the shoulders of the donors as it does on those of the recipients. Foreign aid needs to be scrutinised for its own systemic flaws.

Without exception, official development assistance has been dispensed with the help of contracts or agreements signed by the donor agency and the recipient organisation. This formula has applied whether the recipient has been a government or a non-governmental organisation. The initiative for a particular aid project or programme has sometimes come from the donor, at other times from the potential recipient. Under whatever guise the initiative was taken, the modality has involved negotiations and bargaining between the two parties over its terms. The donor wants to see funds moved and properly used; the recipients wish to maximise its control over both objectives and resources.

Under the present conditions of aid dispensation, neither the donor nor the recipients really feel they are in charge, irrespective of whether the aid is tied or not. The aid, as it is dispensed now, tends to alienate the leaders from the people and in some cases, enables small groups of officials to control the exclusive use of resources.

As long as bargaining prevails, equity and efficiency in resource use is a highly improbable outcome because power will be the decisive determinant

of how resources will be put to use. In the prevailing system of foreign aid, recipients are encouraged to focus on how to bargain over a slice of the cake rather than how to make the cake bigger. In spite of the rhetorical emphasis on the latter in donor circles since the 1980s, they have yet to make any systemic changes in their own operations to this effect.

There is a need to overhaul the foreign aid system to make aid a more effective tool of development. Aid to Africa should be directed to building independent institutions which give Africans a greater choice and control over the incoming resources. In this perspective lies the transformation of the whole foreign aid system from one which is primarily based on political bargaining to one which builds on the principle of marketing aid among competitive bidders.

The first steps in this direction have already been taken under the auspices of the African Association for Public Administration and Management (AAPAM). In March 1993, AAPAM in collaboration with the United Nations Economic Commission for Africa (ECA) organised and held a regional conference on 'Development Management in Africa in the 1990s and Beyond'. This conference adopted a proposal on how to put into practice the principle of marketing aid through independent funds. The primary purpose of this consultation in Kampala is to enable you as experts to explore this model further. It is my hope that at the end of your consultation, you will come out with concrete proposals on how the development fund model may be put in place.

I have been pro-occupied by development issues in this country and in Africa as a whole for a long time, more so since I took over the mantle of leadership of the country some nine years ago. To this extent, I have a personal interest in the outcome and success of your deliberations.

Some Reflections on the Experience of Foreign Aid

By William N. Wamalwa

In these reflections on foreign aid in Africa, William N, Wamalwa, President of the African Association of Public Administration and Management (AAPAM), draws on over three decades of experience at the national and Pan-African level. While the early years of great optimism led to a certain tendency towards concentration on technicalities and infrastructure and the neglect of major political and cultural issues, the present increasing concentration on human development is, in his opinion, a promising trend, although it is important always to be aware that foreign aid can only be complementary, and that a range of factors has to be coordinated in order to be successful. The author ends his paper by summarising, in three points, the positive motives for setting up autonomous development funds: (1) the over-extended and interventionist state is now reducing its size and shifting its role towards facilitating others to be productive; (2) foreign aid has a contributory role to play in promoting economic stability and national development in African countries; and (3) economic and public service reforms are establishing appropriate mechanisms for the efficient and effective management of the public services,

William N. Wamalwa served as Permanent Secretary in the Ministry of Economic Planning and Development 1966-67 and as Chairman of the Public Service Commission of Kenya 1968-74. From 1983, he served at the United Nations Economic Commission for Africa in Addis Ababa where he held the post as Chief of the Division of Administration and Conference Services during the period 1984 to 1992, In addition to being the President of AAPAM, he works as an international consultant on governance and public administration.
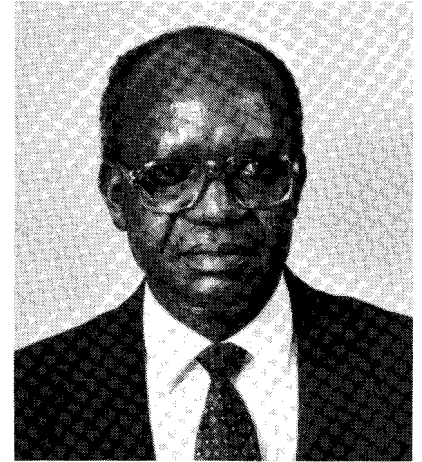
Foreign aid in Africa has had mixed results: the few instances of outstanding successes have largely been recorded in the political field and in the liberation struggle of individual countries. Its contribution to national reconstruction and development, however, has fallen short of the vision of both donor countries and African nations themselves. In the early years after independence, there was immense optimism both in Africa and in the industrialised North about the prospects for development. African leaders believed that once political independence was achieved, poverty, illiteracy and disease would be eradicated. It is in the context of this reality that Dr Nkrumah of Ghana was said to have often quoted a biblical injunction during the strug-

gle for independence: 'Seek ye first the political kingdom and every other thing shall be added unto you.' The same optimism motivated the industrialised countries of the North to implement a policy of development cooperation which provided the rationale for foreign aid in Africa and other regions of the Third World. It was widely believed that foreign aid would do for Africa what the Marshall Plan had done for Europe after the Second World War. But this has not happened.

Development aid in Africa

In the early post-independence era, African countries enjoyed enormous goodwill from Western donor countries. This goodwill was reflected in President John F. Kennedy's proposal—in an address to the UN General Assembly on 25 September, 1961, that the 1960s be declared the United Nations Development Decade. Development was defined in the context of economic growth. Thus, it was believed that with a generous supply of capital and technology, the economy of newly independent African states would be developed and, after passing through a transitional stage, would become self-sustaining. In accordance with this philosophy, targets were quantitatively rendered. The first UN Development Decade set a minimum target of a 5 per cent average growth rate by the end of the decade. Although this target was achieved for the Third World generally, economic growth in sub-Saharan Africa averaged 3 per cent. Nor were growth and development consistent over the years. Overall, aggregate national growth rose initially but declined by the 1980s despite a steady increase in aid flows. Behind this broad trend, Africa has nevertheless made progress. Human resources have been developed, life expectancy raised, literacy and health care expanded and more people given access to safe, clean water. Heavy investment was and continues to be made in infrastructural development such as roads, ports, telecommunications, power, water sanitation and irrigation, but simultaneously the decay in these structures and services becomes increasingly alarming.

Development assistance has over the years followed a specific pattern, with multilateral agencies tending to support infrastructural development and bilateral agencies placing a higher priority on human resource development and social development. It is significant, however, that multilateral agencies are now according human resource development due priority. One project in this regard is the African Capacity Building Foundation of the World Bank. Its Special Programme of Assistance to Africa aims to strengthen human resource development, to reduce the rate of population growth and help women play a greater role in development. Measures taken to achieve these objectives include country programmes on educational improvement

and expansion, the setting-up of training facilities, special action pro-grammes to reduce the social cost of adjustments, and gender-responsive projects aimed at improving women's living and working conditions.

Aid is also provided to support institutional development and build institu-tional capacity through technical assistance. Unfortunately our public in-stitutions are still weak and are incapable of resisting any pressures to act in contravention of operational principles.

Foreign aid through government channels in Africa is basically an official government-to-government transaction. It does not, however, preclude the private sector as final users. Indeed about 20 per cent of World Bank aid is targeted at the private sector to facilitate entrepreneurial development. Until the 1980s, private-sector development had been supported by na-tional governments with the establishment of industrial development banks and agricultural and commercial banks. These institutions financed—some-times through joint ventures with foreign investors—important sectors for which private investment was not easily forthcoming. Industrial growth was promoted in the field of import substitution but less emphasis was accorded to the production of intermediate and capital goods in the early years. This industrial policy was to be discredited and a new approach is now being ad-vocated which places greater emphasis on the sourcing of local raw ma-terials.

Foreign aid to governments in Africa has had a number of serious shortcom-ings, of which two are especially important. First, it has not been able to avert governance and economic crises, particularly visible in the 1980s and today resulting in the wide implementation of reform measures to reverse their social and human costs. In the context of the crisis of governance, both multilateral and bilateral donors are increasingly shifting support to NGOs and the private sector.

Second, the philosophy underlying aid flows was that the institutions and processes of Western industrial democracies were to be replicated in Africa. The new construct for the post-independence African state was to take the form and character of the modern welfare state. This conception influenced economic planners and public administrators. We were strongly influenced by Max Weber's model of 'Rational' bureaucracy. As Adebayo Adedeji has observed:

... we had opted for a system and culture of development administration that could meet the challenges of rapidly expanding government operations and their growing

involvement in the development process. It was our perception that such a development-oriented public service would also conform to the Weberian definition of rational bureaucracy—i.e. the application of the theories of professionalism, universalism, detachment and strict objectivity in policy analysis and decision-making with a hierarchical pattern of supervision and an information system which ensures continuity and certainty.[1]

Nor were the concept or the goals of the post-independence African state defined in terms of the values and cultural nuances of its environment. The state and the public services became weakened and ineffective because reform measures initiated in the 1960s and 1970s dealt essentially with technicalities and avoided major political and cultural issues. Moreover, even in public administration, environmental or ecological factors never constituted a major determinant of administrative improvement measures in the early years. This serious omission deepened the governance and economic crises when they engulfed Africa.

For foreign aid to promote national development in Third World countries, its role must be complementary, and a range of other factors must be addressed, too. One prerequisite is state policy to restore and sustain macro-economic stability. In Africa the rate of return on investment is low. It is estimated that a return of at least 20 per cent must be achieved by the year 2000 in order to achieve balanced and sustainable growth. (Normally a return of 25 per cent on investment will generate a GDP growth rate of 5 per cent. Investment costs are also high in Africa and are estimated to cost over 50 per cent more than in South Asia.)

Reform of the public service in order to make it efficient, effective and customer-oriented is being implemented in many African countries by means of foreign aid. The public service is to facilitate rather than hinder others to be productive by formulating appropriate policy instruments and operating under the principles of accountability, transparency and value for money. A policy process instituted at the top should be complemented by bottom-up mechanisms which will accord the people and decentralised institutions of local government a formal and institutionalised role in policy-making at the national level. This institutionalised role for local government is already being implemented by some African governments. We call on the other governments to modernise and reform local government systems in order to promote local governance. These institutions should also have access to development aid for locally designed projects. This new focus is important for the re-orientation of public-sector institutions at all levels of government to alleviate poverty and implement human security programmes.

The contribution of foreign assistance cannot be seen in isolation from other factors, endogenous to African countries, that combine to promote or hinder development efforts. One important policy instrument critical to economic recovery and the restoration of macroeconomic stability is the efficient management of public expenditure. Recently, as a result of domestic pressures, the funding of loss-making public enterprises, and high investment and operating costs, expenditures have escalated, generating large fiscal deficits which have fuelled inflation and created balance-of-payments problems. No macroeconomic policy can restore stability without an efficient management of public expenditure.

One common criticism in donor countries is that foreign aid contributed to the bloated size of the public service in Africa. The argument is that if money had not been generously provided, the public service would not have embarked on projects that it had no capacity to implement. A second criticism often levelled against foreign aid is that the expansion of the public service has 'crowded out' potential private investors in the economy.

The first criticism is hard to substantiate: the dominant character of the state and all the control and regulatory mechanisms were already in place before the availability of large-scale development aid. On the second criticism, only about 15 per cent of aid from the World Bank is likely to compete with private capital. Much World Bank assistance is spent on promoting private-sector, regional development and general infrastructural development, and infrastructure specific to agriculture. Even bilateral aid presently cannot be criticised for crowding out private investors and no longer finances the establishment of capital goods projects in, for example, the iron and steel industries; it is also assisting in developing the private sector.

In contrast to earlier development theory and practice, the main thrust of the present trend is the consensus that the governance and economic crisis in African countries can be solved only by a free-market economy, with government undertaking a minimum of functions. The World Bank captured this sentiment thus: 'Africa needs not just less government but better government—government that concentrates its efforts less on direct interventions and more on enabling others to be productive.'

The responsibility assumed by the African state—in line with the Western, Keynesian model—for promoting the public good and human-centred development contributed to an over-expanded public service and a massive public sector expenditure which exceeded 25 per cent of GNP in the 1980s.

This was much higher than the 19-per-cent figure for Third World countries outside Africa. Project and operating costs in Africa are high, largely as a result of poorly designed projects, poorly maintained and inefficiently managed infrastructure and the bare-faced corruption of public-sector functionaries.

The expansion and scope of the African state without an appropriate institutional capacity, a well-trained, motivated and committed human capacity, an efficient management system and a viable political process inevitably undermined the state as an instrument of development. The recurring policies which have contributed to the reduced capacity of the state include:

- state intervention in economic, social and commercial activities, forcing the public sector to take on functions it was not capable of performing and so undermining economic performance;
- undue emphasis on the physical capital function as against human capacity-building, leading to the proliferation of prestige projects, capacity underutilisation, wasteful capital use, and poor project design and implementation;
- the prevalence of distorting economic controls which were expensive to maintain, creating opportunities for bureaucratic corruption.

The outcome of these policies is the governance and economic crisis in Africa characterised by political turbulence, breakdown of civil society, widespread corruption, weak agricultural growth, decline in industrial output, poor export performance, mounting debt, deteriorating social indicators and decaying institutions.

Economic and public-sector reforms now being implemented throughout most of the African continent are anchored in Structural Adjustment Programmes (SAPs) which aim to restore macroeconomic stability and to transform the economy. However, the SAP option imposed by the IMF and the World Bank has its limitations for the African region. It has tended to place undue emphasis on deflationary measures, currency devaluation and economic deregulation.

In our view, any macroeconomic policy needs to

- facilitate the transformation and diversification of the African economy;
- mobilise an overwhelming quantity of factor inputs required within the African region; and
- promote a development paradigm that is people-centred.

Macroeconomic policy to be implemented for stability and balanced growth should be dictated by these objectives.

The core of the IMF and World Bank restructuring strategy is usually expenditure control and revenue reform. Control of public expenditure is targeted to achieve surpluses from the current account in order for the saving to be transferred to the development budget. The Structural Adjustment Programme also constitutes policy reforms which include privatisation and commercialisation of public enterprises, trade and payment liberalisation, tariff review, changes in exchange-rate policy, deregulation and reliance on market forces.

Just as the adjustment programme needs to be human-centred, public service reform should also be customer-service-oriented. In conformity with this principle, the AAPAM Declaration of Ideals of 1979 announced:

• To none will we deny service
• To none will we delay service
• To none will we pervert service

Retrenchment and reduction in the size of the public service should go hand in hand with the improvement of management systems, enhancement of policy-analysis capacity, installation of information systems and provision of adequate and modernised operating equipment and supplies. Public-service reform must therefore aim at enhancing productivity and developing and implementing an agenda for a human development and a new social order. Economic growth is a means to an end where people are at the centre of development.

Poverty is not only one of the greatest threats to political stability and social cohesion; it is also a major source of human insecurity, in the sense of anxiety about meeting the needs of daily life. Poverty alleviation programmes should aim at empowering the poor to benefit from and participate in the economy, thus ensuring food security, job security, income security, environmental security, health security and security from crime. These goals can only be achieved in civil society based on the principle of democratic governance which guarantees human rights and equality of opportunity.

A human-centred approach to development issues such as democratic governance, social justice, and equity—which all impinge on human welfare and security—are high on the agenda of governments. Progress has been made in this direction, but more is demanded from governments. Ac-

cording to the UNDP Human Development Report 1994, Third World countries devote an average of 13 per cent of their national budgets to human development needs. This could be increased to 20 per cent if governments adopted cost-saving measures, but back on military expenditure and divested from loss-making state enterprises. It is perhaps for this reason that the 20/20 ratio was decided upon at the Social Development Summit in Copenhagen, in 1995. Similarly, if bilateral donors, who currently allocate on average only about 7 per cent of their aid to meeting basic human development needs, were to raise this to 20 per cent, a total of USD 12 billion a year would be available for human development.[2]

The contributions of human development to human resources in general are immense. A few will be identified.

Improved health. The potential income loss from illness arrived at after a study of eight developing countries showed averages of 2.1-6.5 per cent of annual income. Better health and nutrition increase workers' capacity to learn, raise their productivity, decrease the number of days they are ill, and prolong their potential working life. Investments in knowledge and skills thus become more worthwhile, and GDP increases.

Education. Countries with an outstanding record in education and training often achieve dramatic growth in their economy. Japan and Korea are usually cited as examples. There are also countries such as the Philippines with impressive records of achievement in education but which have not been so successful economically. Thus education and training alone cannot guarantee national development.

The 1991 World Development Report stated that some countries in Africa have very low school enrolment rates. Burkina Faso, Ethiopia, Guinea, Mali, and Niger enroled only 20-40 per cent of children in 1987. This had not changed even by 1990. Enrolment for 1990 (percentage figures) was as follows: Burkina Faso 29, Ethiopia 28, Guinea 26, Mali 19, and Niger 25. This compared sharply with countries with good enrolment percentages: Tunisia 96, Botswana 96, Cape Verde, 95, Mauritius 92, Algeria 88, Swaziland 85, Cameroon 76, Togo 75, and Lesotho 70.[3]

Education enables people to absorb new information and ideas faster, which is particularly important in an environment of change. It also promotes enterprise. In Africa, where the state is now divesting, trained and educated people are needed to seize the opportunities offered by liberalisation policies. Important too is capacity-building in the management of change.

The African Association for Public Administration and Management (AAPAM) is also addressing the question of human capacity in policy analysis and management in response to an identifiable need in the African public service. In 1986 at the Expert Groups Meeting of the Association, lapses and deficiencies in policy analysis and implementation were identified as some of the major factors in Africa's socio-economic decline. A series of Senior Policy Seminars on Critical Skills in Policy Management were organised in 1988 and 1989. A high-level Working Group meeting was convened in the Seychelles in 1989 and a group of experts met again in Mombasa in 1991. At the end of all these activities evaluations were carried out which confirmed the need for sustained activity in order to build capacity in policy analysis and management. AAPAM, the Commonwealth Secretariat and the UNECA are now jointly in the process of establishing the Centres for Policy Analysis and Management Training.

Many African countries have devised mechanisms for the management of the reform processes during this transitional stage. The outcome in some countries has been positive. Let us look at the Kenyan experience in economic policy reform. The reform package was devised in 1986 and revised in 1990. One component of it is the Budget Rationalisation Programme (BRP). This aims to promote higher productivity through efficient management of government expenditures. Its main features are:

- reduction of capital expenditures to a few core projects;
- an adequate level of budget allocation for operating and maintenance costs; and
- restriction of total expenditures to levels consistent with inflationary targets.

Implementation of BRP has yielded positive improvements in economic management in the Government of Kenya. These include:

- the establishment of a macro-level framework for the planning of public expenditures for the forward and annual budget exercises that takes account of macroeconomic conditions and provides targets for the budget deficit, internal and external borrowing, and total public expenditures;
- the determination of expenditure ceilings for Ministries in advance of the forward and annual budget exercises;
- periodic monitoring of budget performance, including reviewing revenue collection trends, and regularly comparing disbursements from donors with the release of funds for recurrent and development expenditures of Ministries; and

- the revitalisation of the annual Programme Review and Forward Budget exercise as a major financial tool for preparing three-year expenditure plans for recurrent and development expenditures.[4]

A Public Invest Programme (PIP) has recently been set up as a more comprehensive instrument for the planning and prioritisation of public expenditures in line with macroeconomic policy. In each ministry, staff in the planning unit will work to improve the quality of project data and design their sector investment programmes so that these are consistent with government development policy. The responsibility for coordination is vested in the Ministry of Planning and National Development.

An important dimension of this Economic Management for Renewed Growth package is 'the need to restrain Government expenditures to levels consistent with inflationary targets and to avoid crowding out private investment'. African governments in general have accepted the importance of avoiding 'crowding out' the private sector. The environment is therefore positive for non-state institutions to be involved in development tasks. We believe that the policy framework of most African governments will facilitate the implementation of the autonomous development fund model which is being proposed.

In conclusion, I would re-iterate three salient points:

1. The over-extended and interventionist state is now reducing its size and shifting its role to facilitating for others to be productive.

2. Foreign aid has a contributory role to play in promoting economic stability and national development in African countries.

3. Economic and public service reforms are establishing appropriate mechanisms for the efficient and effective management of the public service.

Notes

1. Adedeji, Adebayo, *Africa in Transition: Facing the Challenge of Pluralism: Democracy, Governance and Development*, the David Andersson Memorial Lecture, delivered at the XVth AAPAM Roundtable Conference in Banjul, the Gambia, on Monday, 25th January, 1993.
2. UNDP, *Human Development Report* 1994.
3. Ibid.
4. Public Investments Programme 1993/94-1995/96.

Development Assistance: Prospects and Priorities

By Olav Stokke

*In this 'Northern view' on development assistance, Olav Stokke
first discusses the motives behind such assistance and observes
that although these are usually seen in black or white terms—as
imperialist or altruistic—they are often a mixture of both, the em-
phasis varying considerably with both the 'donors' and 'recipi-
ents' involved. Whether development assistance is an integrated
part of Northern countries' foreign policy or an instrument of
'humane internationalism', a number of relevant questions can
be put about its future: 'What are the prospects for aid towards
the year 2000? Will it be kept up at the same level as previously or
will it decline? What will be the priorities, and what changes can
be foreseen?'*

In his reply to these questions Olav Stokke emphasises, inter
alia, *that a whole new group of countries—Eastern European as
well as members of the CIS—have joined the countries of the
South in their need for resources and that an increasing share of
aid will be channelled not only to growing numbers of relief and
refugee operations but also to activities which have previously
been considered as distinct from aid, such as peace-making and
peace-keeping, all of which incur extremely high costs. Linked to
these factors is the question of the sustainability of aid: Stokke
notes with some surprise that the overall level of development
assistance, despite shrinking allocations in several countries, re-
mained around the same through the difficult years of the neo-lib-
eral 1980s, although the longer-term prospects seem less en-
couraging. An important factor in the discussion of the sustain-
ability of aid is the emphasis on conditionality that has increas-
ingly been used in aid cooperation negotiations whether the de-
sired goal has been increased democracy, good governance, im-
proved civil and political rights or 'economic and social rights'
Stokke believes that considerations of this kind will continue to
play an important role in aid discussions. An increased role on
the part of NGOs, for example in the context of Autonomous De-
velopment Funds, may, however, lessen the tension between
donors and recipients and facilitate a sustained transfer of re-
sources for developments*

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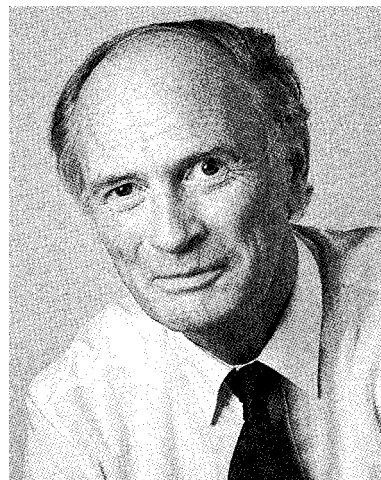
Introduction

Foreign aid finds itself at a crossroads. Dramatic changes have taken place in the North which also have implications for North-South relations. The so-called Second World—the Soviet bloc—has disappeared into thin air. What is left is a region in disarray, with a large number of new entities seeking to find a new identity, in many instances the national identity of the past. The past also included conflicts, contained under Communist rule, which were revitalised by emerging nationalism. The instant system transformation from authoritarian rule to democracy, and from a planned command economy to a market economy, necessarily caused chaos, turbulence and hardship: for generations these countries had had no relevant experience of democracy and an open economy, and the most elementary preconditions for the new model were missing.

Although these events drew the attention of the West, the flow of resources has in fact been quite modest. The end of the Cold War affected North-South relations and development assistance in many other ways too, and there are clear indications of more repercussions to come.

In this paper, the origins of and motives for development assistance from the perspective of donors will first be discussed. This will serve as a basis for assessing the prospects for aid towards the year 2000, including its post-Cold War sustainability and the competition between new activities and 'traditional' ones for shrinking ODA funds. Finally, the changed donor agenda, as reflected in the new objectives of the mid-1990s, will be briefly examined.

The origins of aid: motives

Development assistance is usually seen in black or white terms: by some people, as a tool of imperialism; by others, as an expression of altruism. My position is that normally it represents a mixture of the two, but that this blend may vary extensively from one donor to another. It is a question of motives.

First and foremost, foreign aid is part of the foreign policy of a donor country. It may therefore be studied within the traditional paradigm of *Realpolitik*, where aid is seen as an instrument in pursuit of national interests. These interests are, of course, defined differently by different regimes, or rather the emphasis varies. For many regimes, particularly those aspiring to a hegemonic position globally or regionally, security interests rank high, as do economic interests. Promotion of the predominant ideology is part of the extended national-interest concept, although not given equal weight by all governments seeking influence outside their domain. Within the paradigm of realism, ideology may even stand out as the prime national interest for in-

strumental reasons: its ability to steer the actions of those under its spell. The classic work on the realist school in international relations dates back to 1948—Hans Morgenthau's volume on *Politics Among Nations* [1]

The stated objectives for development assistance relate to economic, social, cultural and political development with an emphasis on poverty allevia- tion—in short to contribute to sustainable development in the South. These are all altruistic objectives, although long-term donor interests clearly are involved in a world that increasingly is becoming one. However, long-term interests at this high level of generalisation hardly fit into a realist paradigm. Looking back to the Cold War scene, the realist paradigm provides a good framework for analysing the aid policy of the superpowers. Several well- placed analysts maintain that US foreign aid has from the outset been driven by security interests,[2] and this applies to the other superpower of those days, too. The realist paradigm has dominated foreign policy analysis in the last 50 years.

However, reality is not all that simple—not even for the superpowers. As ar- gued elsewhere,[3] for some Western middle powers, developmental objec- tives rank first; humanitarian objectives, related primarily to relief opera- tions, follow in order of importance, if any distinction between the two can be made. For these countries—in particular the Scandinavian countries, the Netherlands and some others that joined the group of like-minded countries 20 years ago—an international commitment to peace was the driving force during the initial years: as members of the United Nations, they saw in the UN a guardian of peace and stability. The prime objective during those days was to strengthen the UN; development assistance (particularly *multilateral* aid) became an instrument to this end.

Most of these countries had a humanitarian tradition: they have been in- volved in international relief operations. All had engaged in missionary work in the South that combined social activities (education, health) with the dissemination of the gospel. Some also drew on the ideology of solidar- ity associated with Socialism. Several of the most ardent aid providers in relative terms had governments that emerged from a Christian or Socialist tradition—or a combination of the two.

These basically altruistic features of aid may be, as suggested elsewhere,[4] better explained within the paradigm of *humane internationalism*. The core of humane internationalism is an acceptance of the principle that citizens of industrial nations have moral obligations towards peoples and events beyond their borders. It is founded upon cosmopolitan values and implies

a sensitivity to such universal rights as those included in the various human rights conventions and the obligation to refrain from using force in the pursuit of national interests.

Within the context of North-South relations, humane internationalism implies, in particular, a responsiveness to the needs of the South as regards social and economic development, but it does not stop there: civil and political human rights are likewise considered universal and to have a bearing on the North-South relations.*

Humane internationalism may take the form of reform internationalism, liberal internationalism or radical internationalism.[5] In contrast to *liberal internationalism,* which combines the core component of humane internationalism with a strong commitment to an open, multilateral trading system, *reform internationalism* does not consider the market to be the most efficient instrument for determining production priorities or for dealing with income distribution. Although gradualist in approach and basically belonging to a liberal tradition, it favours state and inter-state intervention. *Radical internationalism,* by contrast, presupposes an obligation to show solidarity with the poor and oppressed in other countries, even at the expense of more narrow interests in the home country, and is associated with objectives such as the attainment of full economic, social and political equity, increasingly also coupled with ecological concerns, and favours state and inter-state intervention if such objectives are involved.

Humane internationalism is not necessarily entirely altruistic: the ethical objectives are also considered to be instrumental in promoting the more long-term, overall interests of rich countries. Traditional foreign-policy determinants—economical and political (including security) concerns—more often than not have a major influence on aid policy. This represents a bridge with the realist approach. However, humane internationalism has other

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* Humane internationalism, in a North-South context, implies an acceptance of an obligation to alleviate global poverty and to promote social and economic development in the South; a conviction that a more equitable world would be in the best long-term interest of Western, industrial nations; and the assumption that meeting these international responsibilities is compatible with the maintenance of a socially responsible national economic and social welfare policy. It is associated with a set of objectives, such as the promotion of economic and social development and social and political human rights in the South—and to alleviate human suffering. For an exploration, see Stokke, Olav, 'The Determinants of Aid Policies: General Introduction', in Stokke, Olav, cd., 1989, pp. 10-14, and Stokke, Olav, 'Foreign Aid: What Now?' in Stokke, Olav, ed., *Foreign Aid towards the Year 2000: Experiences and Challenges,* Frank Cass, London, 1996, pp. 20-27.

roots too: responsiveness to the development needs of the South represents an extension internationally of socio-political values predominant at home, as reflected in social welfare policy. However, commitment to the needs of the South, in most expressions of the concept, is less extensive than towards their own citizens.

Prospects towards the year 2000: sustainability and priorities

Against the background established: what are the prospects for aid towards the year 2000? Will it be kept up at the same level as previously or will it decline? What will be the priorities, and what changes can be foreseen? What will be the primary role for aid in the years to come? The following brief account raises some of the key questions but is far from being exhaustive.

Sustainability

How will the volume of aid be affected by the new international situation? The predominant assessment is one of pessimism, for many good reasons. One main source of aid—the Second World—disappeared overnight five years ago. The countries of this region were transformed into recipients of aid and became competitors with the South for reduced total resources. Moreover, to the extent that in the case of some major powers, aid was driven by security interests, a primary motive for providing aid disappeared: it is not any longer necessary to trade aid for political alignment or military bases. Add to this the so-called *aid fatigue,* strongly exposed in many quarters, in the face of apparently disappointing and poor results. This pessimism is substantiated by the decline in total ODA transfers in the 1990s.

Although basically correct, this picture has to be qualified. First, the pessimism, although reflected everywhere, is not equally distributed. In 1994, the London-based Overseas Development Institute hosted experts close to government quarters in the main regions in the North to take stock of the prevailing situation. Perspectives varied quite extensively. The North Americans, in search of a new justification for aid, reported deep pessimism for the future of aid and a demand for radical reform of aid programmes. Hopes were pegged on a new 'sustainable development' coalition of NGOs. The Japanese experts, however, expressed concern that support for their expanding aid programme might be unsettled by too much international talk of 'Crisis'. The Europeans, although heterogeneous as ever, took a middle position, arguing for piecemeal reform in the long term, but seeing no need for dramatic changes.[6]

A similar picture is provided by the actual transfers of resources. From the mid-1970s to the late 1980s, the volume of development assistance from

OECD countries showed a remarkable stability in relative terms (around 0.35 per cent of their GNP). This performance represents DAC averages. A few countries have provided aid well above the average; these include the Scandinavian countries, the Netherlands and France. The performance of other countries has been below the DAC average. This applies, in particular, to the United States which, because of its huge GNP, dragged the DAC average down.

Since the late 1980s, there has been a declining trend.* However, this trend represents the DAC average, and some countries have even increased their ODA. Denmark even exceeded the one-per-cent-of-GNP mark.** For the majority, however, ODA stagnated at its established level or declined slightly in the early 1990s. This also applies to Japan, the second largest donor country in absolute terms. Also the US aid declined, from the low level of 0.20 per cent of GNP in 1991 to 0.15 per cent in 1993.*** However, most of the European donors managed to keep up their ODA at the same level as before in fixed prices, or to raise it.

To the extent that performance on this indicator can show anything at all, given the short time perspective, the main conclusion is that the 'peace dividend'[9]—resources formerly spent on security being transferred to development after the end of the Cold War—did not in fact materialise. Nor did the end of the Cold War lead the majority of the DAC countries to reduce their development assistance, which might be expected if aid had been driven by security concerns; for most of the European countries with a downward trend, other country-specific explanations may be more plausible. The picture emerging in the mid-1990s, however, is one of stagnating, in relative terms even declining ODA resources.

* In 1989, ODA made up 0.32 per cent of GNP, rising to 0.33 per cent the three subsequent years and then dropped to 0.30 per cent in 1993. In current prices, ODA increased from USD 27 billion in 1982-83 to 47 billion in 1988, declining to 46 billion in 1989, and increased to 53, 57 and 61 billion the following years, before it declined to USD 56 billion in 1993. The trend appears if total DAC ODA is given at 1992 prices and exchange rates. In 1984 and 1985, ODA amounted to USD 52 billion, increasing to 53 billion in 1986 and 1987, and to 57 billion in 1988, declined to 56 billion in 1989, but increased to USD 58, 60, and 61 billion the following years. In 1993, it declined to USD 56 billion (OECD, Development Co-operation, 1994 Report, DAC, Paris, 1995).

** Other countries that increased their ODA during this period include Austria, France, Luxemburg, Norway, Portugal (a newcomer), Spain (also a newcomer), and Switzerland.

*** In 1992 prices and exchange rates, US aid in 1993 declined by USD 2.325 million from the previous year, Japanese aid declined by USD 1.367 million; combined they accounted for more than the total decline in aid from 1992 to 1993.

Looking ahead, how sustainable is then aid? I would like to make the following propositions:

- For more than a decade and a half, development assistance has been under fierce neo-liberal siege directed both towards its volume and its forms. Public opinion in the North has not been unaffected; while previously (in the late 1960s and 1970s) the predominant ideological winds encouraged the younger generation to embrace humane internationalism (reform internationalism and even radical internationalism), those of the 1980s turned them towards 'realism'—or, at best, liberal internationalism. It would be naive to believe that this will not affect aid in the long term. Values and norms also change, and values constitute an important—if not the most important—foundation for aid in most countries of the North.

- It is remarkable that so many governments have been willing and able to maintain aid at almost the same level as before—some even increasing their aid—in this cold climate. Most of these countries have experienced high unemployment figures and been forced to harsh budget cuts. More than anything else—this demonstrates that, after all, this public activity has acquired a certain robustness.

- Still, my impression is that the position of foreign aid has been weakened in recent years, because the results have been perceived to be so weak. It is important, though, to draw a distinction between different kinds of stakeholders' in the North. Stakeholders representing 'hard' values, such as the multilateral development finance institutions and the private sector, will expect results in terms of economic growth and increased productivity. Bad performance on such criteria will result in waning support from these quarters and from governments seeking their primary support from these stakeholders. Although its position may be weakened, aid is not particularly vulnerable from this kind of criticism; in several European countries, these groups seldom constitute the political basis for this particular policy area, except when aid serves their more narrow interests in a direct way.

In those countries where aid policy has acquired the strongest position and which provide most aid in relative terms, the position of aid will be seriously threatened when stakeholders representing 'soft' values lose faith in the activity—the politicians from the Centre to the Left, NGOs, churches, environmental and solidarity movements, who constitute the ethical and political basis for this activity. My feeling is that development assistance in the

1980s, with its concentration on 'hard' values, weakened their convictions of the blessings of aid and, accordingly, the strength of their enthusiasm.

For these groups, which provide the core support for maintaining and increasing aid, what really matters is that aid works according to the overall development objectives set for it: within the concept of *human development,* these objectives include poverty alleviation, social justice and—increasingly—promotion of human rights. What matters is to improve living conditions for fellow human beings, particularly those worst-off. Improvement of the 'hard' sectors—the macroeconomy, communications, institutions—are seen as means to attain the overall objectives, and therefore important but not what really matters at the end of the day.

If this analysis is right, then donor governments—or aid agencies—may most effectively reduce support for aid by neglecting the overall objectives they themselves have set for it or by channelling aid to the wrong recipients for the wrong purposes, in short by using aid to serve self-interest that works contrary to the overall objectives set for aid. The discrepancy between an altruistic rhetoric and a self-centred implementation may—if too wide—be destructive to the continued support for aid from its main champions. Governments on the recipient side may likewise reduce the support for aid from these core groups by demonstrating that the effect of aid is lacking as far as these overall objectives (poverty alleviation, etc.) are concerned, and by an inefficient use of the resources.

Most aid is channelled through governments. Although funds may be earmarked for particular purposes and usually are, they become part of the total resources available and may free national resources for other purposes. What matters to the stakeholders in the North, and increasingly so, is the total policy profile of the recipient government. For these stakeholders—and for governments that identify with these values or are dependent on the support of these stakeholders—news of recipient governments that are repressive, self-seeking and corrupt and violating vital human rights, erode the very foundation of aid. I am referring here to 'traditional' aid for long-term development, not to relief aid or aid for so-called 'complex emergencies', to which I shall turn next. Disillusion is increasing among these stakeholders on this account.

This point concerns what can be termed the humane internationalism basis for development assistance. One way of evading the neo-patrimonial state—which has been increasingly turned to in the 1980s—is to channel aid through NGOs. The idea of autonomous development funds also fits in

here, although the link to the state, as distinct from civil society, seems closer. This may have the function of maintaining support for aid among its core supporters in donor countries.

However, as pointed out above, there are also other foundations for aid: the one driving humanitarian relief operations, as just alluded to, and those based in realist internationalism, in pursuit of the national interests of donors. Combined, these may be sufficiently strong to keep up aid. Both are less sensitive to effectiveness of aid vis-a-vis the overall development objectives set for aid.

Competing activities: relief and 'complex emergencies'

During recent years an increasing share of total aid has been provided in the form of relief aid,* particularly because of man-made catastrophes in the North and South. These crises often result from old conflicts rooted in rivalry between nationalities that are revitalised by emerging ethnic nationalism, or are provoked by longstanding discrimination against ethnic minorities by an authoritarian, repressive state in control of coercive powers (the military, police). They have called for international peacemaking and peacekeeping operations which, to some extent, have been financed from ODA sources.

These 'complex emergencies', that may involve a variety of peacemaking functions, relief aid and aid for rehabilitation and long-term development, constitute a particular challenge, not least because of the enormous costs that have been involved in recent rescue operations, but also because they make it necessary for different organisations with different cultures to co-operate, a not too highly developed virtue in the multilateral system or even in bilateral settings.

So far, such crises have been considered in a linear context—the crisis is accidental and temporary, then peace is restored and development continues. In some areas of the world, the situation is characterised by almost permanent instability for a number of similar and different reasons, and new con-

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* This share more than tripled between 1985 and 1993 as a share of total aid from the OECD countries. 'Emergency and distress relief', excluding emergency food aid, amounted to USD 353 million in 1980, and increased to USD 602 million in 1985, USD 1,058 million in 1990 and USD 3,219 million in 1993 (OECD, *Development Co-operation, 1994 Report,* DAC, Paris, 1995).

flicts may flare up.[7] This calls for an integrated approach that includes crisis management before a crisis explodes, or afterwards if prevention is impossible.

Objectives

The range of objectives to be attained by ODA has been widened. Some of the man-made crises that demand 'complex emergency' operations have, in part, been triggered by the disintegration of the Soviet bloc, although they are far from confined to that region. The end of the Cold War has also brought new objectives—in a development assistance context—to the fore: democracy, human rights and 'good governance'. In the multilateral agencies, development objectives and human rights objectives were kept apart—as separate agendas handled by separate organisations—until the late 1980s and early 1990s. For some of the bilateral donors, however, these 'new' objectives have been among the stated ones since the mid-1970s; Sweden included promotion of democracy among its four overall objectives for aid as far back as 1962, though not giving much emphasis to it until more recently.[8] Even before the end of the Cold War, the 'traditional' aid agenda had been extended quite substantially by including the ecological dimension of development.

These 'new' objectives have been controversial in a North-South setting, not least because they have been associated with aid conditionality—aid being used as a lever.[9] Although the emphasis of the individual bilateral donors may differ—some (among these in particular the US) place emphasis on free and fair elections and civil and political human rights, others (among them the Scandinavians) place equal if not more emphasis on the economic and social dimensions ('economic and social rights' and the right to development)—I think it can be predicted with some confidence that these objectives will maintain a high priority with aid donors in the years to come, whether posed as conditions for extending aid or as 'positive measures': earmarking aid for particular purposes or institutions which, in the assessment of the donors, will promote these values. And I think that such considerations, in the time ahead, will impact on the distribution of ODA among recipients, whether this takes form of open confrontations (cutting of aid relations) or more tacitly.

I have termed this pressure for political reform second-generation aid conditionality.[10] The ground was prepared by the first generation, related to the structural adjustment programmes driven by the IMF and World Bank, that made loans dependent on economic policy reforms. That policy transcended the stated objective of bringing 'the house in order' by adapting ex-

penses to incomes; to a large extent it aimed at substituting the 'market' for the 'state' and reflected the predominant neo-liberal ideology of the 1980s.

The 1990s have brought 'the state' and institutions back as important development agents in mainstream development thinking, as reflected in World Bank publications.[11] However, this does not include the neo-patrimonial state. The other important change is reflected in the different emphases of first-generation and second-generation aid conditionality: the first brought macroeconomic concerns to the fore, initially with little regard for their social consequences. The second brought human rights to the fore. The pendulum has swung again—away from macroeconomic concerns and towards human development concerns. This is reflected, *inter alia,* in the UNDP's human development index and also by the Social Summit in Copenhagen.[12]

Concluding remarks   Foreign aid towards the year 2000 is confronted with the challenge of a new international policy environment. The 'new' objectives (human rights, participation and democracy, good governance, environmental concerns) reflect the changes taking place since the late 1980s. So does the revival of the old ones of which poverty alleviation is the most prominent. New countries are added to the list of recipients of aid and additional activities are competing for ODA. An increasing share of aid has been channelled to relief activities and refugees resulting from collapsed states; the response to these complex emergencies from the international community has also had as a result that activities which previously had been considered distinct from aid— such as peacemaking and peacekeeping, involving the police and the military—have increasingly, in part, been funded by ODA. This represents a dramatic new situation for foreign aid in view of the high costs involved in such multilateral operations; in the first half of the 1990s, these activities have brought the United Nations close to economic bankruptcy.

The situation calls for more policy coherence. This may increase the consistency, quality and effectiveness of the North's various policies to improve conditions in the South, the stated purpose of all the policies. Still, I would like to end on a conservative note. Although the new objectives that have come to the fore in recent years contribute towards a broadening of the concept of development and drive home a holistic perspective on both aid and development, these 'new' imperatives may leave the original objectives of development assistance in the shadows. If that should be the case, little would be achieved. Poverty alleviation and the promotion of economic and social justice in the South should not be neglected; in fact they are more needed than ever in many parts of the South. And so is the search for

mechanisms intended to facilitate such efforts, mobilise the participation of those immediately concerned, and restore the mutual confidence between recipient and donor that aid will work the way it should according to stated policies.

Notes

1. Morgenthau, Hans, *Politics Among Nations,* Knopf, New York, 1948.
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Reforming Foreign Aid to African Development

A Proposal to Set up Politically Autonomous Development Funds

By Göran Hydén

This contribution by Göran Hydén served as a background paper to the discussions on Autonomous Development Funds at the Expert Consultation in Kampala in April 1995. It presents the rationale for these funds and outlines in some detail their main features. The background paper is based on four assumptions. The first is that a critical variable in determining the effectiveness of foreign aid is how it is being dispensed. This becomes particularly critical in situations where public institutions have lost much of their legitimacy and ability to influence the course of events. The second assumption is that a trusting relationship between donor and recipient is a prerequisite for good use of foreign aid. Only then will the physical capital (money) that the donors provide begin to be converted into social capital, i.e. institutions that will sustain development efforts based on local commitments. The third assumption is that donors need to be less selfish or nationalistic in their approach to foreign aid and not think that the more control they have over the preparation of a given project the more likely it will be that the project will yield positive results. What is needed is a modification of this process so that donor coordination takes place in response to the expressed needs of recipient institutions. Finally, the fourth assumption is that development funding must be available not only at the central, governmental level but also at lower levels. The central control of decision-making, information flow and resource allocation can be broken if local institutions, including local government, are able to enhance their financial autonomy vis-a-vis central government.

The autonomous development fund model, then, is characterised in the following way: it is a public but politically independent institution; it caters for both government and civil society; it is a funding, not an operational, entity; it aggregates finance from many sources; it brings donors and recipients together in new ways; and it is national in scope of operation.

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Introduction

The purpose of this paper is to introduce a novel proposal for how foreign aid can be made more productive in the current context of sub-Saharan Africa. The basic assumption is that foreign aid must be adapted to the specific challenges in these countries: high levels of external dependency; weak public institutions; pressures to democratise; and, low levels of trust. The politically autonomous development fund that is being proposed here serves as an intermediary between the donors on the one hand and the operative recipients on the other, thereby promoting greater local responsibility and accountability and motivating Africans to take important steps towards improved governance. By helping to aggregate incoming donor finances into sectorial funding mechanisms, these funds reduce the administrative burdens on both donor and recipient sides.

This paper is written as a background paper for discussion. It introduces the challenges and the rationale for these funds and continues to outline their basic features. It ends by raising a number of questions that need to be further addressed before the proposal can be put into operation.

The challenge

The next ten years may become a period of make or break for much of sub-Saharan Africa. Slow economic growth, deteriorating terms of trade, the burden of debt servicing, and stagnating flows of external financing make social and economic development in that region particularly difficult. Projections for sub-Saharan Africa, according to the 1992 *World Development Report* are sobering: given present trends in productivity and population growth, per capita income by the year 2030 would reach only USD 400, lower than the USD 440 recorded for 1957! Africa's decline stands in contrast to the projections for other regions of the world. While capital flows to developing countries, especially from private sources, have grown rapidly in recent years, they have been directed primarily to Asia and Latin America. 'Africa has been bypassed', concluded the UN Secretary-General in his 1993 assessment of the progress of the UN New Agenda for the Development of Africa in the 1990s (adopted in December 1991).

This grim predicament requires work on many fronts. There is no one approach that will work; no one solution to the many problems. There is reason, however, to pay special attention to the role of foreign aid. Official development assistance (ODA) has played, and continues to play, the dominant role in development financing in sub-Saharan Africa. In 1992, it constituted 80 per cent of all external finances to the region. Aid flows to Africa, however, are under threat. For sub-Saharan Africa, ODA in 1992 fell by 22 per cent from 1991. To a large extent, this decline reflects the fall-off in bilat-

eral aid from the largest donor countries, especially the member-states of the Development Assistance Committee of the Organization for Economic Cooperation and Development (OECD). Instead of approaching the organisation's aid target of 0.7 per cent of Gross National Product, member states are falling further behind. The average for these countries in 1992 was 0.34 per cent, less than half of the approved target. Only the three Scandinavian countries and the Netherlands were above the 0.7 mark. This decline in bilateral aid is accompanied by a reduction also in multilateral aid. Support from the International Monetary Fund (IMF) and the World Bank increased during the late 1980s, but has since tapered off and it may continue to slow down in the second half of the 1990s.

This downward trend is not likely to change as long as the African state remains incapable of putting external finances to good use. What was in the first years after independence—in spite of inadequate staffing—a reasonably reliable implementation machinery has in the 1990s turned into a corrupt, inept and inefficient 'good-for-nothing' kind of institution in many countries on the continent. Donors are unlikely to continue pouring money into what many of them perceive as a bottomless pit. Without serious reform and improvement, African governments are going to find less and less money goes their way. The writing on the wall is quite clear.

The donors, however, find themselves in a difficult situation. They already finance more than 50 per cent of the national budgets (both development and recurrent expenses) in many countries of the region. Many donors want to reduce their funding but their involvement in the affairs of these countries is so extensive that a sudden withdrawal, apart from its diplomatic repercussions, would cause severe economic and social havoc in these places. Many donors perceive themselves as hostages of their own past generosity. Their money flows into these countries but produces little or nothing, at least in terms of sustainable progress.

Is there a constructive way out of this difficult situation that would be beneficial for donor and recipient alike? In particular, how can the money that is being transferred to Africa be converted into more lasting development activities? That is the challenge facing Africa and the global community in the second half of the 1990s. It is a big one that calls for an approach other than 'business-as-usual'. It calls for new thinking on the part of both African governments and international donors. At a juncture as critical as this, such rethinking is hopefully possible.

The African Association for Public Administration and Management

(AAPAM) has devoted much of its activities over the years to the issue of how the public service in Africa can be improved. It recognises that many of the issues relating to public service reform go beyond the conventional issues of public administration and management. From this perspective, it devoted its 1993 annual round-table discussions to governance and democratisation issues. The Association's involvement in this project is another acknowledgement that the issue of development management in Africa today has to be tackled holistically by African governments and donors alike.

Five years ago, the Dag Hammarskjöld Foundation organised a conference on 'The State and the Crisis in Africa' in which a cross-section of African politicians and intellectuals analysed the problems facing the continent on the eve of its present move to democracy.[1] This time, attention is also being turned to the donors, not because the assumption is that the Africans committed to reform have failed but because the donors are so deeply entangled in the current situation that their self-evaluation is as important as that of the Africans. Both parties have reason to share responsibility for reversing the current predicament.

Rationale for a new approach

If there is anything that we should have learnt from past experience with foreign aid, it is that it works best when prospective beneficiaries have a stake in the venture; when it is adapted to the particular circumstances of the situation in which it is being dispensed; and, when it makes people feel enthusiastic and ready to cooperate to achieve a common objective.

In recent years donors have typically found it more difficult to tailor their assistance along these lines. For a variety of reasons—suspected or documented cases of corruption, perceived lack of commitment among recipient government officials, increased pressures from home authorities to show results, and so on—aid agencies have usually taken a more direct control over the use of their funds or have channelled increasing sums via trustworthy international non-governmental organisations with a presence in the recipient countries. The inevitable effect has been to reduce the opportunities for local accountability and involvement; to limit the chances that their assistance will be of lasting value. The approach proposed here is being presented with a view to showing a different way forward. It starts from four assumptions.

The *first* is that a critical variable in determining the effectiveness of foreign aid is how it is dispensed. The idea that the mechanisms for channelling aid

are important is of course not new, but not enough attention has been paid to how the institutional conditions in Africa today affect this issue. More specifically, what can be done in situations where public institutions have lost much of their legitimacy and ability to influence the course of events?

The answer to date has been along two lines. One has been to cut the size of the public service on the assumption that with better financial incentives for those remaining, productivity will increase. The second has been to encourage private and voluntary initiatives to play a more important role in development. While these may be necessary conditions for improving Africa's development prospects in the years ahead, neither is sufficient. Many people still perceive the public realm as a place for making private gains. The real challenge of how to restore confidence in public authority remains. Only when people can expect to be treated with fairness and professionalism are public institutions likely to earn the respect they need to promote national development and political order. Further attention to the public realm is crucial to any effort to get Africa out of its current predicament. This means that a bolder and more imaginative approach needs to be adopted: one which accepts that 'public' is not *a priori* synonymous with 'lack-lustre performance'. *It is the conditions under which an organisation is public that determine its effectiveness.*

The *second* assumption of this model is that a trustful relationship between donor and recipient is a prerequisite for a good use of foreign aid. Today there are plenty of examples from African countries to the contrary. Some donors keep pushing money into treasury coffers or specific projects but often experience a moral dilemma when being forced to apply extensive measures of control that very clearly illustrate their lack of trust in the recipients. Others avoid this moral dilemma by simply channelling money only to institutions outside the public sector. None of these scenarios is a prescription for national development. It often amounts to nothing but throwing good money after bad or to giving priority to private initiative over public authority when both are sorely needed. Africa can move forward no better on the one leg of private initiative than it could on that of state control. Africa needs both legs, and donors must find a way of developing greater trust in their African counterparts. The latter, on their part, must be given a chance to prove that they can be trusted. *Only then will the physical capital (money) that the donors provide begin to be converted into social capital: that is, institutions that will sustain development efforts based on local commitments.*

The *third* assumption is that donors need to be less selfish and nationalistic

in their approach to foreign aid. Many of them continue to act unilaterally. By having their own consultants design projects they reduce the opportunities not only for local recipients to be involved but also for other donors to participate. There is a tendency for these agencies to feel that the more control they have over the actual preparation of a given project, the more likely it is that the project will yield positive results. The truth of the matter, of course, is that the result is usually the opposite. As long as donors insist on being so directly involved in design and forcing the recipient institutions to adhere to their own peculiar idiosyncracies—not the least when it comes to administering specific projects—the chances of development projects succeeding are very slim. Aid does not work in that way. In recent years, donor coordination has been fostered by consensus over the need for macroeconomic reforms. Such coordination is still rare at project level and, when it is achieved, donor considerations typically prevail. Apart from a few ministry officials, representatives of the recipient side have little input into these activities. What is needed is a reversal of this process so that donor coordination takes place in response to the demands of recipient institutions.

The fourth assumption is that development funding must be available not only at the central level of government but also at lower levels. There has been much talk of decentralisation in Africa over the past twenty years but very little has materialised in the way of genuine power-sharing. The growing emphasis on local government revenue collection is important but not enough to assist the process of decentralisation. First of all, most local government areas are too poor to sustain themselves, let alone engage in development projects. Second, as long as the only other sources of revenue are central government loans or grants, local institutions are in no position to bargain effectively for greater influence. The whole set-up needs to be changed in such a way that local governments can compete on equal terms with central government institutions for finances available for public use. The central control of decision-making, information flow and resource allocation can be broken if local institutions, including local governments, are able to enhance their financial autonomy vis-a-vis central government. Finding a means of achieving this in the contemporary context of African governance is an important challenge to all.

The Autonomous Development Fund model

The approach proposed here is derived from recent experience with similar institutions in developing countries but is being adapted to the particular challenges of the present situation in sub-Saharan Africa. It is possible to identify at least four types of development funds. The first are the rural development funds that donors began funding in the 1970s. Their institutional

location was typically in the Office of the President and their principal aim was to enable the government to finance smallscale projects outside the framework of its own bureaucracy. These funds had no board of trustees, and they were easily turned into political patronage funds. In most cases, as evaluations show, there was little feedback on what happened and poor financial accountability. This type has been largely abandoned by donors today.

The *second* type consists of the increasing number of private foundations that have been set up locally, sometimes with assistance from American charitable foundations, with a view to financing smallscale development projects at the community level. They do have formal legal independence and are set up with their own boards of trustees, but many of them have been 'politicised' and used to favour particular political agendas. Their overall performance record is mixed. They continue to play an important role in many developing countries: more so, however, in Asia and Latin America than in sub-Saharan Africa.

The *third* type might be best described as the public-sector version of the above private initiatives. Some donors, such as UNDP and UNICEF, have decided to help establish funds to cater for community or village development. The assumption is that through these funds their money can more easily reach the poor and groups at risk. The funds are typically provided by one donor only and are politically accountable to the head of state or a designated minister. For donors who in the past have experienced great difficulty in reaching the poor, the performance of these funds to date is encouraging.

The *fourth* type are the social action or social development funds established with the help of the World Bank to cater for adverse social effects of the macroeconomic reform programmes. The most well-known of these is the Emergency Social Fund in Bolivia, which has been hailed by many as a success story, although it had difficulty reaching out into the rural areas. These funds are typically operational in that they also carry out specific projects. Their exact status varies from country to country, but they are accountable to a political head, either the head of state or a designated minister.

Each of these types has, or has had, an important role to play, but none meets the real governance challenges of Africa today. The autonomous development fund model proposed here differs from all or some of the above types in the following ways:

It is a public but politically independent institution.
It caters for both government and civil society.
It is a funding, not an operational, entity.
It aggregates finances from many sources.
It brings donors and recipients together in new ways.
It is national in scope of operation.

These funds would serve as intermediaries between donor agencies and recipient institutions. They would be incorporated in the recipient country and ultimate responsibility would lie with a board of trustees whose members are legally prevented from serving on the board if they have political or economic interests that collide with their role as trustees. In this way, the funds are accessible to any group, regardless of their political orientation. By being guided by professional and not political criteria, these funds have the potential of encouraging constructive competition between government departments, on the one hand, and private and voluntary organisations, on the other, to demonstrate how development work can be improved and be made more sustainable. By refraining from an operational involvement they can more easily retain their independence. By inviting donors to 'invest' in them, they can avoid finding themselves in the pockets of a single sponsor. Donors, in turn, can consider withdrawing their support as a way of putting pressure on the funds to perform better. This encourages donor sensitivity to good performance without forcing them to apply conditionalities that typically get in the way of doing development work well.

It should be pointed out that these funds are not expected to absorb all external aid flows to a given country. They will, through specific sectorial foci, e.g. on food security, public health, education, or women in development, absorb finances that currently go to government departments or NGOs involved in social and economic development. Largescale infra-structural projects and humanitarian assistance would fall outside the purview of these funds.

The fund objectives can be summarised in the following way:

• to accelerate social and economic development by facilitating the conversion of physical capital into social capital;
• to foster more responsible forms of governance based on the principles of local responsibility and accountability;
• to encourage a more demand-driven development process by making public money available in response to proven ability to handle it in a feasible and responsible manner;

- to enable donors to withdraw from direct operational or administrative involvement in externally funded project activities;
- to provide greater space for African governments, including local governments, to demonstrate their commitment to improved governance in their countries;
- to help African countries generate more support for their development efforts by demonstrating that external funds can yield positive results.

The concept of autonomy

Autonomy is crucial to the development fund model. It is defined here as the ability of an organisation to formulate goals and policies that do not necessarily reflect the articulated interests of the environment such as resource providers. Autonomy is a condition which describes both the organisation's relations with individual resource providers and its access to resources. Autonomy is never total, but the extent to which an organisation enjoys it influences performance. Organisational performance is often measured only in terms of effectiveness (or efficiency), but it should include also such dimensions as innovation and morale. The latter two are as critical to success as effectiveness measured in terms of goal achievement. Where organisations are resource-dependent, as is typically the case in Africa, definitions of effectiveness tend to be provided by the resource providers, that is the donors. This usually has the effect of lowering the levels of innovation and morale. The organisation loses its readiness to criticise policy, much less innovate; it simply implements. Under more autonomous conditions, organisational performance is motivated by internally generated definitions of effectiveness. The organisation evaluates and criticises external notions of effectiveness, and may reject them in favour of its own. Performance shifts from the art of the possible to the art of defining what possible is.[2] If African governments and donors are concerned with better performance. autonomy, as the literature on organisations suggests, is an important condition. Effectiveness is likely to be best promoted by precisely those qualities—innovativeness and morale—that are associated with autonomy. Both donor and African governments have reason to rethink their relations to respective clients: donors vis-a-vis recipient governments; the latter vis-a-vis other organisations in society. The autonomous development fund model addresses both these nexuses.

Organisational resources can be divided into three categories: (1) authority (right and responsibility to carry out programmes and general legitimation); (2) financial assets (for maintenance as well as programme development and implementation); and (3) technical expertise (mode of operation and staffing issues). Each category will be covered in some detail below.

Issues of authority   The autonomous development fund is supposed to be a public institution, but it should be independent of government control. It should not be construed as 'a state within the state'. The appropriate analogy is rather the role played by an independent central bank, which in the interest of the national economy is allowed to make monetary policies of its own. Partisan interests, represented by the government or any other set of actors, must not infringe on the fund's decisions.

One way of bolstering its autonomy is to emphasise its status as a national institution, open to all. A regional fund or similar institutions catering for a specific clientele easily loses its autonomy. It gets coopted by client interests. A fund established at the national level has greater clout to withstand such pressures. With a diverse clientele and with more than one resource provider, it should be able to uphold its image as an institution that serves the government as much as it does civil society. At the same time, it might be in the interest of all that instead of a single fund for all types of social and economic development a number of sectorially specific funds compete among themselves. Potentially this is a performance-enhancing measure.

Much of the general legitimation of these funds will depend on how their boards of trustees are constituted. There are essentially three models for constituting a board: representative, restricted, and self-perpetuating.

The first of these implies a charter which specifies that members represent different interests or organisations. The second specifies particular qualifications that have to be met. In the third, the charter permits members of the board to select their own replacements. The first of these is problematic in this case if representation is seen to be on behalf of potential clients. It may be applicable, however, if representation is seen to be on behalf of sponsors. The other two options are also applicable. It is likely that certain qualifications and restrictions should be included in the charter. For example, persons who are actively engaged in politics or serve in organisations that are potential clients should be excluded from consideration. Similarly, an element of self-replacement may be desirable to enhance autonomy.

A major problem with this kind of institutions in the past has been the tendency for the ultimate appointing authority—the head of state or minister—to fill the board with friends and allies. If the charter does not put a break on that tendency, little will have been gained. The trustees of these funds must be persons who are secure in their positions and sufficiently insulated from undue pressures to make decisions about allocation of resources

that follow standards of fairness and professionalism. It may become necessary to insert a contractual obligation on the trustees to follow such standards so that they can be held accountable in cases of violation.

One possible means of avoiding past shortcomings would be to have the funds answerable to the national legislature. It would appoint, for example, three members to the board, the financial sponsors would appoint another three, and the board itself select the remaining three. To ensure continuity and an institutional memory in the board, the appointment of new trustees may be staggered so that three new members, for example one from each of the three categories listed above, are selected each year with a three-year mandate. It may also be specified that no member of the board would be allowed to serve for more than two, or possibly three, three-year periods. In this way the boards would be accountable to the lawmakers of the country without being totally in their hands. Each fund would be responsible for submitting an annual report to the legislature and, if necessary, the latter could recommend certain measures, including instituting a public audit, aimed at enhancing their performance without compromising the principle of autonomy. If the funds are made accountable to the legislature instead of a particular minister or the head of state, they can more easily be saved from becoming sources of political patronage. As a collective entity, the legislature will find it difficult to turn the funds into instruments for use by particular politicians. If the annual reports are made available to the legislature, the funds are likely to be more effectively the subject of public scrutiny by both lawmakers and media representatives alike. By making the legislature ultimately responsible for monitoring them, the funds enhanced their own status and promote democratic governance. In these respects, the funds serve the objectives of democracy and better governance.

Financial assets   The issue of financial assets is central to autonomy. The more an organisation can rely on its own self-generated assets, the greater its autonomy. The development funds proposed here are not likely to achieve such a level of autonomy in the near future. The idea that the funds as public institutions could be permitted to issue bonds in order to raise money is a possibility, but capital markets in African countries are still weak. Such an option is probable only in the longer run.

The idea of relying on money transferred to the funds from the regular government budget should be discarded as that would compromise their autonomy vis-a-vis the executive branch, a potential client of these funds. Governments would retain their existing social and economic development

programmes and would apply to the funds to supplement their own budgetary allocations. The funds should not be seen as diverting finances from the government. Their role is to complement the state budget and help raise more money for development programmes and projects. For example, donor governments that conduct annual negotiations with their counterparts in recipient countries would make sure that in their agreements covering all types of aid, a special clause is included that the particular amount set aside for the autonomous development funds would be subject to annual review. This would enable donors to move their capital from one fund to another (within the same country or possibly between countries) in accordance with their sense of how the various funds are performing.

The principal role of these funds, at least in the short- to medium-term, is to mobilise external support for development by demonstrating that they are capable of doing a professional job and thus are worth investing in. While the funds are not perceived as preempting the opportunities for other institutions, governmental or non-governmental, to request direct external assistance from donor agencies, the successful funds would become useful vessels through which these agencies could channel sizeable amounts of money instead of having to worry about a large number of small grants to many individual organisations. As intermediaries in the recipient country, the funds would relieve the donors of this quite labour-intensive responsibility.

Donors would typically make annual payments into these funds. As 'investors' they would make contributions in accordance both with their own policy priorities and the perceived performance of each fund. Certain contractual obligations may be agreed upon to avoid too drastic changes in the resource endowment of the funds, but those who place their money in the funds should have the right to threaten to withdraw it, and (if necessary) actually to do so, if performance falls far short of target or managerial irregularities are disclosed. By issuing such threats, and sometimes acting on them, donors are likely to invoke compliance with principles that enhance the autonomy of the funds. Instead of channelling financial support direct to the funds, the possibility of routing the money through the Central Bank is an alternative. It is true that many Central Banks have in the past proved less than efficient in facilitating such transfers, but recent improvements in their management should make this option more realistic today. If this course of action were pursued, it would have the further advantage of making hard currency available to the country for uses other than solely those envisaged by the development funds.

The important thing here is to go beyond the currently dominant one-donor fund, which has little or no effect on building improved governance capacity. Greater responsibility and accountability will only come if donors have enough trust in their counterparts and provide them with an opportunity to demonstrate such qualities. There is no real growth opportunity for local institutions if they are not able to enjoy operational autonomy. Donors, therefore, must transcend their current 'project orientation' and help create intermediary funds in which they can place, and from which if necessary they can withdraw, their money. By providing the recipient countries with more of a carrot, without giving up the stick altogether, donors can more effectively than in the past help their resources work for development.

Development has for far too long been viewed as a matter of 'catching up' with the North. Donors have encouraged investments in new projects and programmes without giving adequate attention to the institutional set-up in which these activities take place. In recent years, the importance of institutions has entered development discourse through the notion of an 'enabling environment'. This has been largely interpreted as breaking up public monopolies and giving greater opportunity to private entrepreneurial activity. While in many cases this may have been fully justified, it is not sufficient to foster development at an aggregate national level.

The latter requires a rethinking of development away from the notion that it is primarily about physical capital. Development does not only require money and human expertise. It also needs the social capital that turns physical capital and human skills into something productive on a sustainable basis. Defined most simply as voluntary forms of social regulation, social capital inheres in the relations between people.[3] The concept derives from the norm that one should forego one's own self-interest and instead act in the interest of the community, collectivity or corporate entity of which one is a member. This norm, reinforced by social support, status, honour and other rewards, generates the social capital that sustains development.

The challenge of the international donor community in the current African context is to ensure that their financial resources are converted into social capital. The assumption of this proposal is that autonomous development funds stand a better chance of achieving such an objective than any other institutional mechanism. Since the financial resources are applied for on a competitive basis, prospective recipients must first demonstrate that they possess enough social capital to make a grant or a loan worthwhile. How such capital would be employed to foster institutional development would be a central criterion for assessing the feasibility of given project proposals.

An attractive feature of the development fund model is the possibility of re-cycling old debts. Most of these liabilities hanging over individual African countries are the result of an excessive faith, in the past, in physical capital and human expertise. Because most of them were designed by consultants funded by the donors, the latter share responsibility for what went wrong. It is not only poor implementation that explains past development failures; equal blame must be laid on overambitious and poor design.

The international community could take a decisive step towards accelerat-ing development in sub-Saharan Africa by going beyond the *ad hoc* way in which debt swaps are currently managed. Most debt swaps are handled by the Debt-For-Development Coalition, based in Washington DC, which has facilitated the conversion of old debts into local currencies. The bene-ficiaries of these swaps have typically been international NGOs, many of them engaged in environmental conservation. Donors have preferred to work with such NGOs because of their proven management capacity, but in so doing have also preempted the opportunity for local institutions to emerge and develop. The funds proposed here would encourage donors to think about debt swaps in the context of national development. The pres-ence of such funds would greatly enhance the absorptive capacity for recy-cling old debts. They would provide the money once lost with a second chance to demonstrate its productive potential.

A more consistent move in this direction by the donor community would in-volve a number of tricky issues, none of which, however, should be beyond resolution. One challenge would be to ensure that swaps do not fuel infla-tion. Arrangements would have to be carefully coordinated among donors and with the Central Bank of the recipient country. Another issue is who should negotiate these deals. The Debt-for-Development Coalition has done an excellent job on behalf of the NGO community, but should it also take responsibility for negotiating swaps for the development funds? Will the international NGOs perceive this as preempting their chances of obtain-ing funds for development? These and other related issues, many legal and technical, have to be worked out in greater detail before swaps-for-develop-ment could benefit the funds proposed here. All the same, these difficulties seem small compared to the enormous gains that could be made for Africa and the world if the current debt burden is considerably reduced within the context of a plan for productive investment.

Technical expertise   The question of how technical expertise bears on the operations of these funds is not only a matter of personnel but also one of conditions of work.

Who pays for the costs of running these funds? Different answers are possible. One is that government foots the bill, but that is likely to compromise the principle of autonomy. Another possibility is that parliament sets up special accounts for the recurrent costs of each of these funds and allocates financial support directly on an annual basis. A third option is to endow these funds so that their operational costs are met from their own assets. This is the ideal solution from the point of view of autonomy and sustainability of operations. Endowing the funds could probably only be done with the assistance of donors, some of whom may face legal obstacles to placing their money in endowments. Such was the case, for example, in the United States until a few years ago when the Foreign Assistance Act was changed so as to enable USAID to create local currency endowments with grant money.

The qualities of those recruited to serve as trustees are very important. Trustees must be held in public respect, show professionalism and good judgement, and be of independent status with no active involvement in ongoing political activities. As suggested above, these prerequisites should be written into the law and the charter guiding the funds. They should apply equally to all categories of trustees, whether chosen by the government, the sponsors or the board itself.

Suitable people are to be found, in the countries concerned, among retired public servants, religious communities and professional bodies, to mention only the more obvious places. Sponsors may wish to choose their representatives who are not indigenous to the country they support, thus providing a presence which may be helpful in enhancing the credibility of the funds. If confined to one third of the total membership, this representation would be small enough not to compromise the principle of local accountability, yet large enough to be able effectively to 'blow the whistle', should it become necessary. This international presence on the boards should not be *ex-officio,* nor should the persons chosen be employees of particular donor agencies. The agencies supporting a particular fund should instead get together to nominate their representatives from among respected international figures who would be willing and competent to serve as trustees. The board as a whole would be responsible for reporting back to the financial sponsors, although these would no doubt also maintain contact informally, especially with the three trustees chosen by themselves.

The trustees chosen by the board itself should be from within the country where the funds are located, as should those selected by the legislature.

Staff hired to work for the funds must be carefully chosen. They have to

demonstrate the utmost professionalism and must be ready to interact with potential clients in ways that enhance the stature and image of the funds. Priority should be given to hiring local staff. There are plenty of both seasoned and young professionals in African countries who simply have not been given a fair chance to prove themselves because of the institutional malaise that exists around them. There would be need for generalist managers, financial accountants and specialist programme officers. The first category would be responsible for the overall management of the funds. This would include ensuring that allocations of loans and grants are made to credible organisations with viable projects. Their job would also entail contacting financial sponsors, both actual and potential, to attract their investments. The financial accountants would be responsible for keeping track of the flows of money, both in and out of the funds, and ensure that record-keeping is up to date and available for inspection at short notice. The programme officers, most likely a mixture of economists and other social scientists, would be responsible for preparing project portfolios for consideration by the board. The assumption here is that they would recommend for support those projects that demonstrate the greatest potential for success, while communicating with other applicants so as to encourage them to improve their project proposals before taking them to the board. There might be some cases where outright rejection is warranted, but in most cases the approach taken by the programme officers should be that of advising the applicants on how they can improve their chances of receiving support.

Special guidelines might be prepared both for public and 'in-house' use so as to facilitate the processes of applying for grants and of assessing the proposals. For instance, eligibility criteria would have to be worked out in order to prevent the use of the funds for partisan political and religious purposes. It should also be stated from the outset that applicants need to demonstrate convincingly what resources of their own they are bringing to the project, what competence they possess, and exactly how they intend to carry out the proposed activity. If the funds are conceived in the context of a poverty-alleviating strategy, it might be necessary to specify exactly any other criteria that should be met before proposals can be considered for funding. The main purpose must be to weed out those applicants who are only superficially interested in doing something serious with the support obtained. Achieving this is likely to be labour-intensive. Programme officers will have to spend a fair amount of time on the road, following up applications and assessing their merits.

Pay is another issue of importance. Employees of these funds need to be paid an adequate and competitive salary, but levels should not be prescribed

in advance for all institutions at once but left to the market to determine. If funds are capable of doing well, staff should be given higher salaries or bonus payments depending on what is appropriate. Regardless of what particular mode is chosen, the principle should as much as possible be that salaries, above a certain minimum level, are performance-based.

The need may arise to hire staff from outside the country, but this should be kept to a minimum so as to give local professionals a real chance to prove themselves. In most, if not all, countries in sub-Saharan Africa, there are sufficient numbers of very competent professional people available. Drawing from this pool must be given the highest priority, especially since many such people today find themselves in employment situations that are far from motivating. This does not rule out the possibility of hiring outsiders as consultants, for example in helping to develop or evaluate specific programme components.

As a national public institution with a specific sectoral mandate, each fund should be equipped with a variety of policy instruments that enables it to serve all types of potential clients. The latter may include government departments; public, cooperative or private enterprises; non-governmental organisations; and community-based organisations. To give it maximum versatility, it may be advantageous to have each fund operate through three separate 'windows'. One such window may cater for project requests that are not expected to yield any financial return on investment. Such activities include education and training, as well as the hiring of additional technical expertise on a consultant basis. The relevant mechanism for handling requests through this window would be grants with no obligation to pay back. A second window may cater for organisations working with individuals and groups that are not able to attract credit on commercial terms. Here the soft loan mechanism would be most appropriate. Special care has to be paid in this category to striking a balance between risk and opportunity. To ensure that support of such individuals and groups is viable, it becomes important to ascertain that the activity is well-grounded in a community and that there are matching contributions. The third window would provide credit on regular market terms and thus cater for organisations that typically work with clients in the formal sector. In this regard, it would be similar to a regular credit institution, the difference being that its loans would be exclusively targeted on a specific sector or set of issues.

Each fund would, within its operational mandate, advertise its services publicly and invite organisations that are legally incorporated to apply. To make sure that project proposals are as well prepared as possible, it may also an-

nounce what these submissions should contain and what conditionalities, if any, apply. For example, experience with the Emergency Social Fund in Bolivia indicates that it did not do enough to reach the poorer segments of the population in the countryside. If this concern is primary, the fund should explicitly state that applicants for financial support must demonstrate how they will involve the poor in their activities and how the latter are likely to benefit from such involvement.

Autonomous Development Funds —the next steps

This paper has attempted to outline the basic features of an autonomous development fund. The next steps involve finding answers to a number of more specific questions that are relevant to the operationalisation of this proposal. These questions can be divided into four categories: (1) political, (2) legal, (3) financial, and (4) managerial. The list is not necessarily exhaustive but covers most of the issues that need to be addressed further at the expert consultation:

1. Political
    (i)   What is needed to encourage African governments to adopt the proposal?
    (ii)   What is needed to encourage donors to adopt it?
    (iii) How can the proposal best be put into practice?
    (iv)   What specific role should be played by key actors?

2. Legal
    (i)   What are the legal issues on the recipient side?
    (ii)   What are the legal issues on the donor side?
    (iii) What would a specimen law for the fund look like?
    (iv)   What measures are needed to get the funds established?

3. Financial
    (i)   What resources for the funds can be raised locally?
    (ii)   What issues do donors face in financing the funds?
    (iii) How can debt-swaps be made available to the funds?
    (iv)   How should operational costs be covered?

4. Managerial
    (i)   How should the board be appointed to maintain autonomy?
    (ii)   What should be the conditions for board appointments?
    (iii) What should be the code of conduct for staff?
    (iv)   How can the right persons be attracted?

Notes

1. This conference was held in May 1990 at Mweya Lodge in Uganda and was opened by His Excellency, Yoweri Museveni, President of Uganda. The conference resulted in a separate publication entitled *The State and the Crisis in Africa* (Uppsala, Dag Hammarskjöld Foundation, 1992), which has subsequently been translated into French. Both versions have been widely distributed in Africa and in the international development community.

2. For an interesting illustration of the validity of this point, see a recent study of the *Fonds d'Action Sociale* in France by Robin S. Silver, 'Conditions of Autonomous Action and Performance', *Administration and Society,* Vol. 24, No. 4 (February 1993), pp.487-511,

3. United Nations Development Programme (UNDP) commissioned a study in 1993 to define and put into practice the concept of Sustainable Human Development (SHD), in which social capital is viewed as the key to such development. See Tariq Banuri *et al., Sustainable Human Development: From Concept to Operation,* New York, UNDP, 1994.

Autonomous Development Funds in the Philippines

An Overview

By Eugenio M. Gonzales

In this case study from the Philippines, Eugenio M. Gonzales outlines the role of Autonomous Development Funds in Philippine society against the background of the development of strong Non-Governmental Organisations and People's Organisations (NGOs and POs), particularly during the past ten years. He profiles six major development funds and also introduces the reader to the most important NGO networks in Philippine society. With their high motivation, absence of bureaucracy and their closeness to poor communities, these organisations are increasingly being recognised by donors as effective and efficient deliverers of development assistance. In summing up his experience, the author emphasises a few key factors which need to be focused on for the outcome of a project to be successful: these include full participation by all concerned parties, a capacity for innovative thinking, and transparency and openness. Furthermore, the maintenance of the funds' autonomy and objectivity and the protection of their boards and staff from partisan political pressures
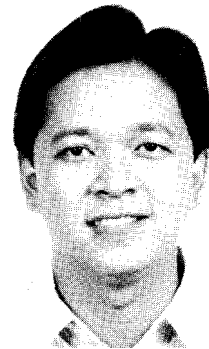
It is evident that African governments and NGOs can learn a great deal from the Philippine experience even if local conditions may be different in many respects. The development of South-South links and the sharing of knowledge and experience may serve as an important ingredient in the development of improved development cooperation and a stronger civil society in th^e South.

Eugenio M. Gonzales has been the Executive Director of the Foundation for a Sustainable Society in Manila since February 1996. Before that he served as Executive Director of the Philippines-Canada Human Resource Development Program. He has participated extensively in the design and implementation of four grant-making mechanisms that have provided over USD 14 million to more than 1,000 Philippine NGOs and POs in the past eight years.

Historical highlights The Philippines was a colony of Spain for 400 years, from the early 16th to the end of the 19th century. The Spaniards brought with them the Christian religion, in the form of Roman Catholicism. At the turn of the 20th century, an invasion by the USA aborted a Philippine revolution that was about to drive out the Spanish colonisers. The Americans set up the country's educational system and government bureaucracy. Until 1946, the Philippines was a US colony.

For the next 26 years the country was ruled by six presidents under a US-style democracy. However, in 1972, President Ferdinand Marcos declared Martial Law and established a military dictatorship. He was ousted by a 'people power' uprising in 1986.

Since the Spanish colonial period, Filipinos have been a rebellious lot. Hundreds of underground as well as legal organisations have sprouted during the struggles against colonisers and tyrants. From secret brotherhoods to peasant associations to trade unions to religious and social movements, these organisations served as the means for ordinary people to fight for their rights and freedom. In the 1986 uprising, organisations mobilised millions of citizens in massive but peaceful protest actions that forced the dictator to flee.

It is not surprising, therefore, that the new Philippine Constitution of 1987 explicitly recognised the important role of Non-Governmental Organisations (NGOs) and People's Organisations (POs) in society. Today, more than 2,000 Philippine NGOs and POs are active in social, economic, cultural, and political activities at the local (village, town, and province), national, and international levels.

This role was further strengthened by the enactment of the Local Government Code of 1991 which required the participation of NGOs and POs in important 'special bodies' of municipal and provincial governments. At the national level, NGOs and POs choose their representatives to work side by side with Cabinet-level officials in bodies such as the Philippine Council for Sustainable Development and the Social Reform Council. More than 20 networks and coalitions, the largest of which is CODE-NGO (Caucus of Development NGO Networks), provide venues to facilitate representation and negotiation processes.

NGOs and POs: roots and milestones

Starting in the 1960s, the 'Vatican II' declaration of a 'preferential option for the poor' influenced the orientation of organisations linked with the Roman Catholic Church. 'Social action centres', which organised peasants' and workers' communities, were established in parishes throughout the archipelago. Collective action became the most effective means of advancing the rights and welfare of the poor. Internationally, the ideas of 'liberation theology' were gaining ground.

The late 1960s and early 1970s saw the rise of the student protest movement and the setting up of revolutionary political parties calling for broad, sys-

tematic change. The declaration of Martial Law in 1972 banned all political activity and drove many activists to the countryside where they continued working with the poor, this time through underground and, often, armed groups.

In the late 1970s and early 1980s, some NGOs and POs were organised to take advantage of the available, albeit limited, political space brought about largely through international pressure on the dictatorship. In 1983, the assassination of Ninoy Aquino, Marcos' political arch-enemy, angered millions of Filipinos into protest actions and spurred the multiplication of NGOs and POs. These organised forces served as the backbone of the 'people power' uprising of 1986.

After the ouster of Marcos, donor governments substantially increased aid flows to the Philippines. The largest donors then were the US, Japan, the European Community, Australia, and Canada. Most of these donors' country programmes included significant amounts allocated specifically for NGOs and POs. By 1990, around USD 20 million from various donors was allotted annually for NGO and PO projects. Nevertheless, the bulk of the USD 1 billion in yearly development grants and loans still went to government offices and private contractors.

Not surprisingly, NGOs and POs mushroomed. By 1991, more than 17,000 non-profit organisations were registered with the Securities and Exchange Commission (although less than one-third of these were active). With constitutional and legislative recognition and donor support, NGOs and POs became significant players in the design and implementation of development assistance programmes. Along with their counterparts in the donor countries, they were able to influence programme designs and decisions. All major donor governments (including multilateral institutions such as the World Bank and the Asian Development Bank) now have projects involving Philippine NGOs and POs.

NGOs and POs are increasingly being recognised by donors as effective and efficient 'deliverers' of development assistance. Bureaucracy is almost non-existent. Staff are highly motivated. Poor communities are easily reached. These features of NGOs and POs are their assets in development work.

Faced with increasingly difficult budget situations, some donor governments are exploring purely non-government as well as joint government/non-government projects as means of ensuring the effectiveness of development assistance even with reduced aid budgets. The more difficult option is

to cut aid programmes altogether. In the Philippines, even before tight budgets plagued donor countries, NGOs were already seen as a significant participant in official development assistance (ODA) programmes whether as a channel, recipient, implementor or even, sometimes, a critic.

From 1986, several mechanisms involving NGOs were financed by official donors. The major ones are described in the next section.

Autonomous development funds

Six 'autonomous development funds' will be described here.

The word 'autonomous' has to be qualified. None of these funds would have been set up without the consent of the Philippine government through the National Economic Development Authority (NEDA). NEDA is the body in charge of formulating the country's economic policy. It is headed by the Secretary for Economic Planning, a Cabinet-level position. The NEDA Secretary negotiates with the representatives of all donor governments on the design of the latter's country programmes. In the case of official loans, the Secretary of Finance also has to approve the terms of such loans (or their cancellation/conversion) including the participation, if any, of NGOs. Therefore, when ODA is involved, no fund can be completely autonomous from government decisions.

All of the funds described below are legally held by private, non-profit organisations. In all but one, however, minority, non-voting government representation (whether from the donor or from the Philippine government) is required in their highest policy-making bodies. This further qualifies the 'autonomy' of these funds.

Another common feature of the funds is that they generally do not directly implement projects. They simply decide which NGOs or POs will be funded to undertake certain projects. This enables the funds (and the donors and recipient governments) to reach and work with various organisations closer to the grassroots without the usual accompanying government bureaucracies and overhead.

The other features of the six development funds are summarised in Table 1.

Profiles of development funds

7. *Philippine Development Assistance Program (PDAP)*

PDAP, the oldest of the funds described here, is about to end its second phase of operations. Its first three-year phase started in 1986 with an alloca-

Table 1   Main features of Philippine development funds

Fund	Donor	Board	Projects	Degree of centralisation	Total funds
Philippine Development Assistance Program (PDAP) (1986)	Canadian International Development Agency (CIDA)	Six representatives of NGO networks. (Philippine Committee) endorses projects to a Canadian NGO committee	Community-based livelihood; sustainable agriculture; central loan fund	Centralised with a semi-decentralised endorsement and appraisal mechanism	USD 15 million over nine years
Philippines-Canada Human Resource Development (PCHRD) Program (1990)	Canadian International Development Agency (CIDA)	Joint Philippine (9) and Canadian (4) NGO committee with a non-voting representative from CIDA	Human resource development: · training, · networking · policy research and advocacy	Decentralised: - two national (Philippine and Canadian) - four regional Philippine committees	USD 10.8 million over seven years
Development Initiatives for Women's Alternatives and Transformative Action (DIWATA) (1991)	Canadian International Development Agency (CIDA)	Six representatives of women's organisations and one non-voting representative from CIDA	Innovative women's grassroots projects	Centralised	USD 2.5 million over five years
Foundation for the Philippine Environment (FPE) (1992)	United States Agency for International Development (USAID)	Ten representatives from Philippine NGOs, one from an international NGO, and a non-voting member from government	Biodiversity conservation projects	Centralised but with regional representation in the Board	USD 22 million from a debt-for-nature swap as an endowment
NGOs for Integrated Protected Areas (NIPA) (1994)	World Bank-Global Environment Facility (WB-GEF)	All-Philippine NGO Board acts as Secretariat to GO-NGO-PO committees	Environment protection and livelihood projects	Semi-centralised	USD 16 million over seven years
Foundation for a Sustainable Society (FSS) (1995)	Swiss Federal Office for Economic Affairs and Philippine Department of Finance	Five Philippine, one international, and one non-voting Philippine government representative	Sustainable production and its backward and forward linkages	Centralised	USD 18.6 million from a debt-for-development swap as an endowment

tion of CAD 5 million (USD 3.6 million) from the Canadian International Development Agency. Its second five-year phase started in 1989 with CAD 15 million (USD 10.8 million) in funds. However, budget constraints in Canada have reduced its yearly allotments and extended its life to seven years.

Since 1986, PDAP has provided funds to more than 300 community projects (livelihood initiatives, sustainable agriculture, and provision of social services) in the Philippines. It has also provided some rehabilitation funds in response to natural calamities.

In the Philippines, a Manila-based committee composed of six representatives of NGOs evaluates proposals with the assistance of 12 staff members. PDAP's work is highly focused on 'sustainable agriculture' policies and projects, and the establishment of a 'central loan fund'. Site-based organisations do not play a formal role in making decisions on the use of funds.

A network of 18 member-organisations in Canada provides additional 'matching funds' to the CIDA allocation for projects endorsed by the Philippine committee. Three Canada-based staff assist the Canadian committee.

2. *Philippines-Canada Human Resource Development (PCHRD) Program*

PCHRD was originally a five-year programme with a total allocation of CAD 15 million (USD 10.8 million), also from CIDA. Like PDAP, it was also affected by budget constraints in Canada.

PCHRD provides grants to training, advocacy (through seminars and conferences), networking, and development education activities of Philippine NGOs and POs. A small amount of grants is also available to Canadian NGOs.

PCHRD is governed by a joint committee composed of nine representatives of Philippine NGO networks and four representatives of Canadian NGOs. CIDA sits in the joint committee as a non-voting member. Through four regional committees (Metro Manila, Luzon, Visayas, and Mindanao) and a Canadian coordinating committee, the programme reaches out to more than 400 NGOs and POs in the Philippines and more than 50 organisations in Canada. A staff of 20 in the Philippines and three in Canada provides support to PCHRD committees and proponents in the project cycle.

3. *Development Initiatives for Women's Alternatives and Transformative Action (DIWATA)*

DIWATA is one part of CIDA's Women in Development (WID) programme in the country. The other part is a fund (CAD 1.5 million) for the government's National Commission on the Role of Filipino Women (NCRFW). DIWATA has an allocation of CAD 3.5 million (USD 2.52 million) over five years.

DIWATA is managed by a Board composed of three representatives each from two large coalitions of women's organisations. It provides funding for innovative women's projects, specially those involving grassroots-based women's organisations.

4. Foundation for the Philippine Environment (F P E)

FPE is a product of quadrilateral efforts by the Philippine government (specifically the Department of Environment and Natural Resources, DENR), Philippine NGOs, the US government (through USAID) and US NGOs to create a fund for environment and sustainable development projects of NGOs and POs in the Philippines.

Its initial endowment in late 1991 was sourced from a debt swap facilitated by the DENR, USAID, and WWF-US. This amounted to USD 10 million in pesos. A second swap in 1993 generated around USD 12 million in pesos.

FPE is governed by a board of trustees composed of ten NGO personalities from the three island regions of the country, one member from the international NGO community, and one non-voting member from the Department of Finance.

To reach out to site-based organisations, FPE created regional advisory committees (RACs) for Luzon, Visayas, and Mindanao. Although the RACs do not make funding decisions, they provide information that FPE uses in planning and decision-making.

A staff of 15 performs the activities in the project cycle. Multi-year integrated projects in community-based resource management and biodiversity protection are preferred.

5. NGOs for Integrated Protected Areas (N I P A)

NIPA is an NGO consortium that received a grant of USD 16 million from the World Bank-Global Environment Facility (WB-GEF) to support the conservation and protection of priority protected areas in the country.

NIPA serves as the secretariat to the Integrated Protected Areas Fund (IPAF) board which is headed by the Secretary of Environment and Natural Resources and composed of government, NGO and indigenous peoples' representatives. The IPAF board makes decisions on a livelihood fund sourced from the WB-GEF grant. Alternative livelihood projects of inhabitants of protected areas will be supported to draw them away

from activities that destroy nature and to encourage them to protect these areas.

The Manila-based staff is in the process of being increased to about 15 in number. NGOs and POs based in the protected areas will be the ones implementing projects.

6. *Foundation for a Sustainable Society (F S S)*

The FSS is the newest among the six funds. The bilateral agreement between the governments of Switzerland and the Philippines that provided the foundation with a USD 18 million (in pesos) endowment was signed only on 11 August 1995.

Income from the endowment will support projects in 'sustainable production'. These are environment-friendly activities in agriculture, fisheries, and rural/urban small industry.

The Foundation will be governed by a board of trustees composed of six NGO representatives, one non-voting representative from the Department of Finance, and an observer from the Swiss embassy.

Overview of major Philippine NGO networks

The following are very brief descriptions of the major NGO networks which have been involved, in one way or another, in the design, establishment and operations of the above funds.

The largest coalition of NGOs in the Philippines is the Caucus of Development NGO Networks (CODE-NGO). Since 1992, the coalition has actively influenced Philippine and donor government decisions on development policy and assistance. Its member-networks are indicated in the list below.

1. *Association of Foundations (A F ; CODE-NGO member)*

AF is a network of 106 non-profit organisations involved in diverse areas such as art and culture, education, health, science and technology, and environmental and social development. It was organised in 1972. As a network, AF seeks to:

- foster public understanding of its members' individual and joint activities;
- serve as a clearing-house for information;

- establish, maintain, and operate a central file of foundation materials and prepare a directory of Philippine foundations.

2. *National Confederation of Cooperatives (NATCCO; CODE-NGO member)*

From its original mandate as a cooperative education and training centre, NATCCO has evolved into a multi-service cooperative federation. It has more than 1,000 primary cooperatives from all over the country in its membership. These members are of various types: consumer, credit, marketing, multi-purpose, and cooperative rural banks.

3. *National Council for Social Development (NCSD; CODE-NGO member)*

NCSD is a network of voluntary social service development agencies and people's organisations. NCSD's programme and services include: meeting the needs of street children; child care and placement; community organising; capability-building; resource generation; environment/waste management; research and data banking; education for agrarian reform; and voters' education.

4. *National Council of Churches in the Philippines (NCCP; CODE-NGO member)*

NCCP is a fellowship of churches and church organisations aimed at fostering unity among all Christians. It has five commissions implementing its various concerns: development and social concerns; Christian education; youth and student ministry; mass media; and evangelism and ecumenical relations. In addition to these commissions, the NCCP has various programmes in health, relief and rehabilitation, research and documentation, and housing.

5. *Philippine Business for Social Progress (PBSP; CODE-NGO member)*

PBSP is a gathering of more than 100 of the top corporations in the country which allocate a portion of their net profit to social development. It was established in 1971. Among its concerns are: environmental preservation; agrarian reform; relief and rehabilitation; livelihood; and local governance.

PBSP also provides training programmes and consultancy services to NGOs and POs through its three resource centres: the Social Development Management Institute, Center for Rural Technology Development, and the Social Development Resource Center.

6. Philippine Partnership for the Development of Human Resources in the Rural Areas (PhilDHRRA; CODE-NGO member)

PhilDHRRA is a network of 59 development NGOs working in: appropriate technology; livelihood; community organising; education and training of grassroots leaders; agricultural extension; primary health care; cooperatives development; and advocacy for agrarian reform.

7. Partnership of Philippine Support Service Agencies (PhilSSA; CODE-NGO member)

PhilSSA is a network of 45 NGOs engaged in: education and training; research and documentation; legal and technical support; health; livelihood; and advocacy. The network aims to ensure that the above activities are directed towards the attainment of people's empowerment, political pluralism, and structural change through non-violent actions.

8. National Secretariat for Social Action (NASSA; **CODE-NGO member)**

NASSA is the social action arm of the Catholic Bishops Conference of the Philippines (CBCP). It supports the social action centres and programmes in the different parishes all over the country. It has three regional offices in Luzon, Visayas, and Mindanao. NASSA was established in 1967.

9. Katipunan ng May Kapansanan sa Pilipinas, Inc. (K A M P I ; CODE-NGO member)

KAMPI is a network of various organisations involved with the disability sector. It was organised to establish a national network that would give the sector a voice in the formulation of programmes and policies to promote the welfare of the disabled and ensure their productive integration into society.

As an organisation, KAMPI is involved in the following programmes and activities: setting up local cross-disability organisations; leadership training; livelihood assistance; provision of medical, legal, job placement, technical, and educational services; advocacy and educational campaigns.

10. Convergence f o r Community-Centered Development (CONVERGENCE)

CONVERGENCE is a network of 20 NGOs involved in various socioeconomic activities. In a number of regions they cooperate in the implementation of community-based integrated area development projects.

11. Freedom from Debt Coalition (FDC)

FDC is a national coalition of NGOs and People's Organisations (POs) engaged in the local and international campaign for debt reduction. FDC works closely with EURODAD, the European Network on Debt and Development, and other international groups working to improve the policies of bilateral and multilateral financial institutions.

12. Green Forum-Philippines

Green Forum is the largest coalition of NGOs, POs, churches, and other organisations involved in environmental advocacy in the Philippines. Among its founding members is HARIBON, a pioneer environmental NGO and a participant in the first debt-for-nature swap in the country.

13. NGO Coalition for Cooperative Development (NGO-CCD)

NGO-CCD is an alliance of 52 NGOs working for the promotion and establishment of grassroots-based cooperatives. Some members of NGO-CCD are also involved in alternative trading and marketing.

14. Group of Ten (G10) (Lakas ng Kababaihan)

G10 is an alliance of ten NGOs and POs engaged in advocacy, research, training and other activities for the advancement of women's rights.

75. Women's Action Network for Development (WAND)

WAND is a network of more than 120 women's NGOs and POs from all over the country. WAND is engaged in advocacy, information work, and networking on gender and development.

Some important lessons can be drawn from the Philippine experience of establishing and operating autonomous development funds. These are not necessarily directly applicable to the African setting; nonetheless, they are worth sharing.

In the process of establishment and governance, the key ingredients are as follows:

• *Broad but informed participation:* Development funds, if they want to reach out to the broadest possible set of beneficiaries, have to be inclusive from the start. The broadest spectrum of NGOs, preferably networks,

should be informed and consulted, starting from the conceptualisation stage. The process of establishing the funds can be enriched by the many ideas generated by a broad participative approach.

- *Continuing, sensitive, strategic innovation:* The funds' management, while guided by consistent policy and funding criteria, should not hesitate to innovate and respond to the needs of the times. The leadership must always have a clear and strategic grasp of the situation and not be weighed down by red tape and bureaucracy. If financial resources are limited, these must be used for a unique programme focus for which the fund can make a significant contribution and impact in the context of the overall development problematique. They should not be spread too thinly across everything and anything.

- *Transparency, and accountability to recipient and donor constituencies'.* Development funds must be accountable to their beneficiaries and sources. They are public funds and must, therefore, stand up to public scrutiny. Accounting is, however, not the most important part of accountability. It is the honest attempt to determine the funds' impact on the lives of the poor and their environment, whether it be success or failure, that will enable the recipient and donor constituencies to support or improve these funds.

The funds board and staff should operate on the basis of two principles in particular:

- *Ability to withstand political pressure:* To maintain the funds' autonomy and objectivity, the board and staff should be able to insulate their decisions from partisan political pressures. Strong, independent-minded members will be important assets. At the very least, board and staff should be cognisant of political undertones, agendas, and implications surrounding their operations and decisions. These should be handled with utmost circumspection and care. In short, political naivety has no place in development funds.

- *Allocation of responsibility:* Legally, the board is responsible; managerially, the staff is. The role of the trustees of development funds should not be underestimated. In the final analysis, they are legally responsible for these monies. Therefore, they should be adequately protected by bonds and, most importantly, accurate information on the use of funds. They should have adequate powers and systems to prevent staff abuse and to spot and correct imcompetence. Staff recruitment and development are

critical to the successful management of development funds. These processes should be shielded from partisan political intervention.

Two of the key ingredients cited—broad, informed participation and the ability to withstand political pressure—require the building and strengthening of civil society organisations. This can be done through development of community leaders, community organising, networking and grassroots education activities, and needs to be done simultaneously with, if not before, the establishment of autonomous development funds. Otherwise, the funds may not have the two key ingredients and, thus, may suffer the consequences.

African governments and NGOs may already benefit from the experiences of other countries of the South. They need not reinvent the wheel. They can learn from both the successes and failures of these experiences. South-South links and sharing can show that autonomous development funds can work given the right ingredients in government and in civil society.

The Philippines: Some facts and figures

Population	65.7 million (as of mid-1993)
Land area	300,000 square kilometres (an archipelago composed of 7,107 islands and islets)
Population density	217 persons per square kilometre
Arable land	15.3% of land area (1987-90)

Social indicators

Life expectancy	64.5 years
Projected population growth	2.4% (1992-2000)
Literacy rate	Male: 90%; Female: 90% (1992)
Infant mortality rate	40/1,000 live births
Under-5 mortality rate	55/1,000 live births
People in absolute poverty	47%
Malnourished children under 5	34% (1992)
Military expenditures as % of GDP	1.6%
Secondary school enrolment	73%
Human Development Index	Ranked 99th out of 173 countries
Religions/religious denominations	85% Roman Catholic; 15% others, such as Protestant, Muslim, etc.

Economic indicators

GNP per capita	USD 740 (1991)
Total GDP	USD 53.75 billion (1993)
Rate of increase in real GDP	2.0% (1993)
GNP annual growth rate	5.2% (1994)

Inflation rate	7.6% (actual, 1993)
Total external debt	USD 37.7 billion (1995)
Gross domestic savings	19% of GDP (1991)
Value of exports	USD 11.4 billion (1993)
Value of imports	USD 17.6 billion (1993)
Major destinations of exports	USA 38%, Japan 16% (1993)
Major exports	Electrical and electronic equipment and components, garments, coconut oil, copper
Major origins of imports	Japan 23%, USA 20%

Sources: Human Development Report of 1994, UNDP; World Debt Tables 1993-94, Vol. 2, The World Bank; Philippine Department of Finance.

The Esquel Foundation of Ecuador

By Eliana Vera

Among the organisations and institutions that are involved in the building-up and support of local or national community development organisations, the Synergos Institute, based in New York but with programmes in Africa, Asia and Latin America, plays an important role. Through its 'Case Studies on Foundations project it has collected and evaluated an impressive amount of data from so-called foundation-like-organisations (FLOs) in three continents. This term is used to describe organisations that resemble in form and function the grant-making or operating foundations traditionally found in the North. These FLOs, though often different in character, are playing an increasingly important role in channelling resources for social and economic development to the poorest strata of society and are also, through their mobilising function, assisting in the strengthening of civil society.

The case described in this paper is the Esquel Foundation of Ecuador, which was founded in 1990 and since then has supported more than 80 projects reaching out to about 500,000 people. It is evident that the experiences gained by the Esquel Foundation and other Synergos-related projects, particularly concerning governance, management and accountability processes, are very valuable in the discussions on setting up Autonomous Development Funds in Africa, Towards the end of 1996, the Synergos Institute will publish a report containing seven detailed case studies on foundation-like-organisations.

At the time of the Kampala Consultation Eliana Vera was Program Officer at the Synergos Institute. She has recently taken up a job as Director of International Programs at the Washington-based National Center for Non-profit Boards'.

The Synergos Institute and its work with development funds

Since its establishment in 1986, the New York-based Synergos Institute has been privileged to work with some of the more dynamic, community-oriented groups in the field of international development. From our interactions with leaders of grassroots and voluntary sector organisations in the South, we learned that the essential need was not for solutions generated by outside experts or Northern partners, but for access: access to information, technology, resources and the experience of other groups facing similar issues.

In response, Synergos has used its own access to people, resources and information to create opportunities for grassroots groups and voluntary sector or-

ganisations to build relationships with those capable of providing the missing ingredients. In Mexico, for example, Synergos has been working since 1988 with a coalition of community representatives, non-profit development organisations and environmentalists to conserve the Chimalapas rainforest ecosystem and secure livelihoods for its 15,000 inhabitants. In Brazil, the institute is working with Roda Viva, an organisation that tackles issues of children in poverty. In Ecuador, a group of business and social leaders was assisted to establish a community development foundation. In Mozambique, Synergos' partner became the newly created Foundation for Community Development. And in Zimbabwe, the institute is working with ORAP, the Organisation of Rural Associations for Progress, to develop a regional foundation.

A concern frequently expressed by Synergos' Southern partners has been the need to create sources of funding that are either national or locally based. For development projects to be more responsive to community needs, it is appropriate for them to be financed by community foundations, which are in touch with local realities. In working with groups in Zimbabwe, Mozambique and Ecuador, Synergos has assisted in identifying new ways to strengthen their funding base. Part of this assistance consists of designing institutional structures that can attract large amounts of funding, as well as manage and apply that funding with accountability.

This has become one of the most enriching and challenging activities to date. Synergos and its partners have worked together to formulate institutional development strategies, governance structures, programmatic strategies and financing plans.

In Ecuador, the result has been the Esquel Foundation, based in Quito, a grant-making and technical assistance organisation that has made over 80 grants to community development efforts. In Mozambique, the Community Development Foundation, based in Maputo, continues to develop its grant-making capability, while functioning as a powerful convenor and strengthener of non-governmental organisations (NGOs) throughout the country. In Zimbabwe, an ambitious grassroots mobilising effort is underway to create a funding base to support the work of community development organisations in the Matabeleland and Midlands regions.

These foundations have made the greatest progress in Ecuador and Mozambique. New relationships have been forged across sectors (business, government, non-profit). The new institutions are benefiting from the other sectors[9] resources, connections and power, and are able to function in a more

enabling environment. This pluralistic approach to the establishment of the foundations has also strengthened their credibility in the eyes of external donors. An additional benefit has been the introduction of sound management and financial skills, combined with a commitment to community issues.

The 'Case Studies on Foundations project'

There are a number of other experiences of locally based funding sources that have been established throughout the South. The term 'foundation-like organisation' (FLO) has been used to describe organisations that resemble in form and in function the grant-making or operating foundations traditionally found in the North. There are sufficient differences, however, in their origins, structure and operations, that it would be misleading to categorise them all in the same way. While there is a substantial body of existing knowledge about philanthropic institutions in Canada, the United States, Western Europe, and Japan, less is known about their counterparts in the Southern hemisphere and other parts of the world.

FLOs have been evolving in Latin America, Africa and Asia since the early 1960s, and have served their communities in a variety of ways: channelling resources for educational institutions, supporting the arts and charitable institutions, and operating social development programmes. A survey conducted in 1992 concluded that this is a small yet diverse and dynamic sector.[1] It is also relatively young. More recently, and in response to an increasing interest in strengthening local philanthropy, new FLO initiatives have been emerging.

The new FLOs, like other new NGOs, face tremendous challenges. Because of their specialised roles—building and managing endowments, making and evaluating grants, and providing technical assistance—they need to develop institutional capacities that go beyond those required of other NGOs. Many are left to their own devices because they lack relevant information and contact with those whose experience may serve to guide them in their work.

In 1994 Synergos began a 'Case Studies on Foundations project' in response to the need for such information, so that the organisations it was working with, along with others, could benefit from the experience of those who had come before them. The project also responded to the increasing demand for information about the new generation of Southern FLOs by potential donors and policy-makers. As donors look to strengthen civil society in their ongoing quest to identify more successful solutions to poverty problems, some are supporting the creation of locally governed FLOs and are seeking

guidelines to ensure that these institutions will be sustainable and effective.

The case study method was endorsed by both Southern practitioners and Northern funders as a way to produce systematic analyses of current experiences and generate practical lessons to inform practitioners. The approach adopted was a descriptive case methodology. This is widely used when the subject under study is embedded in its context, involves a multitude of variables, and must rely on multiple sources of evidence.

The research was guided to produce information on four main questions:

- How do FLOs mobilise resources?
- How do FLOs channel resources to support NGOs and grassroots groups?
- What are the most important factors that facilitate or impede this mobilisation and channelling of resources?
- What are the most important factors that facilitate or impede the sustainability of the FLO?

The data collection from this study has been completed, and a series of documents are planned around the lessons learned from each case. These will be available in late 1996.

The following section will examine the experience of one FLO which participated in the case study.

The Esquel Foundation of Ecuador

The Esquel Foundation of Ecuador* is a private, non-profit organisation, formally established in 1990 and dedicated to the advancement of human well-being in Ecuador. There were two factors underlying the creation of this organisation. First, it came about as a result of an expressed concern that funding for community development be made more relevant to the needs of communities and the realities of life conditions where grant-making was targeted; and, second, it represented a strong commitment to the development, nurturing and growth of the philanthropic sector in Ecuador, as a way of minimising dependency on external sources of financing.

The Esquel Foundation is locally constituted and governed, and operates on a national level. It is a grant-making foundation that supports community-

* Fundación Esquel-Ecuador (FE-E) in Spanish.

level initiatives, rather than an operating foundation, unless performing its role as convenor of civil society within the country. Initially it was able to raise funds for its grant-making operation through a debt-conversion arrangement with the national government; since then it has received financial support for its endowment, to cover some of the costs of its planning phase as well as some initial operating costs, from external sources. The product of a collaborative approach—involving partner organisations (such as the Synergos Institute and the International Youth Foundation) that provided technical and other support—its development has been slow. It is still too early to measure its impact.

Although formally established as a foundation in 1990, Esquel's origins date back to 1978. At that time, in response to social and economic conditions in Ecuador and other Latin American countries, a small group of professionals with years of experience in social and economic development gathered in Quito, Ecuador, to debate and compare experiences on the problems of national development and vulnerable population groups in Latin America. As a result of this meeting, a network known as the *Grupo Esquel* was formed, with partner organisations established in many countries of South America to support one another's efforts to perform an advocacy role for economic and social change within the context of each member country.

As the economic crisis intensified through the 1980s, the members of *Grupo Esquel-Ecuador* became convinced that the moment had come for the Ecuadorian non-profit sector to play a stronger role in solving these problems and contributing to overall national development and democratisation efforts. In the late 1980s, the Synergos Institute joined them in a discussion about the creation of a national foundation with a permanent endowment that would guarantee its autonomy, permit the support of medium- and long-term initiatives, and serve as a vehicle through which interested parties might invest in economic and social development projects.

In August 1990, the Esquel Foundation was legally established as a non-profit, non-governmental national foundation seeking to respond to the persistence of poverty and the failure of current development models to eradicate it. In 1991, Esquel and the International Youth Foundation joined in a long-term partnership to strengthen Esquel's specific initiatives to help 'at-risk' youth and children and to involve them in Ecuador's development agenda.

The Esquel Foundation received initial support from the Rockefeller Foundation to undertake a feasibility study, and define policies, strategies,

and work methodology. Later, the Rockefeller Foundation provided a USD 1.5 million grant, part of which was used to lever USD 2.5 million in local currency through a debt-for-development swap with the Central Bank of Ecuador. This USD 2.5 million formed the initial financial base for the Social Development Program supported by Esquel.

In order to establish a track record and gain credibility within the country, the foundation began making grants almost immediately.

Mission and programmes

Esquel's purpose is to work as an agent of social change in Ecuador by supporting the efforts of the most disadvantaged segments of Ecuadorian society to solve their own problems, modify current conditions that restrict their development, and help them overcome social injustice.

In carrying out its mission, the foundation has four general goals:

1. To stimulate and support grassroots community development initiatives that contribute to the social, economic, civic, and cultural development of the neediest segments of the population, with a particular emphasis on women, children and youth, and indigenous populations.—With a focus on integrated development, the Foundation has supported 86 projects for a total of USD 3.5 million, reaching an estimated 500,000 people.

2. To serve as a catalyst for national discussion on development issues among the non-profit, business, government, and grassroots sectors.— Esquel has been a major convenor of civil society groups for discussions on topics relevant to Ecuador's social development. Among the issues addressed have been children and youth, responses to the economic crisis, critical problems in Ecuadorian society, constitutional reform, decentralisation, and social policy.

3. To strengthen the networking and organisational capacity of non-governmental and grassroots organisations serving Ecuador's poorest populations.—In addition to financial support of community projects, Esquel's staff conduct on-site technical assistance, and provides opportunities for networking of project leaders, through project planning and management workshops.

4. To encourage local and national philanthropic involvement in the development process.—The foundation's efforts to promote local philanthropy have challenged it to develop creative ways in which to reach individuals and corporations in Ecuador, and enlist their involvement in social development

philanthropy, a move beyond traditional charity. The initiative has had mixed results, but the ambitious goal is still pursued. Esquel has also established a Children and Youth Trust Fund, to encourage families to participate.

The foundation is interested in supporting integrated community development, with an emphasis on children, youth, and families. It does not provide funding on a sectoral basis, preferring a more comprehensive approach to development. Grants to date have been made to projects that address issues of income generation for poor communities (through loans, grants and technical assistance), employment creation, health and education, and the environment.

Staff and governance Project identification, funding and monitoring is conducted by a small staff (seven full-time professionals, two secretaries and two assistants). The staff members are responsible for implementing the foundation's rigorous review process, stressing accountability, management, and impact on beneficiaries. Overall direction is provided by the executive president, Cornelio Marchan, an economist who was formerly Secretary General of the National Council on Development.

There are four governing bodies—the General Assembly, the Advisory Council, the Board of Directors, and the Executive Council—all operating along democratic lines.

Board members may be elected for two consecutive three-year terms after which they must remain inactive for one period. The Board, which meets on a quarterly basis, approves investment and financial strategies, as well as the work plan prepared by the executive president. It authorises institutional agreements (national and international), determines new programme areas, approves project grants of over USD 100,000, and appoints the executive president. The Executive Council—composed of an executive committee of the Board, the executive president, and representatives of Esquel's technical departments—approves project support of less than USD 100,000.

The executive president is the administrator of the foundation. He or she is appointed by the Board for a period of three years and may be reappointed for a period of two additional consecutive terms, with the possibility of serving a total of nine years.

Finances

Esquel currently has an endowment valued at approximately USD 1 million, the income from which is reinvested. Although some funds have been raised locally, the foundation continues to receive financing from external sources.

Sources of financing have changed over time. Diversification of the funding sources has been a primary goal for the staff, which is charged both with increasing the size of the endowment, and with specific programme support. To date, they have been successful in raising approximately USD 3 million from a variety of sources, including the Canadian Forestry Development Program, the Archdiocese of Cuenca, diverse companies within Ecuador, a Spanish foundation, the MacArthur Foundation, the International Youth Foundation, the Botwinick-Wolfensohn Foundation, other private US foundations, and some individuals.

Recently, the Esquel received a grant of USD 2.5 million from the Inter-American Development Bank for a small loans, technical assistance and capital investment programme.

Major challenges

One of the issues that concerned the staff of the Esquel Foundation at the outset was the need to begin grant-making activities immediately after incorporation in order to develop a track record and establish credibility as a grant-making institution. The need to maintain a consistent level of grant-making has resulted in further tapping into endowment capital. In 1994, when the grants it was hoping to receive failed to materialise, the foundation was faced with a severe funding crisis.

The foundation's experience of trying to increase philanthropic involvement from within Ecuador has been discouraging. It is now embarking on a more systematic study of the patterns of giving that exist in the country, to determine ways of engineering more effective philanthropy and increasing citizen involvement in social development. However, it is hampered by the lack of legal reform to create a more favourable environment for local philanthropy. The difficulties in this area have resulted in a continuing reliance on outside donors to cover operating costs.

Tied to the above are the challenges of raising funds for an endowment. This type of financial support is difficult to raise at the best of times, and in an unpropitious philanthropic environment it becomes even more of a challenge. Another concern has been that because of the country's poor economic climate, existing endowment funds have had to be invested in overseas markets. Recently, however, an upturn in the economy has provided more se-

cure investment opportunities, and six months ago Esquel began investing funds in Ecuadorian banks.

Finally, an element that is critical to the success of a funding source is the existence of sound organisations and groups that can become potential grantees. Organisations are expected to be able to plan, manage, and monitor projects in an accountable fashion, but community groups and small NGOs are quite often ill-prepared to meet these rigorous programme requirements. Esquel needs to work to build this capacity in its potential grantees.

In the short time it has been in existence, the Esquel Foundation has become a major force for development in Ecuador. With a 1995 budget of approximately USD 3.9 million, and increasingly recognised as a leader in social development, it has used its convening power to promote discussion and advance decisions critical to the country's future. It has also established an impressive track record in grant-making that has given it credibility among external donors.

One project, the Gualaceo Weavers, involved a group of peasant women who received a grant of just over USD 2,000 with which they developed their organising skills to create a productive project. In the beginning, 30 girls were involved. In the course of two years, during which a process of intensive training and organisational development was undertaken, the association grew rapidly and now numbers 400 female artisans from the area; these women have established credit in the formal banking system and produce and sell their work under more favourable conditions.

A similar impact has been seen in another type of project funded by the foundation. The Machala Community Action Project began with support for the construction of housing by community members, and the creation of family gardens managed according to ecologically sound principles. Subsequently, women from the community organised themselves around the family gardens. They have now built chicken coops and are raising chickens, and are producing feed for these from bananas rejected for sale. They sell the chickens in poor neighbourhoods at prices below those generally charged for commercially produced fowl. In addition, they have initiated semi-industrial production processes, and sell their products in the centre of Machala, the capital of the province of El Oro. They have also opened restaurants in the centre of the city, where they serve dishes made with the products from their gardens and chickens.

The foundation's most recent success in negotiating a grant from the Inter-American Development Bank attests to its ability to demonstrate an impressive multiplier effect in levering local resources, resulting in greater impact from the small grants it has so far been able to provide. The IDB has provided USD 2.5 million for loans to be administered by the foundation. Called the Program of Community Economic and Social Development, *Proceso,* it is designed to be implemented over a four-year period and to help improve of the quality of life of low-income groups, especially adolescents, women, and indigenous populations. Esquel has committed itself to raising an additional USD 1 million to complete the programme's USD 3.5 million budget.

Note

1. Biemann, B., Cannon, L., and Klainberg, D., A *Survey of Endowed Grantmaking Development Foundations in Africa, Asia, Eastern Europe, Latin America and the Caribbean,* The Synergos Institute and the South-North Development Initiative, New York, 1992.

The Luso-American Development Foundation

By Anne Williams

This case study of the Luso-American Development Foundation places particular emphasis on the legal and management issues which have to be tackled in the process of setting up and developing an autonomous development fund. Although this example of an autonomous development fund has some characteristics which are not universally applicable—such as its bilateral structure and certain features arising from the particular political background—many of the practical lessons learnt may be useful in the preparation of proposals for setting up autonomous development funds in Africa. Starting by emphasising the importance of clearly formulated but flexible aims and the necessity of keeping detailed records from the outset of the process, the author goes on to discuss problems and potential solutions in the fields of organisational, fiscal and labour law, and how necessary legal changes may be effected. She also deals at some length with autonomy, management, investment and evaluation issues.

Anne Williams, who took part in the negotiations that led to the setting up of the Luso-American Development Foundation, is now the Director of USAID in Dakar, Senegal.

On May 20,1985, by Decree-Law 168/85, the Luso-American Development Foundation (LADF) was created in Portugal as a *'private institution* of the judicial personality of *public utility,* governed by Portuguese Law' (emphasis supplied). This Foundation was the result of a two-year negotiation process, linked to the renegotiation of the Azores base agreement between the United States and Portugal. During the ten years of its existence, the Foundation has made grants, loans and equity investments of over USD 60 million in a variety of areas, often in cooperation with US institutions. As it has grown, it has changed its emphasis and has encountered a variety of problems from which lessons can be learnt in the creation of other such foundations or similar organisations.

Historical background

The LADF grew out of the change in United States/Portuguese relations after the 1974 revolution in Portugal. At that time the United States Agency for International Development (USAID) opened offices in Lisbon and

started a series of development projects. Other US interests in Portugal included keeping its base rights in the Azores and counterbalancing the strong communist party domination in the early years after the revolution. By 1982, when lease renewal negotiations for the base began, both USAID and the Portuguese were recognising that USAID's mandate needed to be transformed and a different form of assistance put in place. One of the formative thrusts was to put Portuguese development in Portuguese hands. The idea of an independent Portuguese foundation was discussed and accepted by both parties. Financing was to come in the form of annual endowments made by the Portuguese Government, based upon grants from the United States Government. It was originally thought that the total endowment would be USD 280 million in order to earn about USD 14 million for operating and grant expenses. In fact, the final amount of the endowment rests at USD 111.2 million.

Purpose and function of the LADF

The decree creating the LADF states in Article 3 that its purpose is one of 'contributing to the economic and social development of Portugal through the promotion of scientific, technical, cultural, educational, commercial and business cooperation between Portugal and the United States'. In 1988, an amendment to these articles stated that the activities should 'fit within the framework of *current* economic and social development strategies'. Article 3 goes on to describe the types of activities to be financed by the LADF:

In order to achieve its purpose, the Foundation shall provide assistance to activities which are aimed at modernising the Portuguese economy, increasing levels of investment and exports, promoting cooperation between business associations and the private sectors of both countries and, in general, supporting activities which promote mutual cooperation between Portugal and the United States and which are of common interest for both countries.

It is important to note three main emphases: (1) development of the Portuguese economy; (2) stress on non-governmental cooperation, with emphasis on the private sector and cooperation between businessmen of both countries; and (3) the requirement that all activities be in the common interest of both countries. The accent is on the development of *closer ties* between the two countries.

Programme of the LADF

It is in the context of these mandates that the programme of the LADF developed over the years. While there have been many different activities in

many different fields, the following major areas stand out: private enterprise, science and technology, public administration and regional development, education, and culture.

At a more operational level, the Foundation has established among its priorities:

- promotion of applied research projects initiated by private companies in cooperation with universities and research centres;
- support to management training programmes;
- cooperation between Portuguese and US universities and scientific institutions;
- development of agricultural industries and distribution networks;
- advancement of environmental protection programmes;
- cultural promotion and management of the arts, including sponsorship of the arts; and
- cooperation with Portuguese-speaking African countries.

By analysing the types of projects financed from 1985 to 1992 one can see that in 1988 there was a definite shift in emphasis away from direct support to private enterprise initiatives including providing venture capital. After 1988 there was also much more emphasis placed on promoting joint activities between Portuguese and American entities. Cultural exchanges also increased. One area of continuous debate was whether or not the LADF could finance trilateral projects, i.e. those which also involved ex-Portuguese African countries. This issue has not been resolved.

Lessons learned

Every foundation or fund is created under its own special circumstances and with its own set of rules and regulations. This is certainly the case with the LADF. However, there are some generally applicable lessons that can be learned from this foundation as it was created and as it has evolved over the years.

The purpose of a foundation

No matter how hard one tries to define the purpose of such a foundation, its mandate is always subject to interpretation, either in emphasis or in the acceptance or rejection of types of activities for financing. The mandate's interpretation will also change over time, as circumstances change. This points to the necessity for two seemingly contradictory aspects of defining a purpose: clarity, yet flexibility. It also points to the need to keep good records on why the foundation was created and what it is anticipated it will do in the future. As the originators leave or memories become hazy, it becomes

difficult to interpret whether or not an activity should be financed. A good example is the ongoing debate over trilateral projects for the LADF; because there are no clear records, it is difficult to know the intentions of the foundation's creators.

Legal aspects of creating the LADF
Three sets of laws became crucial in the creation of the LADF: laws concerning organisations or associations; fiscal laws; and labour laws. Each set had to be studied to see where the LADF, as envisaged, would fit under the existing laws, and where exceptions or derogations might have to be sought. This in turn led to a need to decide whether or not enabling 'legislation[5] would be necessary to create the institution.

Organisation laws

As an independent not-for-profit foundation, funded primarily by the Portuguese Government, the LADF was clearly an anomaly. It did not fit the mold of the few other foundations operating in Portugal. Moreover, there was no law specifically adopted for foundations, nor was there a specific not-for-profit law for enterprises. However, there was a more general law of associations, as well as legal provisions that recognised both a not-for-profit status and a status as a 'public utility'. Therefore, while such a foundation would be 'legally permissible' in Portugal, there was not a real fit.

In Africa, there are similar problems. Many Francophone countries, for example, only have the French law of 1901 on associations. Some anglophone countries have 'trust' laws, but again their concept and application may be different. In this context, it must be recognised that a foundation is closer to a business than to a private voluntary organisation or other types of associations. Even though it is not expected to have a profit to distribute to shareholders, it is expected to be accountable to a Board of Directors and possibly to its founders. It is not, however, a 'membership' organisation or a 'shareholder' enterprise. Other questions which could arise concern the public nature of a development fund or foundation. Despite the source of funding, the LADF is *a private* foundation. Thus, it is autonomous and not subject to government control or civil service laws. Portuguese law permitted private institutions which have a public purpose.

Few African countries have laws that cover such an organisation. What then should Africans do? Do the laws need to be changed to enable the creation of such institutions or can these be individually authorised under specific legislation? What are the trade-offs?

Fiscal laws

The questions to be answered under this category generally fall into two domains: exonerations and ability to invest the capital freely. With respect to exonerations, the tax-free status of the foundation became very important. It did not just imply exonerations from income tax, but a multitude of other types of taxes such as property tax, VAT, and stamp taxes. Having this status was very important for the LADF, given that it was not a profit-making organisation and clearly had a development function. Fortunately, the law governing tax-free status which lay in the 'public utility' nature of LADF could be used in this case. However, that may not always be the case in Africa, especially when structural adjustment programmes emphasise revenue, and seek to limit such exonerations. The same issues surround customs exonerations for imported goods—either for programmes or for the institution's own operations.

The area posing the most serious legal problems and ultimately requiring an exception to the law centred around the investment aspects of the LADF. Because of currency restrictions, it was very difficult for Portuguese organisations to have external bank accounts and to transfer funds freely from Portugal to other countries and back again. As the LADF would be investing portions of its capital outside Portugal and would have to pay other expenses in dollars, such accounts were absolutely necessary. As noted in the decree creating the LADF, permission to establish such accounts was given, in derogation of the law.

A second aspect of this question concerned where the LADF would be able to invest its funds. While there was no law preventing investment abroad, there was strong pressure, both through the legal structure and the pervading politics, to invest in Portugal. The LADF decided to invest its capital in both Portugal and abroad. During one period its Portuguese investments did quite well vis-à-vis its outside investments. However, that was not always the case and the portfolio diversity was helpful in sustaining growth.

In Africa, where the value of local currencies fluctuates greatly (except for CFA countries) and where strict currency controls are often imposed, these issues are crucial. The location of bank accounts, the problem of transferring funds, and restrictions on investment will all play a crucial role in maintaining the capital base of a foundation or fund. In some cases, the laws or regulations may have to be modified to accommodate the foundation or fund. In others, derogations may have to be sought.

Labour code

Although the Portuguese Labour Code did not play a key role in establishing the LADF, it was important as the Foundation became operational. Regulations on hiring, firing, benefits, contract personnel, expatriate personnel, etc., all became very important, as did the establishment of personnel policies reflecting these regulations. However, because it was *a private* institution the civil service laws were not applicable.

In Africa, there are often very cumbersome labour laws, which impede the flexible operations such an organisation may wish to have and may also impose higher costs than would otherwise be anticipated. Labour laws should therefore be taken into account from the beginning, so that problems can be anticipated and dealt with as early as possible. If the foundation/fund is to have a public character, exemption from civil service laws may need to be sought.

Changes of law

A major consideration for the development of a foundation under circumstances where the legal framework does not ﬁ is whether or not to seek a change in the country's laws and/or regulations. In the case of the LADF we did not seek to do so because it would have been a long, arduous process and was not really necessary. The LADF could be created by a decree law (i.e. one that did not have to go through the entire legislative process), and it was deemed permissible to put all the requisite privileges into that decree.

However, there are disadvantages to creating a foundation in this manner rather than by simple 'registration'. First, it is more subject to political changes—i.e. the decree can be changed as power changes hands, whereas if it is treated under the law like any other organisation, political forces may have less influence over its survival or demise. Secondly, it may, in the long run, be more advantageous to modernise the legal structure with respect to the different types of organisations now flourishing in the world. In that way, there will be a much better ﬁ between the foundation/fund and the legal framework. Any time there is an uneasy 'ﬁ', the organisation can also be subject to arbitrary decisions on the part of the authorities. Moreover, it is not always possible to rely on outside forces, such as donors, to provide the necessary counterbalances.

In summary, every legal system is different; every country has slightly different laws and regulations. Thus, creating a foundation like the LADF re-

quires a careful review of the laws and regulations to assure compliance and to identify gaps or prohibitions which may impede the foundation's operations.

Autonomy   When a private (or public) institution is created with public funds, the question of autonomy is critical. How can such an institution preserve its independence and remain free from a variety of political influences? The solution lies partly in the structuring of the organisation, with respect to such matters as: composition of Board of Directors and executive management; designation of appointment and removal authority; and accountability mechanisms. It also depends on the legal structure of the country itself, including the types of organisations permitted by law, and how 'autonomy' is defined.

In Portugal, in the middle 1980s, the political situation was in flux and the country had a coalition government. Although the LADF was created as an independent private institution, the public nature of its funding demanded some kind of public scrutiny. The principal concern of the drafters was how to provide this without subjecting the LADF to changing political currents.

One means was through the creation of a Board of Directors on which both Portuguese and Americans (including the US Ambassador) sat. It was anticipated that the presence of the Americans would alleviate the potential problem of political bias on the Portuguese side. One of the issues to be examined is what happens when the influence of one side wanes and a balance ceases to exist. However, the use of a neutral or politically balanced Board of Directors has a great deal of merit and should be pursued in the creation of such a foundation.

The second means used in the LADF was, in the end, less successful. This was to have not one but three Executive Directors, two Portuguese and one American. It was informally agreed that the American would serve as the Chief Executive Officer (CEO) for at least the first three years of the LADF. I believe that this turned out to be a less successful means of creating autonomy for a number of reasons: the system was diluted when the decree was changed and additional Portuguese directors were appointed; conflicts between the directors made the organisation less functional; and once the American Director was no longer the CEO, his presence as a counterforce was effectively diminished. It should be mentioned that appointment 'for life' limited term appointment (with no reappointment possibilities) and appointment by 'neutral' parties were not acceptable alternatives at the time.

In Africa where problems of political influence, corruption, and mismanagement are of great concern, appointment of top management is key to the success and longevity of a foundation or fund. Consequently, looking at a more competitive procedure for choosing a CEO, with certain performance standards built into his or her employment contract might be a better option. In addition, he or she should probably not be appointed by the governments) concerned (local or donor) but by the Board of Directors itself.

Thirdly, accountability had to be ensured through the establishment of an acceptable financial and accounting system, annual reports and independent audits which were made public, and transparency in all financial dealings. Such an approach should be mandated for any African foundation.

As was learned in the situation of the LADF, even the most carefully constructed scenario can be overturned by a variety of circumstances. The underlying law can be changed; the statutes of the organisation can be changed; and lack of interest, or excessive interest, on the part of different parties can influence the organisation's operations. No foundation or fund can be free from political pressures. The effects of these can be minimised through careful crafting of basic documents and constant vigilance.

Management

Good management is very important, but does not require heavy or complex management structures, which are costly and also impede simple procedures and quick responses to requests for financing. The original vision for the LADF was of a 'lean and mean' organisation which was both efficient and effective. Unfortunately, a very different organisational structure developed: too many 'executive directors'; too many lower level staff; too many overlapping responsibilities; and not enough middle level programme staff. Operating costs were higher than necessary, thus eating into the funds available for the programme itself.

How can an organisation such as a foundation employ adequate personnel while maintaining low operating expenses? Three ideas suggest themselves almost immediately: ensure the correct mix of personnel, with appropriate decision-making authority; put in place effective but light systems of management and control; and make full use of computers, including the information superhighway.

Many African organisations tend to develop as the LADF did, with too many top level personnel who are highly paid and given all the 'perks' This leads to high costs and inefficient decision-making. At the other end, the patronage system augments the staff with many messengers, chauffeurs,

mail clerks, etc., who are also a drain on the organisation. What is missing is enough mid-level cadres who can make most of the decisions with guidance from the top. Drawing up a clear and simple organigram—relating staff functions to programmes—and clear job descriptions are two means of alleviating these problems.

An additional impediment to effective and efficient management, prevalent in African organisations, is that the systems are either non-existent or too complicated and complex. Five types of systems are particularly important for a foundation: the awarding and processing of grants; personnel policies; financial systems and controls; procurement systems; and an audit system.

While these systems need to be in place and fully operational, they do not need to be so complicated as to act as a barrier to the business of the foundation. It should also be noted that where public funds are involved, some of the requirements of these systems may be dictated by law, adding an additional dimension.

Finally, many new organisations do not avail themselves of today's computer world. If used correctly, computers provide an invaluable tool for effective, efficient and low-cost management. In addition, the information now available through the various networks provides a foundation with considerable strength for little money.

Obviously, these suggestions are only the tip of the iceberg in the consideration of management issues. However, they are basics which often prove difficult to achieve, whatever the size of the organisation.

Investment

A clear goal for an endowed organisation is to have a well-thought-out investment policy, and then a programme to carry it out. Recognition that the capital should be invested and both the programmes and operating expenses funded from interest is a good start. Then issues of where and how to invest the capital become important.

With the LADF the need to conserve capital did not become clear for some time. Two factors played a primary role: anticipation of significantly more funding than was forthcoming, and divergent views on how long the foundation should operate. As a result, capital was eaten into at a rate faster than investments have grown. The LADF has taken steps to change this situation, both in terms of reorganising its management (see above) and reviewing its investment strategy.

Evaluations

Frequently, both evaluations and impact monitoring are ignored or given only lip service by foundation-similar organisations. This was certainly the case with the LADF whose programme has been quite varied, some might even say too diverse. Evaluation did not appear to follow a standard operational mode, particularly of the programme and grants. In the early 1990s, an evaluation of the LADF's operations revealed a number of weaknesses in the structure and management of the foundation. However, there was little said about the effectiveness of the programme itself and its impact on development. Based upon this evaluation, the LADF has modified its management structure and the nature of its programme.

Conclusion

The LADF is but one example of the type of endowed organisation which can be established to assist in a country's development process. The lessons learned from its ten years of operation can be applied to many other similar organisations. As African countries seek to experiment with their own models, this institution and its experience merit further study.

REPORT OF THE EXPERT CONSULTATION ON THE ROLE OF AUTONOMOUS FUNDS AS INTERMEDIARIES IN CHANNELLING MONEY FOR SOCIAL AND ECONOMIC DEVELOPMENT IN AFRICA

In the latter part of 1995, a Report from the Expert Consultation on Autonomous Development Funds in Kampala, Uganda, held on 4-6 April, 1995, and co-sponsored by the Ford Foundation and the Carnegie Corporation, was published in English and French language editions. The Report includes a Communique adopted by the meeting, which gives a summary of the deliberations of the Consultation, The Communiqué draws its inspiration and substance from the work done by four expert groups charged with the responsibility of examining in greater detail various dimensions of the autonomous development fund model. To this end they were asked to look into the political, financial, legal and managerial aspects of the proposed funds. The Report also provides a list of the experts who participated in the Consultation,

COMMUNIQUE

Ever since political independence. Official Development Assistance (ODA) has played a major role in the socio-economic development of African countries. In its initial stages it was characterised by partnership relations in which donor and recipient participated as equals and in which ODA was viewed as a true complement to national African efforts. With increasing evidence that much ODA has failed to produce the anticipated results, donors have become more reluctant to dispense their funds and do so only on conditions that give them increasing control of aid disbursement and management. What was once a partner relationship has been turned into one that makes the donor more like the master, the recipient the subordinate. This, in turn, has led to an increasing sense of distrust between African governments and donor agencies. Both parties must take responsibility for this negative turn of events.

The purpose of this Expert Consultation has been to explore means of restoring mutual trust and partnership between donors and recipients. The principal focus of the deliberations has been the model of a non-partisan development fund presented in the background paper prepared for the consultation. The sponsors of this consultation, the African Association for Public Administration and Management (AAPAM) and the Dag Hammarskjöld Foundation (DHF), are convinced, following initial preparations

for this event, that sufficient interest exists among both donor agencies and African countries to pursue this idea further. It was adopted in principle by the Regional Conference on 'The Strategic Agenda for Development Management in Africa in the 1990s', organised by the UN Economic Commission for Africa in March 1993 in Addis Ababa, and approved by the Conference of African Ministers of Planning and Economic Development the following month. On the donors' side frustrations with previous approaches have led many agencies to search for innovative ways of administering their operations.

The fund model is not new: many such mechanisms, both private and public, have been in existence for some time. As the expert consultation recognised, some types of intermediary institutions have failed. The case of development banks was mentioned. On the other hand, there is also promising evidence from both Africa and other regions of the world that such institutions can work provided they are properly constituted and supported. The consultation benefited from presentations on successful models in Bolivia, Ecuador, the Philippines and Portugal.

Following a careful examination of the fund model, experts from African countries and elsewhere (see list of participants) agreed that funds should be public institutions established in consultation between African

governments, civil society and donors. They should be so constituted that they are insulated, as much as is practically possible, from partisan political pressures. Where such laws do not already exist, special legislation allowing the funds an autonomous status would have to be introduced. Established as national institutions, normally with a specific sectoral mandate, these funds would dispense money within the context of national policy to organisations applying for their resources on a competitive basis. The funds would be run by boards of trustees representative of government, donors and civil society. These boards would consist of individuals who command public respect, have good judgement and high standards of professionalism, and are of independent stature. Their appointment would not be controlled by the Head of State or any other member of the executive branch of government. To secure the operational autonomy of these funds they would be endowed, i.e. they would have their own capital base. Capital would be raised from external donor sources as well as domestically with the help of donations and fund-raising activities.

Various opinions were expressed on what institutions should be eligible for support from these funds. Experts agreed that priority should be given to private, voluntary and cooperative organisations involved in social and economic development as well as local government entities. Priority should therefore be given to those organisations which have a strong commitment to work with the poorer groups in society and those others which have little or no access to existing institutional mechanisms. The funds are being introduced with a view to enhancing the flow of aid to the poorer segments of society.

It was generally agreed that these funds would be created with a view to ensuring better use of donor resources for development in individual African countries. They should complement existing transfer mechanisms. For example, direct resource transfer to governments or non-governmental organisations (NGOs) would continue. The role of the proposed new funds would be to encourage greater innovativeness and effectiveness in the use of development resources.

Experts agreed that the broader mission of these funds would be to help build constructive links between government and civil society, encourage decentralisation and stimulate development and initiatives at the grassroots level. These institutions would also increase transparency in aid utilisation and cut the bureaucratic red tape currently associated with the administration of foreign aid and other development resources.

What this new approach demands of the interested African government is the readiness to abstain from political control of these funds in return for an anticipated increase in resources for social and economic development and the prospect of an emergent participatory democracy. Of the interested donors it asks for a readiness to pool resources into funds that are locally incorporated in the recipient country but where donors, directly or indirectly, would exercise influence through representation on the board of trustees. It is also intended to relax conditionalities in order to promote flexibility and innovative ness in the application of aid funds—focusing on contributions to poverty reduction among the rural and urban and peri-urban poor. The gains that they stand to make from this institutional arrangement would be the possibility of greater transparency and accountability in the use of their money and the possibility of allowing their aid to reach the poorer groups in society with increased beneficial impact.

Because conditions in African countries vary, the establishment of these funds has to be done with some degree of flexibility. There was also agreement that funds should be started on a gradual basis in countries showing interest in this approach. Experts were convinced that given a genuine political commitment on the part of donors and recipients alike, as well as careful attention to legal, managerial and financial issues, these funds would help Africa in attracting additional funds and restoring a sense of partnership in donor-recipient relations.

The consultation ended with agreement on a series of follow-up measures that are necessary to enable the model to be translated into a viable funding inter-

mediary in each country interested in adopting the model. There would most likely also be need for some form of non-partisan facilitation. Both AAPAM and the DHF confirmed their willingness to assist in these matters. The report from the consultation would also be tabled before the next meeting of Ministers of Planning and Economic Development organised by the UN Economic Commission for Africa. It was also agreed that donors needed to be briefed about this new approach through such mechanisms as the Development Assistance Committee of the OECD. Finally, the Government of Uganda, through its Minister of Finance and Economic Planning, indicated its readiness to work out how the model could best be implemented.

EXPERT GROUP REPORTS

Political Aspects
Issues facing governments

The political group started out by discussing what was needed to get the African governments to adopt the proposed model of autonomous funds as intermediaries in channelling money for social and economic development. It was strongly emphasised at the outset that African commitment and support was crucial for further progress and concrete implementation. As to the potential interest from the point of view of the African governments, the following factors were singled out:

(i) The use of autonomous funds could help form constructive linkages between the government and civil society; furthermore it could support decentralisation efforts and stimulate broader participation at the grassroots level.

(ii) Autonomous funds, as proposed in the background document, could relieve the government of a heavy burden relating to design, implementation, follow-up, etc., without taking away the power of overseeing the utilisation of donor funds. In fact, the model could be used to facilitate the emergence of a strong NGO network, which could be used to help implement national development strategies and objectives.

(iii) The model is likely to increase the transparency in aid utilisation and to establish a more direct line between aid and development resources on the one hand and vulnerable groups and poverty alleviation on the other.

(iv) Autonomous funds could be used as a means to speed up aid disbursements (thereby also inducing higher aid volumes) without undermining the authority of the line Ministry normally concerned (i.e. the Treasury).

(v) The model, as designed, would lessen the dependency syndrome and enhance dignity and self-respect in the recipient countries. At the same time, it would help strengthen support for foreign aid in the donor countries.

(vi) A clear link could be established to the overall objectives already agreed at the Social Summit in Copenhagen. Interested African governments could use the model in a proactive, dynamic way to implement, for example, the 20/20 formula.

The group felt that it was of paramount importance to try to disseminate the results of the Expert Consultation as quickly as possible in relevant African fora and constituencies.

In this context, special attention was drawn to the forthcoming ECA Meeting of Ministers of Planning and Economic Development, to be held in Addis Ababa in May 1995. It was recommended that contact be established as early as possible with the Public Administration, Human Resources and Social Development Division of ECA in order to facilitate the dissemination of the Preliminary Report from the Expert Consultation at the Ministerial Meeting.

The group further recommended that the new model should be introduced and explained, using AAPAM as an intermediary, within the sub-regional frame-

works of SADC, ECOWAS and COMESA/PTA and that efforts should be made to find three to four leading country candidates able to implement the model on a pilot basis. The group expressed the hope that the host country for the Expert Consultation would be interested in such a lead function, given the fact that this country is presently going through a process of change which seems to be producing an enabling environment. Ghana and Tanzania were mentioned as other potential lead countries.

Issues facing donors

The group then discussed what was needed to arouse donors' interest in the new model. Here it was again underlined that firm assurances and evidence must be provided that the African peoples and governments concerned really want to use autonomous funds of this nature and that there is a real need for a new complementary machinery. It should not be perceived as duplicating already existing and functioning channels, nor as means of circumventing government bureaucracy. From the point of view of donor interests, the following factors were mentioned:

(i)   The model would help establish straighter lines between donors and poor people at the receiving end; this would in turn have a positive effect on public opinion in the donor countries, making it easier to increase or at least sustain present aid levels.

(ii) Autonomous funds can be easily matched with the present strong donor interest in supporting democracy, human rights and civil society.

(iii) The risks of donors being accused of recolonisation or imperialistic behaviour (by having to impose hard conditionalities) would be minimised.

(iv) The model increases the flexibility and helps diversify user access; it could be used as a convenient outlet when government machinery is blocking progress in aid implementation.

It was noted that the international donor community is well aware of the successful utilisation of similar models in Latin America (e.g. Bolivia and Ecuador) and in Asia (e.g. the Philippines) and that efforts to try to introduce autonomous funds in Africa are there-fore likely to be met with positive interest. Embryonic arrangements along these lines existed in a few African countries, e.g. Ghana and Tanzania.

It was proposed by the group that, if and when a clear interest on the part of African countries is expressed, efforts should be made to sensitise the donor community on a broader scale. The prime target group for such sensitising efforts would be the Nordic countries, Canada and other likeminded countries, and the EU. The model could also be discussed in OECD/DAC as well as in various non-governmental fora.

Follow-up measures

Finally the group discussed how the proposal could best be put into practice and the specific role to be played by key actors. The following concrete recommendations were made:

A preliminary report on the outcome of the Expert Consultation should be produced for dissemination at the forthcoming ECA Ministerial Meeting and for informal networking among interested and potentially interested parties.

(ii) A final full report, including the Background Paper and other presentations made at the Expert Consultation should be printed in English and be ready for distribution in the autumn of 1995.

(iii) A follow-up team, composed of three Africans, including a representative of AAPAM, and two non-Africans, including a representative from the DHF, should be appointed with specific terms of reference.

Appendix: Draft Terms of Reference for follow-up team

1. Publication of Expert Consultation Proceedings by DHF/AAPAM (preliminary as well as final version).

2. Securing approval of the African governments for the establishment of autonomous funds in the PTA, SADC and ECOWAS sub-regions.

3. Mobilisation of donor support and funding for the autonomous funds at the initial stage.

4. Assistance in the establishment of mechanisms for implementation, provided approval and funding have been secured.

5. Dissemination of information on the autonomous fund model and sensitising of policy makers in Africa and donor countries to the positive aspects of this mechanism.

Financial Aspects

The financial group began its deliberations by discussing the underlying rationale for the autonomous funds. Their essential purpose should be to mobilise additional resources for development efforts that are not being supported adequately under existing arrangements. They would fulfil this purpose both by enhancing the degree of partnership between resource providers and end-users, and by ensuring efficient and transparent management of the resources at their disposal.

While governments, with donor support, would retain the primary responsibility for formulating and administering national development policies, autonomous funds could play an important role in supporting the activities of local communities and NGOs. Many of these groups already receive some assistance from public and private sources, but independent funds could offer support that is more coordinated, more flexible, more enduring, and more closely tied to local priorities. The emphasis would probably be on providing grants, rather than loans, beginning on a fairly small scale and building up slowly.

Issues facing donors

Given the limited availability of local resources, external support would be needed to finance the funds. Multilateral assistance would not be readily forthcoming, given the disappointing experience of donors such as the World Bank with intermediary institutions for financing development. However, it might be possible to mobilise support from specialised international trust funds, such as the Global Environment Facility, or from UN agencies such as the UNDP and UNICEF. In addition, the funds might be able to attract financing from private foundations and bilateral donors, especially those that are seeking more cost-effective ways to support disadvantaged segments of society. USAID has shown some interest in this direction, as have the Canadian and Scandinavian bilateral development agencies. While the latter are already supporting a variety of NGOs directly, they could potentially be ready to pool their resources in a locally managed intermediary institution. Given adequate mechanisms to ensure transparency and accountability, these intermediaries could ensure greater long-term impact than a series of separately managed bilateral initiatives.

To provide a sufficient basis for long-term financial stability and strategic planning, autonomous funds would need to attract some support in the form of capital endowments or multi-year grants. Some bilateral donors and private foundations have been willing to provide such support once the institution in question has established a solid track-record of performance, underpinned by effective monitoring and evaluation systems. In the short term, however, autonomous funds may find it difficult to attract the flexible, multi-year financing required to build up their operations.

Debt swaps

External support for autonomous funds could occasionally be provided in the form of debt swaps, whereby the government supplies local resources in return for a reduction in its foreign exchange obligations. However, such transfers would need to be executed with due attention to the potential inflationary impact of expanding the domestic money supply. Moreover, some countries are not constrained so much by a lack of foreign exchange as by a lack of local currency holdings, and in such cases debt swaps are unlikely to be a viable option. This is all the more so when the local currency has depreciated significantly, in which case a small reduction in foreign exchange obligations might entail a large outlay of domestic resources. For countries that are not currently servicing their external debt, the debt-swap option is likely to look even less attractive. One way to mitigate the local currency constraint might be for

government to provide autonomous funds with in-kind support (e.g. land or other local assets) rather than financial contributions as part of a debt-swap package.

A related but more desirable alternative to debt swaps would be full debt relief applied to that portion of the debt that is currently being serviced, with the equivalent in local currency being transferred to the autonomous funds.

Local resources

While external donors are likely to be the main sources of finance for the funds, particularly in the short term, local commitment is important both to enhance their credibility and to ensure their long-term sustain ability. Governments, corporations, and private individuals might all be persuaded to contribute in cash or in kind to the funds. In addition, the funds could invest some of their existing resources in safe assets, such as treasury bills, to ensure a steady stream of earnings. However, the funds would probably not be in a position to issue commercial paper of their own, given the relatively low returns they could realistically expect to generate from their operations.

Operational costs

While the development and ongoing management of a successful portfolio of activities calls for adequate staffing and administration, every effort should be made to minimise operational costs and adhere to strict financial controls. The funds should strive to build up a capital endowment that yields sufficient investment earnings to cover operating costs and provide an appropriate degree of autonomy. However, in the short term, this may prove difficult, and the funds may need to draw down their capital endowment so as to establish a programme broad enough to gain credibility in the country, and in the donor community.

Legal Aspect

Nature and objectives

The legal group began its deliberations on the assumption that the fund would be an autonomous public en-tity that will finance community-based development activities in specific sectors e.g. social services and economic production. Communities or their organisations shall be the primary beneficiaries and users of the fund. Government projects that directly benefit communities may also be supported, but recurrent expenses of government agencies would not be supported. A number of funds may be created, depending on a country's needs and available resources.

Powers

The fund can receive money from legitimate public and private sources within the framework of appropriate protocols. It may also negotiate directly with donors. The fund shall decide independently on the allocation of monies to projects (as grants or loans) according to set policies and procedures. Where the fund, or part thereof, is capitalised, it shall decide independently how the capital will be invested. The trustees shall have the power to recruit and appoint executive staff. Even as a public entity, the fund must be exempt from civil service rules and government procurement requirements; otherwise, flexibility, efficiency and innovation will be constrained.

Accountability

As a repository of public resources, the fund must be publicly accountable. As a minimum, the fund shall report once a year to the recipient governments and donor agencies and submit itself to annual financial audits. Parliament or the appropriate government department shall receive the reports and properly note them. Reports to and visits by donors shall be governed by appropriate protocols. The recipient and donor governments shall have the power to take remedial action if and when this is required.

Privileges

The fund shall be tax-exempt. In principle, funding that is received as development assistance should not be taxed. If the fund is capitalised, taxation may be decided upon in the context of each country. Preferably the fund should obtain grants, not loans. Where loans are the source of financing, these should meet requisite criteria. Aid money given to the fund should

not be tied to the procurement of goods and services from the donor country.

Organisation

The fund shall be governed by a simple, compact structure consisting of a Board of Trustees, an Executive and staff. An Advisory Council, where users and beneficiaries can participate, is also recommended. The fund shall not implement projects directly, its primary role being that of a source of finance. The entity should also be allowed to pool the monies from the different sources mentioned above, but there should be the possibility of establishing separate accounts or portfolios within the fund.

Specific legal issues

In each country, a study of the existing laws on societies, foundations and corporations will determine if there is a legal basis for the establishment of autonomous development funds. If existing laws allow the establishment of an organisation with the above principles, appropriate legal steps can be initiated. The same applies to the laws, rules and regulations of the donor. For example, will an organisation legally constituted along the above principles be eligible to receive donor funds? Moreover, laws on taxation, investment and foreign exchange must be studied to determine whether the fund can have the privileges above. If existing laws do not allow the fund to be established or to have the above privileges work for generic or specific legislation that will enable such funds to be set up must be initiated. Generic enabling legislation may be preferred. It appears that there may already be established laws on societies, trusts and foundations, but it needs to be investigated how far these are adequate for the fund's purposes. Account should be taken of the differences in laws and legal systems between and within anglophone, francophone and lusophone African countries.

Next steps

AAPAM and the DHF should disseminate the conference report to all African governments, inter-governmental and non-governmental organisations. Translation into French is recommended. Major donors to Africa should also be informed. AAPAM and the DHF should also enter into dialogue with selected governments with a view to establishing such funds. In these countries, initial steps to establish such funds should be taken by building constituencies of support through broad consultations with governmental and non-governmental organisations alike. Finally, AAPAM and the DHF should encourage the development of models for the statutes, by-laws and regulations of an autonomous development fund.

Management Aspects

The management group began by accepting that the development funds must be autonomous public institutions. They should be sectoral in nature and aimed at providing financial support for social and economic development projects.

Board composition

Members of the Board should represent a cross-section of society and have a gender balance. It should have nine or twelve members with equal representation of government, donors and civil society. Each of these constituencies will conduct an open nomination process. Much discussion took place on whether these nominations should be approved officially by the Head of State. Reservations were expressed about such a procedure on the assumption that this would facilitate political control by the executive branch of government. A proforma acceptance of these nominations was as far as group members were ready to go.

Appointments

Nominees should be distinguished individuals committed and dedicated to social and economic development. They should be individuals who command public respect, have good judgement, and high standards of professionalism, and are of independent stature. Terms of appointment should be for three years with the possibility of renewal for one more three-year term. In order to have staggered terms, the initial terms would include four- and five-year appointments. For re-election to the Board, the same process as outlined above would apply. The Board shall elect

its own chairperson and other officers. Membership of the Board does not constitute full-time employment. Board members should be paid for transport and lodging expenses as applicable, and should receive an acceptable sitting allowance. Serving on the Board should be regarded as a service to the public.

Roles and functions

The Board has overall responsibility for the management of the fund. This responsibility entails:

> setting policy in line with stated objectives;
> policy for investments;
> approval of annual operating budget;
> approval of project fund;
> approval of annual external audit report and action on its recommendations.

The Board shall appoint the Chief Executive. Other professional staff shall be appointed by the Board on the recommendation of the Chief Executive. The Board will be the final disciplinary authority for the staff. The Board shall approve all agreements and contracts relating to the Fund and its operations. The Board shall receive and approve progress reports from the Chief Executive and has the right to conduct on-site visits when deemed necessary.

Accountability

The Board is primarily accountable to the people whom the fund has been set up to serve as well as to government and resource providers. In pursuance of this objective, the Board should develop effective means of communication with its constituents, thus ensuring transparency in the operation of the fund. To ensure public knowledge of the ethical standards of performance expected of individual board members, information should be disseminated to members of the public civil associations and government. Finally, the Board should ensure that periodic external evaluations of the fund's activities are carried out.

Staff

The Chief Executive shall be responsible for implementing the policies of the Board and for the day-to-day management and administration of the staff and programmes of the Fund. The roles of the Chief Executive shall include:

• appointment of certain categories of staff;
• management and discipline of staff;
• fund-raising;
• management of finances;
• supervising preparation of grant proposals for the Board;
• monitoring and evaluating grant-making activities.

The fund requires professionally qualified, competent and committed individuals. In order to attract and retain staff of such calibre, they should be adequately remunerated. Recruitment should be based on merit and experience, and promotion on performance. All vacancies should be filled through open advertisement, detailing clearly the criteria and qualifications for selection and appointment. Finally, it is suggested that a code of conduct setting out standards of behaviour and ethics for the staff be prepared by the Chief Executive and approved by the Board.

PARTICIPANTS

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Amir Habib Jamal

A Tribute from Mwalimu J.K. Nyerere

Amir Habib Jamal died on 21 March 1995. Born in 1922 in Mwanza, Tanzania, he served Tanzania and its people and all those involved in Tanzania's struggle for freedom and people-centred develop-ment from the 1950s to the end of his life. He did so in many important capacities: as a Member of Par-liament for Morogoro from 1960 to 1985; as Minister successively for Local Government, Communi-cations, Power and Works, Commerce and Industries, Finance and Planning, Communications and Transport, and Economic Affairs; as Ambassador of the United Republic of Tanzania to the United Nations in Geneva; as Honorary Treasurer of the South Commission from 1987 to 1990 and as Honor-ary Executive Secretary of the South Centre in Geneva from 1990 until his death.

Amir Jamal had close links with Sweden and the Dag Hammarskjöld Foundation and served on the Board of Trustees of the Foundation from 1978 to 1993

Here follow tributes to his memory by his friend and colleague Mwalimu Julius K. Nyerere, former President of the United Republic of Tanzania, and by Dr Ernst Michanek, former Director-General of the Swedish International Development Authority (SIDA) and Chairman of the Board of the Dag Hammarskjöld Foundation 1964—1995.
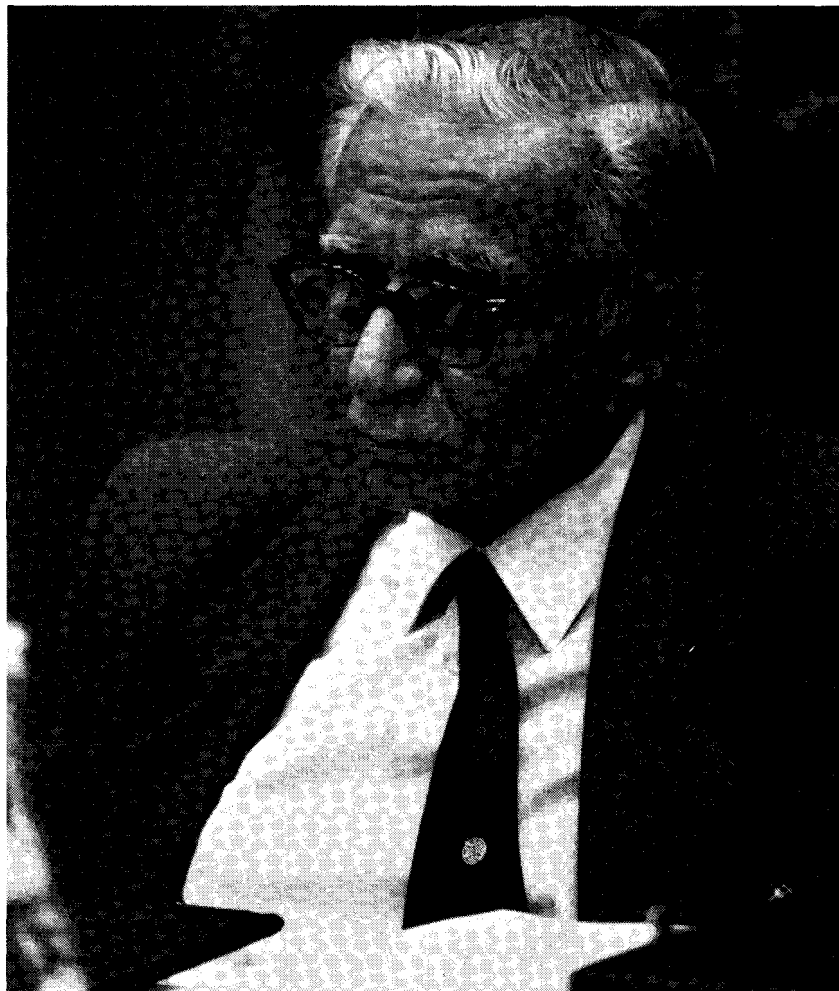
Amir Habib Jamal was a fine human being, a good man. He was a person of absolute integrity. He was a man of principle, dedicated to selfless service. These qualities, combined with his great intellectual and practical ability, meant that as a senior Minister in every post-Independence Government until 1985, Ndugu Jamal was an active participant in all Tanzania's political, social and economic advances throughout the period. And as Tanzania's ambassador to the United Nations in Geneva, he worked tirelessly for the interests of our country, and all developing countries, in international negotiations of many different kinds. During this period his already great international reputation was enhanced, and his assistance was enlisted by the group of 77, as well as by many of the United Nations institutions to which he was accredited. His ability and his principled kindness won him respect from those with whom he argued as well as those from developing countries with whom he worked for common purposes.

Amir Jamal was never a 'Yes man'. In Cabinet, in Government or Party Committees, and in private, he argued for the measures he felt necessary or opposed those which from a long-term or a practical point of view he felt were mistaken. But he was also a democrat and a person who respected others. While there was never any doubt but that he would have resigned from office on a matter of principle had he found this necessary, he accepted a majority decision or the decision of the executive head of state on questions of means, and while still privately urging their improvement, he loyally defended even those measures he had privately criticised or felt to be inadequately prepared.

With all this Amir Jamal kept in close touch with the present realities of our country and potential future opportunities of its people. He groomed for leadership those who worked under him and with him. Several who worked under him as Principal Secretaries succeeded him as Ministers. He encouraged the ideas and constructive activities of students and intellectuals; he tirelessly supported efforts for self-help activities among the people of the constituencies he represented and elsewhere. He knew the people and respected them. In return they learned to appreciate him, to accord him the greatest respect, and to elect him with big majorities in every election when he stood for TANU or CCM from 1958 to 1980.

Amir Jamal was a good human being who dedicated his life to the service of the people. He was a man who thought not of himself but of others, and who used his great abilities in cooperation with others for the development of our country and all its people. He was a Tanzanian of whom we can be proud. I was privileged to count him a friend.

Julius K. Nyerere

A Message in Memory of Amir Jamal
of Tanzania
from the Dag Hammarskjöld Foundation

Among his many national and international assignments, Amir Jamal worked closely with the Dag Hammarskjöld Foundation for almost 25 years as a beloved advisor and friend. This independent international 'think-tank' and discussion centre in Uppsala, Sweden, was created by a public fund-raising drive in memory of the second Secretary-General of the United Nations, Dag Hammarskjöld, who lost his life on a peace mission in Central Africa in 1961, the year that Tanzania gained its independence.

Amir Jamal, Tanzania's universally respected government minister and ambassador, was most highly treasured by all of us who were privileged to share his broad knowledge, his vast experience and his deep insight, rooted in the soil and the people and the culture of his home country and continent. He was a man who cared deeply. He was a concerned participant in the universal struggle of nations for freedom from the bonds of poverty and foreign domination—and for the development of the rich cultural endowment inherited from the past.

Amir Jamal took the lead in the Dag Hammarskjöld Foundation's early attempt to participate in the formulation of a Strategy of Development for Africa. He contributed to many conferences and seminars on economic and cultural development, including alternative educational ideas, indigenous book publishing, plant genetic resources, the new biotechnologies and many other subjects. He became an honorary doctor of philosophy (social sciences) of the University of Uppsala, and was a Trustee of the Foundation for 16 years. Amir Jamal meant so very much to us. He will continue to do so.

From one of his many lectures and key-note speeches, entitled The Cultural Dimensions of Development: National Cultural Values versus Transnational Cultural Domination', I will quote some sentences as a message from Amir Jamal to all of us:

> Fortunately for Tanzanians, culture is a matter of both pride and joy. It is also an integral element of self-respect. This is particularly true of the younger generation on its way to assuming social responsibility.

> A sense of purpose cannot be borne and sustained by man in isolation of his fellow-men; man and society reinforce one another or else contribute to each other's decline. This is the lesson of history throughout the ages; indeed it is the message of evolution of life itself on this planet earth.

> What is this sense of purpose? All the major religions and creeds of the world, themselves representing a culturing of spiritual and ethical values through a variety of historical tracks, spread over time and space, serve to enthuse an awareness of one's own being as part of a larger community.

> When finding one's daily bread was man's primary material and materialistic purpose, it was not difficult to conceive a metaphysical purpose beyond the acquisition of bread itself. Early expressions of this search beyond bread itself in the form of arts, music and pursuit of basic knowledge, of science, contributed to the steady culturing of human society. So did the technique of social organisation and social order.

> This process was far from being painless. Power in the hands of a few, meant gross inequality and injustice. The dynamics of cultural evolution which was born of such inequity, sharpened the ethical, the aesthetic and the spiritual elements of such culturing.

When communities with more or less separate development crossed one another's path through adventure, or natural disaster or expansion of feudal power, they, in most cases, made accommodation with each other and eventually even fused. There was time enough for a gradual development of a converging nature.

Now in less than a century, as if through a cosmic event of unparalleled magnitude, technology has burst forth from science. It is turning **time** and **space** into a rapidly alternating flow, threatening to transform the entire human society into a mindless amalgam in the form of a global market place.

Amir Jamal's often repeated plea was for **time.** He was indeed not an enemy of advanced technology. He said in his lecture:

Healthy, growing societies are naturally hungry for ideas and information. If the quintessential element in this all-pervasive global process—**time**—is taken away from them by compelling them to make instantaneous adjustment to a sustained barrage of influence and values alien to their culture and consciousness, what is now termed fundamentalism will become the inevitable countervailing force, providing a sheltering umbrella for **time** to work for those protesting societies.

I cannot, he concluded, remotely put this scenario more eloquently than in the words of Okot p'Bitek's poem *Song of Lawino*. In this song, originally written in the language of the Acoli people, the wife of an altogether 'modernised' husband laments what has been lost:

Time has become
My husband's master
It is my husband's husband.
My husband runs from place to place
Like a small boy,
He rushes without dignity.
And when visitors have arrived
My husband's face darkens
He never asks you in,
And for greeting
He says
'WhatcanIdoforYou?'

I do not know
How to keep the white man's time.
My mother taught me
The way of the Acoli
And nobody should
Shout at me
Because I know
The customs of our people!

When the baby cries
Let him suck milk
From the breast.
There is no fixed time
For breast feeding.

When the baby cries
It may be he is ill;
The first medicine for a child
Is the breast.
Give him milk
And he will stop crying,

And if he is ill
Let him suck the breast
While the medicine-man
Is being called
From the beer party.

Children in our homestead
Do not sleep at fixed times.

When sleep comes
Into their head
They sleep.
When sleep leaves their head
They wake up.

When a child is dirty
Give him a wash,
You do not first look at the sun!
When there is no water
In the house
You cannot wash the child
Even if it is time
For his bath!

Listen, my husband,
In the wisdom of the Acoli
Time is not stupidly split up
Into seconds and minutes,
It does not flow
Like beer in a pot
That is sucked
Until it is finished.

Amir Jamal has gone. His great contribution to his fellow men will help form the future.

Ernst Michanek

'Which Way Africa?'

Reflections on Basil Davidson's The Black Man's Burden

By Joseph Ki-Zerbo

In the following essay, Joseph Ki-Zerbo's reading of fellow historian Basil Davidson's classic, The Black Man's Burden, *leads him on to a number of reflections on the plight of Africa today and the urgency of a new vision for the future, Ki-Zerbo outlines Davidson's analysis of the continent's past and present ills: its uncritical adoption of the European paradigm of the nation state; the destruction of social and cultural cohesion; the growing bias towards the national 'centre' and the mass exodus from the rural areas to cities which are disintegrating under the strain of unregulated growth.*

While agreeing that the nation state has become Africa's principal burden, Ki-Zerbo stresses the importance of situating the state within the organic structure of the 'modern' world, 'where it is accompanied by two other actors: the market, and science...'. That the African states have only a 7.5 per cent share of the world market and are unable to afford up-to-date technology and expertise is further evidence of its unviability.

An important omission in Davidson's account of the African crisis is, in Ki-Zerbo's view, the bankruptcy of African intellectuals. Acknowledging that their widespread silence and non-involvement is in large measure due to conditions not of their own making, he nevertheless deplores their retreat into 'heartless individualism'. For the collective reality to be transformed, it will be essential that they resume their role as 'night watchmen searching the surrounding shadows' and inventors of 'alternative projects'.

While sympathising with Davidson's call for federalism, Ki-Zerbo points out that it does not always mean a positive momentum (witness Nigeria). 'What is required is not so much the abolition of African nation states but their transformation into new institutions better suited to address the realities, interests and values of peopled In this task, a vital part will be played by civil society, 'which, through its dialectical relationship with authority, and in conjunction with the political class, transforms the state and the nation'.

Joseph Ki-Zerbo was educated in Burkina Faso and then in France, graduating from the Sorbonne and the Institut d'Études Politiques *in Paris in 1955. He returned to Burkina Faso and has been active in politics and as a development thinker and practitioner since 1958, In 1980 he founded in Ouagadougou the* Centre d'Études pour le Développement Africain *(CEDA) but was forced into exile by the new revolutionary government in*

1983. He went to Dakar, where he reconstituted his centre, returning to Burkina Faso in 1992, Today, as leader of the main opposition party, Partie pour la Democratie et Ie Progrés *(PDP), he sits in the parliament in Ouagadougou, represents his party in the Socialist International and directs the work of CEDA.*

Parallel to his political life, Joseph Ki-Zerbo has been a scholar, historian and writer. In 1972 he published Histoire de l'Afrique noire, *a standard work on the subject, which has been constantly updated. From 1972-78 he was a member of UNESCO'S Executive Council and a professor at the University of Ouagadougou. He was a member of the Scientific Committee for UNESCO'S eight volume general history of Africa and editor of the first volume,* Methodologie et préhistoire africaine, *which appeared in 1981. More recent works produced under his editorship are* Compagnons du soleil: Anthologie de grands textes d'humanité sur les rapports entre l'homme et la nature *(1992) and* La Natte des autres: sur le developpement endogène *(1991). Ki-Zerbo has during the past few years spent some time at the Dag Hammarskjöld Centre as one of its Scholars-in-Residence.*

Basil Davidson's many works have examined the historical journey of black Africa from the earliest human times to the period of armed liberation struggles, and beyond. It is this 'beyond' that is the subject of an important book by Davidson, *The Black Man's Burden,* which takes a critical look at the decades since independence was either granted, or seized by force of arms—often with an identical and even unexpected outcome, at least in the short term. The conclusion he draws is that if the outcome has been much the same everywhere, regardless of the means of winning independence or the ideology of the particular state, there must surely be one or more identifiable common causes in all the states. Indeed, this retrospective leads the author to probe into the past, as far back as the pre-colonial era—an exercise in which optical illusions and the telescoping of events are inherent risks. But in this book the historical dimension, so often absent from the analyses of hard-pressed journalists working in the electronic media, is once again shown to have great methodological and heuristic value.

Moreover, this situating of the present within a historical perspective comes at a crucial moment in the history of the African continent and the world, when everything seems to be collapsing and we appear locked in by overwhelming problems.

We have seen the end of the Cold War but the proliferation of local, so-called 'national' wars. **We** have seen the end of totalitarian Communist rule but the rise to supremacy of a brazen liberalism that sounds the death knell for any hopes of equality. What is to prevent Africa from becoming a 'tiger' or a 'dragon' in the jungle of the market? What are the variables at play? What are the factors responsible for the stagnation of the black nations? What, in short, is the 'black man's burden'?

In our opinion, Basil Davidson offers in this book an intelligent and often profound response to these questions, even though we may not always agree with particular aspects of his analysis.

The major questions

The author postulates three fundamental handicaps which have mortgaged the advancement of peoples: the question of the nation state, the social question and the question of cultures. His thesis is that federalism represents the only answer to these problems.

After setting out and commenting on these points we will offer a few remarks on the author's methods and examine a few secondary issues before drawing our conclusions.

The question of the nation state

This is the fundamental problem. The theme runs through the whole work, serves as the book's subtitle and is examined by the author from the precolonial period to our own precarious times. He identifies two moments when it seemed feasible to choose a different way forward. The first of these was when captives rescued from slave ships by Great Britain, or slaves returning from America, settled in Africa—in Liberia and Sierra Leone; the second was when sub-Saharan countries gained their independence, between 1957 and the decolonisation of the lusophone countries. Drawing on a wealth of quotations and arguments, the author examines the mistake which black people made in adopting—copy-cat fashion—the paradigm of the nation state. But if one puts oneself in the position of the leading citizens of the day (whom rightly Davidson describes ironically as 'the élite'), did they have any other option? Escapees from slavery who had suddenly exchanged the weight of servitude for the heady weightlessness of Western civilisation, which they adopted as if it were made to measure, were clearly unable to create a well-synthesised societal model from fragmented groups of uprooted blacks.

The easy and realistic 'solution', which the performance of the then domi-

nant countries presented, compelled recognition. While it is true that Africans could have embraced this without declaring disdain for the 'obscurantism' of their regions of origin, this can partly be attributed to their own ignorance. And it is important to remember that at this time (the end of the 19th century) nationalism had not yet degenerated into the hell of two world wars. It had not yet revealed its apocalyptic violence.

As for the first leaders of independent African states, quite a number of them clearly saw the risks of micro-nationalism; but they lived out their 'choice', or rather their absence of choice, as if it were the first rule of neo-colonialism. In cases where independence was granted, certain colonialist sponsors offered their protégés the choice between micro-nationalism and losing the political leadership. Thus the African federations which had been created by the colonial powers to serve their interests were likewise disman-tled to serve their interests. Herein lies the original sin of the era of African independence. As for progressives such as Kwame Nkrumah and Amilcar Cabral, who made political independence their first priority, they were close to recognising the logical imperative of a federal or even a unitary solution for Africa. Perhaps they should have avoided frightening their peers with radical formulas for organic unity, which were beyond the infrastructural logistics of the time, and above all beyond the mental faculties of most of their fellow leaders. Nevertheless, many African progressives—among them the author of these reflections, who was then a student—endorsed the strategy articulated by Kwame Nkrumah, 'Seek ye first the political king-dom...'. Alas, the reality is that the Belgian syndrome of independence re-sentfully tossed down like a bone to a dog was the only alternative offered to African peoples, apart from inexpiable and genocidal wars for which there was a series of 'models', from Indo-China to Algeria to Kenya.

Davidson also gives examples of the irresponsibility of the British colonial administration when African countries were on the threshold of independ-ence. The reality is that the white man certainly did not want to be free of his profitable colonial 'burden'.... Nor did he accept that the ultimate stage of civilisation, represented by the nation state (cf Hegel), should be shared with backward peoples who appeared now to be usurping a status infinitely above their historical and even their racial condition.

The author traces in broad outline the bloody episodes that punctuated the history of European nation states throughout the 19th century—wars that went on endlessly, up until the (difficult) emergence of a continent defining itself anew. The nation state was no innocent creation, nor is it relinquished without turmoil and pain.

From the African perspective, it is interesting to note that the Second World War, despite its largely ideological causes, is catalogued in the Soviet Union's official memory as 'the great national war'. It is as if the Soviet Russian nation was remembering its roots in the epic battles waged between Slavs and Germans in medieval times.

Basil Davidson rightly identifies the nation state as the principal 'burden' borne by black peoples from now on. But it would have been more accurate if he had situated the state within the organic structure of the so-called 'modern' world, where the state is accompanied or supported by two other actors, namely the market and science, including the science of management. It is under this triple burden that Africa is collapsing today. The state is no sooner born than the International Monetary Fund is calling for it to be cut back. But are we talking about the same state? Africa has only an infinitesimal part (1.5 per cent) of the world market, for structural reasons that encourage it to avoid going too deep into this jungle. On the other hand, it is told in no uncertain terms to 'integrate in the market or perish!'. In the realm of science and technology, Africa is so excluded by neo-nationalism that the burden of paying foreign patents and the exorbitant cost of foreign 'experts' prohibits any value added or building up of reserves. It is important to note that it is internal contradictions arising from the above that form the core of the 'African malady'. But in this pathological association where, by and large, the nation state represents power, the market represents property, and science and technology represent knowledge, the state plays an unopposed strategic role.

The social question   Basil Davidson offers an excellent analysis in his book of the motivation which has always propelled the supporters of 'national' struggles and has brought them hard-won victory, paid for with blood, sweat and tears. The 'thousand' who followed Garibaldi; the Romanian peasants of Transylvania who joined forces with Romanian aristocrats, often in exile; those who from the outset rallied to Kossuth's call for the advancement of the Hungarian nation; the supporters of FRELIMO who fought and died in the Mozambican bush, including Samora MacheFs first wife; all these people invested their lives and their struggle in a liberating enterprise, spurred on by the hope of a social transformation which would do away with the situation of domination and exploitation in which they lived. The era that followed was nearly always a bitter disappointment, whatever the ideology that inspired these nationalists or 'revolutionaries'.

In every case, those with whom or for whom the battle had been fought re-

placed the previous minority élites and, in the name of the nation which had already been willing to make so many sacrifices, ruled over their former comrades and held them to ransom. Herein lies the great fallacy about all national struggles. It is worth noting that Europe escaped this contradiction (and still does) only through a territorial expansion of violence and exploitation, in which black slaves and African colonies in particular were the victims. When Jules Ferry declared, 'the question of the colonies is the question of outlets', he recognised implicitly that the colonies were one of the remedies for social conflict. One may speculate about what the social and economic history of Belgium would have been without the Belgian Congo.... But the social transformation which the masses of black Africans hoped would be ushered in by independence was in fact twofold: they anticipated a breaking-away not only from the colonial system, but also from the more negative aspects of the precolonial period. In this, too, African peoples were fatally mistaken; for many of their first leaders had contracted the colonialist's disease, to such an extent that they believed there was nothing positive to be drawn from the precolonial African system. And even those who held progressive social or socialist views when they came to power were often led astray by the logic of *realpolitik* which sustains the nation state. This is why the majority of African peoples, far from seeing their lives improve as they had hoped, have suffered a deterioration in their circumstances, caused by what has been dubbed—oversimplistically—'neocolonialism': in reality, the current state of affairs includes not only the negative elements of colonisation but also the most negative social characteristics of the precolonial era. The positive elements which could most appropriately provide the foundations for our countries to play a role in the contemporary world are dismissed as 'tradition', unfashionable and out of date.

The consequences are many: dependency on foreign countries and deteriorating terms of trade, for which Davidson gives some very striking statistics; net capital flight from Africa to industrialised countries; clandestine siphoning-off of capital by Africa's leaders into safe bank accounts in the North; and egotistical individualism, which is destroying social cohesion at a time when the capitalist mode of production, responsible for spawning this individualism, is not yet fully established. Hence the cracks in the socio-economic system which herald decay and collapse, including the crumbling of the 'national' edifice. The peasant majority is becoming increasingly impoverished, in some cases gradually, in others to the point of catastrophe. Whether localised or widespread, this impoverishment is caused by the tearing apart of the social fabric and a bias towards the national 'centre'—the capital (of which the hub is the Presidential entourage and the leading figures of the party in power).

The 'beggars' living on the periphery respond in appropriate ways. One response is to cut themselves off and to refuse to be integrated into the national centre, whose decrees and orders are issued in vain. Thus their behaviour is characterised by avoidance and flight; they refuse to grow what has been prescribed in the national plan and, with the knowledge of the authorities, remove their harvested crops to secret caches, or dispose of them though fraud or smuggling. This is the 'negative' response to the organised theft which stabilisation funds and 'marketing boards' often constitute. But another response, a 'positive' one which in fact has very serious consequences, is an exodus from the rural areas so vast that it resembles a demographic transfusion, taking place almost overnight and on an unprecedented historical scale. The reason for this huge exodus which is emptying Africa of its peasant base—its producers—is not principally the one that is traditionally advanced, and taken up by the author in this book: namely that through subsidies and by keeping prices low, leaders give preferential treatment to city-dwellers, and peasants are attracted by this higher standard of living. In reality, life in the shanty-towns (or, more accurately, the shanty-villages) of the large conurbations remained sustainable while the former solidarity of the rural villages prevailed; but as individualism, encouraged by the apostles of liberalism, has gained the upper hand, life in the slums—which are springing up like cancerous tumours—has become more hellish than life in the villages. Besides, the young peasant population is more and more aware of this fact. Like moths drawn by a flame, they burn their wings—or suffer an even worse fate—when they come to the cities. It is not the recently arrived young peasant women who win the national beauty competitions. Hopes of finding work evaporate as soon as the Structural Adjustment Programmes cause cut-backs and laying-off of workers. Recently, in one of the areas in the outskirts of Ouagadougou where girls as young as 16 or even 13 sell their 'charms', widely advertised on bill-boards, some journalists working on night shifts questioned these young women about their occupation and its risks. Were they not afraid of contracting AIDS? The reply was: 'I would rather die of AIDS than of famine!'. A response such as this means that any 'national' project not founded on social transformation is doomed.

What really still attracts the peasant population, especially young people, towards the city is the contradiction between the needs awakened in them by the messages and images of the media and the reality, certainly less appalling but more tedious, of living in the bush. It is the lure of the new, accessible through radio and video but inaccessible in real life. When a young African joins the migratory flow towards the city, it is because his or her brain has already long since migrated in this direction. So there is no effec-

tive protection against the messages relayed by the radio and the images that rain down from the satellites.

We should also remember the peasants who have taken refuge in the cities of neighbouring countries because of civil war. In short, poor Africans no longer have a choice between shanty-towns and shanty-villages; everywhere, they are met with the same insult to fundamental human dignity. The choice is between plague and cholera....

But the social decline that has followed in the wake of the nation state, despite the protestations of faith uttered by both African rulers and 'friendly' great powers in the North, has turned the frustration experienced by the masses into a huge sense of disillusion with the slogans of ideologues and demagogues of every political hue. Even social activists of integrity are obliged to confront this weariness, indifference and cynicism which threaten all attempts at renewal.

How can socialism be achieved when there is no working class, or only an infinitesimal percentage of salaried workers, and when the structural reality is either non-industrialisation or de-industrialisation? Even if a 'new bourgeoisie' is mushrooming everywhere (and are the mushrooms poisonous?), flourishing in the soil of failure and on the edges of the crumbling state, in Zaire and elsewhere, how can liberal capitalism be achieved without capital? It is obvious that the nation state in Africa is organically unachievable. It could have been possible only if, from the outset, lack of capital had been mitigated by an essential investment of ideas, and if suitable political conditions had been created for the economy of the continent to take off beyond the micro-national. Even the doctrine of political thinkers and visionaries such as Amilcar Cabral, Kwame Nkrumah and Patrice Lumumba, who saw the liberation struggle as social revolution, was bound to remain incomplete if it failed to take on as an essential systemic element the transnational dimension, without which neither the economic nor the social realm can survive.

Is it possible to 'invent the future', to use Ivan Illich's expression, adopted by Thomas Sankara and referred to several times by Basil Davidson? There is no blank page to start from, nor can the future be invented by simply repeating the past. Endogenous development must draw not so much on past forms (which cannot be reproduced) as on former principles and norms, some of which are valid for all time. This is how we will resolve the dilemma of choosing between the imperatives of yesterday and those of tomorrow: for wherever Africans are genuinely living according to endogenous princi-

pies there is already a dynamic combination of memory and forward-planning, of here and elsewhere.

The question of culture

We turn now to the complex and vital problem of culture, which is so often difficult to see clearly but which Basil Davidson presents in a balanced way, showing both the positive and the negative aspects of the African situation and the way in which African cultures were sacrificed to the imported socio-political model of the nation state just when the historical process of endogenous 'national' development had largely got underway, before the European intrusion. He shows why the so-called 'traditional' African state was most frequently a state founded on law. Thus it was that in the case of Ashanti a traditional priest could suggest to a 17th-century dynast, Osei Tutu, that the Ashanti states should be brought together in a federation linked to the potent symbol of a golden stool which he [the priest] had caused to descend from the sky on to the knees of Osei Tutu as the trustee of 'national' legitimacy. Indeed, (and the author could have indicated this), the new 'constitution' represented by the golden stool is both beyond state control and sovereign: the stool is presented as a sovereign entity without its material function of a seat, for not only could no one sit on it but it was itself placed on a throne and surrounded by courtly dignitaries. The constitutional function of the golden stool became a principle, a legal symbol of an authority transcending federal member states (but not abolishing them).

The concept of a superior entity, accepted by those ''citizens' associated with it, and conferring political authority on them, was evident in the name given to the members of the community constituted in this way in the 17th century by the Bambara king, Biton Coulibaly. The title adopted by the member-citizens was *Ton dyon* (Servants of the Community). Likewise when, through warfare, Shaka amalgamated the 'ethnic groups' of southern Africa into a new entity with a 'national' character, he conferred on them a name without any 'tribal' connotations: *Amazoulou,* or the people of Heaven. One could cite examples of a multitude of similar black African socio-political formations resulting from a process of bringing together different socio-political and cultural systems, under the seal of customary or written law to which all, and first and foremost the king, were subject. There is a saying: 'It is not the king who possesses kingship, but kingship which possesses the king.' Even between ethnic groups not subject to the same law there were judicial and cultural bridges indicating the existence of a common patrimony or a common will to exorcise past or possible future conflicts. Such was and still is the easy-going kinship so commonly found throughout West Africa and beyond, for example between the Mossi and the Sanan (Samo). African societies

were governed through a set of norms that were ethnic, interethnic and supraethnic, thus 'national' in scope. The decision to condemn this culture to death was truly a crime of continental genocide, which continues to bear its bitter and poisonous fruits. 'Salvation must come from outside. For nothing of value grows in the dark primitive forest of the uncivilised human mind': this sentiment reflected the blindness of the first Africans to be emancipated, legally but not culturally, who were content to chant the refrain, 'They need Christianity and the example of the English'.

When the French, the Portuguese and the Belgians in turn insisted on the imperative of following their own societal models, black Africa resounded with the cacophonous echo of confrontations between European nation states. Besides, emancipated African slaves in the 19th century perceived the traditional negro to be locked in passivity and utterly resistant to change and progress, as if 'tradition' was a still photograph in the eternal present of the ethnologists rather than a moving, living film. But the drama in which we are caught up arises from the reality that this prejudice lives on in the frightened minds of many African 'leaders'. Is it possible to lead when one is convinced that one is able only to imitate?

Basil Davidson gives many examples of initiatives and innovations on the part of Africans to respond to the major challenges of history. He cites the Fanti constitution, and the negotiations of the Ashanti delegation to London which proposed a kind of joint rule with the British government, involving the African resources of the colony, as the Ndebele king Lobengula had attempted to do with Cecil Rhodes. Too late. From now on it was complete control of the territories themselves that the European powers wanted. The carving-up of Africa between the European nation states followed....

Basil Davidson stretches a point, however, when he presents the RDA *(Rassemblement Democratique Africain)* as an example of an organisation that transcended colonial boundaries. The organisational structure of this movement, which was very tight within the member parties of each country, was very loose at the inter-African level. And even within Côte d'ivoir, the party sections were constituted along ethnic lines, which is in no sense an example of transcending anything.

Moreover, President Houphouët-Boigny, along with the French rulers, was the most implacable opponent of a federalist executive for the francophone countries of West and Central Africa. It is this disintegration of the black African 'space' that makes development structurally impossible. It seriously undermines the promotion of democracy and, consequently, the famous

'nation building' for the sake of which so many political leaders have subordinated democracy, failing to concede that without democracy there can be no development.

Democracy and development perceived as nation building simply cannot be achieved outside the cultural context. Without a culture of democracy, the transition to political democracy is nothing but empty words. Without the cultural foundations for endogenous development, the millions spent on aid are simply poured into a bottomless pit, as the last 30 years have proved. As for the creation of 'national' identity, this can come into being only if it is founded on values and a societal model that extend beyond boundaries: even if the common space is not linguistic in the strict sense of the word, it must allow communication, it must be a space in which everyone is engaged in the same fundamental project. This is where history can intervene, cradling the same memories and awakening a thirst for a shared future. National reality should first be cultural reality, neither solely 'racial', nor solely economic, nor solely military or political. This is why nearly every national movement has been preceded by a ferment of ideas, ideologies and cultural activity, where the rehabilitation of languages has played an important part and so too has conscientisation through some fundamental paradigm that constitutes the real spinal column of a people once brought to their knees and now aspiring to walk erect.

This has been the experience of the peoples of America, France, the Balkans, Scandinavia, and Africa. Learning to read and write, so as to determine the collective itinerary, constitutes a vital step in this problematic, as has been pointed out by Amilcar Cabral, who saw culture as a determinant of a nation's development. On the other hand, when a people's original culture is marginalised or left out of the national enterprise, then apparitions and phantoms will take over. Basil Davidson quotes the amusing description of a black 'high society' wedding in Freetown in 1986, which was superimposed on the life of the poor, indigenous masses like oil on water. The chroniclers who witnessed the event noted the precise length of the bridal train. Yet from a national point of view the wedding was a non-event, since all it did was to copy—almost to ape—the superficial trappings of a by-product of imperial, Victorian civilisation. The bridal train belonged to another culture and did nothing to help prepare Sierra Leoneans (whose very name, evoking wild animals, has nothing endogenous about it) for the task of creating a sovereign national entity.

Basil Davidson evokes warmly the sumptuous richness of African cultures which nowadays are lying fallow. However, he does not sufficiently em-

phaise what has now become a negative dimension: the multiplicity of languages. Once seen as a source of life and energy, like yeast in the dough, this has now become a stumbling-block. African languages are held inferior to foreign languages which, despite bringing certain micro nation states closer together, are in other respects divisive (separating, for example, the Hausa people of Niger and Nigeria who are enclosed in two different (official) linguistic zones). Languages brought in from outside, although they have their advantages, remain as much a problem as a solution. They are part of the black man's burden, especially if they inculcate in Africans the old idea that to be civilised means ceasing to be African—although collectively we will never be, or be considered, European. This is the great illusion, the masquerade, the deception about 'development' *in Africa,* which should not be confused with African development. When Africans demanded independence in the 1950s, they were told: 'You are not free because you are not nations!' The African peoples could well have replied that it was the other way round, since their 'national' journey had been brutally ended when their freedom was snatched away. The best apprenticeship in freedom is freedom itself, an American political thinker has said. This is why the African peoples today should not live alongside their history but should bring it permanently into centre stage, be challenged by it and constantly transcend it. Basil Davidson explains clearly the difference between 'nation building' among black Africans who were, so to speak, led to the nation as to the slaughterhouse, and Japan in the Meiji era which carried out its programme of 'modernisation' starting from its own resources.

African nationalism adrift

African (micro-)nationalism has produced three decades of poisons which have sometimes spilled over into horrific barbarity (as in Liberia, Zaire, Rwanda, Burundi, Sudan, Angola, Nigeria, the Central African Republic...). Every time it seems as if we have reached the bottom of the abyss, new depths of horror are revealed. This is the other side of unbridled nationalism which has even shakier foundations in Africa than elsewhere. Nationalism is like the Roman god, Janus, whose head had two faces looking in opposite directions. Too often the nation is built upon the ruins of others. The nation begins with the intention of eradicating collective injustice, but too often ends up excluding others and clashing with its neighbours over territory. The history of the nation state, particularly since it acquired its modern form in Europe in the 18th century, is punctuated by bloody battles and civil wars as inexpiable as the wars of religion. The fact that 'nations' in Africa were founded on territorial bases defined by colonialists, for purposes of domination over them, creates a mass of structural contradictions whose effects continue to astonish the world.

Even in the precolonial period, the national process, which established nation states almost everywhere in black Africa, was accompanied by major upheavals. But at least during this time the dynamic was created by internal forces which were often counterbalanced by socio-political and cultural practices intended to maintain the cohesion of communities. As the dominant mode of production was the system based on the clan or the tribute, the integration of social groups took place within a context of powerful sanctions against unlawful violence. Thus, for example, prisoners of war who were not quickly sold were integrated within the Ashanti 'nation', to such a degree that it was strictly forbidden, under pain of punishment, to refer to their previous status.

The Tutsi and the Hutu also lived together closely, under the domination of the former but with many compensations for the latter, within a system where the building of wealth took place as much through social connections as economic gains. It was not a question of tribe or even of ethnicity but of socio-political castes.

Today, the micro-nation states of Africa are unviable from every point of view. Without the wherewithal to survive, but above all without reasons for existing, they amply justify the title of one of Chinua Achebe's masterpieces, *Things Fall Apart*. And the more they disintegrate, the more desperately they cling to the scattered elements of an imported identity, which exists in a strictly legal sense but is devoid of the socio-cultural roots which would give it real legitimacy and authority. African nation states are like stars which have abandoned the laws of gravity of their original constellation and have become wandering stars, which will remain so unless they can once again find an autonomous direction in their trajectory.

Another very significant phenomenon described by Basil Davidson is the siphoning-off of the African rural masses into the cities. Everyone seems appalled today by the raw statistical increase in the African population. Yet this is the less serious aspect of the demographic tide which, should it lessen without a corresponding change in the economic situation, would inflict very serious damage on the social fabric of Africa in other spheres. Even if a reduction in the birth rate were achieved mechanistically, the qualitative and structural—rather than quantitative—demographic bomb would still be ready to explode.

The siphoning-off of the population into the cities raises the all-important question: 'Who pays for economic prosperity?' So far, the peasants have been exploited through a range of mechanisms including stabilisation funds,

although in Africa this process is somewhat mitigated by the contrary flow of social and economic investments made by business people and leading citizens in their villages of origin. It should also be noted that it will become less and less feasible to subsidise staple food commodities, which benefit the urban population, in the face of the liberalisation measures required by the structural adjustment policies of the International Monetary Fund and the World Bank.

The real problem is that migrations within Africa, unlike those which punctuated the socio-economic rise of Europe in the 19th century, are taking place in a context of complete irrationality, bordering on the absurd. The OAU, which is made up of mini-nation states, is unable to control it. Draconian liberalism will only increase the human costs. In 19th century Europe the rural exodus was operated by a kind of suction pump. The young peasants went to the cities because they knew that the emerging industries there would provide them with work. Moreover, these industries were, among other things, producing the equipment and supplying the inputs that the countryside required and that enabled productivity to increase, resulting in a reduction in labour, which thus justified the rural exodus. If the need arose, those who were surplus to requirements would emigrate to the Americas or the African colonies. Overall, the phenomenon constituted an organic and rational whole, where initial stability gave way to temporary instability, which in turn was replaced by a new stability at a higher structural level: the very definition of development. In Africa, no such process is taking place. The 'colonial pact' prohibited industrialisation in Africa so as to confine it to the role of purchaser of goods manufactured by the Metropolitan state; the continent remains damaged by this prohibition which African 'leaders' have not been able to correct, as is evident in the commercial structure of our countries which persist in exporting raw materials.

The exodus of the peasants makes them go from a hand-to-mouth economy, or cash-crop production which exhausts nature, to a non-economy in the shanty-towns of the capital cities. From collecting *karite* fruit to selling hardware goods from Asiatic countries or spare parts for imported vehicles, the fall is a painful one. The unemployed resort to all kinds of jobs in the 'parallel' economy, which undermines any national or state programme on the part of these pseudo-nation states. Moreover, the nation states persist in closing their borders—which could act as strainers—thus precluding any rational distribution of human resources at the (sub)regional or continental level. In short, the nation states are slowly committing suicide, at the same time causing the massive and brutal execution of huge groups of people joining the Exodus without any hope of finding a 'promised land'.

The third catastrophic aspect of the nation state in Africa is the military factor. One of the articles of the democratic constitutions of this continent is that the army should be subject to civil authority, according to the ancient Roman prescription: 'Let arms give way to the toga! *(Cedant arma togae).'* This norm was known in Africa even before colonisation. The Moro-Naaba may not have led armies himself, but he had at his disposal a minister and a military commander to do so on his behalf. The Bambara maxim is categorical: 'The king does not enthrone himself', implying that a higher authority confers power upon him. The instances of soldiers proclaiming self-rule—followed by innumerable other pronouncements—could only be a prelude to the emergence of predatory and illegal nation states, now euphemistically called 'états d'exception' (states outside the rule of law). Constitutions such as those of Benin and Mali tried to prevent this phenomenon of soldiers invading the structures deserted by democratic institutions. Basil Davidson analyses clearly the fate reserved for gun-toting regimes which, with an inexorable logic, go from generals to commanders, from commanders to captains, and from captains to sergeants, despite the initial hopes of something better. This process destroys the very *raison d'être* of the army as a specialist entity whose legitimacy derives from its discipline and its loyalty to the republic. But the character of the army also changes when elements within it, armed to the teeth but without an enemy at the gates, turn against the citizens whom they had pledged to defend at the risk of their own lives.

This is why—even if it is true that civilian leaders have often failed in their mandate to rule—there is no justification for the army to hold the republic at gunpoint, as the statement by General Babangida quoted by the author seems to imply; after all, Babangida and his notorious successor Abacha have amply demonstrated their attachment to military power since then.

It is a fact that most civilian leaders have remained up to their necks in the drifting waters of the nation state, even if only by clinging to ready-made and second-hand ideologies recited after their godfathers and masters in the North, instead of having the courage to write a new catechism. It is a fact that, as the author points out, the number of bureaucrats in Congo-Brazzaville increased by 636 per cent between 1960 and 1972, reaching a total in 1972 of 73,000 civil servants, or about 7 per cent of the adult population. But during the same period the army attained a total strength of 8,500 men. And when the arming of these troops consumes 20-25 per cent of the national budget, and when, moreover, they are not consigned any peaceable national tasks, a great temptation exists to play the sheriff, thus completing the process of disintegration taking place within the nation state like a worm in a piece of fruit.

But there is an important element of the destabilisation of black peoples where Basil Davidson's arguments reach a dead-end, although it constitutes one of the most paradoxical and sickening of the black man's burdens and is linked to the process of the nation state. We refer to African intellectuals.

Of course, certain political leaders were and still are intellectuals. We remember, for example, Amilcar Cabral and Kwame Nkrumah, leaders whose actions reflected thought and who tried to turn thought into action. But they were immersed in the 'political class' and were to a greater or lesser extent involved with the *problématique* of the use of power. What we are concerned with are the hundreds of thousands of Africans who became the new élite, with varying degrees of commitment. Amilcar Cabral underrates the importance of this middle class in the liberation struggle. This group fulfils the role, in civil society, of specialists in research, scientific and technical practice, critical reflection and creative imagination, quite apart from their function in denouncing present ills and looking ahead as scrutinisers of the future. The theoretician Gramsci places much importance on the role of these intellectuals in working out the details of the particular 'hegemony' required for maintaining the status quo or for bringing about social change. On the other hand, Max Weber, in the tradition of Hegel, emphasises the role of the bureaucratic class on which, above all, the power of the state rests.

But at this point a crucial question arises: 'Does the nation state exist in black Africa in the same sense as in Europe?' There are arguments for replying yes and for replying no to the question. But the most baffling fact is that an answer in the affirmative would seem to be almost more valid for precolonial Africa than for an Africa fragmented by colonial frontiers. Intellectuals generally played a key role in constructing the ideological framework of nation states. The Age of Enlightenment, in the springtime of European nationalism, was not far removed from the paroxysmic ravages of the 19th and 20th centuries. In the case of Africa, the number of professionals from the continent working as expatriates in the countries of the North has been estimated as around 100,000, at a time when the total number of foreign technical assistance experts was also rising to nearly 100,000. This paradoxical situation reflects the dependent position of African countries in the global system, as does the fact that 85 per cent of research on Africa is conducted outside Africa.

But the shortcomings of the intellectuals and the silence of the 'clerks' can largely be explained by internal and structural factors: the shortage of technical equipment and lack of organisation among researchers, the weakness

of the liberal professions and the private sector, the low level of literacy, and the violence of authoritarian and dictatorial regimes which compels the middle classes to confine themselves to their domestic lives or to go into exile. The reality is that a good many intellectuals have eventually fallen silent, sometimes after waging a long and heroic struggle. African political leaders have chosen to surround themselves with consultancy firms and foreign advisers, preferably originating from neo-colonising countries. Hence, in this domain too, the absence of any original and well-rooted plan and the ambiguous, even schizophrenic, character of economic and socio-political planning in Africa.

But let us remember that many members of the middle class, trading on their diplomas, are retreating into a heartless individualism and cultivating a cynical opportunism which makes them look like shrubs growing in the shade of the big trees of the political jungle.

In our view, the most pressing task for our intellectuals is linked to the imperatives underlying any collective reality, both in terms of memory and of planning for the future. The emergence of a historical consciousness would be reinforced by a really concerted effort to popularise the eight-volume *General History of Africa* (UNESCO) which has laboriously compiled and brought together the work of African and non-African researchers over a period of nearly three decades. But, above all, intellectuals should act as sentinels and night watchmen searching the surrounding shadows, and, as Anokye once did with Osei Tutu, inventing new paradigms and alternative projects required by our past, our present and our future.[1]

What is the solution?   This brings us back to the central argument of Basil Davidson's book, namely that since black Africa's present disasters have their origins in the crushing illogicalities of men in the embryonic nation states which are seeking to survive at any price, the remedy that offers itself is the federal model. Transcending the nation state, which is an outcome of colonisation, federalism would undo the fundamental contradictions in which we live and create the economic, socio-cultural and political conditions necessary for a new form of development able to meet the challenges of the 21st century. Is this not what Europe is seeking to do after the apocalyptic wars of the century that is drawing to a close, and in spite of all the difficulties with which we are so familiar? Yes; but one could immediately counter this argument by saying that federation does not necessarily imply a positive momentum. After all, Nigeria is a federation, but one whose origin is colonial and which splits up the great Hausa people by leaving one part in 'Francophone' Niger.

Furthermore, the colonial powers, who were not short-sighted about their own interests, formed vast African federations with strong structures encompassing seven or eight present-day 'states', for example, French West Africa and the East African Federation. They were quick to dismantle these at the point when they pretended to withdraw from Africa, when independence dawned and flags sprang up like mushrooms.

This problem certainly remains just as pertinent today. Is it better to ensure that the Francophone EMUAO *(Union Economique et Monétaire de l'Afrique Occidentale)* works effectively or to concentrate on strengthening ECOWAS (the Economic Organisation of West African States)? In any case, the Abuja Declaration of 1992, which envisages an African economic union within 30 years, is a profession of faith to which not even its signatories are committed, let alone anyone else. Even a small-scale federation, formed decisively by two states—despite negative precedents like the Mali Federation or the Senegambian Confederation—is better than the present vacuum. But apart from this, the African sub-region (West, East, Central, Southern and Northern) seems to be the ideal context from which to confront the demands of the 21st century. In any case, even if no initiative is taken in this direction, polarisation around an economic and demographic centre will not be the way forward. Better, then, to anticipate this process than to follow it blindly.

In fact the logic of the nation state as a federal and hegemonist entity is destructive and even cannibalistic. By contrast, the federalist principle is a universal model which aims to minimise the risks of domination and at the same time to maximise the chances of economic, social and cultural development. This principle is even valid within the context of each state. The French Revolution had to confront this challenge when the Jacobins and the Girondists engaged in memorable debates and contests. The Jacobins prevailed; hence the ultra-centralist character of the French system which was initiated by kings and subsequently accomplished by the Napoleonic imperial model. But two centuries later, the French opted for internal regionalisation and, at the same time, in their external policy, declared themselves in favour of building a community structure in Europe.

By contrast, the United Kingdom, as its name indicates, was biased from the outset towards decentralisation, a course of action which would also be the natural choice for countries such as Germany and Italy, attaining the status of nation state at a later point.

Truth to tell, the virtues of the federalist principle reside in the fact that it re-

tains the positive ambitions of the nation while exorcising its demons. The United States understood this from the very beginning, as did Brazil and Switzerland. Belgium would follow suit later.

Basil Davidson makes no reference to any of these cases (and there are many more besides) but looks at the main elements of the Yugoslavian Federation, which aimed to give scope to all the constituent peoples, including the Macedonians but possibly excepting the Albanians. But the structural contradiction of Yugoslav federalism was that centralisation was under the iron rule of the Communist Party, an institution which could no doubt be explained by virtue of the historical origins of its leaders in opposing Nazism and subsequently by the overt threats of the Stalinist system. The federalist principle has been at work in Africa for thousands of years. It is visible in the double white-and-red crown of the Pharaoh, which symbolised the political union of the countries of the South and the North in the valley of the Nile. Subsequently, the great historic structures in black Africa followed the same model: necessarily, because the kingdoms and empires lacked the means (wheeled vehicles, a literate bureaucracy, fire-arms, state religion, etc.) to carry out centralisation to the full. But this was also a deliberate choice on the part of dynasts who saw it as the way to achieve the best return for the least outlay.

In the course of time, through warfare and diplomacy (as happened in Europe under Cavour and Bismarck), black Africa would gradually have built more structured nation states, as is evidenced by the continent's huge regroupings during the 19th century: Shaka's Zulu empire, and the empires of Mirambo, Sokhoto, Rabah, El Hadj Omar, Samory, etc. But European colonisation systematically destroyed this process, as did neo-colonialism.

Is it too late to rediscover the unifying energy of the past? Would it be a patchwork unable to hold together? As Eppler of the German SPD, cited by Basil Davidson, points out, the whole world is seeking a new model through decentralisation and federation. We ourselves have argued for many years (since the publication of the National Liberation Movement's manifesto in 1958) for the state to be transcended in two ways: from below, through grass-roots communities; and by going above and beyond the state, to a level that is better adapted to the realities and needs of the age of communications, both today and tomorrow.

In Africa today, it is an impossible task to try to build a micro-nation state in the absence of development and therefore of democracy; or in the absence of democracy because development is lacking. The only legitimate

way forward for the African state today is to pursue fundamental and positive objectives through federalism and local grassroots power. The two positive elements of the nation state are its opposition to oppression and the affirmation of a distinct personality. To accomplish its historic mission, the nation state must be willing, perhaps not to commit suicide, but at least to undergo a radical change of character. What is required is not so much the abolition of African nation states but their transformation into new institutions better suited to address the realities, interests and values of peoples. There is no other way of escaping the present dependency, which is almost a perpetuation of the era of slavery.

The first-hand accounts of Arab as well as European travellers and chroniclers show quite clearly that black peoples rooted in their own cultures were extremely inventive, creative and progressive. The negro was truly immobilised only when, bent double by the weight of chains, he acquired the lifeless status of an ebony carving as a result of *rigor mortis,* after succumbing to sudden death during the night in the between-decks of a slave ship. A historic jolt is needed now to recreate the conditions in which endogenous African creativity can flourish.

Basil Davidson's method of enquiry

Davidson employs two fruitful methods of historical enquiry: a comparative and a structural approach.

Drawing analogies between the historical processes that have taken place in Europe and those experienced by Africa may seem rash, especially when the comparison takes as its starting point a particular sequence of historical events, leaving in the shadow the upstream course of the river, which is important for an understanding of recent centuries. The author avoids this pitfall reasonably well because of his knowledge of African history.

In other respects, humanity presents a number of constants in all continents and all civilisations, despite the differences that make for the richness of the history of the world. It is these constants that offer Africans many lessons from the recent history of—for example—Yugoslavia, Romania and Hungary.

What I find striking in this short examination of state nationalism is the fact that the great European powers, having denied African peoples the right to become nation states—a right reserved for 'civilised' countries only—saw no contradiction in using these same African peoples, without regard to life or limb, as slaves, as colonised subjects, and as 'cannon fodder' in 'national'

wars that were also world wars instigated by the very same 'civilised' countries. The latter gave themselves permission to make unilateral decisions on behalf of African peoples, according to the outcome of their conflicts in the North. When Europe had exhausted itself in 'national' wars which also led to the emergence of the two superpowers, it could no longer find any justification at the geo-strategic level for retaining African countries as colonies. At this point, Europe suddenly found them serviceable as neo-colonies, as nation states, but in the context and the condition in which they had been left, as imperial spoils, at the end of the 19th century. It is easy to see that this development was a poisoned cup, for two reasons: first, because just as there is no innocent colonisation, decolonisation is not innocent. In another sense, the destiny of a nation state that lacks any opportunities is almost always violence, inflicted by it or upon it, especially when it wants to enjoy the benefits of being a nation state without being subject to its restrictions.

The other method discernible in Basil Davidson's book is his structural approach to history, which reminds me of a kind of anthropological process. The project envisaged by Africans who had escaped from slave ships, been assimilated within European culture and believed that salvation could only come from outside—that Africa should 'leave the jungle of its primitivism to enter the domain in which nations develop'—this project became an all-encompassing socio-economic, political and cultural 'model' which has been reproduced from one generation to another in Africa and has re-appeared in the our present-day history. Many of today's black African rulers still believe salvation can only come from the outside: witness, for example, credit lines determined by the World Bank, humanitarian aid, etc. There is neither sovereignty nor nation state when such chronic beggary exists. 'The hand that receives is always underneath', President E Houphouët-Boigny used to take pleasure in saying. On the other hand, certain African leaders and the sub-system they rule over reproduce virtually the same structure as that of the petty kings who traded at the slave traders' bank. These indigenous and indigent chiefs were 'sovereign' rulers of their own little tribe, itself corrupted by the slave trade, but parasites of the dominant system which encompassed them.

Conclusion   Naturally, there are certain debatable points in Basil Davidson's book, such as his likening of the precolonial African kingdoms to the monarchic *regna* which, in Western Europe, succeeded the fall of the Roman Empire in the fifth century after the Christian era. At least from the tenth century onwards, in the context of West Africa, a number of kingdoms had already gone beyond this stage. In particular, the concept of master tribe or core

tribe had largely been superseded. The kingdoms referred to themselves by the name of their capital (Ghana, Mali) or another territorial criterion. Their rulers took the names of their parents or a particular programme of action, and were known by this (in those cases where it was a taboo to utter the king's own first name). For example, Kankou Moussa[2] (of Mali) means Moussa (son) of Kankou (his mother). The kings of Ouagadougou, Ouahigouya or Boussouma could call themselves King Rain, King Rock, King Elephant, King Cloud, King Water, King Panther, etc. This name was drawn from the key word in their motto, which was declared on the day of their enthronement and announced their programme of action. In the case of the Mossi people, however, interbreeding with aboriginal tribes was so extensive that it has been suggested that their name means 'mixture' (cf. Dim Delobson). Mogho-Naaba does not mean 'king of the Mossi' but 'king of the world'.

Ethnicity counted so little that in the Gao or so-called Songhai Empire which succeeded that of Mali it was a general of Senegambian origin (Sylla) who took power in 1493 and under whom the empire reached its zenith. His dynastic name, Askya, which had nothing to do with his ethnic origin, comes from the words that his rivals had pronounced against him, meaning 'He shall not be [emperor]!' The term 'tribal' was—as Basil Davidson indicates elsewhere—studiously avoided in the case of expansionist states, no doubt because Africans had a foreboding about the explosive charge inherent in this classification. The term took hold in Africa as a result of the negative effect of withdrawal and isolation caused by the slave trade from the 17th century onwards, for example in the Bambara kingdoms. But even there, it is important to remember that the tribal designation was often a coinage, superimposed from the outside during the colonial or neo-colonial period to further the Europeans' cause.

We should also note that at the sociological level, among black peoples in general, to be a neighbour is to have a status similar to that of an ally—unless hostilities have been declared. Another assertion of Basil Davidson's, linking the emergence of the nation state to the presence of a 'middle class', takes us back too much to the European line of evolution, to the Western model, which is not necessarily reproduced everywhere else. More important is the notion of civil society, as long as this is well circumscribed.[3] It is civil society which, through its dialectical relationship with authority, and in conjunction with the political class, transforms the state and the nation. This characteristic is clearly evident, at the time of the States General in France in 1789, in the reply given to a messenger of King Louis XVI calling upon the Third Estate, which had assembled with some members of the nobility

and the clergy to disperse. Bailly, the future mayor of Paris but a member of the Third Estate, which had no status at the time, retorted: 'When the people has gathered together it can receive no order!', thus affirming in a radical way the new democratic principle in the face of monarchy by divine right. The professional classes, whom Basil Davidson refers to here and there and whom he calls the 'educated élite' (we would prefer to say they were 'taught', not 'educated') obviously only deserve to be called professionals if they are properly linked with the rest of society. A professional who is isolated and cut off is as useless as an engine without carriages. A professional should at least produce ideas and communicate them. The colonialist and the Communist forces created or used too many professionals like parasites in their own system. In setting themselves against either the peasants, whom they judged unfit for revolution, or the 'customary' chiefs, whom they called 'feudal', or the petit bourgeois, or the 'leftists', nation states merely dissipated African energy in false debates and false battles which for 30 years obscured the strategy of those alliances that did not oppose any particular group of Africans but sought to promote Africa's essential interests.

In short, who is responsible? There is a saying that when someone has fallen to the bottom of a well, the most urgent matter is not to ask him or to ask oneself how or why this happened but to let down a rope or a ladder. Nonetheless, criticism, including self-examination, are unavoidable stages on the way to progress.

Those who bear the main responsibility are certainly the small minorities among African peoples who, out of apathy or thirst for power and possessions, accept the status quo even if it is synonymous with disaster and bloodshed. Naturally, they have accomplices in foreign interests and powers. But there are also all those who could do something but do nothing, either as Africans or as friends of Africa or humanity. President Mitterand made fine-sounding speeches on this subject: in Cancun (1982), where he spoke of 'the crime of failing to assist peoples at risk'; at La Baule (1989), where he stressed that democracy was indispensable for Africa if it was to enjoy French 'cooperation'. But the status quo continues.

Now the case of Africa is an extreme one: it has become a matter of survival, even biological, and cultural too. There is no splendid European or American isolation which on its own could conjure up this apocalypse. Even if one closes *one's* eyes so as not to see, the stench of the charnel houses of Rwanda, Sudan and elsewhere will eventually reach the nostrils, if not the conscience, of every human being.

Likewise, a headlong rush for self-advancement like that of the young Zaïre ian whom Davidson mentions, who compiled a handbook on how to get rich quick, leads nowhere in a collective sense, even if such or such an individual manages to 'grow' on other human beings whom he uses like manure. Imitating oppressors does not eradicate oppression but increases it. The problem of values is therefore the forgotten dimension in every project for an alternative society.

After all, if we renounce the nation state where should we go? Whom or what should federalism serve? This is the same question that is being asked by the supporters of a Europe committed to social responsibility.

Africa in the hands of the transnationals is no alternative, for this is largely underway already, in keeping with President Reagan's injunction to poor countries: 'They need only to do as we do' Always the same obsessive need to cast others in one's own 'national' mould, confusing national culture and history with universal history.

'Africa must unite', said Kwame Nkrumah. Not in order to cut itself off but so that it may more easily extend its hand to other geo-cultural regions and contribute its own musical score to the global symphony orchestra. So why can the North not truly help Africa to achieve this unity, without which the African continent will be absent from the rendezvous of nations? Conditionalities imposed from the outside rain down upon African nation states today.

And in certain parliaments on this continent, supporters of government bills resorting to sledge-hammer arguments for their rationale: it is essential to vote for this bill if we want to take advantage of this particular loan from the International Monetary Fund....

Africa today is radio-controlled by conditionalities. If Europe or the West really subscribed to the idea of African unity, they would only have to link their aid to this particular condition. But the prime responsibility lies with Africans. Conscious and committed minorities, civil society—which must build and mobilise itself to face formidable challenges—clear-thinking leaders, and even 'enlightened despots' all have a part to play. Through these channels the political will must be generated to take this historic step. As far as the content and meaning of federalist institutions is concerned, it will be necessary to seek these within a new concept of power, property and knowledge. There is an African saying: 'Money is good, but man is better because he responds when he is called'. Yes, then, to federalism which promotes

'human development'. But proverbs alone are insufficient. They need to be inscribed in a viable and valid space. They need to be converted, through a kind of social engineering, into institutions and behaviour.

We must build an infrastructure for a social culture.

(Translated from the French manuscript by Wendy Davies)

1. See 'The State and the Crisis in Africa: In Search of a Second Liberation', Report of the Mweya Conference in Uganda, May 12-17, 1990, Dag Hammarskjöld Foundation, Uppsala, 1992.
2. The Emperor of Mali from 1312 to 1332 whose pilgrimage to Mecca—a sumptuously staged event—has been memorably chronicled by Arab historians.
3. cf. Ki-Zerbo, J., 'Société Civile et Decentralisation', paper presented to the Colloquium on Decentralisation organised by the MBDHP *(Mouvement Burkinabé des Droits de l'Homme et des Peuples),* Ouagadougou, June 1994.

The Politics of Essential Drugs

The Making of a Successful Health Strategy: Lessons from Bangladesh

ZAFRULLAH CHOWDHURY
Preface by SUSAN GEORGE

ZAFRULLAH CHOWDHURY

The Politics of Essential Drugs
THE MAKINGS OF A SUCSESSFUL. HEALTH STRATEGY
,LESSONS FROM BANGLADESH

'*T* his is the fascinating story of a heroic struggle. It documents the effort of
I grassroots health initiatives to create a space in which the people's means, truthful information and rational prescription decisions prevail over corporate greed, intrigue, skulduggery, bribery and outright profiteering.' - **PRAFUL BIDWAI**

'A rare gem. This book provides an insider's view of how an innovative national drug policy was developed and defended. This is policy-making at its rawest and most dramatic. It is a no-holds-barred description of the battles that ensue when people in developing countries dare to challenge the combined power of transnational corporations and their allies in government in the industrialized world.'
- **ANDREW CHETLEY,** author of *A HEALTHY BUSINESS? and PROBLEM DRUGS*

DR ZAFRULLAH CHOWDHURY is widely regarded as the father of Bangladesh's National Drug Policy. Here he tells for the first time the story of this experiment, including its achievements and limitations. He sets it in a global context, discusses the pressures mobilized by the pharmaceutical corporations and others to reverse the new strategy, and reflects on the relevance of Bangladesh's experience for other countries.
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Zaire: From the National Conference to the Federal Republic of the Congo?

By Ernest Wamba-dia-Wamba

This article by Ernest Wamba-dia-Wamba addresses one of the most important and most debated issues in African development during the 1990s—how to build a democracy that is genuinely participatory, in the real sense of the word, and the preconditions for this process. The author gives a detailed insider's record of the work of Zaire's Sovereign National Conference, which ran intermittently from July 1991 to December 1992, and analyses the intricate political game taking place behind the scene, a game which the protagonists advocating broad-based democratic solutions almost always lost to the 'political class', interested only in maintaining its privileges, or to various of its factions. He also shows how the political class mostly discussed 'borrowed discourses', 'modelled along the ideological lines of the liberal and Christian Democratic parties of the West', which had very little relevance for the masses; how 'the so-called independent press, whose journalists were in fact "bought", prevented political clarity from emerging'; and how many democratically-minded politicians and policy-makers believed that placing good people in important positions in the State would promote democracy more successfully than building up a popular movement for democracy. Reflecting on this latter fundamental problem, Ernest Wamba-dia-Wamba finally poses the question: 'Would the imperialist solution, based on forced removal of Mobutu, and Mobutu's solution, based on the removal of Tshisekedi [his main competitor], be fundamentally different from the perspective of the people's interests?' He suggests that this question might be 'the same thing as asking whether King Leopold II's arguments for colonial conquest were better than Tippo-Tip's defence of slave tradings

Ernest Wamba-dia-Wamba first wrote this article in 1992-93. It was updated in the first part of 1994 and a few paragraphs were added. The article was not printed until October 1996, which does not diminish the strength of the argument in any sense. However, the author was asked, in June 1996, to go through the article once more. He then added two paragraphs which are printed at the end of this introduction and a Chronology of Events which goes up to May 1996 (see Appendix 3),

Ernest Wamba-dia-Wamba is a Zairian scholar who has served for many years as Professor of History at the University of Dar es Salaam, Tanzania.

'Many things have happened in Zaire since this article was written and updated. These have, in the main, confirmed the hardening of the constraints of the democratisation process which the article hinted at.

All the decisions of the Sovereign National Conference aiming at reducing the extensive powers of the presidency towards a beginning of a separation of powers have been effectively resisted, Mobutu has succeeded in controlling, by various schemes, all the organs necessary for a meaningful transition to democracy: the High Council of the Republic (Transitional Parliament), the courts, the National Electoral Commission, the government, etc, After the Rwanda genocide, Western powers, France especially, rescued Mobutu from his internationally imposed diplomatic limbo. He has since been able to re-enforce his extensive and destructive grip on the country. It is with his usual arrogant confidence that elections are being planned for July 1997.

The opposition, in a real crisis, has lost the ground it gained during its high moments (1990-92). The rising counter-attack by civil society organisations constitutes the people's only hope for free and fair elections. There is concern that whether Mobutu wins or loses the elections, the possibility of increased bloodshed is high. The wise course of action would have been for Western powers to assist their ally Mobutu to relinquish power honourably without seeking another mandate. Qui vivra verra'

Introduction

When circumstances are ripe, new ideas may emerge in many places at the same time. In Francophone Africa, the early 1990s saw the emergence, in several States, of National Conferences, an idea which may have been spurred by the bi-centennial celebrations of the French Revolution, and an attempt to re-activate the type of people's convention that was held in revolutionary France. Wherever the idea came from, Benin took the lead in organising its National Conference in February 1990: this was sovereign, that is, its decisions were binding. Gabon followed with a non-sovereign National Conference, from March to April 1990. Afterwards the following countries held Sovereign National Conferences (SNCs): the Congo, from February to June 1991, Niger from July to November 1991, Togo from July to August 1991, and Mali in August 1991. Zaire's Sovereign National Conference, much the longest one, ran intermittently from July 1991 to December

1992; it opened, was suspended a number of times, reopened after intense struggles in April 1992, and continued for another seven months, until it was forced to end in December 1992.

In the case of Zaire, debates for and against the idea of a National Conference started among Zaireans in 1990, in the diaspora as well as inside the country within civil society, especially in those groups which later came under the coordinating committee led by the late Dr Numbi Mukanku, president of the Association of Zairean Medical Doctors *(l'Ordre des Médecins)*.

At this time, a powerful mass movement for democracy was being structured, bringing together a wide range of groupings: peasant organisations, including cooperatives and Peasant Solidarity *(Solidarité Paysanne);* artisans' organisations; trade unions; religious organisations, such as the Association of Protestant Theologian Women *(Association des Femmes Theologiennes Protestantes)*; youth organisations; formerly illegal parties such as the Union for Democracy and Social Progress *(Union pour la Démocratic et le Progrès Social—*UDPS) and the United Lumumbist Party *(Parti Lumumbiste Unifié—*PALU); newly registered parties, and others still in the process of being formed. An independent press, very critical of the regime, was emerging. The dominant slogans were 'changement' (change) and 'Mobutu doit partir' (Mobutu must go).

Most of the members of the political class who were organised in parties, including the UDPS, were initially against the idea of a National Conference. The historical formation of this class largely explains why it opposed the initiative. One section originated in the decolonisation process when local Africans began to replace colonials in the State. A second element arose on the basis of enrichment through the Zairianisation programme of the 1970s. This class has always preferred dealing with political matters behind closed doors, thus preventing the participation of the masses: the Brussels Political Round Table talks and the Coquilhatville, Tananarive and Lovanium conferences, as well as the first and second meeting held at the Marble Palace in Kinshasa, all took place *in camera,*

Reasons advanced for opposing the holding of the National Conference were not convincing.

In an effort to prevent a National Conference from taking place, President Mobutu instead proposed the setting up of a Constitutional Commission, whose members he would appoint. It is interesting to note that some promi-

nent members of the opposition were in favour of this idea. The fact that Mobutu's presidential mandate was due to expire on 4 December 1991 added some urgency to the question.

It is also true that the political class has always been more interested in securing and maintaining the backing of its Western 'partners' than in placing real trust in the Zairean masses. In fact, at the time that the idea of a National Conference began to be discussed, most parties were engaged in what could be called 'borrowed discourses', modelled along the ideological lines of the liberal or Christian Democratic parties of the West. Most of these discourses on democracy had very little impact, if any, on the masses who, for the most part, supported only those who consistently fought against Mobutu; to them change meant 'Mobutu must go' For this reason the UDPS was more popular than the other parties, its leader Etienne Tshisekedi wa Mulumba having struggled for 12 years against Mobutu in an effort to create a second party. For their part the political class and the ruling authorities equated the political education of the people with an attempt to fanaticise them.

By early 1991, the need for unity in the movement resulted in some parties creating a wider grouping around the UDPS, called the Sacred Union of the Opposition *(Union Sacrée de l' Opposition)* which subsequently divided into two tendencies, the radicals and the liberals. Was the UDPS becoming imprisoned in elitist politics, and losing its traditional links with the masses? Or were other parties seeking legitimacy by aligning themselves with the UDPS? More research is required to settle this issue.

Some of the figures inside this grouping were either already collaborating with Mobutu (Kengo wa Dondo, Thambwa Muamba, Joseph Ileo, etc.) or later did so (Mungul Diaka, Nguz Karl I Bond, etc.). The Sacred Union embarked on the negotiations with Mobutu's camp as a power-sharing bid which was intended, so it seemed, to pre-empt the mass movement for democracy. The two meetings held at the Marble Palace aimed at either dividing the opposition—the tactic employed by Mobutu's camp—or disorienting the mass movement for democracy. This was accomplished by excluding the real leadership of the civil society group, headed by Dr Numbi. It was, indeed, amazing to see Mobutu effectively manipulate this opposition front. Most of its members appeared above all to be hungry for power; for them, placing one of their own at the head of the government would have meant a transition to democracy.

The persistence of the civil society group and some 'progressive parties' ultimately forced the government of Mulumba Lukoji to organise the

Sovereign National Conference. This began in July 1991 and was opened not by the President but by the Prime Minister. Afterwards, Mulumba Lukoji gave the conference participants a few weeks to elaborate plans for the new constitution and prepare for the elections.

The President's failure to open the National Conference indicated his continuing opposition to it; indeed, he and his Prime Minister conspired either to make the Conference fail or to use it as a rubber stamp. Mobutu infiltrated all kinds of agents into the Conference: on the first day of debate there were more than 4,000 people present, almost twice the number of genuine participants. Demonstrating a flair for creative thinking, participants solved the problem by requesting the organisers to require all participants to leave the conference hall. Then, one by one, genuine participants were re-admitted, through a roll call, and the others were kept out. In an attempt to create a bogus pro-Mobutu leadership, Mobutu supporters proposed the elaborate ruse of forming a Provisional Bureau of the National Conference on the basis of age (the oldest participant as President, the youngest as Vice-President), gender, and a strange kind of voting system ('randomly' selecting some people to pick others). Kalondji Mutambay, former first president of the Senate, a handpicked government guest rather than a real representative from civil society or one of the political parties or public institutions, was made President. This action was taken without any evidence being provided that he was the oldest. But it meant discarding, in a very humiliating way, first the presumed oldest who was an illiterate chief and then the second oldest who was supposedly suffering from malaria. No list of participants was available to enable counter-checking of the ages of participants. By an interesting coincidence, the vice-president, Wa Zabanga, a 19-year-old student preparing for his State exams, had a name similar to one of Mobutu's. The second vice-president, a woman, happened to be the niece of Mr Kalondji himself. Thus this Provisional Bureau was dubbed 'the Family Bureau'.

Trying to follow instructions from above, the President of the Conference made such a fool of himself that he was nicknamed *Wa Farceur* (the jester) and eventually had to resign. Other general tactics to manipulate the National Conference included the creation of fake parties and giving people a 'membership salary' to join these parties, thus indirectly multiplying supporters of the *Mouvement Populaire de la Révolution*—MPR (Popular Movement for the Revolution). The way in which they were created led these parties to become known as *partis alimentaires* ('supply parties'). To create parties, civil servants had to resign first. Mobutu himself did not resign from the army, although he was the signatory to the founding docu-

ments of the 'new' MPR, when it became a private party. It is said that, as a Muluba, Mulumba Lukoji allowed many Baluba into the Conference so that they would vote against the other Muluba of the opposition, Etienne Tshisekedi. This was seen as 'Luba against Luba' tactics. However, the tactics did not always work. Usually they were discovered, and a struggle was waged to prevent them from succeeding.

For a long time, the National Conference failed to take off. Whenever it was closed, the private meetings of members of the political class resumed in the Marble Palace and elsewhere. Various international interests seemed to be uppermost at these; for example, Maitre Abdoulaye Wade, the Senegalese Minister of State, came to Zaire and attempted to mediate behind the scenes between the opposition and the regime in order to find a compromise and form a government.

Eventually, the civil society group, through the so-called *Comité des Chrétiens Laics* (Lay Christian Committee) organised marches to call for the re-opening of the National Conference. On 16 February 1992, the Presidential Special Division opened fire on a large group of marchers, killing about 36 people (some put the number at 50). After this massacre, international pressure was applied to the regime, which was finally obliged to re-open the National Conference, in April 1992. This time, it seemed that the balance of forces was in favour of the people. International opinion, previously hesitant supported the re-opening. Even so, the President did not appear for the re-opening.

A brief explanation is needed about the criteria for becoming a participant at the Conference. The preparatory commission allocated four places each to parties legally registered by June 1991. It admitted about 273 parties, most, if not all, of which had organised no party congress, so that representatives came from self-appointed party executive committees. Even so, due to the payment of *a per diem* allowance, some committees underwent intense struggles, consolidating clientelist and family ties rather than political or ideological ones. In all, 950 party representatives were approved.

Representatives of public institutions (presidency, parliament, government, the judiciary, etc.) were selected on the basis of their functional status. However, instead of one representative for the presidency, there were 75 representatives. Seven hundred and fifty representatives of public institutions were approved.

Each civil society organisation was required to show that it had a visible or demonstrable impact to make on the terrain. Delegates were supposed to be selected through local elections, one third of the representatives being women. Unfortunately, this last criterion was not always applied. There were about 1,175 representatives approved from civil society organisations.

To prevent the use by the regime of the category 'government guests', in whose guise it could bring in its own agents, the Conference changed the category to 'guests of the National Conference'. These guests were selected according to specific areas of national interest on an individual merit basis. They included: representatives of the scientific world and of the arts, former Prime Ministers, the widow of the First President, surviving participants of the 1960 Brussels Round Table talks, former First Presidents of the Supreme Court, former Chiefs of Staff of the Armed Forces, orphans of the Martyrs of Independence, former governors of the National Bank, and representatives of the Zaireans of the Diaspora. The author was one of the 16 representatives of the scientific world.

In all, about 2,850 delegates were approved and made up the National Conference membership. It was not easy to verify and approve the mandate of all these participants. The regime's intention either to make the National Conference fail, and look for an occasion to close it, or to infiltrate it and use it as its rubber stamp, prevailed. Before the Conference managed to obtain some help from the outside, the regime used the financial element as a weapon to frustrate it. The regime continued to ignore, for example, the sovereignty of the Conference which the membership had adopted as its first act.

The same dynamics of struggle accompanied the formation of the provisional and permanent bureaus of the Conference, and of important administrative commissions (verification and approval of mandates, settlement of litigious cases, etc.). Issues were settled either through voting or by consensus. The General Secretary's position had been given, by consensus, to the Presidential camp. Most of the support services required for the normal functioning of the Conference had a strong bias in favour of the regime and its methods of work—lacking transparency and accountability. This was the case despite Archbishop Mosengwo Pasinya's efforts and despite Conference members' constant requests for order to be established. For example, at no point during the Conference, right up to its forced closure, was a complete, audited financial report tabled at a plenary session.

***The National
Conference at work:
an inside view***

The first part of the substantive business of the Conference was devoted to the making of declarations of general policy by participants, speaking either in a personal capacity or as representatives of parties or organisations. Participants specified what had gone wrong in the country and why, and what should be done to remedy the situation. This was done from 7 May to 1 June 1992. The Conference agenda commission analysed the declarations and identified 123 themes on the basis of which it drew up the substantive part of the National Conference agenda (see Appendix 1).

By mid-June 1992, delegates had been divided into 23 commissions (see Appendix 2), organised on the basis of the themes contained in the declarations. The question of the commissions' leadership, again settled through a combination of voting and consensus methods, reflected the same dynamic of struggle. Contrary to agreed principles, a number of commissions or sub-commissions were headed by people who had an important stake in the subject matter assigned to the commission. For example, a former governor of the Central Bank (who had held this position for ten years) led the commission on finance, money and banks, whose report said *nothing* about the management of the Bank during his tenure. A former President and General Director of a number of parastatals headed the commission dealing with parastatals; its report likewise said nothing about his periods of tenure. It is said that in some sensitive commissions, such as that on assassinations and violations of human rights, certain files were deliberately destroyed or hidden in order to whitewash the past record of some politicians. The Permanent Bureau of the National Conference must, of course, bear responsibility for these irregularities.

Each commission was assigned the task of making a critical re-reading of the history of the particular field of activity under review. This required identifying problems, and individual and collective responsibilities, exposing everything that had taken place and finally proposing a new framework for addressing and solving the problems. Bills that could be made law by the interim parliament, also had to be taken to the Conference Assembly for discussion and adoption. Commissions had the right to seek information from all government departments; to summon any individual capable of bringing some clarity to a particular problem: and to seek feedback (in the form of amendments) from the participants as well as from the people following the debates from the outside. Plenary sessions were broadcast live on radio and television.

Even the President of the Republic was summoned by some commissions,

to answer questions on crucial issues. He refused to comply, as did a small number of other people.

Once a report was written, the plenary of the commission corrected it here and there, approved and adopted it. It was then brought to the Conference plenary session (with each member having received a copy in advance). The president of the commission presented it to the Assembly and the commission rapporteur read it out verbatim to allow the whole nation to follow it on radio or television. After this, the report was thoroughly discussed, and written and verbal amendments were proposed and discussed, before the whole report was formally adopted. The reading and discussion of Bills, one by one, followed, and then amendments were proposed and discussed. All the accepted or amended Bills were adopted.

Each commission had an average of slightly more than 100 participants. Debates in the commissions were very intense, much more so than in the plenary sessions. In both situations, elementary principles of courtesy and the moral obligation to give everyone a fair hearing were, in the main, respected.

The author arrived at the Conference on 7 July 1992, when the commissions were in full activity. He joined the political commission which was supposed to provide the political orientation for the entire work of the Conference. He also participated in two sub-commissions. One was on internal politics, for which he wrote the basic document on national reconciliation. The other had the task of examining important political dossiers. For this sub-commission the author wrote critical historical reassessments and revised versions of the dossiers—in relation to the Katanga and Kasai secessions and to the 'rebellions'.

The sub-commission on important dossiers dealt with extremely sensitive political matters including Mobutu's dossiers, Nguz Karl I Bond's dossier, and the rehabilitation of Mulele. Although the report of this sub-commission was adopted by the entire commission, its reading in the plenary session was interrupted by the Conference President. The reasons for this are still obscure. Could it have been that truth is unpalatable, or that to avoid the danger of bloodshed you must please the accused? If the report had been put to the vote, it would probably have been adopted by the majority.

The political commission had some crucial issues to address and vital decisions to propose. These issues and decisions included the form the State

should take, what kind of political regime was required, the sensitive issue of nationality and profiles of the future leaders. Its report is one of the best.

In the main, given the limited amount of time devoted to this work, as well as the partisan atmosphere, the work produced by the commissions was good. It was in most cases incomplete—for example, the commission on misappropriated property had to deal with 6,000 cases but only dealt fully with 400—but clues were worked out and suggestions made for the future completion of the work.

There were glaring omissions in some reports. The commission on scientific research and technology, partly because of the narrow approach taken by Malu wa Kalenga, who presided over it, placed all its emphasis on the so-called Francophone, budget-based research approach, to the exclusion of the so-called Anglo-Saxon, proposal-based approach to research, which now prevails. Malu was said to be hostile to new ideas not in line with his own.

Too concerned with conforming to a kind of ethics based on the Ten Commandments, the commission on ethics formulated ten basic ethical principles mostly in line with the normative imperative tendency of 'you must, therefore you can' It did not make it clear that values originate in a way of life and that only fundamental changes to that way of life—not mere appeals to 'adopt' good values—can transform negative values into positive ones.

The author prefers ethics based on 'you can, therefore, you must'. No notion of an ethics of ecological protection arose. This was unfortunate given our present ecological crisis and the threat posed by homo sapiens to the very continuation of life on earth.

The report of the commission on defence, security and civil protection was only 'politely' adopted by the Conference plenary. It was probably the worst of all the reports. It did not provide a critical re-reading of the history of the Zairean armed forces and security institutions and hardly touched on the whole question of their 'democratisation'. It is claimed that, through the commission president, General Mahele, Mobutu himself edited the first draft report. When the commission members opposed the changes, Mahele walked out of the Conference.

Space does not allow us to give an account of all the issues raised by each of the reports from the commissions. Many more issues may emerge, when

people have read these reports critically. During the National Conference, shortage of time, the differing intellectual levels of participants, and the leadership's way of conducting debates on the reports, meant that many issues were left untouched.

A great deal of time was spent on trying to secure President Mobutu's direct participation in the Conference activities, in an attempt to guarantee their success. Meeting after meeting outside the Conference, with the President or his delegation, ended in failure. Each time, Mobutu created a situation to divert attention away from the debates. Many participants, former or current collaborators with Mobutu and hostile to the direction of the debates, were dependent on Mobutu's manoeuvres.

Overall, the Conference debates focused on the issue of national reconciliation; the constitutional framework of the transition, based on the so-called 'political compromise'; the planning of constitutional documents for the Third Republic (both federal and provincial constitutional law); electoral law; various decisions, adopted as Acts, relating to the reorganisation of specific domains (the judiciary, health, education, information/press, family, etc.); and the election of the leaders of the transitional administration, starting with the election of the Prime Minister.

On the obscure grounds that a responsible government was urgently needed to alleviate the people's miseries, the election of the Prime Minister was taken up earlier than planned. This change significantly disoriented the work of the National Conference. It encouraged fanaticism at the expense of sound political reasoning. The Conference became incapable of rising above populist fanaticism and partisanship. Reports which would have informed the Conference electorate about the behaviour of candidates—especially those on misappropriated property and on assassinations and violations of human rights—were not ready and therefore were not discussed. There was no reason to believe that the Conference leadership, handling these questions *in camera,* was unbiased. Some files are said to have disappeared; what these were or what they contained is a matter for conjecture. Without having finalised work on political principles to guide even the elections, the leadership opened itself up to all kinds of pressures.

The election of Etienne Tshisekedi wa Mulumba as Prime Minister weakened—instead of reinforcing, as some believed—those elements which supported liberation and democracy. Even for many members of the civil society group, democracy was reduced to the notion of entry into the State via government positions. Many lost interest in the work of the National Con-

ference after this election, or used it only as a means of defending the Tshisekedi government. The bias of the Conference leadership was exposed by its allowing the formation and presentation of the Cabinet to the Conference plenary *after* the President had nominated its members. And even before they were presented to the Conference Assembly, the Head of State had disclosed the list of ministerial candidates, thus effectively undercutting the Assembly's chances of scrutinising candidates before their confirmation. This hijacked the struggle for democracy in Zaire, reducing it to the conflict between Mobutu and Tshisekedi and forcing most of the National Conference participants to support Tshisekedi, despite his errors. Political expediency, rather than political principles, guided many a Conference member's behaviour.

In the absence of political principles, 'geopolitical' bias (regional or ethnic) started to gain the ascendancy—playing into the hands of the Luba group which made up about a third of the Conference membership.

Political principles to guide elections and the formation of structures for the Transition, which had been proposed in the commission reports and adopted by the National Conference Assembly, were similarly neglected. The decision to retain Mobutu as President—but one who has no political responsibilities because he 'reigns but does not govern'—was first arrived at outside the Assembly, in the meetings of the Sacred Union. Even holding discussion on the issue was rejected. Concurring with what appeared to be the US government's view, as articulated by Herman Cohen, was seen as obligatory, far more important than heeding the views of the people or the Assembly.

The election of members of the High Council of the Republic (HCR), the interim parliament, was even worse. One or two rules (geopolitical or legalistic devices) were used as a means of abandoning most of the adopted political principles concerning the profiles of the members. People accused of having used criminal means to eliminate political adversaries—such as the Binza group—were absolved on the grounds that they were innocent until found guilty by a court of law. They were thus elected to the High Council of the Republic. Those who had been accused of, and had admitted to, misappropriating property—some had even started returning it—were also absolved through legalistic trickery. Innocent and competent people were defeated in the elections, while these politically criminal dinosaurs took their seats.

Although participants were somewhat tired by then, the debates on con-

stitutional documents for the Third Republic were good. The draft for the Federal Constitution was fairly democratic. All known rights (gender, minority, healthy environment, development, civil disobedience, etc.) were included. The hottest debates were over the question of nationality and the allocation of responsibilities to federal and provincial governments, based on the competence of each. The requirement that for a person to occupy a leadership position in the Federal Republic his or her parents must be citizens is a backward step in view of worldwide developments. Constitutional provision for a federal fund was made to help relatively poor provinces. The so-called tropicalisation of the parliamentary system adopted in the constitution—through the holding of direct elections for Head of State—will create some difficulties in the future. This is because in a parliamentary regime the President has no political responsibility.

In all specific domains of the country's life, important Bills were enacted. Charters were adopted for national education, emphasising partnership between all those involved in education; for the media, emphasising its autonomous role within a system of separate powers; and for the reorganisation of the judiciary, emphasising the independence of magistrates and judges. However, it is quite possible that the contradictory tendencies in the National Conference discourse are reflected in some of the adopted Acts: Whether this is in fact the case has yet to be established through a thorough investigation.

The key element that would allow implementation of all these decisions was, of course, national reconciliation, and a positive political atmosphere giving rise to a new beginning for national life. Without it, none of these fine decisions would be implemented. The principle that political conflicts must be resolved through negotiation, and moral sanctions applied to those who violate agreements reached through negotiations, is viable only if there is genuine reconciliation. While all the participants agreed on the importance of national reconciliation, not all thought that collective and self-critical palaver *(déballage),* guaranteeing transparency, truth and accountability, and demonstrating the genuineness of the desire for pardon, was necessary to achieve it. Those who could not face their own criminal past wanted a short cut, that is an *in camera* confession before selected 'priests', ignoring the fact that it is the entire nation which must know the truth so that a 'Never again' flag can be raised. Some, especially dinosaurs such as Losembe, claimed that the fact that the National Conference took place was proof in itself of national reconciliation. Some used the pretext of keeping state secrets to avoid a public confession, resorting instead to empty gestures meant to symbolise national reconciliation. The few moments when public confes-

sions took place on specific issues such as parastatal looting made some people—the Conference leadership included—very nervous. Debates on how to achieve genuine national reconciliation were often adjourned or ended in disarray. The Conference leadership, under heavy pressure from the authorities, was unable—without public confessions taking place—to bring about national reconciliation.

The reports from commissions on the most sensitive issues, such as assassinations and violations of human rights, and misappropriated property, which were directly linked to the necessity of a public confession, were constantly postponed and ultimately never discussed. It was clear that the Head of State, the Prime Minister and the National Conference President were not enthusiastic about national reconciliation based on public confession. Mobutu refused to come to the Assembly even for a symbolic reconciliation with Tshisekedi who had pardoned him in his victory speech after being elected Prime Minister.

All the devices for getting round the requirement of public confession, including Mobutu's call for a dialogue *in camera* within the political class, failed to produce national reconciliation. The political class remained divided and with it the people. The conflict between Mobutu and Tshisekedi was just one expression of the division. In this author's opinion, it is not even the most important one. Resolving it may, of course, clearly expose the most important aspect: a leadership that is largely controlled from abroad is bound to oppose the sovereignty of the people.

The enforced closure of the National Conference and beyond

The National Conference took place after the end of the Cold War, during which Western countries had tightened their grip on Zaire through the militaristic usurping of the people's sovereignty, Mobutu and his Binza group being the key element in this. Without the threat of the Cold War, the West had to change the manner of its control over the country, but not the reasons for controlling it. Drawing lessons from the experiences of the Eastern European countries, and in line with World Bank and IMF Structural Adjustment Programmes, it insisted now on multi-partyism ('democratic governance') and a 'free market' economy.

In the international context of the 'triumph of capital' and the collapse of socialist States, it is difficult, without a concept of emancipatory politics, to distinguish democratic mystification (democracy as imperialist policy) from the real thing: the creation or consolidation of people's political capacity to have control over themselves and their leaders. Is the Binza group, or are

the high-ranking Catholic clergy, who supported the dictatorial regime in the past, now supporting the fight for genuine people's sovereignty?

The National Conference political orientation depended on the balance of political forces in the country within the world context of capitalist triumphalism. That balance influenced, in turn, the balance of forces inside the Conference. As long as the outside pressure was high, the internal balance of forces adjusted to it. This was reflected in the debates in the Assembly. For those supporting emancipatory politics the task was to organise the masses and strengthen the pressure coming from the people (rather in the manner of the *sans culottes)* outside the Conference. The *Mouvance Présidentielle,* unable to dominate the debates inside, was rather successful in orchestrating its pressure from the outside, providing a full account of the President's moves, such as his call for a dialogue and his interviews with the international press. It monopolised the media, persuading both radio and television to respond to what was being said inside the Conference rather than coming to the Conference to take part in debates. Ultimately, it pulled its representatives out, thereby succeeding in somewhat destabilising the Conference and changing its political direction.

Except for campaigning before the Prime Minister's election, the opposition parties did very little to ensure that the mass movement maintained its pressure on the work of the National Conference. The fanaticisation of the people through the so-called independent newspapers (whose journalists were in fact 'bought') prevented political clarity from emerging. The personal cult of Tshisekedi did not enhance political debate—shouting often being a substitute for reasoned argument.

An untimely change of leadership in the civil society group, which was already affected by the politics of seeking government positions, further weakened its political position within the National Conference. Consequently it failed to continue empowering the mass movement for democracy. The composition of the government and the failure by the Prime Minister to include the candidates proposed by the civil society leadership became the focal point for struggle. The need to consolidate emancipatory politics inside the mass movement for democracy was ignored. The student delegation, for example, was accused of extremism and practically silenced in the Conference.

Representatives of the public institutions and parties of all tendencies seemed more interested in State politics than emancipatory politics within the mass movement for democracy. They tended to believe that placing

good and courageous people in State positions was enough to reform the State. The strategic status they gave to the position of Prime Minister was unbelievable. The opposition parties made people believe that the election of Tshisekedi was the key to achieving the democratisation process, thus disregarding the central element in the concept of participatory democracy: that no one should be considered indispensable. The power of the people to kick out Mobutu and his dictatorial regime was transferred to Tshisekedi, who was viewed as 'the hammer to crush the stone'—the stone being Mobutu. All kinds of sycophants surrounding Tshisekedi drove this mythology into the hearts of the people, who believed it because of the confidence in Tshisekedi they had developed owing to his leading role in the Movement for the Second Party.

The mass movement for democracy weakened its grip on the conference by transferring its allegiance and placing its hope in Tshisekedi and his government. This government was in fact composed of largely unknown people, the competence of many of whom is questionable. Add to this the long duration of the National Conference, the continuous deterioration of the economy, the incapacity of parties and civil society organisations to keep up the mobilisation for a new society, the regime's counter-mobilisation, and the undemocratic tendencies of the Conference leadership, who failed to inform the Assembly of the outcomes of constant meetings with the President's group and the President himself: all this severely weakened the process of democratisation within the National Conference.

In the end, the Conference leadership, Mobutu and Tshisekedi all appeared to oppose the idea of palaver and thus of national reconciliation. They seemed to be in agreement that the reading and discussion of the reports of the most sensitive commissions could only take place *in camera*. When a public discussion of these sensitive reports was put on the agenda, members of the Presidential Special Division crept into the building at 3.00 a.m. and removed the recording equipment. The CNS plenary decided not to discuss these reports *in camera* and sent them to the interim parliament (the High Council of the Republic), to deal with them.

Some people saw in the US ambassador, nicknamed Aunt Melissa (Tantine Melissa), a 'cadre' of strategic importance to the movement for democracy. Some so-called democrats felt they should double-check all their opinions with Aunt Melissa: once again it seemed that the outside was telling the people who their leaders should be.

The National Conference was forced to close on 6 December, 1992, after a semblance of elections for the High Council of the Republic. These were held in a great rush, and the principles agreed to were not always followed. Members of the National Conference leadership, who were also candidates, provided the guidelines. The fundamental demands and expectations of the mass movement for democracy remained not fulfilled. No national reconciliation took place, despite the inauguration of the monument built for that purpose. No public confessions or open discussions of the reports of the sensitive commissions took place. A transition without transparency, or accountability to the masses, was clearly no guarantee that other equally important decisions about the setting up of federal institutions would be implemented.

In a way, temporarily at least, the political criminals (including Mobutu) were absolved. This made it more difficult to remove Mobutu from power. The idea that the West—rather than the Zairean people—should remove him is just an example of 'democracy as imperialist policy'. Focusing on the conflict between Mobutu and Tshisekedi—that is, on contradictions inside the political class—is a way of disorienting the mass movement for democracy and distracting attention away from the contradiction between people and their leaders. Why, for example, was the Union of Lumumbist Nationalist Forces *(Union des Forces Nationalistes Lumumbistes)* practically excluded, as one of the platforms, from the National Conference and not allowed to express its views as other groups were? The High Council of the Republic was assigned two immediate tasks, after the 'dead city' movement of 18 December, 1992, proclaiming the death of Mobutu: firstly, to kick the dinosaurs out of the High Council and, second, to impeach Mobutu. It has failed to implement either of those tasks. Unless a split in the opposition takes place, consolidating emancipatory politics against (and independently from) the State, the crisis is not going to be resolved in favour of the masses of the people. Would the imperialist solution, based on forced removal of Mobutu, and Mobutu's solution, based on the removal of Tshisekedi [his main competitor], be fundamentally different from the perspective of the people's interests? Which one would better empower the democratisation process? This is the same thing as asking: were King Leopold II's arguments for colonial conquest better than Tippo-Tip's defence of slave trading? The dynamics of 'power sharing' do not preclude the possibility of Mobutu winning the elections. I hope this does not happen. But, the vacillation by the political class between 'Mobutu must go', 'Mobutu should stay, reign, but not govern' and 'Western troops should come to liberate us by overthrowing Mobutu' is an indication that the people's basic requirements for genuine democratic politics are not being

taken seriously. This vacillation jeopardises the process of setting up Federal Republican institutions which must end the period of transition.

An update on the situation

From December 1992 up to February 1994 it has been impossible to implement the decisions of the Sovereign National Conference. The Transition, as specified by the Conference, has thus not taken off. This is due to the sharp antagonism dividing the political class, which was structured through the politics of the Cold War. During this period, this class ruled the country by force and in close alliance with the Western powers—completely ignoring the people's demands. Post-Cold War democratisation circumstances have caused a split in the class: the bloc around President Mobutu refuses to relinquish power and adjust to the requirements of democratisation. The oppositional bloc around EtienneTshisekedi, enjoying considerable popularity among the masses of the people, in the main sticks to the National Conference decisions.

Mobutu's bloc has used all kinds of stratagems to block the democratisation process: licensing his troops to carry out looting and other intimidating activities, the refusal to hand over to the government the control of the Central Bank and the Revenue, the illegal firing of Prime Minister Etienne Tshisekedi, the re-activation of the defunct parliament, the nomination of a Prime Minister (Faustin Birindwa), outside of the framework of the National Conference and the High Council of the Republic, etc. To resolve the conflict, both camps entered into negotiations between September and December 1993. Although their agreements are now being implemented (e.g. the fusion of the parliament with the High Council of the Republic, and the adoption of a single legislative text for the Transition), there is division over the interpretation of the agreements. The enlarged legislative body is now meeting. It has to come up with a new government either headed by Etienne Tshisekedi, the Prime Minister elected by the National Conference, or another Prime Minister elected by the same body. While there are a number of candidates from both camps, EtienneTshisekedi and his close entourage still believe that there should not be a new election. Until this question is resolved it cannot be said that the Transition to democratic elections has begun. (A chronology of events April 1990-May 1996 is provided in Appendix 3.)

References

Minutes of the Sovereign National Conference plenary sessions, Kinshasa 1992; Commissions' Reports;
Declarations of General Policy;
Newspapers including *Grognon, Elima, Salongo, Forum, Interprète Umofa, Soft,* and *La Reférence Plus.*

Appendix 1   **The overall agenda of the Sovereign National Conference**

1. Opening speech by the Prime Minister.
2. Election of the Provisional Bureau of the National Conference.
3. Formation of the commission for the verification and validation of participants' mandates.
4. Election of the second Provisional Bureau.
5. Formation of the commission to deal with litigious cases.
6. Debates on and adoption of the reports of the above commissions.
7. Formation of the commission for the National Conference internal regulations.
8. Formation of the commission for the election of the Permanent Bureau of the National Conference.
9. Election of the Permanent Bureau.
10. Adoption of the report of the commission for the National Conference internal regulations.
11. Debate on and adoption of the act proclaiming the sovereignty of the National Conference.
12. Debate on and adoption of the National Conference budget.
13. Creation of the commission for the National Conference agenda.
14. Public reading of the Declarations of General Policy.
15. Debate on and adoption of the report of the National Conference agenda commission.
16. General debate on the themes and sub-themes extracted from the Declaration.
17. Constitution of the 23 commissions.
18. Work in commissions.
19. Adoption of the Acts of the Transition.
20. Election of Prime Minister (earlier than planned).
21. Reading of debates on and adoption by the National Conference plenary of the commissions' reports (one by one).
22. Adoption of Acts and Recommendations of the National Conference.
23. Election of members of the High Council of the Republic.
24. Adoption of the National Conference Final Report (in camera).
25. Closing ceremony and presentation of medals to participants.

Appendix 2   **The 23 Commissions**

1. Political: Political orientation for the work of the National Conference.
2. Transition: Juridical framework for the Transition based on 'political compromise'.
3. Constitutional: Constitutional documents for the Third Republic: drafts of the Federal Republic Constitution, provincial constitutional law, etc.
4. Juridical: Reorganisation of the legal system (independence of the judiciary).
5. Administrative: Territorial reorganisation of the country in a federal perspective.
6. Misappropriated Property
7. Assassinations and violations of human rights
8. Scientific research and technology
9. Ethics: Ethical principles for the new society to eradicate negative values; profiles of the new leaders. National Commission for Ethics.
10. Finance, money and banks
11. Economy, industry, planning and commerce: The creation of a 'market-based social economy'.

12. *Health*
13. *Women, family and children*
14. *Education:* A new charter for national education.
15. *Agriculture*
16. Water, *forests, mining and energy*
17. State *portfolio:* Parastatals in crisis: who is responsible and what should be done?
18. *Information, press, audio-visual media:* the autonomous 'fourth power'.
19. *Population, statistics and documentation*
20. *Environment and conservation of nature*
21. *Socio-cultural affairs*
22. *Defence, security and civil protection*
23. *Infrastructure of transportation, communication, telecommunications and posts*

Appendix 3   **Chronology: 1990 to 1996**

April 24, 1990	Following popular discontent (expressed through more than 6,000 memoranda), Mobutu resigns as chair of the *Mouvement Populaire de la Revolution* (MPR) and declares the end of one-party rule.
May 10-11, 1990	Students at the University of Lubumbashi protesting against corruption at the University and challenging Mobutu to honour the April 24 Proclamation are slaughtered by special military units acting on orders from Mobutu. At least one hundred students are killed, but the official 'investigation' portrays the killings as an inter-ethnic clash among the students.
March 1991	Pressure from groups organised under the umbrella term 'Civil Society' force the calling of a National Conference, as opposed to Mobutu's suggestion of a constitutional conference.
May 13, 1991	A preparatory commission controlled by Mobutu's supporters is set up to organise the Conference.
July 18, 1991	The Sacred Union of the Opposition (USO) is created. Four days later, Mobutu attempts to appoint Etienne Tshisekedi as Prime Minister. Under pressure from the grassroots, Tshisekedi declines the offer.
August 7, 1991	The National Conference opens with tension and friction over who should be represented. Groups from 'Civil Society' see their numbers of participants drastically reduced. A total of 2,850 delegates participate—with 900 delegates representing 200 parties.
September 2, 1991	Demonstrations in the streets of Kinshasa against the rise of prices.
September 28, 1991	Meeting between followers of Mobutu and a delegation from the opposition led by Joseph Ileo.
September-October 1991	Groups of soldiers pillage and loot several cities because they have not been paid or given a promised salary rise. French and Belgian troops intervene to evacuate foreign nationals. Tshisekedi is appointed Prime Minister, but is dismissed a month later for allegedly refusing to release USD 800,000 to pay the military. Nguz Karl Bond replaces him.
January 1992	Mobutu's geopolitical manipulations produce the first grave result as some leaders from Katanga leave the Conference.

January 19, 1992	Prime Minister Nguz suspends the National Conference.
February 16, 1992	Christian groups demonstrate peacefully for the resumption of the Conference. Scores of civilians, women, and children are killed by the security forces. The demonstration is repeated on March 1.
April 6, 1992	The Conference resumes under the chairmanship of the Bishop of Kisangani, Monsigner Laurent Monsengwo Pasinya.
May 5, 1992	The Conference declares itself sovereign to circumvent Mobutu's attempts to run it by proxy. The Sovereign National Conference (SNC) decides that during the transitional period Mobutu will be allowed to 'rule, but not to govern'.
July-August 1992	Mobutu agrees that a Prime Minister be chosen by the SNC in exchange for his remaining in charge of the security forces. Tshisekedi is chosen as Prime Minister by the SNC. Mobutu and his associates do everything in their power to try to sabotage the proceedings of the SNC, as well as prevent Tshisekedi's government from working-
October 28, 1992	Herman Cohen, former US Assistant Secretary of State (Africa) enjoins Mobutu to stick to his word with regard to agreed rules and procedures.
November 18, 1992	The SNC unanimously adopts the draft of a Constitution of the Federal Republic of the Congo.
December 1992	Election of the *Haut Conseil de la République* (HCR). The US State Department openly backs the resolutions of the SNC and Tshisekedi's government. On December 11 Mobutu decrees the suspension of the HCR. On December 18, a *'ville morte'* (stay-at-home protest) is organised. Several people are killed by the security forces.
January 1993	Soldiers refuse to accept their salaries in new Zaire bank notes. Looting and pillaging, as in September 1991, follow. The Special Presidential Division intervenes. About 100 people are killed in Kinshasa. The French Ambassador, while observing the scene from his offices, is killed. Tshisekedi is dismissed. In the meantime, Mobutu tries to revive the old MPR-dominated National Assembly, later to be known as *Forces Politiques du Conclave* (FPC).
February 1993	The army keeps members of the HCR hostage for three days in the *Palais du Peuple*.
March 1993	Members of the FPC elect Faustin Birindwa to replace Tshisekedi as Prime Minister.
September–October 1993	The opposition parties create the *Union Sacrée de l' Opposition Radicale* (USOR) to oppose Mobutu's parties and allies, FPC. Together they agree on a single parliament which, in addition to the HCR, includes deputies from the MPR National Assembly. Under this new arrangement, the HCR-PT *(Haut Conseil de la République-Parlement de Transition),* Mobutu and his allies seize control. The specification that the Prime Minister must come 'from outside of the political family to which the President belongs' is a fig leaf which does not fool the populace.
June 14, 1994	Kengo wa Dondo, who had been Prime Minister twice before during the height of Mobutu's one-party rule, is elected Prime Minister by the HCR-PT.
May 1995	The HCR-PT passes the law on the National Electoral Commission.
November 1995	Two laws are passed by the HCR-PT: 1) on administrative, political and territorial decentralisation during the transition; 2) on freedom of the press.
November–December 1995	Several arbitrary arrests.

January-March 1996	Illegal seizure and destruction by the Army of the translated texts (into national languages) of the draft constitution which had been unanimously voted by the SNC. Several cases of human rights violations, particularly by branches of the security forces.
February-March 1996	An Assembly of the Opposition held at the *Palais du Peuple.* The Army disrupts the closing ceremony. Participants are forced to disband at bayonet point. At the end of March, the military prevents members of the HCR-PT from holding their *'journees parlementaires'* at the *Palais du Peuple,* thus violating the freedom of assembly which had been passed by the SNC. The Council of Ministers chaired by Prime Minister Kengo wa Dondo angrily denounces the UN report on human rights violations prepared by Roberto Garreton for the 51st UN General Assembly.
April 2, 1996	Several organisations defending human rights in Zaire and calling themselves the committee for 'Human Rights Now' call a press conference and release a statement fully supporting the Garreton report. The statement is signed by: *Association de defense des doits de l'homme* (Azadho), *Comite pour la démocratic et les doits de l'homme* (Cddh), *Ligue des Electeurs, ligue des doits de l'homme Zaire* (Ldh/Z), *Loges noires, Voix des sans voix pour les doits de l'homme* (Vsv).
May 1996	Interministerial Committee set up to draft a new constitution in the spirit of a 'gradual move to federation'; the HCR-PT is expected to pass it before it goes to referendum. Prime Minister Kengo wa Dondo is questioned by the HCR-PT parliamentarians. Geneva Meeting between Mobutu and Jimmy Carter to discuss the great lakes region's refugee situation. Civil society organisations agree to create an 'Independent Electoral Commission' to monitor the activities of the official National Electoral Commission in which they were not represented.

Education with Production in South Africa
A Successful Concept Finds a New Home

The challenges of provision, equality and relevance facing South African education can and may be met to a considerable extent by the ideas of Education with Production, which have been developed through trial and application in several countries in Southern Africa during the last 30 years. Putting these ideas into appropriate practice is being promoted by the Foundation for Education with Production, which opened a South African office in Bertrams, Johannesburg, in 1991, The Foundation is contributing to the solution of some of South Africa's most pressing problems by a range of important inter-linked activities. Thus, it is in the midst of a series of seminars on the What, Why and How of Education with Production in all nine Provinces of the country; it is presenting a model of how employment and training can be created for unemployed and out-of-school young people by involving them in the production of low-cost housing; it is introducing an Africa-based, development-oriented curriculum it pioneered with neighbouring countries, and it has been involved in offering academic courses in Education with Production, which it helped develop, at several South African universities,

The development of the concept and its practical application has been led by *Patrick van Rensburg,* who was exiled from *South Africa in 1960. After spending a year and a half in London, while he wrote* Guilty Land, *and helped promote the boycott movement against South Africa, he returned to the subcontinent in early 1962, and started Swaneng Hill School in Serowe, Botswana, and in 1965 the Serowe Brigades, These two pioneering efforts, one representing the more theoretical part of the curriculum and the other the more practical side, were both built on the idea that education and training must contain a component of real work and production, and that this work should be directed towards the satisfaction of the immediate needs of students and people in the neighbourhood, rather than more distant and illusory needs,*

The Foundation for Education with Production (F E P) was established in 1980 and has since then operated programmes or organised activities in or for Botswana, Lesotho, Namibia, Tanzania, Zambia and Zimbabwe, and organised innumerable seminars either independently or in cooperation with other institutions and organisations. In cooperation with the Dag Hammarskjöld Foundation, FEP has, inter alia, *organised seminars in Tanzania (1974 and 1982), Mozambique (1978), Zambia (1980) and Zimbabwe (1981 and 1989).*

FEP has over many years insistently and indefatigably worked for democratic values in education and in broader society. It has seen linking of work and study as the egalitarian means to involve all students in both mental and manual work and to minimise their separation according to social class. It has promoted involvement of all stakeholders in participatory governance of education, and close mutually beneficial linkages between schools and their communities so that schools become centres of development in their neighbourhoods and thereby better centres of learning. Through Mmegi, *the Botswana weekly FEP started in 1985, it has promoted social justice and human rights, and a greater critical awareness of the potentials of Another Development. Most of its modest finances came from Canada and Sweden over a decade, and some it generated locally from rents on apartments and offices it built with young trainees, and from sales of textbooks for its curriculum and its journal. Latterly, funding from the European North has dried up, largely it seems, because FEP's programmes are not fashionable in the neo-liberal 1990s.*

Despite reduction of its funding the Foundation for Education with Production carries on boldly and determinedly. In the following section, three contributions are presented, each giving an important aspect of FEP's activities. The first is by the Minister of Education in Botswana, Hon. Dr G.K. T. Chiepe, who gives an overview of the Brigades Movement in Botswana from the start in 1965 to 1995 and invites South African colleagues to come and see if the model is replicable in their country. The second contribution by Ahmed Moonda describes the successful work of Bertrams Development Brigade in developing low-cost housing in an area with increasing social problems and at the same time giving unemployed youth useful training opportunities. The third contribution is a short report of the first seminar in a series of inter-Provincial meetings on Education with Production in South Africa. In the series, seven provinces out of nine have so far been covered; seminars with participants from the remaining two are planned for late 1996. The series will end by a one day national seminar in Pretoria.

The Brigades Movement in Botswana

A Model for Replication?

By G.K.T. Chiepe

*In this paper on the Brigades Movement in Botswana, the Hon-
ourable Dr G. K, T, Chiepe provides a lucid overview of the main
characteristics of the Brigades, their successes and failures over
30 years of existence and the reasons why the Botswana Govern-
ment sees them as an important part of its education policy. She
ends her paper by saying that Brigades have a significant future
in Botswana, However, 'it is for South Africans to debate and dis-
cuss whether Brigades are a model to follow, could be replicable
in South Africa and teach us something about educating our
youth. But as neighbours, we extend to South African educators
an invitation to come and see for yourselves. Study us, look at
our failures, our unsuccessful efforts, our successes. Learn what
you can. Take what is useful, reject what is not, and also give us
your views. We do not have all the answers, we have no recipe, no
quick fix. We have, however, made an effort,'*

*Dr Chiepe is Minister for Education in Botswana, She deliv-
ered this speech at the opening session of the first seminar in the
series of meetings on Education with Production in South Africa
held at Mmabatho in Northwest Province in September 1995.*

I wish I could claim that we in Botswana had the answer to the educational
needs of our children and our citizens. I wish I could produce a recipe for
educating all our citizens so that they can reach their full productive and so-
cial potential. But I have no such recipe. Nor do I believe that one exists.

I can assert, however, that we in Botswana have struggled, and continue to
struggle, with the universal questions of the purpose of education and the
best way to achieve this purpose. As parents, teachers, politicians and ad-
ministrators, we ask ourselves daily what is best for our children and our so-
ciety. What is the role of the family in producing future citizens? Or the role
of government? Is there one right way to educate? What does it mean to say
that a person is educated? What is our purpose? To produce cogs to fit into
an economic machine? To produce model citizens? To produce well-
rounded human beings? All of the above? And how can we achieve any of
this?

These issues go to the heart of the educational debate in Africa in general
and in our sub-region in particular. Their social, economic and pedagogical
dimensions all need constant examination.

Certain challenges in particular present themselves. Among these are:

- the promotion of vocational and technical education for the majority;
- the promotion of education for work;
- the promotion of positive attitudes towards work;
- the promotion of job creation; and
- the improvement of cognitive, affective, and psychomotor learning.

As a contribution to the debate as to how these objectives may be met, I would like to focus on a real example from Botswana that goes beyond what we consider to be normal public education—the Botswana Brigades.

The Botswana Brigades are worthy of our attention, not because they have all the answers, but because they have in 30 years of practical experience wrestled with many of the issues referred to above. Sometimes they have succeeded and sometimes failed, but they have never stopped striving. The Brigades are autonomous, community-based and government-aided organisations which were established initially for the purpose of training primary school-leavers to become artisans in various trades. They are involved in three main activities: vocational training, income-generating production and community development and extension work. They are engaged in local development through the provision of training and employment opportunities and through the offering of goods and services to the local community. The average number of trainees at a Brigade is 106 while the largest Brigade has approximately 190 students. Currently there are 33 Brigades operating throughout Botswana, the majority of these being in the rural areas where they have contributed noticeably in the promotion of meaningful rural development. The Brigades are some of the main providers of vocational training in Botswana.

At present, they offer training to more than 3,100 school leavers in 16 different trades. Training is provided, e.g., in building, carpentry, textiles, office skills, general maintenance, computer operating and business studies.

The first Brigade was formed in Serowe in 1965 through the efforts of Patrick van Rensburg, then Principal of Swaneng Hill School. Young primary school-leavers in their mid- to late teens who did not get a place in secondary school formed the core of the trainees. Part of this initial emphasis was an attempt to deal with the primary school-leaver problem by giving training in a trade that would be of immediate benefit to the trainees as well as to the local community, as it promoted its economic and social development.

The training was a mixture of practical, theoretical and on-the-job training. Training with production became more than a pedagogical technique but was also a force for community development. It also became a way to help offset the costs of training. Proceeds from the production efforts went towards the development and expansion of the Brigades. In addition, the students and their instructors participated in the construction of their own training facilities such as classrooms, kitchens, workshops and hostels. In true Training with Production fashion, they learned while they built and they built in order to learn. They created their own schools.

The success of this first Builders Brigade in Serowe, where the Brigades movement started, is evident in the rapid way in which the concept spread throughout Botswana. This success is even more significant when we realise that the rapid growth of the Brigades movement was not a response to government initiative and effort, but came from individual local communities. The idea spread because it worked and the community leaders saw the benefit to their communities. From 1965 until 1975, the Brigades were fully independent of government. Income from the trainees' production was their main source of revenue to cover the cost of the training. In 1975, the government began to subsidise training. Currently, it provides the existing and new Brigades with financial subsidy in support of their approved training programmes and is calculated on a per capita basis.

While the government has increased its financial contribution and technical assistance, the Brigades themselves remain locally controlled and autonomous institutions. They are registered under the trust laws of Botswana, usually as Brigades Development Trusts. A Board of Trustees, made up of representatives from the community, staff and trainees, nominees of the Minister for Education and ex-officio members, such as the local District Officer, oversees the operation of the Brigades. This Board, which is the policy-making body, employs a Co-coordinator to manage the Brigade Centre and ensures that the Board's policies are put into practice. The Chairperson of the Board and the Co-coordinator are members of the National Brigades Co-ordinating Committee (NBCC) which co-ordinates the activities at the national level and provides a forum for presenting their views to government and others.

The key elements of the Brigades movement, then, as it has evolved over the past 30 years are firstly, local control, and, secondly, Training with Production. Within Training with Production the objectives are to provide skills training to local school-leavers, to produce goods and services that contribute to community development and to help offset the cost of training.

Each Brigade programme offers trainees a package of theoretical lessons, practicals and on-the-job 'productive training'. This 'productive training' takes place in production units that form an integral part of each Brigade. Here trainees learn to produce on a commercial basis and gain practical work experience.

Training courses are either two or three years in length, depending on the level of basic education of the participants. The curriculum is under constant evaluation given the increasing need for better trained craftworkers and artisans at all levels. There is an increasing demand for a greater diversification of training programmes as well as for a higher level of training. In addition, the introduction by the government of a nine-year basic education programme for all—ten years from 1996 on—has shifted the focus of the Brigades from Standard VII leavers to Junior Secondary leavers.

Some might say that we have 'solved' the primary school-leaver problem only to create a Junior Secondary school-leaver problem. This shift, however, offers the Brigades an opportunity, since their students now enter training with a longer basic education. Brigades' standards can be elevated, curricula can be revised to take advantage of more advanced trainees, and better trained artisans can be produced.

The single most prevalent organisational model followed by the Brigades is one in which a Co-coordinator or Executive Secretary is in charge of all management functions and reports to the Board of Trustees. A Training Co-ordinator is in charge of all training activities and Unit Managers are in charge of all production activities: close communication between these officials is essential if the full pedagogical benefits of production are to be felt in training. There may also be a Business Manager in charge of finance and accounting, who would also offer financial advice and marketing assistance to the Unit Managers.

The audited figures for 1993/94 show that the Brigades' total income exceeded Pula 28.9 million (approximately USD 11.3 million) with an average profitability of 1.7 per cent. Production and commercial services accounted for almost 76 per cent of the total income. The remaining Pula 7 million (approximately USD 2.7 million) consisted of government training subsidy, production income from training activities, school fees and donor contributions.

Besides the pure transfer of skills through production, the trainees learn another basic life skill: a positive attitude towards work. In a recently com-

pleted 'tracer study' of Brigades graduates, the authors asked employers to compare these with graduates from Vocational Training Centres and Polytechnics. The majority of employers said that Brigades graduates had a much better attitude than their counterparts from other institutions, were trained to work, and seemed more committed, and were not afraid to get their hands dirty.

Our challenge is to preserve this work ethic while, at the same time, providing an education that will allow the trainees to advance in their jobs or to seek further education. It would be a waste if the Brigades training merely offered a lifetime of manual work without further opportunities.

There is also the challenge of offering the possibility of self-employment to the trainees. Originally, it was thought that graduates would remain in the community as self-employed artisans; the reality is that most migrate to larger population centres and work for someone else. The curriculum should provide trainees with the ability to see other options. Not every trainee will be an entrepreneur and most are too young or inexperienced. We should find a way, however, to entice graduates back into the system after a few years of gaining on-the-job experience. We should develop and sponsor programmes to assist them in working through the problems of starting and managing their own businesses. The attitudes we teach while they are still trainees are critical.

Training is more efficient and effective through production. It is important, however, to ensure that trainees do not become low-wage workers or bound servants to the cause of production. Skills transfer and a positive work attitude are the goals and must be kept in mind. Careful planning and co-ordination are essential.

From the point of view of production, however, a different question arises: how can production be maximised with the use of relatively unskilled workers? The challenge for Brigades is to find ways to optimise production while providing training opportunities. Since some repetitive production processes lose their training value very quickly, some Brigades have hired permanent production workers to handle routine jobs. Trainees participate only in tasks where the training benefit is high.

Other challenges are facing Brigade decision makers. Economic conditions have changed considerably since the inception of the Brigades. When they began they were generally the only providers, especially in rural areas, of goods, services, employment and training. Today, Botswana has a broader

and more diversified commercial base. Small- and medium-scale enterprises are making themselves felt even in rural areas. In many places, the Brigades are no longer the sole providers of goods and services. They have to compete with private business and must be concerned with costs as well as marketing. Without advanced business skills among Brigade managers, Brigades may fall behind their competitors with the consequence that the central concept of training with production will suffer. In addition to this, the private business community has already expressed concern about Brigades as competitors in local markets. They argue that this is unfair competition since Brigades are state-subsidised institutions.

With the many challenges facing Brigades, how do we see the future? What can we, in government, do to help them solve their problems and face the future with optimism? How can we ensure the continued operation of these community-based institutions?

The government has already taken the first step by recognising that the Brigades form an integral part of the vocational training system in Botswana. All discussions and all decisions relating to national vocational training needs must take the Brigades into consideration. We recognise that the private sector has not yet developed the necessary training capacity for an appreciable number of school-leavers. We also recognise that it is not possible for the government to fill this gap through full-time school-based training using formal vocational models. The cost in resources is just too high.

Only Brigades, by being properly integrated into the vocational system and reasonably supported, can offer badly needed training places to school-leavers. Without the Brigades, these places would not otherwise be available in Botswana.

To accomplish this, the government created in 1994 the Department of Vocational Education and Training (DVET) within the Ministry of Education, by combining the Department of Technical Education and the Brigade Development Centre (BRIDEC). The Brigade Development Centre had been the government agency that liaised between the Brigades and government and co-ordinated government subsidies and policy towards the Brigades. The new Department reflects a recognition of the integral part that Brigades play in the entire system of vocational education. The government's goal is to increase the number of training places available for school-leavers from 7 per cent of the annual cohort to 20 per cent. This will only be possible with the participation of the Brigades.

The Department of Vocational Education and Training is continuing the work done by the Brigade Development Centre, offering expanded staff training courses for both Brigades staff and instructors and Vocational Training Centres personnel. These courses not only upgrade the skills level of instructors in specific trades but also deal with teaching skills and methodology. In addition, given the need to co-ordinate training and production, DVET offers courses in management skills, human relation skills, guidance and counselling, financial management, and product development and marketing. All courses are free of charge to Brigade personnel and can last from three days to six weeks. In 1995, 53 separate courses were run.

The training and upgrading of existing staff are essential. However, to increase the number of available places for school-leavers, we need not only to increase the number of qualified staff, but also to ensure an orderly expansion of the Brigades movement to communities not now being served. DVET, through the National Brigades Co-ordinating Committee (NBCC), is charged with assisting communities to develop and present proposals for new Brigades.

The very first step after the initial enquiry from a community is to send a delegation, often including representatives from Brigades, to meet with local community leaders and government officials. A Kgotla meeting is called, where the delegation can explain what a Brigade is and the steps that a community needs to take in order to be approved for funding. The delegation also listens to community views on their expectations from a Brigade. Aside from the more technical requirements of a feasibility study and a development plan and budget, the key to any approval is evidence of community support: the community must provide land and some seed money as evidence of their commitment. To ensure that the project has broad community support, the Tribal Authority, the Chair of the Village Development Committee, the District Officer and the Council Secretary all sign the formal documents. Once the community has met all the requirements, the National Brigades Co-ordinating Committee reviews the final application and, if satisfied, makes a recommendation to the Ministry of Education.

The entire process is one of openness, involving not only the local community and government but also the Brigades, through the NBCC. Government views this process of controlled expansion as an important tool in its efforts to make proper vocational education available throughout Botswana. Not only can more potential students be reached, but community development efforts are enhanced.

Throughout government planning and policy development regarding Brigades, the NBCC stands out as the most important resource. Made up of representatives of Brigades, the Committee is chaired, however, by the Rural Development Co-coordinator in the Ministry of Finance and Development Planning in order to ensure close links between the Brigades and the most important resource for finance and rural development. Other Brigade staff sit on various subcommittees which deal with training, production, finance, women and human resources. These subcommittees meet three times a year and make recommendations to the Executive Committee which, in turn, reports to the full Committee.

The main function of the NBCC is to provide a forum, through meetings and seminars, for the discussion of policies relevant to all Brigades. It reviews requests from the Brigades for financial assistance and advises the Ministry of Education on how best to assist the Brigades' training and development programmes. The NBCC is supported administratively by a Secretariat funded by the Ministry of Education through the Department of Vocational Education and Training.

While there are problems and issues yet to resolve, Brigades have a significant future in Botswana. They combine manual and mental labour and promote a positive attitude towards work. They instil a sense of community pride and promote links between schools and their community. They provide valuable goods and services and promote community development.

It is for South Africans to debate and discuss whether Brigades are a model to follow, could be replicable in South Africa and teach us something about educating our youth. But as neighbours, we extend to South African educators an invitation to come and see for yourselves. Study us, look at our failures, our unsuccessful efforts, our successes. Learn what you can. Take what is useful, reject what is not, and also give us your views. We do not have all the answers, we have no recipe, no quick fix. We have, however, made an effort.

The Bertrams Development Brigade

By Ahmed Moonda

The work of the Bertrams Development Brigade arose from an initiative taken by the Foundation for Education with Production (F E P) South Africa to try to counter the gradually deteriorating housing standards in the town of Bertrams, which lies to the north-east of central Johannesburg, and the related increase in social problems, by building new low-cost houses and at the same time providing jobs and training opportunities for the un-employed youth. The author of this paper, Ahmed Moonda, sees the success of the first stage of the project as 'a small beginning to-wards informing policy makers of an alternative approach to finding solutions to pressing housing problems'.

This really pioneering effort which required great skill and pa-tience to carry through, particularly in the coordination of par-ticipating organisations and individuals, was awarded first prize in the National Interbou Trust Competition entitled 'From Con-cept to Construction' for 'providing education and training, job creation and affordable housing'.

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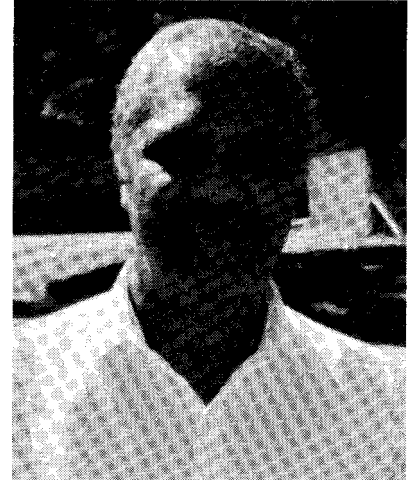
Introduction

This article is inspired by the work of the Foundation for Education with Production (FEP) in Southern Africa, particularly the Brigades, as dis-cussed by Patrick van Rensburg in *Looking Forward from Serowe*.[12] It also draws inspiration from Manfred Max-Neef's excellent description of the Tiradentes Project, Brazil,[3] and the Tenth Year Report of the Urban Home-steading Assistance Board, New York City.[4]

Max-Neef described how a small town, Tiradentes, was redeveloped by means of the available human skills, with the purpose of revitalising the town and thereby attempting to halt the migration of young people to the big cities. This is obviously relevant to emerging countries that are faced with continuing migration from the rural periphery. Among such countries is South Africa, which followed legally and racially restrictive migration policies from 1924 until 1989. The work of the Urban Homesteading Assis-tance Board is also relevant. It illustrates that with government assistance ordinary people can redevelop derelict housing stock for their own use and in so doing revitalise parts of the inner city.

South Africa is currently faced with similar problems: run-down inner-city areas with large numbers of new migrants looking for cheap housing. The work of the Bertrams Development Brigade (BDB) is a small beginning to-

wards informing policy makers of an alternative approach to finding solutions. The success of the first stage has led to keen interest on the part of various stakeholders in expanding the project to test its overall viability and sustainability.

The Brigades

On his return to South Africa after 30 years in exile, Patrick van Rensburg, Director of the Foundation for Education with Production (FEP), based himself in the suburb of Bertrams. He saw in the 'dereliction, decay and homelessness which exist alongside better kept homes ... [and] the sizeable commercial and industrial zones' an opportunity for introducing the ideas of the Brigades.[5]

Brigades, which were begun by Patrick van Rensburg in Serowe, Botswana, during the 1960s, are 'on-the-job training programmes, in which production is a vehicle of practice training and a source of income to help cover the costs of the programme'.[6] They are also vehicles for education and development. It is for these reasons that the Brigades were seen as providing an impetus for the urban renewal of Bertrams. Furthermore, while Education with Production (EwP) was fairly widely known in South Africa, very few educationalists and development workers had had any practical experience with it. Therefore, the Brigades were seen to support the other work of FEP, namely curriculum development, teacher training and cooperative production activities, in bringing EwP into the mainstream of the education debates taking place in the country as South Africa prepared for majority rule.

Bertrams

Bertrams lies immediately north-east of the central business district of Johannesburg, the commercial capital of South Africa. The old mining magnates lived in this ward and many dilapidated old buildings testify to its former grandeur. As the monied elite moved north, over the ridge, so new immigrants found Bertrams to be both convenient, because of its closeness to the city centre, and well developed—primary and secondary schools as well as the Technicon are within walking distance and the University of the Witwatersrand is only a short bus ride away.

Among the last groups of immigrants to reside in Bertrams were people of Portuguese origin who fled from Mozambique after FRELIMO took power there during the 1970s. This group was responsible for the most recent housing renovations, and their efforts are visible in pockets, throughout the area. Finally, when the old apartheid government abolished the Group Areas Act many rural families arrived to join husbands and fathers from
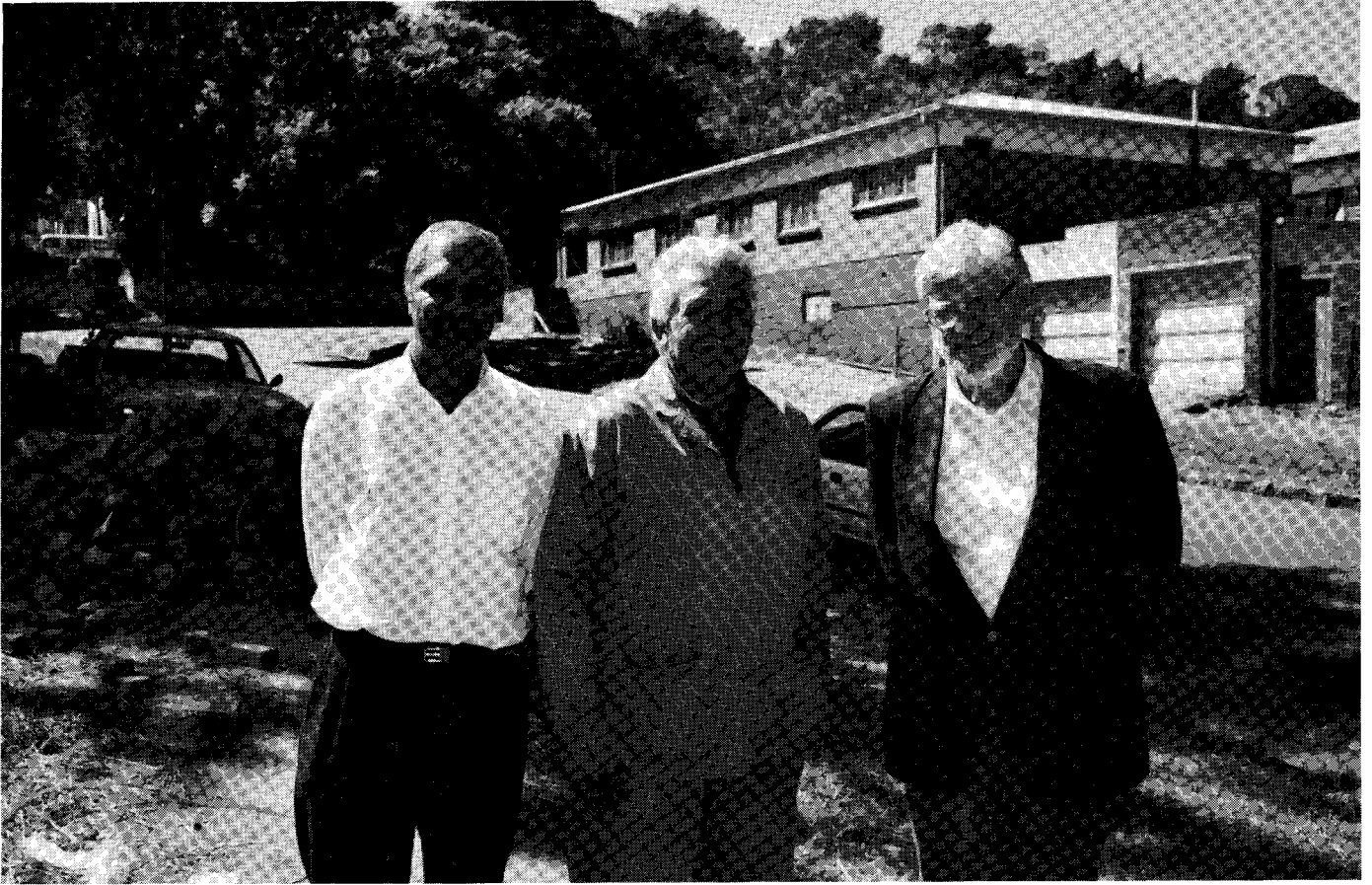
The on-site supervisor with Ahmed Moonda (left) and Patrick van Rensburg (right).

whom they had been separated by the Act. This last group, which received no government support and was economically impoverished, joined the lengthening queues of equally poor urban residents in search of housing, employment and education.

Unfortunately, too, the latest migrants were vulnerable and easily exploited. They were charged exorbitantly high rents for uninhabitable housing, earned low wages because they were unskilled, and found education unaffordable for their children.[7] This is the context in which the Bertrams Brigade was created.

Forming partnerships
Macro level

The urban renewal of Bertrams required a large number of factors to be in place. The original concept provided for other organisations to deliver in their areas of expertise. FEP's role was to facilitate the process of the formation of partnerships. This required a great deal of advocacy work. It meant reaching a range of organisations from civic to local government and non-government organisations (NGOs) active in the fields of housing and education. Technical experts, too, such as architects, quantity surveyors, engineers, bankers and financial funds needed to be consulted and brought on board. This process took almost a year to complete.

On July 8, 1993, a meeting was convened at which a number of organisations formally agreed to be participants in the project. These were: Civic Associations of Johannesburg (CAJ); Central Johannesburg Partnership (CJP); Albonico and Sack; New Housing Company (NEWHCO); Johannesburg City Council—Departments of Architecture, Environmental Health, Housing, Planning and Urbanisation (JCC); Troyeville Residents' Association (TRA); and Cooperative Planning and Education (COPE).

Below is an extract from the minutes of the meeting, outlining the purpose and remit of the project and the tasks to which participants were committed:

The objective of the Steering Committee is to establish a Community Based Development Organisation (CBDO) which is the process to put the development (inner-city renewal plan) into place in separate localities along the Eastern Sector of the Johannesburg CBD. The short term Focus of the plan is the renewal of Bertrams.

The CBDO would access resources and be the catalyst for development. The CBDO also represents a multi-stakeholder approach.

The development plan is inclusive in both geographical and community development terms: the entire eastern sector should be part of the overall plan and focus on education and training, social housing, and enterprise and entrepreneurial development.

a) The Eastern Sector represents the suburbs of: Bertrams, Lorentzville, Judith's Paarl, Troyeville, Fairview and Jeppestown. These represent the boundaries of activity of the project. It was agreed that within these boundaries the CBDO would become *proactive* in development but would be *reactive* to developments outside of these boundaries.
b) Education and training represents: general education in several subjects i.e. basic English, mathematics, science and development studies—subjects already developed by FEP for the Brigades—and skills training in a multiplicity of trades.
c) Job Creation represents: renovation of existing homes, the building of new homes and the supportive and allied trades i.e. metalwork, woodwork etc.
d) Enterprise and entrepreneurial development represents: the fostering of self employment and small and micro enterprises (SME) for the trainees.
e) Social Housing represents: the integrated (including the above mentioned items) delivery of affordable housing, which includes the maximum amount of beneficiary participation rather than a commercially established delivery mechanism.

Thus the macro-partnership was formed. This represented an important milestone in the process. It was the first time in the history of the city that the local authority had agreed to participate equally with a range of private sector organisations to create a development plan for a part of the city.

However, a serious omission in the discussions was not to identify how the steering committee would drive the process further. The steering committee was not able to structure the CBDO for a variety of reasons which revolved mainly around the lack of capacity of individual organisations to release personnel for the task. This left only FEP to take the development further and resulted in it having to enter into contracts with other parties—an enormous responsibility for a new and under-resourced organisation to bear. Nevertheless, FEP was committed to establishing the Bertrams Brigade and undertook to complete the task that it had begun.

Micro level   The Planning Department of the JCC was the first to react to the opportunities that Bertrams offered. They agreed to make available from their 'environmental upgrade budget' the sum of Rand 500,000 for improving the public space, in the 1993/94 budget. A condition of the expenditure was that the local community should decide on the location of the improvement.

A consultative process began which resulted in three community workshops being held where a number of issues were discussed by residents, landlords, tenants and business people. This was a major breakthrough. It resulted in two spaces being identified for renewal: these were intersections along the main road and converging streets, but they were chosen because one supported the local primary school and the other created space for informal traders. Furthermore, it led to the creation of the Bertrams Community Forum (BCF). Now that they had organised themselves the people of Bertram put pressure on the Council to approve a second allocation (of Rand 500,000) for the development of a park, from the 1994/95 budget. The BCF also supported the proposal to build new low cost houses in the area and this gave great impetus to the establishment of the Brigade.

The second response came from the NEWHCO subsidiary, Land Investment Trust (LIT), which agreed to provide bridging finance for the construction of new homes on vacant land if FEP could provide guarantees that mortgage finance would be obtained and that 60 per cent of the total finance would be available in the event of the housing project collapsing. While FEP was able to obtain the mortgage funding from the newly established Community Bank it was not able to provide the other guarantee. Nevertheless, LIT's support of the project enabled FEP to raise funding for the education and training component from a consortium called the Joint Education Trust. Thus the project was partially funded and both the technical and the educational work could begin.

A third development was that following the first democratic elections and the inauguration of Nelson Mandela as President, the new government decided to provide support for housing the poor. This took the form of capital subsidies that low income earners could access through project-based housing developments. FEP applied for these capital subsidies on behalf of 28 residents. The application contained elements of training for the unemployed and was selected as one of the better applications.

Lastly, the Multi-Party Negotiation Forum (MPNF), which accepted the interim constitution that administered the historic South African elections, identified the out-of-school youth as a group needing priority support. An important outcome was that mechanisms were set up which facilitated a multi-party youth development forum, the National Youth Development Forum (NYDF). This organisation approved of the Bertrams Brigade and allowed its structures to be used for recruiting youth members for the brigade.

Recruitment

The NYDF had employed a youth coordinator for Bertrams and seconded him to the Brigade. He was tasked to recruit out-of-school and unemployed youth between the ages of 16 and 30. This dovetailed very nicely with the first group of trainees that FEP had recruited from the same category of youth from the Bertrams area. However, the NYDF had taken responsibility for arranging an orientation week for the participants. While some of the earlier FEP recruits had taken training and left the project because they were offered employment with building contractors elsewhere, the remaining seven from the original group of 20 trainees were allowed to join the NYDF trainees on the orientation week.

Trainees came from various backgrounds. Some had come to the city in search of employment, but had not found jobs and were living in derelict homes or in an inner-city shelter for the homeless. They were unskilled. Others had some schooling but were unskilled and had been unemployed since leaving school. A last group was highly politicised, having served in the self-defence units in different parts of Soweto.

Education and training

The NYDF had commissioned two NGOs to conduct academic placement tests in literacy and numeracy. These organisations, the Continuing Education Project and M&T Focus, recommended that the group be divided into two classes. The first consisted of people who were functionally illiterate, and the second of people with a post-primary school level of numeracy.

'On site, training began with clearing the site, marking the outline of the building and digging the foundation'

Teaching material purchased for use with the classes was supplemented by other material previously developed by FEP.

Trainees spent two days each week on site and two days in class.

Training in building skills was conducted at the Johannesburg Technical College, which is within walking distance of the FEP office and the first building site. The college was prepared to offer what they termed 'non-formal' classes for the trainees in three skills: bricklaying, plastering and roofing. They agreed to charge low fees for this training and to allow FEP to use the college for the literacy and numeracy classes.

Trainees found the training to be enjoyable and useful. Their confidence was boosted by the fact that they built two shelters for the security staff at the college and did some paving around the car park. They felt excited and were eager to move on to the building site.

On site, training began with clearing the site, marking the outline of the building and digging the foundation, under the guidance of an on-site supervisor. Trainees reported having learnt some essential points about how to

measure the depth and width of the foundation. The on-site work then moved on to bricklaying, plastering, roofing, painting and plumbing.

The building regulations required the electrical work to be conducted by licensed electricians. Therefore, trainees were not allowed to wire the houses but instead were taught this aspect theoretically.

Evaluation of the training programme   The trainees were asked to evaluate the programme and their comments provide interesting lessons for the next phase of the project. The results are summarised below.

Table 1   Evaluation of the training programme

Expectations	Met	Not met
Literacy and numeracy		
To understand written and spoken English	Speaking, reading, writing, spelling, vocabulary	Reading technical books. Sufficient practice with reading.
To learn to add, subtract, multiply and divide	Addition, subtraction, multiplication and division	Accountancy, percentages, ratios
Vocational skills		
To learn bricklaying, plumbing, electrical and roofing	Bricklaying, plastering painting and site clearance, roofing (57 %), ceilings and brandering, electrical wiring (43 %)	Plumbing (40%), sufficient practice with roofing (43 %), electricity (53%)
To learn how to build a house from the foundation	Digging and measuring foundations	Reading planes properly (37 %)
To learn how to use power tools	Use of drill, saw plainer and levels	

A number of other general points were made. The training period was felt to be too short, with insufficient time to practice all the skills taught (37 per cent). There was a need for greater individual supervision. Trainees also called for more homework in literacy and numeracy, regular and more frequent testing, and more group work. Teaching material needed to be more

relevant to the skills being taught (with more books on building used to teach literacy and numeracy) and more adult in its content (some of the literacy books used were stories for small children). Finally, most people felt that trainees who did not cooperate should be asked to leave.

Formal education

Out of the full group of trainees, a core group of 30 participants elected to attend night classes for formal education at the Johannesburg Technical College. The group was divided into two sections based on the amount of prior schooling. Those trainees who had previously had some education registered for the National Technical Certificate Course at N4 level in building drawing. Of the 15 trainees, 11 passed the examination with a mark of 50 per cent or higher, with the highest mark being 67 per cent.

The group of 15 which had no prior schooling felt confident enough after attending the literacy and numeracy classes to enrol for the N1 course in building science. Of this group 11 qualified after the first phase of tests for the certificate examinations. Only two trainees passed the examinations with marks of 50 per cent or more. The rest scored between 15 per cent and 36 per cent. This was due to several factors: they had no previous experience of written examinations and very little concept of the time constraints, they became confused when using the log tables, found the questions confusing and expected to be allowed to answer some questions orally.

The 11 trainees who passed the N4 examinations elected to continue at night school and took courses in building administration and quantity surveying. One student left the programme to attend Technical College full time.

Post-training employment

The trainees were given courses in writing their own curriculum vitae and presenting a portfolio of their certificates in literacy, numeracy and skills training. Each trainee was given a testimonial and asked to look for an appropriate job in the newspapers. Before applying for a position the trainees were taught interview skills.

The result of this exercise was that 82 per cent of trainees found employment either with formal contractors or were subcontracted to work on large building projects. The 18 per cent who did not find employment left the programme to return to their families in the rural areas or to change career paths totally: two trainees, for example, decided to attend driving school to become truck drivers.

The product   The building project yielded three very encouraging results:

1. The homes that were constructed in the first phase were oversubscribed by potential buyers, a clear demonstration of the high demand for this type of housing.

2. The commercial banks were prepared to grant mortgages to buyers because the building inspectors valued the end product at twice the commercial value of the selling price.

3. The project was entered in the National Interbou Trust Competition entitled from 'Concept to Construction' and was awarded first prize in the Urban Renewal section for 'providing education and training, job creation and affordable housing'.

Alternative tenure options   While the first phase had been to construct new homes in the inner city—the first for some 20 years[8]—and to provide education and training and create employment, many potential beneficiaries wanted the housing project to explore alternative tenure options. They felt that they did not want or could not afford to be home owners, or they preferred to be tenants because they harboured dreams of returning to the rural areas once they had saved enough money.

These requests demanded that the project investigate alternatives. Two other non-government organisations (NGOs), namely COPE and Albonico Sack, are involved with tenant groups to assist them in finding solutions to the problems of high rentals in deteriorating buildings. In these, the BDB found natural allies to take the project forward for this specific group.

The three organisations formed themselves into a coalition called the Cooperative Housing Coalition (COHCO), specifically to identify new housing opportunities, secure tenure mechanisms and deliver to the tenant constituency.

The Coalition set about identifying vacant land, securing development finance and establishing cooperative ownership models for cluster housing. The first of these projects is due to be launched during 1996.

Overview

Several lessons emerge from the Bertrams Brigade project:

1. For the project to succeed, various stakeholders are required to endorse the plan.

2. As in the Tiradentes Project, government support and funding is crucial for the implementation of the project.

3. End-user finance is dependent on end-user participation, as in the New York models, described above.

4. The introduction of education and training in the production process can assist in increasing the multiplier effect of the project, i.e. the benefits accrue not only to the end-users but to the workers both in the short term—through employment creation—and in the long term, through training.

5. The private sector, in all three cases did not find the projects profitable enough for their participation, but private voluntary organisations (PVOs) were able to conduct the projects with government and private sector support.

6. The theoretical arguments for the intervention of PVOs in the rebuilding of the habitable environment and retraining of unemployed and demoralised people need to be further investigated.

Notes

1. In this article I discuss the work of the Bertrams Development Brigade (BDB) from a developmental perspective. The approach taken is radically different from the project description approach taken in a similarly titled article which appeared in the FEP journal *Education with Production,* Vol. 11, No. 1, 1995.
2. van Rensburg, Patrick, *Looking Forward from Serowe,* Foundation for Education with Production, Gaborone, Botswana, 1984.
3. Max-Neef, Manfred A., The Tiradentes Project: Revitalization of Small Cities for Self-reliance', printed in *Development Dialogue* 1981:1, published by the Dag Hammarskjöld Foundation, Uppsala, Sweden.
4. UHAB, Tenth Year Report and Retrospective, published by The Urban Homesteading Assistance Board, New York, 1986.
5. van Rensburg, Patrick, 'Urban Renewal linked to education, training, production and self-employment' ... a proposed project, unpublished mimeograph, 1992.
6. van Rensburg, Patrick, *Looking Forward from Serowe, op.cit.*
7. Times Media Limited', *Sunday Times,* January 31, 1993, Johannesburg, South Africa.
8. *Contact,* Newsletter of the Central Johannesburg Partnership, No. 11, October 1995.

Education with Production—Taking Root in South Africa

A Report from a Seminar in September 1995

By Michael Lawrence and Ben Parker

This report on the first in a series of seminars on 'Education with Production in South Africa' was published in the journal on education and development for and from the rural periphery, Matlhasedi *(Vol. 14, No. 3), which is an important forum for discussion and debate on innovative and alternative ideas in the field of educational development in the Southern Africa Region and beyond. Mike Lawrence, the editor of the journal, is Head of the Adult Basic Education, Training and Community Development Programme at the University of the North West at Mmabatho, and Ben Parker teaches in the Department of Philosophy of the University of Durban at Westville, South Africa.*

A major series of national seminars on Education with Production (EwP) were initiated in Mmabatho in the North West Province of South Africa in September 1995. The objective of the seminars is to explore the sorely neglected area of Education with Production and its critical role in post-apartheid reconstruction and development. The first of a number of seminars designed for the different provinces of South Africa involved the provinces of the North West, Northern Cape and Free State.

Organisation

The first seminar was jointly organised and planned by the Swedish Dag Hammarskjöld Foundation, Foundation for Education with Production, Provincial Education and Training Fora, Provincial Education Authorities, and the University of North West's Adult Basic Education, Training and Community Development Programme.

Concept

Education with Production means engaging students in productive or socially useful work while they are learning. It hardly exists today in South Africa, although it is a subject in a Bachelor of Education course in three South African universities. Judging by the best experience elsewhere, EwP can offer substantial economic, social and pedagogical benefits through linking theory and practice in work and study.

Challenges

It may, indeed, be able to address satisfactorily challenges that also face South African education, namely those of *provision, equality, quality* and *relevance.* And students—applying newly-acquired skills while undergoing education and training—may be able to exercise new development capacities and potential so as to contribute significantly to the implementation of the government's Reconstruction and Development Programme (RDP) as can be seen in Box 1.

Box 1: Education with Production: Development Capacities and Potential

The concept is linked to the RDP through its ability to:

- satisfy many of the students' own social, pedagogical and material needs and those of communities in which they are located;
- design and build classrooms, dormitories, staff houses, laboratories, libraries and workshops;
- furnish and equip these structures to the schools' own design;
- make educational equipment and materials and sports equipment;
- produce and process food and make clothing;
- manufacture a great variety of goods for sale;
- generate income to meet own expenses;
- assist in adult literacy, education and skill training, and in early childhood education and health care;
- help teachers at better-staffed and equipped schools to assist in upgrading less qualified teachers at less fortunate schools;
- stimulate student teachers at universities and teachers training colleges to assist in such initiatives, and to prepare supportive teaching materials and aids.

Participation   Participation in the seminar involved governmental, private sector and non-governmental organisations in education and development as well as schools, teacher training colleges, universities, agricultural colleges, technicons, technical colleges and technical high schools. It furthermore included regional training centres, other specialised training centres, non-formal educational and training projects, distance education institutes and national and provincial education administrations. Finally, worker organisations, political parties, economic think-tanks, development and small scale industry promotion bodies, donors and churches were also invited to participate.

Selected participants were also invited from countries in the Southern African region and elsewhere in which the concept and practice of Education with Production is being applied.

Overview   The Mmabatho seminar was held on 18-20 September 1995. The first session began with opening addresses by Ministers of Education from Botswana, Lesotho and Namibia and by the MEC (Member of Executive Committee) for Education in the North West Province. Each address emphasised strong support for EwP. The Southern African delegations provided useful analyses based on their own experiences, needs and plans. (See Hon. Dr G.K.T. Chiepe's address printed above.)

Key points to emerge included:

- a general dissatisfaction with current formal provision of schooling, particularly in rural areas;
- the importance, and difficulties, of combining productive and theoretical activities in education;
- the need to balance the tension between training and production, mental and manual, school and the community;
- the importance of an implementable strategy ensuring that EwP is financially viable and effective in improving people's employability, increasing their self-reliance, and contributing to forms of community development that will promote employment opportunities, economic growth, and the satisfaction of basic needs;
- the need for, and difficulties of, partnerships between the state and autonomous community-based agents;
- the difficulty of overcoming urban-rural inequalities;
- the need to seriously challenge elitist conceptions of education, particularly dominant models of formal schooling and its continued function of perpetuating elitist conceptions of education and development;
- the debates on the overall success of the *Botswana Brigades* in providing a basis for alternative development education interventions.

These themes were discussed and elaborated on throughout the conference.

Employment

In the second session, Dr David Hemson provided an analysis of the political economy and employment prospects in South Africa in which he illustrated the difficulties facing EwP as a result of South Africa's incorporation into a highly competitive global economy. These difficulties are aggravated by the devastation inflicted on her population by apartheid, the limited employment opportunities provided by the formal sector, the difficulty of translating economic growth into development and empowerment of the poor, and increasing crime and violence. Within this context, EwP must avoid production based on cheap manual labour and, instead, train people in skills that will enable them to be self-employed entrepreneurs engaged in activities that promote the well-being of all, or at least, help people to survive.

Provinces

The first day ended with a description of the problems facing education and employment in the North West, Northern Cape and Free State provinces and an overview of the alternative possibilities offered by EwP which emphasised its innovative approach to economic and educational issues. The former through its contribution to the costs of providing education and the employability of its students and the latter through its curricula (see Box 2).

Box 2: Curricula Focus

EwP injects into the curriculum elements missing from current curricula, such as:

- development issues;
- cultural studies;
- environment and its links to society;
- complexities and processes of production;
- economics and management;
- technological diversity and all its elements;
- an understanding of how science and mathematics are applied in all areas of modern life;
- technical and production studies teach not only skill and processing, but show concretely the inter-linkages of each type of production with all branches of knowledge and learning disciplines.

Rural   It was also noted that education policy debates in South Africa over the last five years including the 'National Education Policy Investigation', the Policy Framework for Education and Training' and the 'White Paper on Education and Training' have consistently ignored the problems of rural education and development, and that EwP did provide an alternative to formal schooling.

Comparative   The second day began with case studies of EwP from Botswana, Zambia, Lesotho and South Africa. These case studies demonstrated diverse approaches to EwP and highlighted a broad range of development issues (see Box 3).

Discussions   After lunch, on the second day, the seminar divided into seven task groups which reported back the next morning. Broadly, the key decisions to emerge included:

- locating EwP within Adult Basic Education and Training (ABET);
- personnel training and management should be undertaken by CBOs, in partnership with NGOs, the state, teacher colleges and the university;
- EwP should be a national initiative;
- EwP should be employed in community colleges;
- the principles and methods of EwP should be extended across the curricula;
- EwP should be linked to the National Institute for Curriculum Development and the National Qualifications Framework;

Box 3: Central Development Issues

- Who takes responsibility for EwP? In Botswana, there have been severe problems with poor management, poor quality programmes and a lack of financial accountability. But, given that EwP is autonomous and community-based, the state can only offer advice. If the state is the primary source of funding, it has a right to demand accountability. How are these tensions best resolved?
- There are different ways of combining EwP. Production can be introduced into education, or education into production. Which combination is most appropriate in a specific context?
- EwP can operate in different domains. These include formal schooling, vocational and technical schooling, non-formal and higher education, public works programmes.
- EwP can operate at different levels from primary school to university, with children and adults.
- How should EwP be implemented in different domains and at different levels?
- Production and education can be understood in different ways. Which educational methods and materials are most appropriate to particular forms of production within specific contexts. What constitutes pedagogically useful work? Which forms of production are most likely to be efficient and effective?
- EwP must move from advocacy to implementation. Implementation should be flexible and innovative and accompanied by rigorous empirical case studies. Only in this way can the questions and issues mentioned above be addressed.
- How can implementation and research be undertaken in an effective and sustainable manner?
- Most EwP projects lack organisational, management, technical and financial capacities. If EwP is to contribute to developing the capacity of communities and individuals to survive, it must ensure that it has sufficient capacity of its own. What are the most appropriate organisational forms for EwP? What are the skills and resources required for successful implementation?

- EwP must move towards an integrated model of development involving all facets of the new policy frameworks and principles;
- teacher training colleges should be utilised for pilot projects in the training of EwP personnel;
- the university should be integrally involved to provide teaching, research, evaluation and consultancy back up.

Provincial   The MEC and her staff from the North West Province made it clear that they were serious about implementing EwP, although it was not clear where it should be located. It was also noted that finding the necessary financial and human resources will be difficult. The Free State and Northern Cape Prove

inces indicated that they were very favourably inclined to EwP and were awaiting developments in the North West. An Interim Planning Committee was established and given a series of tasks under the chair of Michael Lawrence of the University of the North **West.**

The seminar ended with an unanimous approval of a declaration on EwP and an expression of deep gratitude to the Dag Hammarskjöld Foundation for sponsoring the seminar.

Update

On the 6th and 13th October the Interim Committee met to complete the following tasks:
- report back on the seminar's findings and recommendations;
- establish a permanent and representative *EwP Projects Steering Committee;*
- outline the Terms of Reference of the *Projects Steering Committee;*
- prepare a viable and flexible organisational structure for the implementation of EwP activities.

Progress

As a result of these two meetings an EwP Projects Steering Committee was established and an interim financial plan was agreed upon. The first meeting of the Steering Committee was held on 3 November. Immediate tasks of the committee included:

- policy education and staff development for the committee involving extended visits to the Botswana Brigades and seminars on EwP and its international applications;
- attendance at the second EwP seminar involving Mpumalanga, Gauteng and Northern Province held on 4-6 December at Hazy view, Mpumalanga;
- conduct of a feasibility and needs study as a basis for the establishment of the EwP projects.

Reconstruction and Development Programme

As a result of the Committee's deliberations, a solid development basis for future work was assured through the organisational integration of the committee work with the Culture of Learning RDP Programme in the North West Province.

On November 9 *Gencor* agreed in principle to consider major donorship of EwP projects after the feasibility study was completed. They also agreed to make private air transport available so that committee members could visit the Botswana Brigades.

University   Negotiations are also underway between the University of the North West's Adult Basic Education, Training and Community Development Programme and the Foundation for Education with Production, to discuss the housing of an EwP capability within the university involving the sponsorship of the post of a Project Facilitator or Coordinator.