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SOUTHERN AFRICA REGION

- Angola
- Botswana
- Malawi
- Mozambique
- Namibia
- Swaziland
- Zambia
- Zimbabwe

INTERNATIONAL REFUGEE
COURT WATER SUPPLY AND
PLANTATION

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POLICY PLAN FOR 1992-1995

SOUTHERN AFRICA REGION

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The country and regional policy plan series, of which this plan forms part, relates to Dutch bilateral development cooperation for the period 1992-1995. There are country policy plans for Bangladesh, India, Indonesia, Pakistan, the Philippines and Sri Lanka, and regional policy plans covering the Nile and Red Sea, West Africa, East Africa, Southern Africa, Central America, the Andes and the Mekong region. Country and regional policy plans were previously published for 1985-1988 and 1989-1992.

The above plans have been drawn up after consultation with the recipient countries. The regions selected and the themes covered have where possible been brought into line with the policy insights laid down by the Netherlands Government in the policy document "A World of Difference".

The Hague, 1992

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Southern Africa Regional Programme



INTRODUCTION

Towards a better future

Southern Africa has been a focus of international attention in recent decades. The continued existence of the apartheid system in South Africa, the associated cross-border military conflicts, and bloody civil wars in which many thousands have died have dominated our picture of the region. This situation, in part the result of global political differences, has long impeded the development of a region rich in mineral resources and high-grade farmland.

While many African states gained independence in the course of the 1960s, in the two decades between 1970 and 1990 southern Africa remained the scene of political and military conflicts which greatly damaged all the region's economies. Independence for the former Portuguese colonies of Angola and Mozambique in 1975, far from putting an end to the armed conflicts in those countries, marked the start of prolonged civil wars. Conflict in Namibia and Rhodesia also grew in scale in the second half of the 1970s and many countries in the region suffered as a result of the international sanctions imposed against the Smith regime in what was then Rhodesia. In 1979 the war in that country came to an end, but armed conflicts in Angola, Mozambique and Namibia continued. South Africa regularly carried out military actions in neighbouring countries.

The last decade of the twentieth century would appear to bring southern Africa its first real prospect of peace and development. East-West rapprochement has had a positive impact on the willingness of parties to conflicts in the region to try to overcome their differences through negotiation. It is partly in consequence of changes in the global political system that a start has been made on dismantling apartheid in South Africa, where the process of democratization appears to have reached the point of no return. Independence for Namibia has put an end to years of armed conflict in that country, hopefully ushering in a period of stability and economic growth, and while the civil wars in Angola and Mozambique raged on into the first half of 1991, with thousands dying through violence or hunger, there are now signs of a return to peace in both countries: in May 1991 the Angolan government and UNITA agreed an armistice which is still holding, and the negotiations between the Mozambican government and the rebel movement Renamo, though laborious, are continuing.

The period of time covered by this policy plan (1992-95) can therefore be expected to differ sharply from that covered by its predecessor, issued in 1988. The region can now hopefully look forward to a better future, for which solid foundations need to be laid over the next ten years; such a prospect did not exist in 1988.

Africa's crisis and the south of the continent

While the rapid changes which the recent past has brought in southern Africa mean that at the start of the 1990s major obstacles to the region's development have been removed, this does not mean that the road to higher living standards and greater well-being in southern Africa in the next two or three decades will be an easy one: the vast scale of war damage in Angola and Mozambique in particular and the continued existence of economic structures which perpetuate great inequalities in society are factors which will impede development.

In addition the countries of southern Africa face the same crisis as the rest of the continent south of the Sahara. Inadequate social provision, particularly in the areas of education and health care, rapid population growth coupled with slow growth in food production, a shortage of trained administrators and managers, low levels of investment, under-utilized and often outdated industrial capacity and the rapid spread of AIDS: all these problems will affect much of southern Africa over the period covered by this plan.

Netherlands policy

Following the lines laid down in the policy statement *A World of Difference*, the Netherlands' development policies in respect of southern Africa in the 1990s will focus on the region's most urgent needs. The central concerns will be:

- rural development, aimed at food security;
- education and training,
- primary health care.

In preparing and implementing activities in each of these fields particular attention will be focused on the themes of women and development and the environment. Applied research, geared wherever possible to these concerns, will also be promoted.

An important element in the programme of cooperation with southern Africa will be macroeconomic support aimed at helping to maintain the region's productive capacity. In the framework of the policies set out in *A World of Difference*, and on the basis of the priorities set for the region as a whole, cooperation will be built up which is geared to the needs of the individual countries of the region.

Structure of this document

The next four chapters set out Netherlands policy in the area of development cooperation with southern Africa. Chapter I outlines the situation in the region, regional cooperation between its countries and current bilateral cooperation with the Netherlands. Chapter II deals with the social and economic policies of the countries concerned and the scale and seriousness of poverty in the region. Chapter III sets out Netherlands development policies for southern Africa, now and in the future. Chapter IV, finally, is concerned with the programme for South Africa, which differs in kind from that implemented in the other countries of the region.

CHAPTER 1

THE REGION

1.1 General

The southern Africa region comprises ten countries: Angola, Botswana, Lesotho, Malawi, Mozambique, Namibia, South Africa, Swaziland, Zambia and Zimbabwe. Excluding South Africa, these countries have a total population of just over 56 million (1991) and cover an area of 4.8 million square kilometres; their collective gross national product amounted in 1989 to just over US\$ 25.2 billion. South Africa covers an area of 1.2 million square kilometres and has a population of 35 million (1991), while its GNP in 1990 totalled US\$ 101 billion. For comparison, the nine member countries of the Southern African Development Coordinating Conference (SADCC) together cover an area 130 times greater, and South Africa one 33 times greater, than that of the Netherlands; even so the Netherlands, with a population of 15 million, has a GNP of US\$ 231 billion.

While the countries of southern Africa have considerable economic potential in the form of rich mineral deposits and agricultural land and rivers suited to the generation of hydroelectric power, a combination of political, economic and climatological circumstances has meant that this potential has so far remained largely unexploited.

The regional dimension, an important element in the approach to African development favoured by the Netherlands, has long been well developed in southern Africa. Factors which have contributed in different ways to the gradual development of relatively close regional cooperation in southern Africa include the economic dominance of South Africa, transit traffic to and from the landlocked states of Botswana, Lesotho, Malawi, Swaziland, Zambia and Zimbabwe through the ports of Angola, Mozambique and South Africa, the existence of tribal areas cutting across national boundaries, and the struggle of the countries of the SADCC against economic domination by South Africa. Until very recently the desire for concerted action against South Africa was a major motive for regional cooperation; now the prospect is rapidly growing of real regional cooperation, with South African membership of the SADCC a real possibility for the near future.

The Preferential Trade Area of Eastern and Southern Africa (PTA), which comprises the members of the SADCC (with the exception of Angola, Botswana and Mozambique) together with Burundi, the Comoro Islands, Djibouti, Ethiopia, Kenya, Mauritius, Rwanda, Somalia and Uganda, also helps strengthen regional cooperation. The purpose of the PTA, which was set up in 1982 following a United Nations initiative, is to create a regional common market and promote cooperation in the areas of manufacturing, agriculture, transport and communications.

At the meeting of heads of state of PTA member states held in Lusaka in January 1992 it was decided to explore the possibility of far-reaching PTA-SADCC cooperation.

Table 1.1

SOUTHERN AFRICA: BASIC DATA, 1989

	Mozambique	Zambia	Zimbabwe	Angola	Namibia
Area (1000 km)	802	753	391	1247	824
Population (millions)	15.3	7.8	9.5	9.7	1.7
Annual population growth (%)	3.1	3.6	2.7	3.0	3.0
Urbanization (% of total population)	26	49	27	28	27
GNP per head of population (US\$)	80	390	650	610	1030
GNP (US\$ millions)	1100	4700	5250	7720	1650
Exports (US\$) fob	92	1347	1300	2187	*968
Imports (US\$) cif	680	873	1090	1073	*847
Balance of payments (US\$)	-405	5	-107	-20	*38
Foreign debt (US\$)	4737	6874	3088	1849	*260
Debt service as % of export earnings	23.1	11.3	26.0	**46.1	-
Life expectancy at birth	49	54	64	46	57
Infant mortality (per 1000 births)	137	76	46	132	101
Adult literacy rate (%) 1985	38	76	74	41	*40
Enrolment in primary education (%) 1988	68	97	128	130	-

Tabel 1.1 continued

	Malawi	Botswana	Lesotho	Swaziland	SA
Area (1000 km ²)	118	582	30	17	1221
Population (millions)	8.2	1.2	1.7	0.76	35
Annual population growth (%)	3.6	2.6	2.7	3.3	2.3
Urbanization (% of total population)	12	26	20	33	59
GNP per head of population (US\$)	180	1600	470	900	2470
GNP (US\$ millions)	1410	2500	340	-	80370
Exports (US\$) fob	267	*1830	55	*405	13500
Imports (US\$) cif	505	*1278	534	*493	16952
Balance of payments (US\$)	-118	366	-73	*-88	*1579
Foreign debt (US\$)	1394	513	324	*282	*21185
Debt service as % of export earnings	28	3.5	4.5	**7.9	-
Life expectancy at birth	47	67	56	56	61
Infant mortality (per 1000 births)	147	39	96	*120	68
Adult literacy rate (%) 1985	41	71	74	68	*80
Enrolment in primary education (%)1988	72	116	112	*110	-

Data taken from World Development Report 1991, except:

* Economist Intelligence Unit Report 1990-91 3. World debt atlas 1989. World Bank atlas 1989.

** IMF paper.

Figure 1.1.a: Import & Exports 1989
(in mill. US\$)

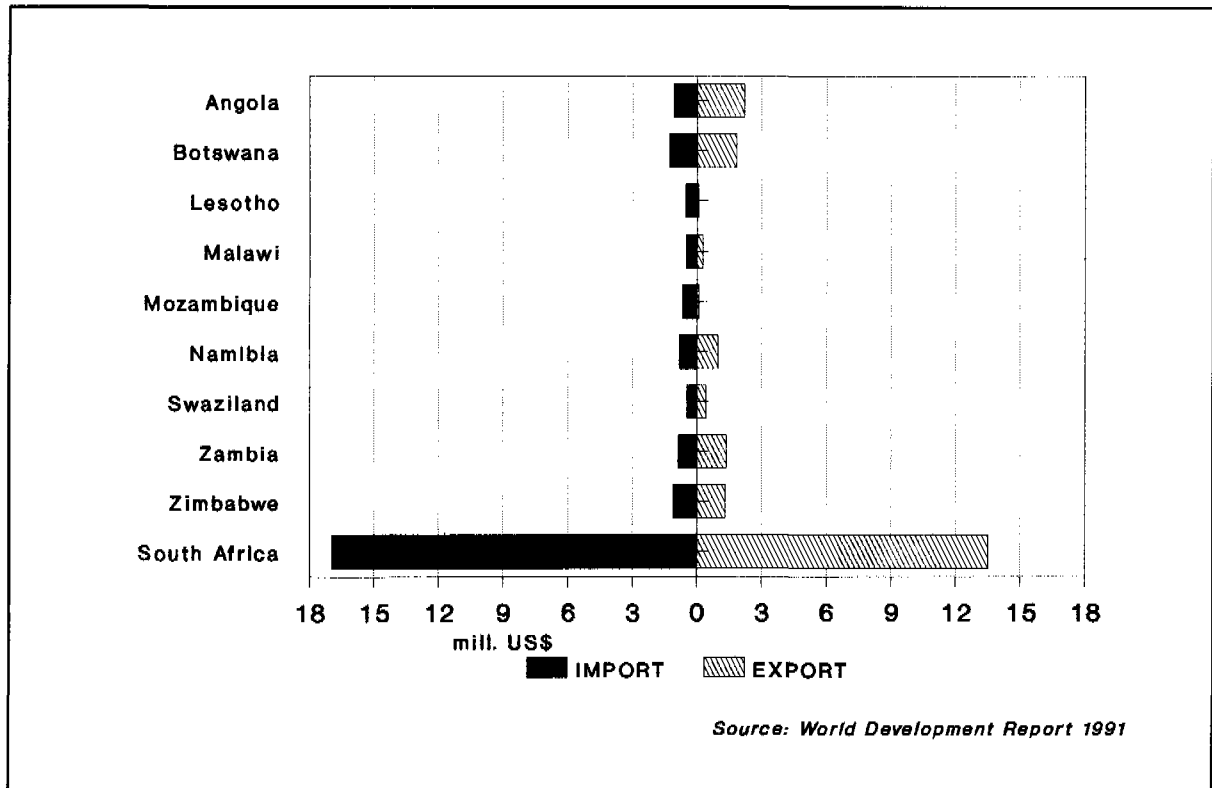


Figure 1.1.b: Debt Service 1989
as a % of the export earnings

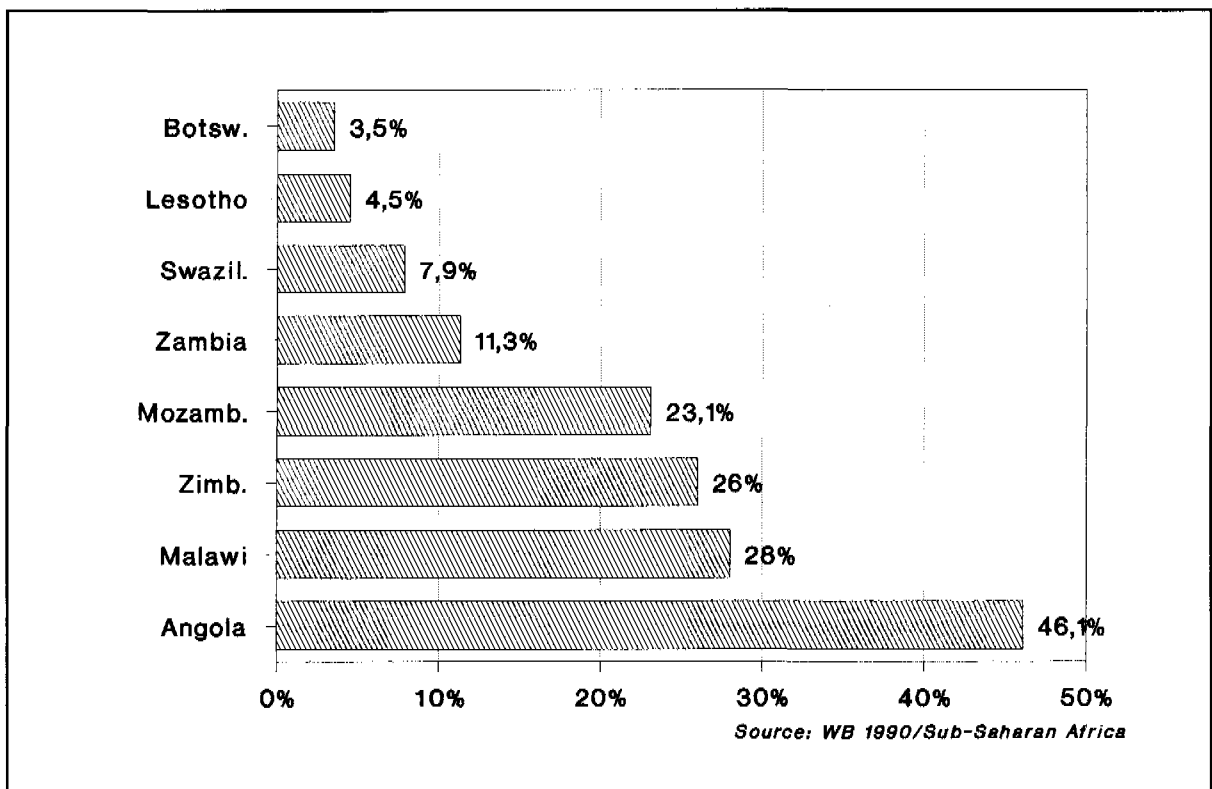


Figure 1.1.c: Infant mortality
(per 1000 births)

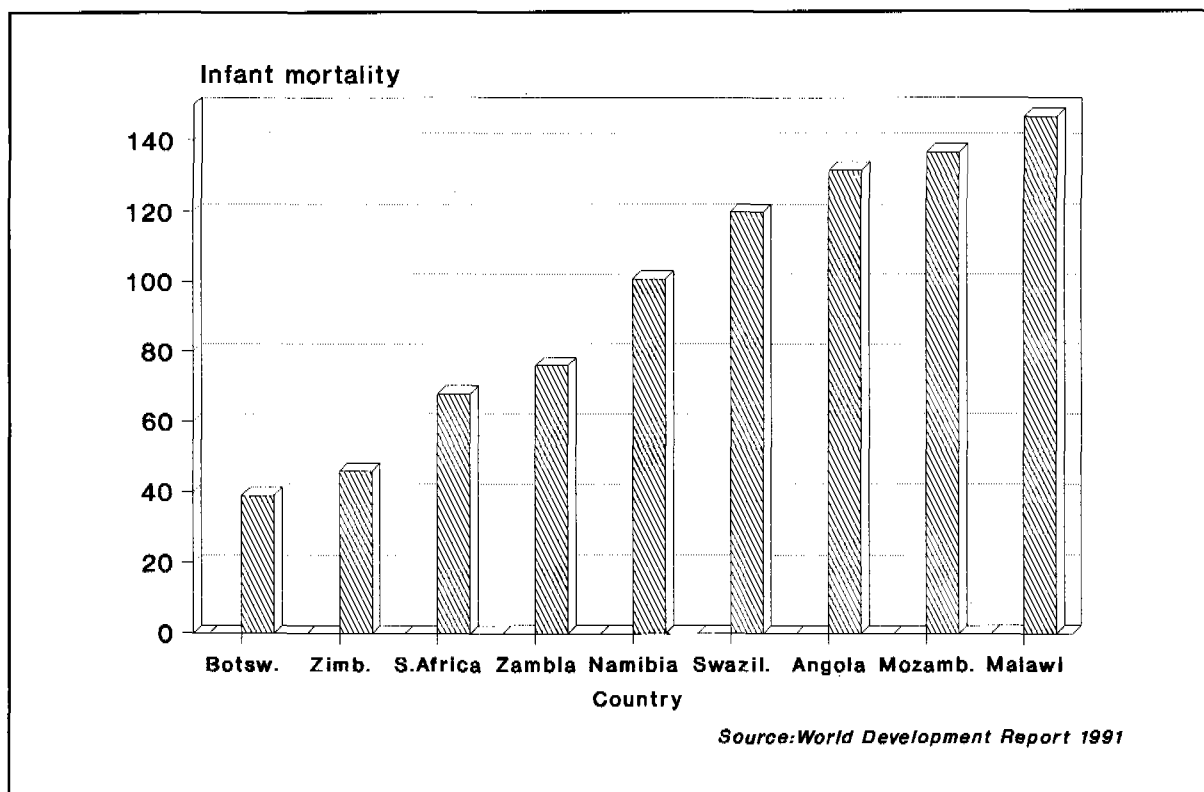


Table 1.2

DEMOGRAPHIC DATA

	MOZ	ZAM	ZIM	ANG	NAM	MAL	BOT	LES	SWA	SA
Urban population as % of total population (1)	27	50	28	28	28	12	28	20	33	60
Projected annual growth of urban population in %, 1990-2000 (1)	7.2	5.5	5.4	5.4	5.4	6.5	7.9	6.3	6.7	3.2
Percentage of population aged under 15, 1989 (2)	44	49.2	45.8	44.8	45.6	46.5	47.3	43.3	-	8.2
Birth rate per thousand, 1989 (2)	46	49	37	47	42	54	36	41	-	34
Death rate per thousand, 1989 (2)	17	13	7	19	12	19	6	12	-	10

(1) Source: Human Development Report UNDP 1991.

(2) Source: World Development Report 1991.

Table 1.3

BASIC HEALTH DATA

	Angola	Botswana	Lesotho	Malawi	Mozambique
Population per physician, 1984	17,790	6900	18,610	11,330	37,690
Daily calorie intake per head of population, 1988 (1)	1725	2269	2307	2009	1632
Percentage of population with access to safe water supplies, 1985-88	35	58	48	56	24
Percentage of population with access to health care, 1985-87	30	89	80	-	49
	Swaziland	Zambia	Zimbabwe	South Africa	Namibia
Population per physician, 1984	-	7150	6700	-	-
Daily calorie intake per head of population, 1988 (1)	-	2026	2232	3035	1889
Percentage of population with access to safe water supplies, 1985-88	50	59	-	-	-
Percentage of population with access to health care, 1985-87	80	75	72	-	-

Source: Human Development Report UNDP 1991 (1)
World Development Report 1991.

1.2 Brief historical survey

The great majority of the countries of Sub-Saharan Africa gained their independence in the 1960s. In southern Africa developments varied, however; while five countries - Botswana, Lesotho, Malawi, Swaziland and Zambia - became independent in the mid-1960s, the colonial occupation of Angola and Mozambique continued, white-dominated minority regimes held on to power in South Africa and what was then Rhodesia, and South Africa continued to occupy Namibia in defiance of the United Nations.

Prolonged wars of liberation in Angola and Mozambique and the Portuguese revolution of 1974 led to the two countries' becoming independent in 1975. The wars of independence had caused enormous damage and when the defeated Portuguese departed en masse they left behind shattered economies. The course of events in Angola and Mozambique since 1975 has been disastrous: domestic wars fomented by foreign forces have prevented economic recovery and both countries, despite their vast potential, are now totally impoverished.

No less bloody was the civil war in Rhodesia between black nationalists and the white minority regime which, contrary to the policy of the United Kingdom, refused to accept majority rule, but developments since independence have been more favourable than in the two former Portuguese colonies: damage to the infrastructure was limited and the exodus of trained personnel much smaller, with around half of the country's white citizens remaining in independent Zimbabwe. The relatively highly developed economy did not collapse after 1980, the country has not suffered impoverishment and the Zimbabwean government is pursuing policies aimed at the gradual reform of the economic structures which grew up under colonial rule.

In South Africa the construction of the apartheid system was pursued with vigour from 1948 onwards; the consequences of its continued existence for the region as a whole and South Africa itself have been highly damaging and will go on making themselves felt, even now that a start has been made on dismantling apartheid, for a considerable time to come.

1.3 Economic situation

As table 1.4 shows, the differences in income and wealth across the region are considerable. In three countries - South Africa, Namibia and Botswana - per capita GNP in 1990 exceeded US\$ 1000; Angola, Swaziland and Zimbabwe formed an intermediate group, with per capita GNP figures of US\$ 500-1000; Lesotho, Malawi, Zambia and Mozambique are the region's poorest countries, with figures for GNP per head of less than US\$ 500.

Extreme disparities of income are found in many countries of the region. In South Africa, Namibia and Zimbabwe there is still a close correlation between income and race: in parts of these countries services, consumption patterns and income compare with those in the most developed economies, while the South African homelands, the north of Namibia and Zimbabwe's communal areas are marked by extreme poverty. In Botswana too the rapid development of the economy has concentrated considerable wealth in few hands.

Despite the political tensions which characterized the region until recently, its countries are highly dependent on South Africa. This applies particularly to Lesotho, which is entirely surrounded by South African territory, but Namibia, Swaziland, Zambia, Zimbabwe and Botswana too are largely dependent on South Africa for the movement of their imports and exports. For Lesotho, Mozambique and Swaziland in particular remittances from migrant workers in South Africa are an important source of revenue.

Economic growth in South Africa and former Rhodesia has widened existing income inequalities, giving rise to a strong link between living standards and race. The economic situation is particularly serious in Angola, Mozambique and Zambia and the economy of Lesotho is in steady decline, while Swaziland's long period of economic growth has come to an end. Zimbabwe, in contrast, has been able to maintain a fairly healthy economy despite serious setbacks. Only Botswana has achieved continuing economic growth. With the exception of South Africa and to some extent Zimbabwe, the countries of the region are heavily dependent on exports of agricultural products and certain minerals.

Table 1.4
Gross national product by economic sector

Angola

Origins of GDP 1989 % of total	
Mining, incl. oil	57
Services	19
Agriculture	11
GDP at market prices incl. others	100

Namibia

Origins of GDP 1989 % of total	
Agriculture, forestry and fishing	11.3
Mining and quarrying	29.1
Manufacturing	4.9
Construction	2.6
Government	19.8
GDP at factor cost, incl. others	100

Botswana

Origins of GDP 1988-9 % of total	
Agriculture	3.0
Mining and quarrying	51.0
Manufacturing and construction	7.5
Trade, hotels etc.	16.4
Government	12.8
Other	19.3
GDP at market prices	100

South Africa

Origins of GDP 1990 % of total	
Agriculture, forestry and fishing	5.1
Mining and quarrying	10.7
Manufacturing	25.6
Construction	3.2
Financial services	14.5
Public administration	13.7
Services and others	27.2
GDP at factor cost	100

Lesotho

Origins of GDP 1989 % of total	
Agriculture	18.4
Mining and quarrying	0.5
Manufacturing	15.2
Building and construction	17.1
Wholesale and retail trade	9.5
Government and services	33.7
GDP at factor cost, incl. others	100

Zimbabwe

Origins of GDP 1990 % of total	
Agriculture	12.9
Mining	8.2
Manufacturing	26.4
Construction	2.2
Transport and distribution	19.0
Public administration	7.5
Other	23.8
GDP at factor cost incl. others	100

MalawiOrigins of GDP 1990
% of total

Agriculture	33.1
Manufacturing	13.3
Utilities and construction	6.8
Transport and distribution	18.1
Government	15.5
Other	13.2
GDP at factor cost	100

ZambiaOrigins of GDP 1989
% of total

Agriculture	13.6
Mining	12.5
Manufacturing	34.7
Construction	1.4
Commerce	14.3
Government and other services	14.5
Other	13.2
GDP at market prices, incl. others	100

MozambiqueOrigins of GDP 1989
% of total

Agriculture	40.9
Industry and fisheries	22.8
Construction	12.0
Transport and communications	7.9
Commerce and others	16.4
GDP	100

SwazilandOrigins of GDP 1988
% of total

Agriculture and forestry	23.1
Mining	2.5
Manufacturing	25.6
Trade, hotels etc.	10.4
Transport and communications	6.2
Government services	4.5
Other	13.2
GDP at factor cost, incl. others	100

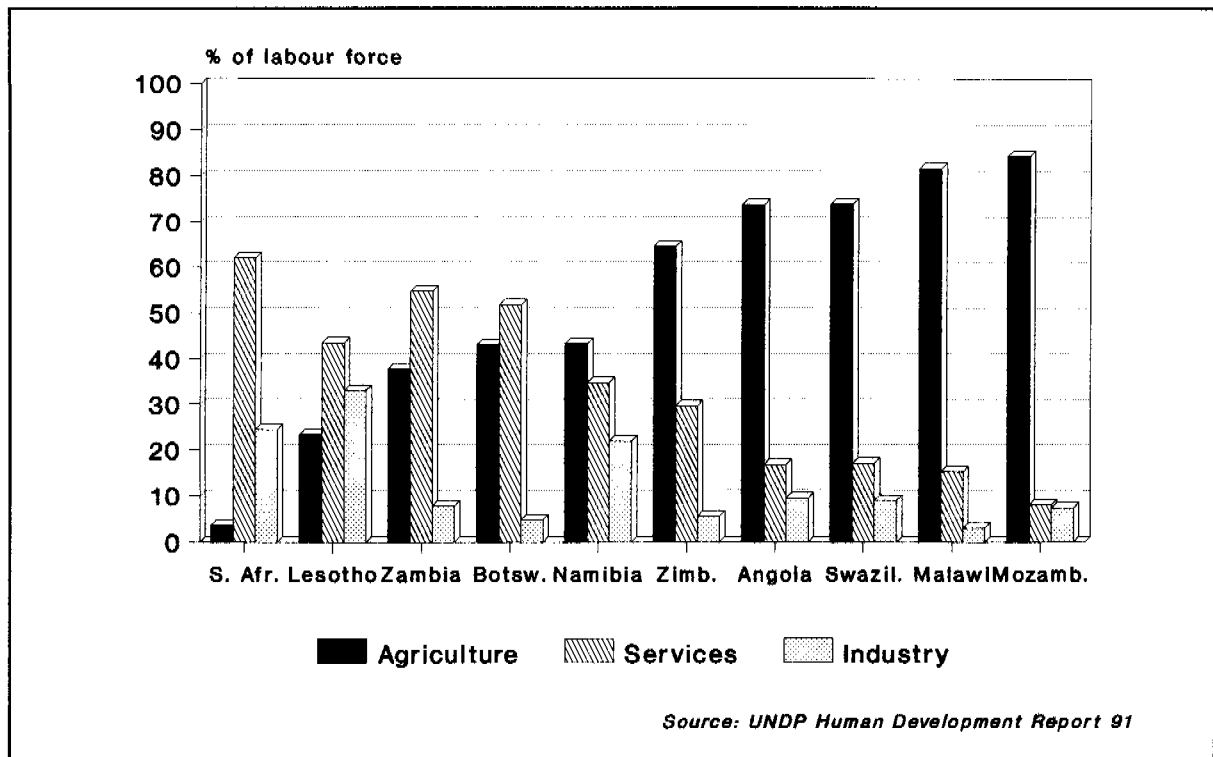
Source: Economist Intelligence Unit, 1991.

Table 1.5
Percentage of workforce (1985-1988) in:

	Agriculture	Manufacturing	Services
Botswana	43.2	4.8	52.0
Swaziland	74.0	9.0	17.0
Namibia	43.5	21.9	34.8
Lesotho	23.3	33.1	43.6
Zimbabwe	64.7	5.6	29.7
Zambia	37.9	7.8	54.9
Malawi	81.8	3.0	15.2
Mozambique	84.5	7.4	8.1
Angola	73.8	9.5	16.7
South Africa	3.6	24.4	62.0

Source: Human Development Report UNDP 1991.

**Figure 1.5.: Labour force
by economic sector 1985-1988**



1.4 Political developments

The last decade has brought a growing realization that political pluralism and an economic system which accords an important role to the free market can do much to help improve the quality of life. This growing consensus has extended to the governments of various countries of southern Africa, in some cases with far-reaching implications for the political and economic structure of society.

Events in South Africa, where the process of democratization has now passed the point of no return, have attracted great attention throughout the world. The developments taking place in Angola, Mozambique, Zambia and Zimbabwe are also of considerable importance, since they too reflect attempts at political and economic reform aimed at the renewal of national development in the broadest sense of the word.

1.5 Themes

1.5.1 Women and development

Development cooperation projects and programmes have all too often brought little benefit to women; indeed, poverty has increasingly become a women's problem. Causes include economic recession, the development models applied and unequal power relations.

Some of the region's countries (Lesotho, Malawi, Mozambique, Zambia and Zimbabwe) are implementing programmes of structural adjustment. Efforts to reduce government deficits by liberalizing trade, strengthening the private sector and cutting social provision have damaging consequences for the weaker groups in society, including women. It is the weakest groups that are hardest hit by rising food prices, reduced agricultural subsidies and the introduction of charges for health care and education; women suffer particularly because they generally have limited access to factors of production and sources of income and information and little say in their use. Most restructuring programmes now include measures concerned with the social dimensions of adjustment (SDA) aimed at cushioning the impact on the weakest groups. Even so, it is evident that the design and implementation of such programmes can present considerable difficulties, since the measures required often exceed the administrative capacity of the governments concerned. While SDA programmes often specifically target women, detailed policies for reaching the target group do not yet exist in most cases.

Southern African women are *not* a homogeneous group. Many of the region's households are headed by women but within this group there are divergences related to the marital status of the head of household (widowed, divorced, unmarried, semi-permanent absence of the male partner), to ethnic background and to the agro-ecological zone where the family lives. Despite this diversity there are also clear similarities: owing to their inadequate labour power and limited access to information and the means of production female-headed households occupy a marginal position in society virtually everywhere.

Most of the region's women belong to households headed by men. Here too there are wide differences, depending on the nature of household and family relationships, and in their efforts to achieve equality, autonomy and an identity of their own the majority of such women are restricted by the factors already mentioned.

Development models often focus on one aspect of women's life, sometimes emphasizing their housewife-and-mother role and sometimes their breadwinner-and-producer role. In many cases the design of projects is such that they do not adequately reach women or give them access to project activities, and too little account is generally taken of women's overall package of tasks, needs and responsibilities. A project concerned with food production, for example, can fail to take women's needs into account, give them no opportunity to take part in other activities or include no measures to prevent the new activity adversely affecting women's existing position and role.

1.5.2 Environment

Southern Africa can be pictured as a single large plateau rising high above the sea in the east and sloping

gently down towards the west. Rainfall is heaviest along the east coast. Forests and grasslands are virtually only to be found in this rainy zone; to the west the climate is increasingly arid, and the landscape gradually changes to savannah and desert. Only in the far north and south are there exceptions: in northern Angola there are extensions of the Central African rainforest, while South Africa's south coast has a mediterranean climate.

These geographical characteristics of course have a major impact on land use. The eastern coastal zone is very suitable for crop-growing (Mozambique); further west livestock farming predominates (Zambia, Botswana); the Kalahari and Namib deserts have long been the exclusive preserve of hunter-gatherers. There are of course variations within the overall picture: the highlands of Zimbabwe and the Transvaal have rich soil which supports mixed agriculture while the savannahs and deserts include a number of well-watered areas.

The natural resources of southern Africa are not limited to agriculture. The centre of the plateau, from Katanga in Zaire and Zambia's Copperbelt to the goldfields of Witwatersrand, is rich in metals, base and precious, while most of the world's diamonds come from the volcanic pipes of northern Cape Province, Botswana and Namibia; Angola is the only country in the region with significant oil reserves.

While the region's mineral resources have attracted industry it has not always lived up to expectations. Most of the countries concerned have only primary industries; raw materials are extracted and exported, and there has been little if any development of secondary industries. The exceptions to this rule, ironically, are the countries that were long subjected to economic sanctions, South Africa and Zimbabwe.

Southern Africa's natural environment is in a reasonably healthy state, certainly compared with that of other regions of the continent, but while drought, erosion and population pressures are not major problems at regional level, the sub-regional picture is sometimes considerably less rosy.

Pollution in the industrialized zones is severe. According to official sources annual emissions of sulphur dioxide in the eastern Transvaal total 31 tonnes per square kilometre, with one independent source putting the figure as high as 57 tonnes per square kilometre. For comparison, emissions in the former GDR, with its very polluting industries, were "only" 30 tonnes per square kilometre. The oil sanctions imposed on the South African regime were a major factor in this high pollution level, since they meant the country had to rely on coal. Other polluting industries in South Africa include asbestos production and uranium mining.

Local pollution of surface waters occurs through the uncontrolled discharge of contaminants in the heavy mining industry (copper, Zambia) and the large-scale use of agricultural chemicals, but such is these industries' economic importance that little action has yet been taken to curb pollution.

Urbanization, well advanced in some parts of the region, is an increasing cause of environmental damage. Zambia is the region's most urbanized country after South Africa. The war in Mozambique has driven large numbers of people into the cities, which have grown exponentially. Pressures on the urban infrastructure are growing and only 30% of the urban population have access to sanitation and safe water supplies.

The policy paper *A World of Difference* refers to the lack of clean water and sanitation as a major environmental problem directly affecting particularly poorer groups in both urban and rural areas. While the existence of this problem is recognized in the region it is not generally seen as environmental and related activities have been confined to the areas of health care and rural development.

Population pressures are increasing rapidly in peri-urban areas in Mozambique, Zimbabwe's communal areas and the South African homelands. There is uncontrolled settlement by people seeking somewhere to live, land for cultivation and grazing and access to natural resources such as wood. Traditional forms of land management cannot cope with the rapid growth of population, and around Maputo there is reportedly a belt of land 55 kilometres wide stripped of timber for use as fuel.

Wildlife is affected in various ways. Elephant and rhinoceros are hunted for valuable ivory and horn,

used by rebels in Mozambique and Angola to fund the war. Growing cattle herds (Botswana) are driving out wildlife and upsetting the balance of nature. Deserts are spreading and savannah vegetation is thinning out.

The importance of environmental protection and management in the region is ever more widely recognized. Activities in this area are undertaken by non-governmental organizations such as ZERO and more recently the SANDON network. The problem is also recognized by the SADCC, which has functions in the areas of training, research, policy harmonization and the setting of regional priorities. While the value and impact of environmental management extends across frontiers, responsibility for its implementation remains at national level.

The region's environmental concerns include:

1. Nature conservation in the traditional sense, as embodied in the management of national parks. This has region-wide importance in that it helps maintain biological diversity; it is also of direct economic significance to the countries concerned through tourism, which earns them hard currency. Eco-tourism, which respects the position of local peoples, is currently enjoying increasing popularity; examples include the Campfire Programme in Zimbabwe. Internationally important areas are to be found notably in Angola, Botswana and Namibia.
2. Environmental aspects of farming (arable and livestock) and fisheries. In many areas population growth is putting increasing pressure on the land as people seek places to live, cultivate crops and keep their livestock. To prevent erosion it is essential that intensive and rapidly growing forms of land use be properly regulated and existing management systems will need strengthening to this end. Current focuses of attention include reforestation, wildlife management, grazing schemes, water control and the production of wood for domestic use.
3. The more efficient use of energy, notably the consumption of firewood by rural industry.
4. The use of alternative sources of energy. In various countries of the region there is currently interest, mainly for economic and political reasons, in the use of alternative energy sources, given current dependence on oil imports and energy supplies from South Africa. In Zimbabwe the focus is on the use of solar energy, water power and coal while Lesotho is working on the development of water power.

Little attention has yet been focused on the environmental aspects of manufacturing. It is clearly in the interest both of the region as a whole and of individual countries that the development of environmental policies keep pace with that of industry. While air pollution is still relatively limited, problems are already making themselves felt in the areas of ground and water pollution; such is the economic importance of agriculture and mining, however, that little action has yet been taken at national level.

The international donor community gives fairly extensive support to activities aimed at improving environmental management e.g. through the compilation of environmental profiles (Netherlands), environmental action plans (World Bank) and national conservation strategies (IUCN). The Netherlands has also assisted the SADCC in compiling a survey of firewood availability and use in the region (firewood supplies 80% of domestic energy needs) and is considering helping the SADCC, with other donors (notably FINNIDA), in establishing a Community Forestry and Wood Energy programme.

1.5.3 Education

In southern Africa there is a general bias towards formal types of education and training; national educational plans still tend to neglect the transmission of the practical knowledge and skills needed for jobs in productive industries, with the result that all the region's countries face a serious shortage of trained technicians and managers.

On the basis of a wide-ranging study of unmet needs the SADCC has decided to give priority to improving and expanding provision for vocational training at the intermediate and higher levels with a view to meeting member states' needs in this area in the foreseeable future. As a coordinating organization the

SADCC seeks wherever possible to assist institutions and facilities which are managed or used jointly by several or all of its member states.

After independence (gained by most of the region's countries in the 1960s, by Angola and Mozambique in 1975 and by Namibia in 1990) priority was given to establishing and maintaining a system of primary education available free of charge to all children. The great social and economic problems confronting the countries of southern Africa in the 1980s meant cuts in government budgets for primary education, however, with the result that teachers are underpaid, buildings are not properly maintained and rapidly growing numbers of pupils can no longer be effectively educated for lack of elementary services and resources.

Primary education is in a very poor state in some of the region's countries, particularly in Angola and Mozambique (partly owing to the continuing civil wars) but also in e.g. Zambia, and considerable aid from bilateral and multilateral donors will be needed to prevent further decline and improve conditions.

Secondary education in all the countries of southern Africa suffers from a shortage of trained teachers. The consequences of this shortage notably for the standard of science and mathematics teaching are very serious, making themselves felt e.g. in very high drop-out rates among first-year university students.

The poor quality of students entering secondary education and their large numbers (reflecting high birth rates) face national governments with almost insuperable problems.

The number of students in higher vocational and university education in southern Africa is low in comparison with the industrial countries; moreover they include very few women or students from rural areas or poor families.

In general the functioning of higher education in southern Africa is hampered to greater or lesser extents by inadequate funding (implying low pay for teaching, research and technical staff and insufficient resources for the maintenance, repair and replacement of buildings and equipment) and by large intakes of students (of whom most drop out without completing their courses). Another problem is the fact that the education system's main task is seen as that of producing the managers and administrators needed to shape and promote national development rather than e.g. the training of researchers. Even the training of managers and administrators for development work is not always effective in the countries of southern Africa, since it requires a knowledge of social realities which is not always present: such knowledge derives from the research function of higher education, which is usually underdeveloped owing to lack of funds.

The problems affecting primary and secondary schools are now also making themselves felt in the poor quality of the students entering higher education: great efforts are needed in the early years of university courses to equip students with the necessary basic knowledge.

The capacity and quality of teacher training courses in most of the region's countries are such that the number of qualified teachers is increasing only slowly, not least because vital in-service training for teachers hardly exists.

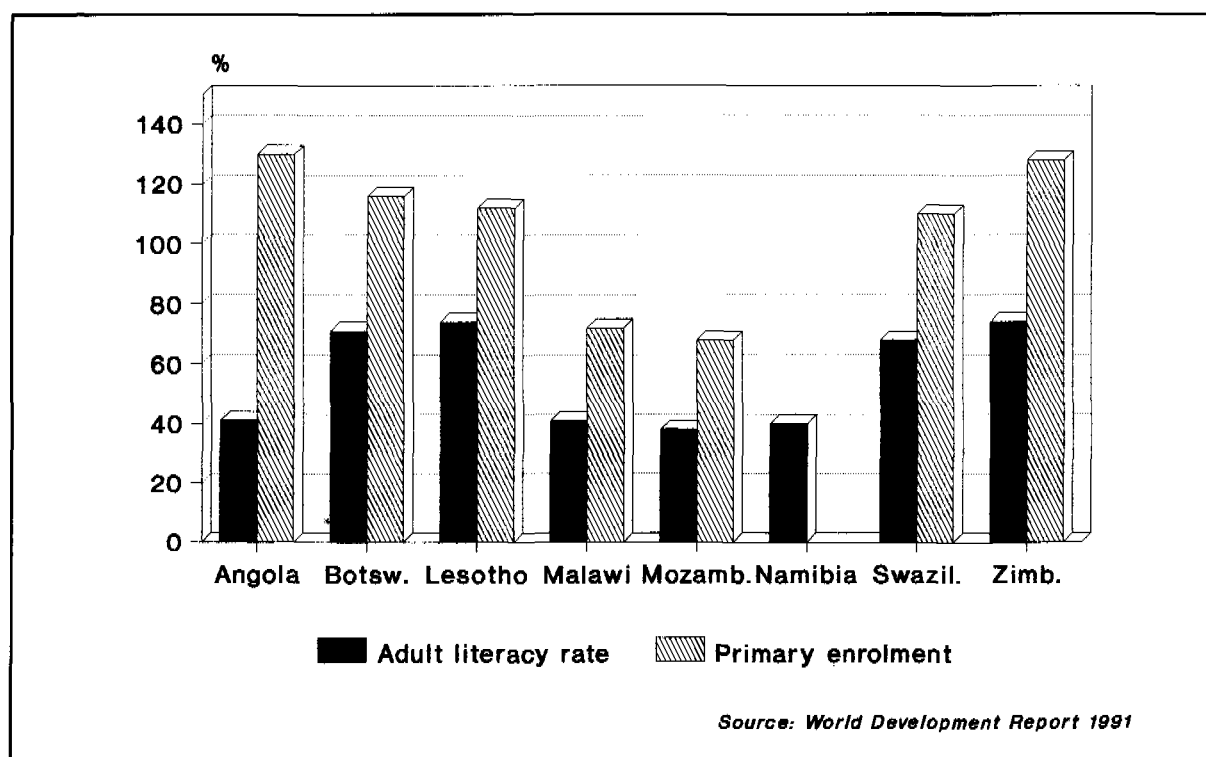
Vocational education at the lower and intermediate levels is underdeveloped, quantitatively and qualitatively, in all the countries of southern Africa. This is true of both formal and informal types of training, while little is available by way of on-the-job or in-service training. The result is a shortage of middle-ranking managers and administrators in many social sectors; this shortage also makes itself clearly felt in the projects and programmes aided by the Netherlands.

The highly theoretical approach still applied in vocational education is a serious problem. Students receive insufficient training, if any, in the practical aspects of their subject, with the result that they are not able to do a productive job e.g. in manufacturing industry after they complete their courses. Moreover the theoretical education that is offered (normally using chalk-and-talk and rote learning) takes little account of social needs and capacities: again, there is no link with the reality which students will face when they leave.

Illiteracy rates are still very high (around 60%) in Angola, Malawi and Mozambique, reflecting those countries' political, social and economic problems. Few countries in the region offer much by way of adult literacy schemes or training in life skills; only in a number of relatively large-scale rural-development projects (e.g. in Zambia's Western Province) are adults involved in functional literacy programmes.

Southern African governments suffer from a serious shortage of capacity in the area of policy analysis, preparation and implementation, in the field of education as elsewhere. There is a great need for management-training courses. Given the large number of countries concerned and their limited capacity, there is clearly a need in many fields for a system of distance education using radio and television; such a system has yet to be established, however. The education system as such is in many countries extremely weak.

**Figure 1.5.3.: Literacy rates (%) 1985
enrolment in primary education (%) 1988**



1.5.4 Institutional development

Among the greatest problems affecting the countries of southern Africa is the limited institutional capacity of both governments and non-governmental organizations: in many cases the bodies needed to perform particular functions simply do not exist. The implementation of bilateral programmes is thus seriously hampered by institutional weaknesses, notably in those countries - Zambia and Mozambique - where the Netherlands is funding major programmes of projects.

Several factors have contributed to the weakness of institutional structures in southern Africa. First, in many cases the region's governments face serious shortages of trained personnel, reflecting both the general shortage of trained workers and the state's inability to compete with private industry. Second, large public-sector deficits in most of the countries concerned mean that resources are lacking for the most basic requirements. Third, most government machines in the region are characterized by outdated structures, with excessive centralization of powers and responsibilities in ministries located in the capital, and by approaches which are oriented towards law and order rather than development. Mismatches between posts and post-holders are common and successive reorganizations have often produced an unbalanced state structure and an excess of uncoordinated financial, staffing and procedural regulations.

A fourth obstacle to institutional development is the inadequate separation of politics and administration, which has both allowed politicians to intervene directly in day-to-day administrative matters and encouraged administrative appointments on political grounds; a poor-quality administrative machine is the result. Personal and political loyalties within the apparatus of state have in many cases damaged its reputation, widening the gap between government and governed.

The problem of inadequate institutional capacity also affects non-governmental organizations, which are often rendered needlessly inefficient by organizational deficiencies and a lack of resources and trained staff. Since properly led and managed NGOs could help bridge the gap between government and governed, this represents a loss of opportunities for the public at large to put organized pressure on government for better services.

1.5.5 Urban poverty

Urbanization has reached high levels in South Africa and Zambia, where 60% and 50% respectively of the total population live in towns and cities; the urban concentrations are mainly in the homelands and around industrial areas (copper mines, the sugar industry) where rural people have for decades gone in search of paid work. The promotion of rural development in an attempt to stem migration cannot of course provide decent prospects for everyone, and alongside natural growth migration still accounts for around half of the growth of urban population. In the case of Malawi only 12% of the population live in urban areas.

Urban population growth is at its fastest in Mozambique, Swaziland and Botswana. In Mozambique the main cause is the security situation in rural areas, which has forced many people to seek refuge in towns and cities, while in Botswana the main exodus to the cities took place only recently and the young people concerned are now having children. In the region as a whole urban population is growing by 5-8% per year and the number of urban dwellers will have doubled between 1985 and 2000.

While southern Africa's towns and cities are in world terms still relatively small their rapid growth faces urban administrations with considerable problems. The urban infrastructure cannot cope with the rate of growth and an increasing proportion of the population, unable to find decent housing, is forced to live in shanty towns lacking the most basic services such as sanitation and safe water supplies. Another major urban problem is the shortage of formal employment, which leaves a large part of the population dependent on the informal sector.

In southern Africa the formal sector of the economy has never accommodated very much of the workforce. Even during the 1970-75 boom no more than 30% of Zambia's working population were employed in the formal sector, while in Zimbabwe, despite its relatively high level of economic development, the formal sector accounted for only 35% of the labour force in 1987. Labour supply is expanding faster than the formal sector, whose share in the economy is declining, and most people work in agricul-

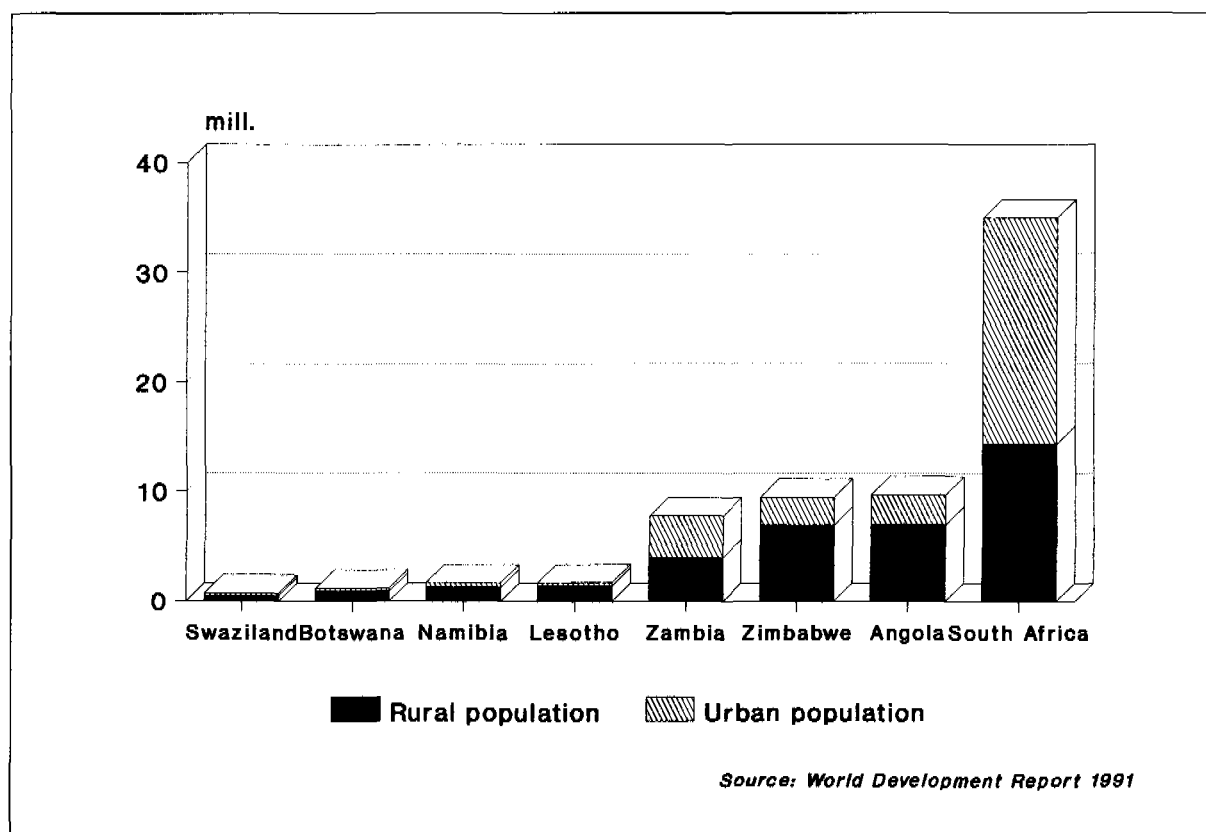
Table 1.6

Urbanization: urban population as a percentage of total population

	1960	1990	2000
Mozambique	4	27	41
Zambia	17	50	59
Zimbabwe	13	28	35
Namibia	15	28	34
Angola	10	28	36
Malawi	4	12	16
Lesotho	3	20	28
Swaziland	4	33	45
Botswana	2	28	42
South Africa	47	60	66

Source: Human Development Report 1991.

Figure 1.6.: Rural en urban population in 1990



ture or the informal sector. According to the National Advisory Council on Development Cooperation's 1989 report *Informal Economic Activity* around half of southern Africa's urban dwellers depend on the informal sector for their livelihood.

The policy statement *A World of Difference* and various of the region's governments accord parts of the informal sector a role in urban development, seeking to build on viable small businesses in that sector; such businesses are labour-intensive and can provide an income for large numbers of people. The attitudes taken by local and national government are of great importance here. Self-organization and the establishment of NGO support units aimed at the urban poor need to be helped and small informal businesses given room to develop, while vocational training geared to the requirements of the informal sector needs to be promoted and helped.

Administrative reforms will be needed to cope with the rapidly growing problems of urban areas: urban decision-making, planning and development must take place in cooperation with local people.

Urban authorities in Namibia and South Africa face an additional challenge, in that as well as tackling all the problems already mentioned they have the job of integrating segregated areas into one urban community.

1.6 Regional cooperation: the Southern African Development Coordination Conference (SADCC)

1.6.1 Establishment and objectives

The origins of the Southern African Development Coordination Conference (SADCC) lie in cooperation among five original front-line states, Angola, Botswana, Mozambique, Tanzania and Zambia; following initial moves at a meeting in Arusha in 1979, the decision to set up the organization was taken by these five countries, together with Lesotho, Malawi, Swaziland and Zimbabwe, in Lusaka in 1980.

The four main objectives of the SADCC as laid down on its establishment, are:

1. to enhance member states' economic autonomy and reduce their economic dependence on South Africa;
2. to promote a balanced pattern of regional cooperation in southern Africa;
3. to assemble the resources needed for the implementation of national development policies jointly by member states and the SADCC;
4. to promote cooperation among SADCC member states in the framework of policies formulated through the SADCC.

While reducing member states' dependence on South Africa has been one of the SADCC's main objectives since its establishment, over the years the stress has increasingly shifted to cooperation among the member states and to the joint acquisition of funding for projects given priority in the SADCC framework.

1.6.2 Organisation

The SADCC was established as an informal and flexible forum for cooperation and is not founded on a treaty; its small secretariat, located in Gaborone (Botswana), has limited powers and individual member states have the job of preparing and coordinating sectoral programmes and projects. The organization acquired a somewhat more formal structure in 1981.

The annual Consultative Conferences held with donor countries and institutions are of great importance: it is they that determine which SADCC projects are to receive donor support. The Action Programme originally agreed at the 1980 Lusaka conference and updated annually by the Council of Ministers sets out SADCC priorities, lays down a timetable for preparing and implementing projects and assigns responsibility to member states for coordinating specific activities on the SADCC's behalf.

The most important of the eleven sectors so far designated as warranting a regional approach is transport

and communication, coordinated by the Southern Africa Transport and Communication Commission (-SATCC) in Maputo. This sector is also the most developed, with a programme comprising over 200 projects and costing 4.2 billion dollars (of which over a third has now been raised). Rehabilitation of the Beira, Nacala and Dar es Salaam corridors was given priority and is now at an advanced stage. Use of the Beira corridor and the Tazara railway is limited by work under way in the ports of Dar es Salaam and Beira, but since these routes will be able to carry no more than around half of the SADCC states' transit trade even when fully in use priority has now been given to restoring the Limpopo line along the South African border to Maputo. The possibility of restoring the Benguela railway line through Angola is also under investigation; international funding for this scheme, and for the rehabilitation of the port of Lobito, is not yet available.

Agriculture is also important to the SADCC and its member states, accounting as it does for 80% of employment, 35% of GDP and 25% of the region's foreign-currency earnings. The SADCC programme for this sector encompasses seven subsectors, of which the most important, food security, comprises an operational Early Warning System, a Resources Information System, an Inventory of Agricultural Resources and Food Storage and Processing Projects. The Southern African Centre for Cooperation in Agricultural Research (SACCAR) began operating in 1985.

Regional cooperation on food security is proving difficult, however, and is limited mainly to exchanging experiences and sharing the external technical assistance provided in connection with the projects concerned; for the rest activities are nationally oriented. Following years of debate among SADCC members the project which should have formed the heart of the programme and whose original design had a genuine regional dimension, namely the regional food reserve fund, is back at the starting post. An initial phase now envisaged involves activities aimed at national food security but there is no indication as to the shape of a possible regional component at a later stage.

Within this sector Malawi has the job of coordinating activities relating to fisheries, forestry and nature conservation, while Botswana is responsible for agricultural research and the prevention and control of animal diseases and Zimbabwe for food security. The other main sectors are energy conservation and development (coordinated by Angola), mining (coordinated by Zambia), manufacturing and commerce (coordinated by Tanzania), education (coordinated by Swaziland) and soil and water conservation (coordinated by Lesotho).

1.6.3 SADCC: perspectives

In the first years of its existence the SADCC's programme mainly comprised national programmes of regional significance and there was no real regional strategy. Not only did the necessary information and expertise not exist, the member states needed gradually to accustom themselves to working in an international framework. Over the years the SADCC has developed criteria and procedures for determining priorities for regional programmes and projects; it has also adopted detailed rules for cooperation with donors which are aimed in part at enhancing its capacity for policy formulation and coordination.

While a measure of formalization of the SADCC's activities has been achieved in this way, this has not resulted in a large international bureaucracy. The SADCC secretariat in Botswana is of limited size, as are the organizations set up by member states to coordinate the sectors assigned to them. The SADCC thus does not suffer from bureaucratization, and while its procedures could be considerably improved it has so far proved a strikingly successful regional forum, thanks partly to the relatively large amount of donor support received.

Given the member states' varying interests in the different sectors and the sharing-out of tasks and responsibilities it is not surprising that rates of progress have varied from one sector to another. Member states recognized at an early stage the transport sector's great importance for regional development and for reducing their dependence on South Africa, and thanks to the great efforts made by Mozambique the SATCC has become one of the SADCC's most successful initiatives.

Namibia joined the organization following independence in 1990 and the eleventh SADCC conference was held in Windhoek in 1991.

The rapid changes taking place in South Africa have already lessened political tensions in the region, a trend which is expected to continue through the period covered by this policy plan. The question of the future relationship between South Africa and the other states in the region, both through the SADCC and on a bilateral basis, is therefore now relevant, and at the eleventh SADCC conference, held at Windhoek in February 1991, both the ANC leader Nelson Mandela and representatives of the SADCC referred openly to the possibility of South African accession. Given the huge economic disparity between South Africa and the existing SADCC member states - it has a GNP four times that of the nine states together and considerable potential for further growth - any proposal for that country's membership would need to be examined with great care. Whether the pros or the cons of South African accession prove decisive in the circumstances is expected to emerge in the course of the next four years.

Whatever the outcome of this debate the implications for economic relations in the region are evident. While trade between South Africa and SADCC member states was never entirely broken off, links with the new South Africa will be much closer - with potentially far-reaching implications for the SADCC economies. As well as benefits, painful adjustments may well prove necessary in cases where South Africa's manufacturing and transport industries compete strongly with those of the current SADCC member states.

Table 1.7

Net aid flows from multilateral donors to SADCC member states, 1989

(millions of US\$)

	Mozambique	Zambia	Zimbabwe	Angola
AFDF	16.8	11.0	1.2	4.4
EEC	96.1	35.7	20.9	21.0
IDA	50.0	4.0	3.0	-
IFAD	-	4.1	0.6	-
UNDP	14.3	6.1	4.3	6.7
UNTA	1.2	1.9	1.4	1.1
UNICEF	24.5	3.4	2.1	8.3
WFP	4.6	0.6	2.0	7.6
UNHCR	5.2	4.1	3.3	7.5
Other multilateral orgs.	5.2	5.5	4.2	1.5
Arab OPEC institutions	-3.7	-0.1	-2.7	-1.4
Total	218.8	76.3	40.2	56.7

	Malawi	Botswana	Lesotho	Swaziland
AFDF	12.0	20.6	11.0	1.7
EEC	46.5	9.7	12.8	8.3
IDA	77.0	-	13.0	-
IFAD	0.8	-	1.1	-
UNDP	13.8	6.1	5.2	1.5
UNTA	1.1	0.6	1.3	0.8
UNICEF	3.0	1.2	1.0	0.6
WFP	31.6	3.0	9.2	3.4
UNHCR	29.0	0.6	0.2	1.5
Other multilateral orgs.	2.6	1.3	2.5	0.6
Arab OPEC institutions	0.1	-1.3	2.2	-0.3
Total	217.5	41.9	59.4	18.1

Source: OECD 1991.

Table 1.8

Net bilateral aid flows to SADCC member states

	Mozambique	Zambia	Zimbabwe	Angola
DAC* countries:				
Australia	12.0	0.7	8.7	-
Austria	5.2	0.4	0.5	0.7
Belgium	0.8	3.6	0.6	0.9
Canada	27.4	15.924.8	3.2	
Denmark	15.5	6.419.5	0.1	
Finland	30.5	25.1	9.7	0.7
France	42.2	1.410.9	7.4	
Germany (FR)	21.1	28.227.4	5.3	
Ireland	0.0	3.0	0.5	-
Italy	80.1	23.1	7.1	18.5
Japan	51.1	63.0	20.4	-
Netherlands	35.3	23.2	18.3	4.9
New Zealand	0.0	0.0	0.1	-
Norway	49.4	34.9	17.3	4.2
Sweden	99.5	36.1	21.8	36.5
Switzerland	7.4	0.6	1.6	2.3
United Kingdom	34.7	30.6	21.5	2.2
United States	34.0	18.0	17.0	1.0
Total	546.1	314.2	227.5	87.9
OPEC countries	3.3	-	-1.6	2.5

Source: OECD, 1991.

	Malawi	Botswana	Lesotho	Swaziland
Australia	6.6	4.1	2.4	0.7
Austria	0.6	0.0	0.0	0.0
Belgium	0.1	0.0	0.0	0.4
Canada	0.4	15.6	2.5	1.9
Denmark	7.5	6.7	3.3	3.3
Finland	0.3	1.2	0.3	0.1
France	5.2	0.7	3.8	0.2
Germany (FR)	33.0	14.2	12.6	3.1
Ireland	0.0	-	3.2	0.1
Italy	1.7	0.3	1.2	1.7
Japan	21.6	11.3	0.6	0.0
Netherlands	8.4	3.9	0.5	5.3
New Zealand	-	0.1	-	-
Norway	3.0	18.7	1.1	0.1
Sweden	-	17.4	8.0	-
Switzerland	1.7	-	0.9	-
United Kingdom	51.8	10.9	9.8	-16.1
United States	30.0	15.0	18.0	11.0
Total	181.7	120.0	68.8	11.6
OPEC countries	-	-2.2	-0.3	-

Source: OECD, 1991.

* Development Assistance Committee.

1.7 Bilateral cooperation: the present position

Having briefly described the region we now outline the position as regards Netherlands bilateral cooperation with countries in the region.

The Netherlands has no cooperation ties with Angola, although that country has received emergency aid in connection with the civil war, while the link with Mozambique is mainly concerned with drinking water supply and sanitation and with education; this topic is covered in detail in Chapter III. Help has also been given, through the SADCC, with the development of the port of Beira. Even if the conflicts now under way are settled by the end of the period to which this plan relates Angola and Mozambique will continue to feel the effects of decades of devastating war for many years to come. The repair of war damage in both countries will entail considerable sacrifices, and while donor support will be available for reconstruction in the two Portuguese-speaking countries we must be prepared for a prolonged and laborious process of national recovery. In this connection mention must also be made of the lost generations of young people who have had little education in recent years and have witnessed at first hand the violence of war and the senseless slaughter which has marked the armed conflicts in Angola and Mozambique.

Zambia's economic position remains extremely precarious and presents a great challenge to President Chiluba, who took office in 1991. The country has for years been faced with low prices on the world copper market and has not managed adequately to diversify its economy, producing a severe shortage of foreign exchange and crippling industrial production through the lack of funds for essential imports, while the relatively undeveloped agricultural sector generates little foreign currency. One reason why farm output has remained low is the government's long-standing price and subsidy policy, under which food prices in urban areas have been kept as low as possible; less than half the country's land area suitable for agriculture is actually under cultivation. The programme of cooperation with Zambia will continue to focus on rural development in Western Province.

While the picture in Zimbabwe, which possesses a developed and diversified economy, is considerably brighter, there too the rapid rise in unemployment and slow rate of improvement in the living standards of the majority of the population represent potential threats to peaceful development. Slow progress on the programme of land reform, whose aim is to reduce the very wide inequalities in the ownership of Zimbabwean farmland, has led to much criticism of the government. Manufacturing industry, developed under highly protected conditions when international sanctions were in force against the illegal Smith regime, faces high production costs and will increasingly be exposed to competition from other countries, among them South Africa; if it proves unable to modernize it will become increasingly uncompetitive and the shortage of foreign currency will worsen; this in turn will lead to a reduction in much-needed agricultural investment, some of it aimed at the export trade. Cooperation with Zimbabwe comprises to a large extent the provision of programme aid; aid is also given in the field of education.

The link with Namibia will take shape in the course of the period covered by this plan. The Netherlands has given aid to the Namibian people over many years, through multilateral channels, and now that the country is independent it is eligible for direct help from Netherlands funds. As average living standards in Namibia are fairly high, even if the distribution of income and wealth is very unequal, the aid offered will be relatively limited and will be precisely targeted on selected sections of Namibian society. The main focus of attention will be water-related activities in the very poor northern part of Namibia, together with activities concerned with education and the environment.

Cooperation with the region's other four countries, Botswana, Lesotho, Malawi and Swaziland, are on a limited scale.

The economy of Botswana is experiencing very rapid growth, thanks mainly to the extraction of diamonds and export of meat. The country has succeeded in accumulating considerable reserves of gold and foreign currency; these are used by the government to pursue policies - subject to scrutiny by a democratically elected parliament in which several parties are represented - which are aimed at the development of the country as a whole. In Botswana too income disparities remain very wide and many people have to endure very difficult circumstances. In the coming period cooperation ties with Botswana will

focus on education and environment.

Lesotho, a state entirely surrounded by South African territory, has been governed since 1988 by a military regime; it is heavily dependent on South Africa, where much of its population works and to which, progress on the Lesotho Highlands Development Project permitting, it will soon be exporting large amounts of water and electricity. Erosion is a very serious problem involving the loss of thousands of tonnes of fertile soil every year. Lesotho will receive no further support from the Southern Africa programme. Existing activities in the field of inter-university development cooperation and the employment of medical experts will be continued.

Cooperation with Malawi is limited to humanitarian activities. Netherlands-funded medical experts have been provided and aid has been given in a number of fields through multilateral channels and in the field of drinking water supply. Funding has also been provided for the care of Mozambican refugees in Malawi.

Swaziland, a landlocked state bordered by South Africa and Mozambique, has enjoyed relatively sound economic development. Its economy is diversified and its climate temperate. Cooperation with Swaziland, like that with Botswana and Lesotho, will focus on education and the environment.

Table 1.9

Netherlands aid to the SADCC and its member states

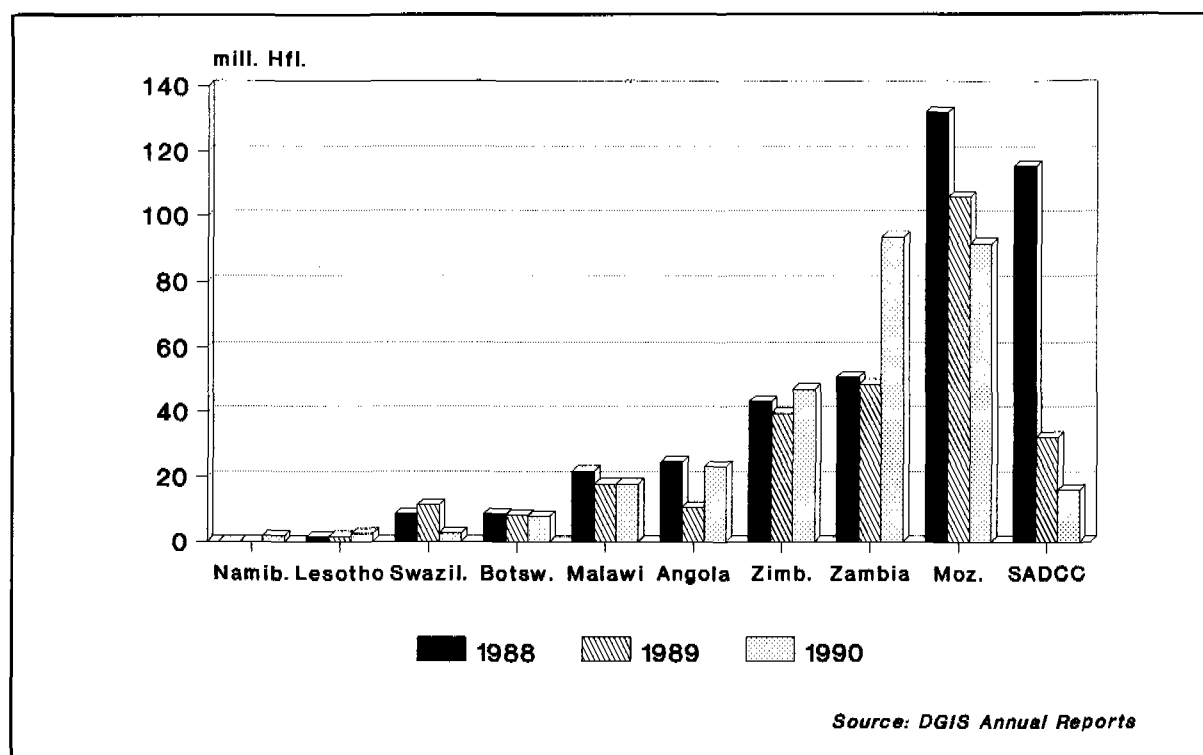
(cash expenditures in millions of guilders; amounts are the aggregates for Budget Categories I, II and IV)

	1988	1989	1990
SADCC	*115.7	32.2	15.9
Namibia	-	-	1.7
Lesotho	1.4	1.6	2.4
Swaziland	3.7	11.2	2.5
Botswana	8.5	8.2	7.9
Zimbabwe	43.2	39.6	47.2
Zambia	51.0	48.7	93.6
Malawi	21.6	17.7	17.8
Mozambique	132.1	106.0	91.7
Angola	24.6	10.5	23.0
Total	414.8	288.7	316.7

* Includes World Bank/IDA Special Africa Facility of 96.5 million guilders.

Source: Annual Development Cooperation Reports.

Figure 1.9.: Dutch aid to the SADCC in 1988, 1989, 1990



1.8 The work of Netherlands NGO's

The four Netherlands joint-funding organizations (NOVIB, CEBEMO, HIVOS and ICCO) are all active in southern Africa. They do not themselves engage in development activities but enable local NGOs to do so. They work mainly in South Africa and Zimbabwe, with other large countries such as Mozambique, Angola and Zambia receiving significantly less attention. Their work in southern Africa is mainly financed from the Joint Funding Programme (Budget Category IV); they also make use of additional public funds and funds provided by the European Community.

In 1990 NOVIB (Netherlands Organization for International Development Cooperation) earmarked 43.9 million guilders for Africa as a whole, 29% of its total commitments for the year; southern Africa, one of the regions on which particular attention was focused, received some 14.5 million. NOVIB's central goal has been to encourage and support non-governmental development organizations; this has led to a heavy concentration on partners in South Africa, to which 6.9 million guilders were committed in 1990, while in addition the relatively large sum of 5.6 million guilders went to Zimbabwe. NOVIB has not been active in Angola, Malawi, Botswana, Lesotho or Swaziland. Project activities are mainly concerned with agriculture, manufacturing and education.

CEBEMO (Central Agency for Joint Financing of Development Programmes) earmarked virtually the same amount as NOVIB for southern Africa in 1990, namely around 14 million guilders (out of 60.2 million destined for Africa as a whole). CEBEMO too was active in South Africa, where it was mainly involved in work aimed at strengthening local NGOs; it was also active in the other countries of the region in the areas of agriculture and health care. Also worthy of mention is the 5.5 million guilders channelled into an emergency aid programme in Angola.

The main area of activity of ICCO (Inter-Church Coordinating Committee for Development Cooperation) in 1990 was Africa, which accounted for commitments amounting to some 73 million guilders (42% of the total). Southern Africa received commitments of 8.2 million under the Joint Funding Programme (Budget Category IV); exact figures for commitments financed from other sources are unavailable. While ICCO was the only one of the four joint-funding organizations to be active in all ten countries of the region its main efforts were concentrated on South Africa, with 3.1 million guilders being earmarked for activities in that country. The emphasis in these regional activities is on education, training and institutional support.

In 1990 the smallest of the joint-funding organizations, HIVOS (Humanist Agency for Development Cooperation), earmarked 13.3 million guilders, 29% of its total spending, for Africa; virtually the whole amount went to southern Africa. HIVOS was active in six of the region's countries, notably South Africa (2.1 million guilders) and Zimbabwe (3.7 million); the latter's importance to HIVOS is also clear from the establishment of a HIVOS office in Harare. Activities were mainly concerned with institutional development, education and training.

In 1990 66% of the activities of SNV (Organization for Development Cooperation and Awareness, formerly the Organization of Netherlands Volunteers) were concentrated in Africa; within southern Africa SNV was active in four countries, Zambia, Botswana, Angola and Zimbabwe, focusing on rural development and health care; it was also involved in providing education for South African refugees being cared for by the ANC in front-line states. SNV deliberately chose not to undertake activities in South Africa on the grounds of that country's political system.

The Eduardo Mondlane Foundation (EMS) is a Netherlands NGO which helps the former Portuguese colonies in Africa, and in 1989 it devoted 1.8 and 2.8 million guilders respectively to projects in Angola and Mozambique. In the case of Angola the biggest item was 1.6 million guilders for help to refugees in Huila province; in Mozambique EMS activities mainly focused on drinking water supply and sanitation.

CHAPTER II:

NATIONAL SOCIAL AND ECONOMIC POLICIES IN THE REGION

2.1 INTRODUCTION

This chapter outlines the social and economic policies pursued in the countries of southern Africa. Each country section begins by describing the political and human-rights situation, going on to deal with macroeconomic, demographic and environmental issues and looking finally at levels of poverty and approaches to its relief. In this way a picture is built up of the situation in the sectors to which the programme of cooperation with the Netherlands relates. The country descriptions given in this chapter provide a starting point for the discussion in Chapter III of current and planned programmes of cooperation between the Netherlands and the countries of southern Africa.

2.2 MOZAMBIQUE

2.2.1 General

The Republic of Mozambique, located in south-east Africa, covers some 800,000 square kilometres and has a population of around 15 million. Farming and fishing are the principal sectors of its economy, accounting between them for half of gross national product and almost all exports (equal to around 15% of GNP). In terms of GNP per head - US\$80 in 1989 - Mozambique is the world's poorest country (- World Development Report 1991, World Bank), but despite this its economic potential is considerable. Mozambique has reserves of iron ore, coal and natural gas and oil deposits have been found. The country's great rivers offer scope for irrigation and the generation of hydroelectricity, while its coastal situation provides opportunities for the development of fisheries and tourism and for the further expansion of transit routes serving neighbouring countries. However, as a result of destabilization (first by Rhodesia and later by South Africa), domestic conflict, climatic problems, the exodus of Portuguese managers and administrators and, last but not least, economic dogmatism and mismanagement, the country's natural resources and favourable location have never been properly exploited.

2.2.1 Political situation

Since gaining independence from Portugal on 25 June 1975 Mozambique has been ruled by the former liberation movement Frelimo (Frente de Libertacao de Mocambique). The armed conflict with the rebel movement Renamo (Resistencia Nacional Mocambicana) has dominated events in the country since it broke out in 1980. Renamo was set up in the 1970s by the former Rhodesian regime with a view to controlling guerilla attacks from Mozambican bases in Rhodesia. Since Zimbabwean independence in 1980 Renamo has geared its activities to replacing Frelimo with a non-communist regime, exploiting the revulsion of many Mozambicans for the revolutionary Frelimo ideology which left no room for traditional social structures and religion. South Africa was among the sources from which Renamo received assistance, and despite the Nkomati accord reached between Mozambique and South Africa in 1984, under which both countries undertook among other things to refrain from supporting resistance movements in the other, violence continues virtually unabated and evidence of South African support for Renamo persists.

In 1987 and 1988 discussions were again held between South Africa and Mozambique with a view to reviving the Nkomati accord; agreements were reached on political and economic cooperation.

The accession of President Joaquim Chissano in 1986 marked the end of Frelimo's revolutionary communist policies. This change of political course was prompted in part by the drying-up of financial aid and ideological inspiration from the Soviet Union, and the Mozambican government has since abandoned marxism-leninism and changed the country from a People's Republic to a Republic. A new constitution was proclaimed on 30 November 1991 providing among other things for a multi-party system, the protection of basic human rights and the introduction of a market economy.

The ending of foreign aid to both the Frelimo government and the Renamo rebels helped open the way to peace negotiations; these have been held since July 1990 in Rome, where church leaders and the Italian government have acted as intermediaries, and a partial truce was agreed on 1 December 1990. Many violations were reported in January, however, with the result that the peace negotiations were thrown into disarray and have now reached a complete impasse; the main reason for this was the obscurity of Renamo's political objectives. Discussions were resumed when the Mozambican government agreed, following an initiative by Italy and the United States, that Renamo should have a bigger say in the programme of democratization it had already announced, but agenda problems meant that little progress was made. The sixth round of negotiations, opened on 6 May 1991, reached an impasse when Renamo demanded at the eleventh hour that the issue of political prisoners be placed on the agenda. A seventh round of consultations began in July 1991; this too ended without success.

In the 1980s the conflict claimed hundreds of thousands of victims, dislocated the economy and displaced many. The total number of people affected by the war is put at five million. Around 700,000 Mozambicans have died as a direct or indirect result of the war; where the victims are concentrated var-

ies from year to year, depending on where the fighting occurs. The urban population, which totals around three million, also feels the war's effects in the form of food shortages and dependence on imported foodstuffs. One third of the population is now entirely dependent on food aid, which accounts for around half of all the international economic aid going to Mozambique. The country's need for emergency aid is increasing, moreover; estimates made in June 1991 (a year of poor harvests) indicated a food deficit of one million tonnes of maize.

The destruction of the physical infrastructure of social provision is evident from these figures:

Table 2.1

Mozambique: impact of war on social provision

Primary schools closed through violence, 1983-87	2,600	(45%)
Health centres closed through violence, 1982-87	820	(31%)
Rural shops closed through violence, 1981-88	3,200	(50%)

2.2.3 Human rights

Attitudes to human rights in Mozambique took a turn for the better when the new constitution came into effect on 30 November 1990, abandoning the one-party system and forswearing marxism-leninism as the official ideology. It is also noteworthy that the death penalty (which had in fact not been used since 1986) has no place in the new constitution, which follows the democratic model and entrenches all the normal civil and political rights such as the right of assembly and the right to strike. In implementation of these constitutional provisions new legislation came into force on 6 February 1991 providing for and regulating the establishment of political parties. Elections are scheduled for 1992.

The civil conflict is however an insuperable obstacle to the achievement of a situation in which human rights are fully respected. Violations of human rights by Renamo, including kidnapping and murder, were again reported in 1990, while at the beginning of the same year the state security service was holding 140 persons without trial, of whom some had been in detention for more than two years. There were also reports that prisoners had been tortured by the security service.

Turning to economic and social rights, it is clear that large sections of the population have suffered as a result of the programme of economic adjustment implemented since 1987. Here too the Mozambican government is seeking to relieve the situation, e.g. through its Social Dimensions of Adjustment Initiative and Priority Districts Programme. The former, designed by Mozambique in conjunction with the World Bank, is concerned with relieving absolute poverty and with the social dimensions of growth and development; it involves technical and financial support for the development of capacity within the Mozambican government, so that the relief of poverty can be incorporated into the adjustment programme.

The Priority Districts Programme involves an integrated approach to the short-term relief of poverty; it also has longer-term aims in the area of economic development.

In the light among other things of the government's limited resources, official action on the Social Dimensions of Adjustment programme will not be enough to prevent large sections of the population from suffering as a result of falling incomes.

To sum up, given the limits set by the war, the human-rights position in Mozambique has improved in recent years; even so, a situation of full respect for human rights under the responsibility of the government has yet to be achieved.

2.2.4 Social and economic situation and policy

2.2.4.1 Macroeconomic situation, economic growth and self-sufficiency

After independence in 1975 the Frelimo government opted for a development strategy of rural modernization within a centrally controlled socialist structure, a policy summed up at Frelimo's first post-inde-

pendence conference, held in 1977, as the "socialization of the countryside". This approach overestimated the collective consciousness of rural people, however, and many traditional political and cultural leaders in rural areas felt themselves to have been sidelined when Frelimo prohibited their tribal customs and religious practices and made it clear that there was no room for polygamists and religious believers in the Marxist-Leninist vanguard party into which Frelimo reformed itself in 1977. This radical break with traditional power structures was seized upon by Renamo.

With the exception of a brief period around 1980 when modest growth was achieved, the years between independence and 1987 were marked by economic decline. This was due not only to the exodus of Portuguese managers and administrators, regional political instability, civil conflict and climatic problems but also to the dogmatic policies of the Mozambican government. Government support for loss-making state enterprises absorbed 50% of available funding, while the government's own deficit accounted for a further third. The aim of this policy was to maintain the level of output and economic activity whatever the cost; between 1981 and 1985 GNP fell by an average of 4.7% per year.

By the end of 1986 foreign-currency reserves had fallen to zero and foreign debt had risen to US\$ 3.2 billion, equal to 77% of GNP, while debt service stood at 250% of the total value of exports of goods and services.

Table 2.2.

Mozambique: economic decline, 1973-86 (1972 = 100)

	1973	1980	1986
Manufacturing output	100	77	35
Agricultural output (marketed):			
- cashew	100	45	20
- cotton	100	45	7
- rice	100	79	55
(constant 1980 prices)			
Exports of goods	100	122	34
Exports of services	100	79	55
Imports of goods	100	232	157
Imports of services	100	79	293
(current prices in US\$)			
Shares in GNP (1989) of:			
- agriculture	44%		
- manufacturing	37%		
- services	19%		
- defence	8.4%		

While Frelimo recognized the failures of government policy and wished to restructure the economy and reverse the downward trend, it lacked the necessary resources: foreign financial support was essential to fund economic reforms, and such support would not be forthcoming unless Mozambique reached agreement with the IMF.

In 1984, thanks partly to the signature of the Nkomati accord, the country's international isolation was breached, the way was opened to foreign support and Mozambique joined the IMF and the World Bank. By 1987, however, its total external debt had risen to some US\$ 4 billion and in 1988 the UN General Assembly decided to grant the country least-developed status, making it eligible for the remission of aid debt under UNCTAD resolution 1655 (S-IX). Even so, economic decline continued.

In 1987 agreement was reached with the IMF and the World Bank on a programme of structural adjustment, the Economic Rehabilitation Programme (ERP). While the ERP was a traditional adjustment programme it also sought to protect public services and their accessibility to the poorest sections of society;

Fig. 2.2.4.a: G.N.P. MOZAMBIQUE 1989
by economic sector

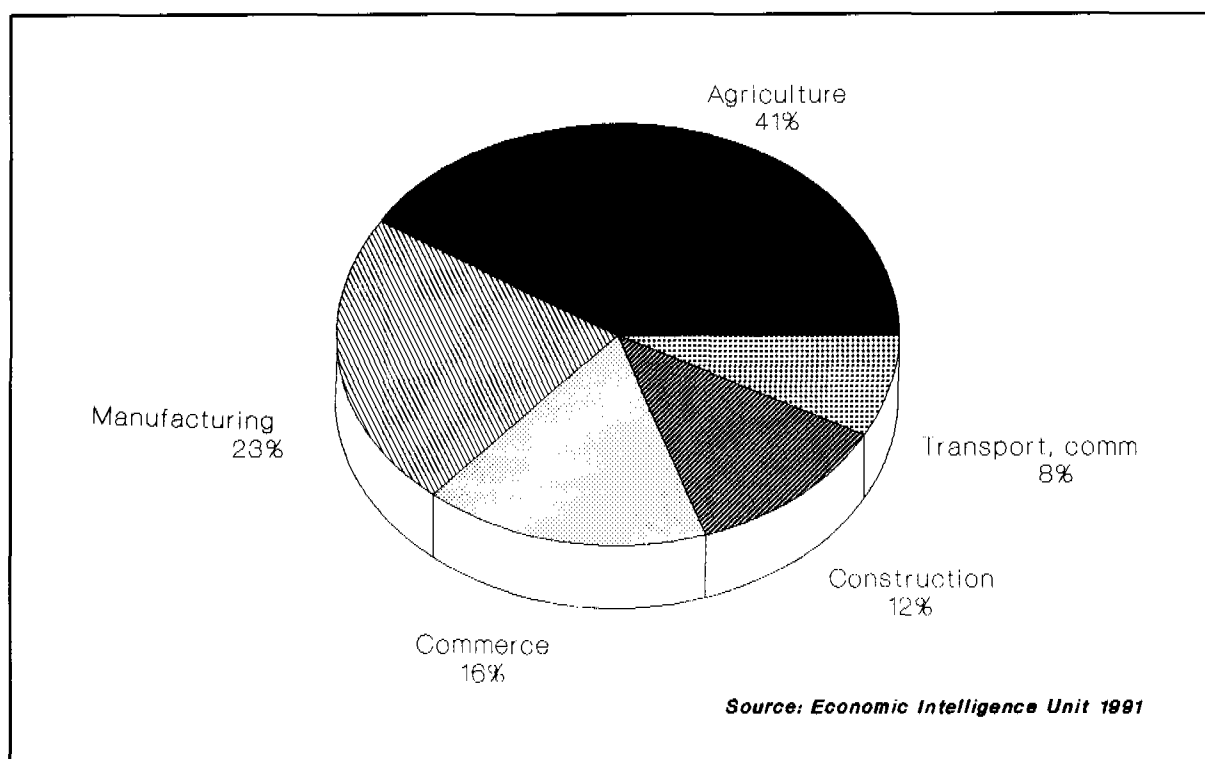
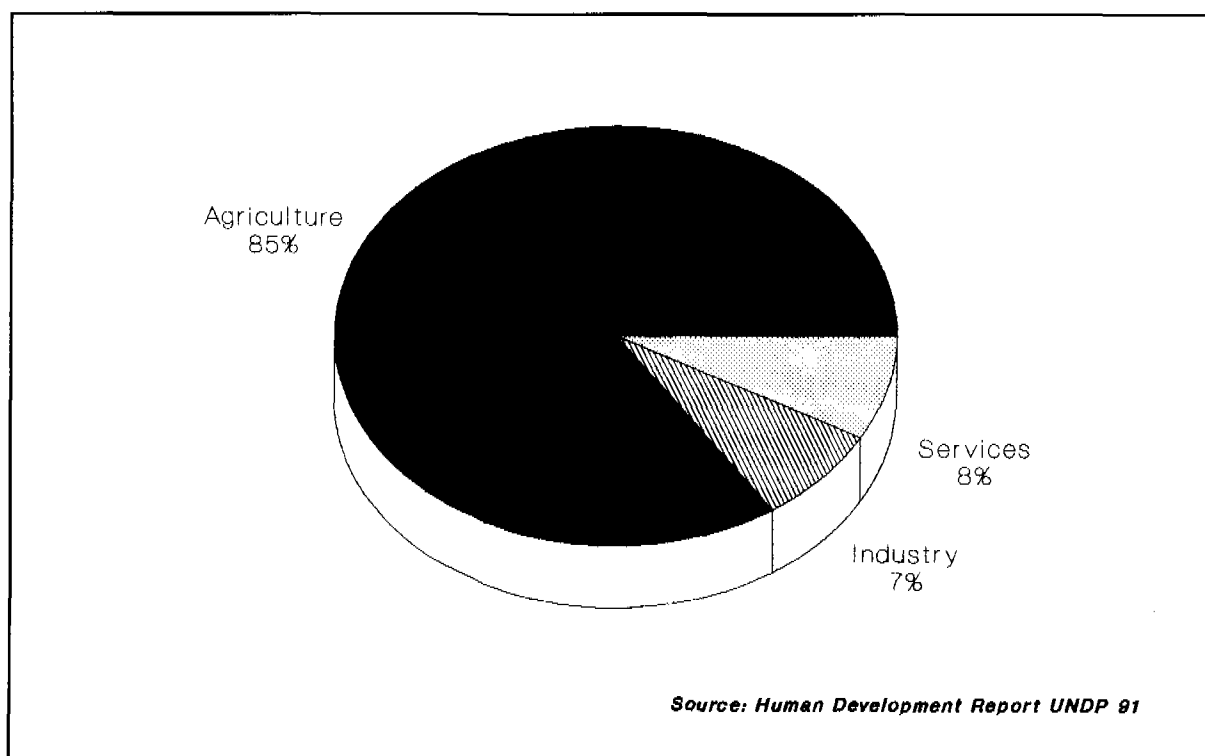


Fig. 2.2.4.b: Labour force
by economic sector 1985-1988



another aim was the preservation of viable state enterprises.

In 1989 the Mozambican government defined the ERP's aims as:

- a. the reversal of economic decline and the restoration of minimum income and consumption levels for the whole population, particularly in rural areas;
- b. considerably reduced economic imbalances and increased foreign-currency reserves;
- c. greater efficiency and the creation of the conditions for the resumption of economic growth when the security situation and other exogenous factors permit;
- d. the integration of official and parallel markets;
- e. the restoration of financial links with trade partners and creditors.

It is not usual for a country in a state of war to undertake such a radical programme of economic reforms, and it is against the background of war that the measures taken and effects achieved must be considered.

With regard to the halting of economic decline the ERP appears to have had some modest success: where in the last two years before the programme's introduction (1985 and 1986) per capita GDP fell by 9%, between 1987 and 1989 it rose by between one and two per cent, indicating that the downward trend had been reversed. The reversal of the decline in economic output is particularly striking when it is remembered that, as table 2.3 shows, virtually all economic indicators fell sharply in the years before 1987.

Table 2.3

The economic consequences of the ERP (annual percentage changes)

	1986	1987	1988	1989
GDP (constant prices)	-2	4	4	5
GDP per head	-5	1	1	2
Supplies of agricultural products (volume)	-6	26	16	17
Exports of goods (value)	4	18	2	16

However, these figures conceal the fact that ERP measures have widened income disparities, particularly in urban areas, and have aggravated the poverty faced by large sections of the population.

Despite the introduction of very tight fiscal policies, economic imbalances have not been reduced. Thanks to foreign aid, the government's budget deficit has by now reached an acceptable level: while the overall budget deficit (excluding foreign aid) fell from 11% of GDP in 1985/6 to 4% in 1988/9, the deficit rose from 15% to 31% of GDP. The country's dependence on foreign aid is evident.

The balance-of-payments situation has worsened as the current account has gone further into deficit year by year. The gap is bridged by aid funds, new borrowing and debt relief. While the debt problem is thereby deferred rather than resolved, this was a deliberate decision prompted by Mozambique's improved access to capital markets following its accession to the IMF and World Bank. Even so, the country's growing dependence on foreign aid is again evident.

Table 2.4
Mozambique: external financial position, 1984-1990

	1984	1986	1987	1988	1989
Total foreign debt (US\$ bn)	2.4	3.2	4.0	4.0	4.3
Debt service ratio (%)	96	247	228	206	182
Imports of goods and services (US\$ mn)	690	820	910	1034	1240
Exports of goods and services (US\$ mn)	214	295	234	244	283
Current-account deficit (US\$ mn)	476	525	676	790	957
Amortization (US\$ mn)	338	336	384	363	277
Financial deficit (US\$ mn)	814	861	1060	1153	1234
Grants (US\$ mn)	168	213	304	416	436
Loans (US\$ mn)	265	284	301	290	379
Debt settlement/ deficit (US\$ mn)	381	364	455	447	419

The ERP has also had some success in unifying official and parallel markets. On 1 June 1991 the rate of exchange on the parallel market (US\$1 = 1850 meticaís) was only around a quarter higher than the official rate (US\$1 = 1485 meticaís); in the mid-1980s there was a fifty-fold difference.

A process of market liberalization has also got under way; traditional-style open markets, formerly prohibited, are now tolerated.

While inflation has fallen sharply in recent years (from 160% per year in 1987 to 50% in 1988 and 40% in 1990) interest rates are still not high enough to give a positive real return, so that borrowing is rewarded and lending penalized.

With regard to the restoration of external financial relations, the country's inability to meet debt-service obligations brought growing arrears. In 1986 Mozambique's arrears on its debt payments totalled US\$ 700 million; a debt-rescheduling exercise amounting to US\$ 1400 million was carried out in 1987, since when similar exercises have been carried out annually. The result is that loans are again coming into the country, and while this worsens the long-term debt position in the short term it is an indispensable source of funding for the adjustment process.

As part of the normalization of international relations in the second half of the 1980s Mozambique resumed interest and amortization payments, with the result that total interest payments rose from US\$ 80 million in 1984 to more than US\$ 200 million in 1990 and annual repayments of principal now exceed total revenues from exports of goods and services.

While decline has clearly been arrested the upturn so far achieved has been very weak. There are two reasons for this. First, despite dialogue between the two sides the country is still in a state of war, with the result that market incentives and the generally improved position in the productive sector are not yet having their full effect. It is moreover undeniable that a large part of the improvement is due to the enormous inflow of aid funds, whose continuation is by no means certain.

Table 2.5

Mozambique: an aid-dependent economy (1973-90, millions of US\$)

	1973	1980	1985	1989
Exports of goods	230	281	77	121
Imports of goods	-345	-800	-424	-850
Visible balance	-115	-519	-347	-729
Invisible receipts	-217	-171	-107	-162
Invisible payments	95	75	200	389
Invisible balance (including capital account)	+122	+96	-93	-277
Overall current balance	+7	-423	-440	-956

In colonial times the Mozambican economy was geared to servicing the large hinterland: workers were employed in the South African mines and charges were levied for the use of Mozambican ports by Rhodesia and South Africa. This offset the deficit on visible items and left the overall current account more or less in balance.

After independence South Africa's attempts at destabilization and Mozambique's compliance with the UN Security Council resolution imposing sanctions against the Smith regime in Rhodesia caused a sharp drop in revenues from the export of services. Even so the invisible account remained in surplus, though no longer sufficiently to offset the country's huge visible trade deficit. Now, however, even the invisible account is in deficit and Mozambique is dependent on foreign aid on concessional terms to bridge the gap.

The World Bank estimates that of the foreign currency to which Mozambique has access only 15% is actually at the country's disposal, i.e. does not involve foreign intervention of some kind.

The social and economic position thus remains very worrying: both the state of war in which Mozambique still finds itself and the short-term impact of the adjustment programme have had the effect of worsening the economic situation of the poorest sections of society. The country has also been hit hard by developments in eastern Europe and by the Gulf war: oil which was once supplied on special terms by the Soviet Union now has to be bought using hard currency, while much of the country's industrial and transport equipment came from eastern Europe and is now almost impossible to maintain and repair. In addition many experts from eastern Europe working in Mozambique under the terms of aid agreements are now leaving or else demanding payment in hard currency while around 15,000 Mozambican migrant workers in the former GDR were sent home following German unification, causing serious problems on the labour market; the revenue formerly gained through them has also been lost.

2.2.4.2 Demography and environment

Tabel 2.6
Demographic statistics

Population

1980	12,103,000
1989	14,275,000
1990	14,532,000
1991 (estimated)	14,794,000
2000 (projected)	17,370,000
Population growth	1.8% per year
Population density	18 per square kilometre
Time taken for population to double	39 years
Urbanization	19.4%

Age breakdown

	Male	Female
0-9	16.6%	17.3%
10-19	11.6%	10.5%
20-29	6.3%	8.1%
30-39	4.9%	6.1%
40-49	4.0%	4.2%
50-59	2.6%	2.5%
60-69	1.4%	1.2%
70+	1.2%	1.2%
Total	48.6%	51.5%

Languages

Makua	38%
Tsonga	24%
Sena	10%
Shona	10%
Swahili	6%
Chopi	5%
Chewa	3%
Yao	2%
Makonde	2%
Portuguese	1%
Others	1%

Ethnic groups

Makua	47%
Tsonga	23%
Malawi	12%
Shona	11%
Yao	4%
Others	3%

Religions

Traditional	48%
Catholic	13%
Muslim	13%
Others	8%

The makeup of Mozambique's population has altered significantly as a result of the war: there are now almost 27% more women than men in the 20-40 age group, with the result that many Mozambican women have to make a living and find food for themselves and their children without the help of a partner. Their task is made all the harder by the lack of land rights, the failure to implement equal-pay legislation, early pregnancy, the lack of child-care facilities and the unavailability of credit.

After independence many skilled and semi-skilled Mozambicans (mainly men) and Portuguese left the country. Recent figures indicate that the war has left over 2.6 million people homeless and that a further 1.6 million have fled the country. The main refugee destinations are now Malawi and South Africa: in Malawi some settle in UNHCR camps but many do not, while South Africa treats them as illegal immi-

grants and denies them official refugee status. In Mozambique itself internal movements have produced a rapid increase in the population of urban and peri-urban areas.

The armed struggle for independence from Portugal contributed to the advancement of women in a traditionally male-dominated society as women joined Frelimo and became guerillas, local party representatives, guides and health workers. In 1973 a women's organization (Organizacao da Mulher Mocambicana, OMM) was set up within Frelimo; in 1990 it split off and became an NGO. The OMM, whose strength lies mainly in its high level of organization at local level and in the countryside, works for the abolition of polygamy and the dowry system and is active in the organization of refugee camps and children's centres.

Mozambican ratification of the 100th ILO Convention, prescribing equal pay for women and men, has mainly benefited educated women; those who lack an education remain subordinate in both urban and rural areas. Much of Mozambican agriculture depends on female labour but only in the "zonas verdes" around the cities have women managed to organize themselves into farmers' cooperatives (there are around 200 cooperatives around Maputo, 95% of whose 10,000 members are women). The cooperatives have recently set up a coordinating agency, the General Union of Agricultural Cooperatives, which receives aid from UNICEF and the Netherlands. In the north of the country there is still great resistance to women joining cooperatives.

Women are relatively strongly represented in the armed forces and the police but the enrolment of girls in primary education needs to be further increased.

Strains on the urban infrastructure have grown considerably, partly owing to lack of maintenance within many public services. Only 30% of the urban population has access to a safe water supply. Uncontrolled settlement on the fringe of urban areas has led to serious erosion. The scale of deforestation around urban areas is alarming; indeed, recent studies have seen this trend, together with the rising cost of firewood to urban households, as the greatest problem facing Mozambique in the energy field.

Despite the growth of urban populations Mozambique remains a predominantly agricultural country, with 80% of its people living in rural areas. The overall density of population is 18 per square kilometre, with the greatest concentrations in the central provinces of Zambézia and Nampula.

Land in Mozambique is nationalized and is allocated to farmers on the basis of household size. The renting of land is illegal, albeit the legislation on this point is now being revised.

Industrial pollution of sea and river water in the Maputo area has reached disturbing levels; groundwater pollution, resulting in part from poor sanitation in the urban fringes, is also taking on unacceptable forms. The beaches of Maputo and Beira are affected by serious coastal erosion.

The national agency responsible for land-use planning recently put forward proposals concerning environmental protection and the location of responsibility for environmental affairs within government. These topics are to be discussed at a national seminar scheduled to take place in Maputo in November 1991.

2.2.4.3 Poverty: situation and policy

2.2.4.3.1 Food security

Under a strict definition of absolute poverty (as the level of household income at which children's growth is stunted) two thirds of Mozambique's population are estimated to fall below the poverty line. Urban unemployment has increased through job losses and the influx from unsafe rural areas while the real income of those in work fell sharply between 1986 and 1990. Urban food supplies have suffered through the war, which has caused both transport difficulties and a sharp drop in farm output.

Despite the country's considerable natural resources and agricultural and fisheries potential (Mozambique could be a net food exporter), food supplies are a great problem to the entire population. The con-

stant threat of war has dislocated the rural economy and food production is stagnant. The food security of the small farmer has suffered: the average household can meet only one third of its food needs from its own output (equivalent to four months of the year) where under normal circumstances it would be able to meet its needs for around eleven months of the year. Recent estimates indicate that half the population, including 3.5 million people in urban areas, depend on imported food, while around half of all children are chronically undernourished and supplies of food and clean water and facilities for health care and education are scarce. The considerable improvements made in many public services between 1975 and 1980 have been wiped out by war and economic difficulties.

The Mozambican government's social policy as embodied in the 1987 Economic Rehabilitation Programme (ERP) placed stress on greater equality, to be achieved through hoped-for (but unrealized) economic growth. While the aims of that policy included narrowing the disparity between urban and rural areas, small farmers' needs were ignored in that food prices were set on the basis of urban consumers' purchasing power; this, together with drought and the continued armed struggle, led to a rapid impoverishment of small farmers. A growing black market further widened the income gap between small and large producers, since scarce resources in practice went to the better-off farmers.

Now that small farming has been given greater priority under the adjustment programme, with prices brought more into line with market levels, the poorer sections of the rural population can be expected to benefit from the greater role given to the market mechanism. However, urban living standards are adversely affected by higher food prices and lower subsidies to consumers.

The fall in living standards has occurred despite the fact that since 1988 the adjustment programme had included measures to protect the income of the worst-off, and Mozambique therefore decided to take part in the regional "Social Dimensions of Adjustment" programme of the World Bank and UNDP.

The proposal under the ERP to cut civil-service employment by 10% will increase the numbers of urban poor. However, the rise in incomes which the ERP seeks to achieve and the fall in black-market prices will help limit the decline in urban purchasing power. A system of rationing has been introduced to cushion the impact of the ERP on the poorer sections of the urban population.

At the 1989 Consultative Group meeting attention was drawn to the adjustment programme's adverse social effects on large sections of the population. On the same occasion, partly with a view to bringing out the importance of coordination between the adjustment programme itself and the social dimensions of adjustment, the ERP was renamed the Economic and Social Recovery Programme (ESRP), while donors pledged a further US\$ 1.3 billion to support the adjustment programme. Two supporting programmes were set up to help relieve poverty, namely the Policy Data and Analysis Programme (whose purpose is to collect data on poverty) and the Priority Social Action Programme (which targets aid on the most vulnerable sections of society).

We need to know which effects are one-off or short-term and which affect long-term development, distinguishing in the process between rural and urban populations.

a. Rural population

One of the ESRP's aims is an improvement in rural people's market position. In terms of official prices the international terms of trade improved continuously over the period 1980-86, but the rural population derived little benefit from this improvement because only a tiny proportion of trade was conducted on the basis of official prices. In terms of prices on the parallel market the real international terms of trade deteriorated considerably over the period, as table 2.7 shows.

Table 2.7

Mozambique: international terms of trade for small-scale agriculture
(index, 1980 + 100)

	1980	1985	1986	1987	1988	1989
Official index	100	134	138	167	83	69
Parallel index	100	67	61	92	84	

Having briefly improved after the introduction in 1987 of the ERP, the international terms of trade facing small farmers again began to deteriorate. The figures shown in the table are anyway optimistic, since small farmers receive less for their produce and pay more for their raw-material and other inputs than the official statistics show: the difference is explained by the rake-off taken by private intermediaries, of which the official system takes no account.

The question then arises whether the recovery in market prices paid to small rural producers will be sustained. If the terms of trade continue to move against them it could well be that small farmers will respond by cutting supplies to the market.

The position in rural areas has thus not improved significantly since the introduction of the ERP. While a small section of the rural population may well have benefited from improved access to markets and supplies of incentive goods, the situation of the majority of farmers is still precarious and the outlook for them gloomy.

The ERP being assumed to have brought some improvement in the position of rural people, national and international attention has come to focus mainly on urban poverty and in particular on health care and education in urban areas; for however disturbing the position in rural areas, the poverty of the urban population is considerably more severe.

b. Urban population

Real urban wages have fallen. Calculations in the World Bank's Food Security Study show a considerable fall in real purchasing power as a result of the rise in food prices. The price/wage ratio for staples such as maize and rice rose between 1987 and 1989 from 150% to 300%, so that the average urban household now needs at least two incomes to achieve the same living standard as in 1987; the cost of water (put at 25-33% of the minimum income) and clothing is not included. Moreover average household size is increasing as a result of the arrival of family members in urban areas. The situation deteriorated in April 1988 when the subsidized food ration was abolished.

Urban survival largely depends on access to a plot of land. People therefore try to acquire land, but fertile and accessible land with adequate rainfall or irrigation is scarce in Mozambique and most of the urban population therefore have no access to land and the means of survival. Pressures on agricultural land in the Maputo green zone are particularly heavy.

Table 2.8

Mozambique: land use in the Maputo green zone

	Number	Land area (ha)	Average area (ha) per farmer
Private farmers	390	2,900	5.6
Family farms	58,200	12,300	0.2
Cooperative farms	203	750	3.7
Cooperative members	11,000	750	0.07

In urban areas the informal sector is beginning to grow. The reason for the apparent paradox - worsening poverty and a reviving market - is the liberalization undertaken under the adjustment programme, which

has tended to concentrate wealth in few hands (a study in Tete, a provincial capital in central Mozambique, found that 20% of the population received 70% of all monetary income) and leaves the majority of urban people to face at best a marginal existence.

2.2.4.3.2 Education

At independence in 1975 the vast majority of Mozambique's population - 93%, according to estimates - were illiterate; the rate among women was as high as 96%. In the early years of independence large-scale literacy campaigns were organized which initially had much success.

Free education, open to all, was one of the government's first priorities, and the education system was allocated around a quarter of government spending. Initial results were impressive as the number of primary-school pupils rose from 670,000 in 1975 to 1,400,000 in 1980 and the percentage of girls rose from 34% to 43%. The number of primary-school pupils doubled between 1975 and 1984, standing in the latter year at over 1.3 million. Over the same period the number of secondary-school pupils rose five-fold to over 125,000.

After 1984, however, both the scale and quality of Mozambican schooling went into rapid decline. Renamo attacks on schools increased sharply and by April 1984 1863 of the 4727 primary schools had closed and almost 315,000 children were deprived of education. Educational problems are not spread evenly across the country: while the overall proportion of schools destroyed is 45% (table 2.1) the proportions in the provinces of Niassa, Zambézia, Tete and Maputo are 57%, 74%, 82% and 56% respectively, and the number of pupils has fallen proportionately.

Particularly in rural areas people are increasingly unable to see the point of learning to read and write, if only because there is nothing to read and therefore no opportunity to practise reading skills. The proportion of youngsters in primary school fell from 95% in 1981 to 59% in 1989; educational standards are low and the drop-out rate high.

The educational position in Mozambique is extremely serious. The illiteracy rate, currently 80%, is rising on account of the difficulty of getting to school (the result of the war) and the shortage of teachers and facilities. Only 40% of primary-age children are enrolled at school and the proportion has been falling in the last few years as the number of children in the age group increased by 6%. For every thousand children entering the first year of primary school, only fifty reach the fourth. According to the Ministry of Education the pupil/teacher ratio is 62:1 in primary schools and 28:1 in secondary schools. The situation is such that fewer and fewer girls will be sent to school.

Table 2.9
Mozambique: education

	Primary	Secondary	Further/Higher
Institutions	3,927	228	3
Teachers	20,884	4,015	354
Students	1,286,96	112,388	1,862
Students per teacher	62	28	5
Students per institution	328	537	620
Proportion of GNP going into education:	1.2%		

The financial situation meant that virtually no resources were allocated to secondary education in the 1991 budget. In an attempt to cover the shortfall parents were asked to pay charges, with the result that between 1986 and 1988 the costs of schooling to the average household rose from 15% to 35% of the minimum income.

The quality of Mozambican education has also fallen sharply, reflecting financial constraints and:

1. the abolition of the pre-primary preparatory year in which children learned Portuguese (which is not the mother tongue of the great majority of the population);
2. the total lack (and prohibitive cost) of teaching and learning materials;
3. the "triple shift" schooling system, which makes the effective school day very short.

The result is that many pupils have to repeat a year or leave school early. The "effective education rate", namely the number of years per pupil completing school divided by (into?) the number of course years, is only 20%. Even those who complete a phase of their education are ill-equipped to enter the next, producing a high drop-out rate in subsequent phases.

Heads, teachers and pupils have no say in how the system is organized, what goes into the curriculum or how school budgets are spent, all of which are centrally controlled.

2.2.4.3.3 Health care

After independence priority was given to expanding primary health care in rural areas, with a stress on prevention through education and post-natal care. The Frelimo regime nationalized the entire health-care system and prohibited private practice, with the result that many doctors and nurses promptly left the country.

Applying "health for all" and "primary care" strategies the Frelimo regime made great strides in its first seven years: Mozambique was among the first developing countries to compile lists of essential drugs, while campaigns to encourage vaccination against childhood diseases achieved success rates ranging from 25% (poliomyelitis) to 47% (tuberculosis) of the target groups. Up to 1985 just over 11% of the government's budget went on health care, as against under 6% for sub-Saharan Africa as a whole.

In the 1980s, however, the struggle with Renamo and economic recession undid earlier successes. According to the UNICEF report *Children on the Front Line* no less than 700 health clinics were destroyed by Renamo in the period 1981-86 (1982-87: 820, 31%), while many others are now in a poor state. Vehicles and other kinds of equipment have deteriorated, and many rural health workers have been forced to leave their stations. The UNICEF report notes that, at 325-375 per thousand, child mortality is now the highest in the world; without the effects of war and destabilization a figure of 160 per thousand might have been achieved. The vaccination programme too has suffered badly as a result of the war.

Since 1986 the government has had to reduce health provision, cutting spending to 8% of its budget. In nominal terms public health expenditure per head of population fell from US\$5 in 1980 to US\$1 in 1988; in real terms the fall was still greater. Under the Economic and Social Rehabilitation Programme (ESRP) health care is no longer free at the point of delivery and the increased charges now levied immediately produced a drop in medical consultations and drug use. In the first year of the adjustment programme visits to physicians fell by a third and a sixth of patients could not afford the drugs they were prescribed.

Health care in Mozambique now depends heavily on international support: in 1990 donors paid half the fixed costs of health care and four fifths of the cost of imported drugs. A section of the Ministry of Health in Maputo is engaged in research into traditional remedies, used by an estimated 80% of the population.

Between 1975 and 1990 the number of doctors rose from 171 to 307 and that of nursing staff from 2,000 to 5,300; the number of hospitals fell from 426 to 250. This means that in 1990 there was a hospital for every 57,000 people and a doctor for every 46,000, far less than the number needed to meet Mozambique's needs. At the end of 1990 there were only 17 doctors working in rural areas.

It is estimated that some two million people who gained access to health care in the years after independence have since lost it.

The situation of health care in Mozambique is thus among the worst in Africa.

Table 2.10
Mozambique: health statistics (1990)

Life expectancy at birth:

- males	45 years
- females	48 years
Birth rate	47 per thousand
Mortality rate	18 per thousand
Infant mortality	142 per thousand
Child mortality	375 per thousand

	Number per unit	Population per unit
Hospitals	250	57,100
Hospital beds	24,342	586
Physicians	309	46,197
Dentists	96	148,698
Pharmacists	8	1,784,375
Nursing staff	2,694	5,299

Since 1989 the Ministry of Health has been pursuing short- and long-term strategies. The long-term strategy is aimed at the further expansion of provision in rural areas and improvements in quality and efficiency; it seeks both to promote a high standard of medical care and to build up a comprehensive and integrated system of primary provision. The short-term strategy is concerned with services in Frelimo-controlled areas and the rehabilitation of health care where possible.

2.2.4.3.4 Drinking water supply and sanitation

In 1980 68% of the urban population had access to a safe supply of drinking water; in rural areas the proportion was no more than 4%.

In colonial times urban water supplies were limited to town and city centres; the urban fringes, where the local population lived, were served by a small number of public taps. Treatment plants and supply networks were therefore on a limited scale.

Urban water supply deteriorated sharply between 1980 and 1990, and by 1988 the proportion of the urban population with access to safe supplies had fallen to only 28%. The main reasons for the decline were the explosive growth of the urban population, the lack of administrative and managerial staff at all levels and the decay of the system due to a lack of knowledge, financial resources, equipment and transport. In the urban fringes, where the worst-off live, people must queue for water for long periods at the few public taps still working, or pay five times the normal price to those residents who have their own supply and sell water illegally. Many thus have to rely on water from shallow wells which are often contaminated with coli bacteria owing to the low standards of sanitation. The commonest children's disease is diarrhoea (an average of 4.7 episodes per child per year in 1988). In 1982 135 children aged under four died of cholera; in 1983 the figure was 10,745; figures for later years are unavailable.

The situation as regards sanitation and drainage is equally dire. With the exception of Beira, where the sewerage system is run by the water-supply company, responsibility for sanitation and drainage lies with municipal authorities, which are even less well equipped than the water undertakings to discharge it. With the exception of those of Maputo and Beira, urban sewerage and drainage systems are defective and small in scale. The systems were not extended after independence and most homes are not connected to main drains. One of the few services which municipal authorities provide is the emptying of septic tanks, though here too they lack the necessary equipment in many cases. Except in Maputo urban sewage is discharged untreated into rivers or the sea. The rapid expansion of the provincial capitals and the lack of capacity and resources mean that in the urban peripheries the only form of sanitation is the pit latrine, even where the water table is high.

2.3 ZAMBIA

2.3.1 General

Thanks primarily to copper revenues Zambia was long one of the richer countries of southern Africa. The situation changed in 1974, however, when the world-market price of copper began falling and with it the country's earnings from its main source of foreign currency. Since it was initially thought that the new external conditions, including higher oil prices, were of a temporary nature, current-account deficits were financed by borrowing abroad, mainly on non-concessional terms.

Other external factors that severely affected the Zambian economy were the periods of drought in 1982-84 and the security situation in southern Africa, which forced this landlocked country to use long and relatively expensive links with seaports. Internally, the economic policies of the Zambian government, particularly its subsidy policy and the development of an extensive parastatal sector, also contributed significantly to the country's economic decline.

Since the early 1980s, when Zambia could no longer obtain commercial loans and donors were unwilling to provide additional aid unless structural economic reforms were forthcoming, the country has gone downhill fast. The foreign-currency shortage has for some years meant that Zambia cannot finance essential imports, resulting in the serious underutilization of productive capacity, while monetary financing of the budget deficit has combined with a shrinking supply of goods to generate high inflation. The living standards particularly of the weaker groups in Zambian society have fallen sharply.

For over ten years Netherlands aid efforts have been mainly targeted on Western Province, a relatively poor province where the Netherlands is the only active donor.

2.3.2 Political situation

2.3.2.1 Domestic developments

The process of political change which so many African countries are currently undergoing has also had far-reaching effects in Zambia, which was ruled from independence in 1964 until 1991 by President Kenneth Kaunda. In December 1990 a multi-party system was introduced, putting an end to the long period of one-party rule by UNIP, and in elections held in October 1991 UNIP was roundly beaten by the main opposition grouping, the Movement for Multi-party Democracy (MMD), which now holds 126 of the 150 parliamentary seats. President Chiluba, a former trade-union leader, is the chairman of MMD, whose support comes partly from the trade unions and partly from businesspeople and academics.

The elections were monitored by international observers, among them the Carter Foundation from the United States, and appear to have been conducted in a peaceful and orderly fashion.

Important factors underlying the political liberalization now under way in Zambia include the general movement towards democracy on the African continent (influenced in part by events in eastern Europe) and the declining prestige (due to economic problems) of the former ruling party, UNIP.

Parliament and the army also played a part in bringing about political change. The Zambian parliament had begun taking a more independent line and in April 1990 rejected a constitutional amendment which would have further increased UNIP's formal powers. For its part the army, on which the President had to call in summer 1990 to suppress food riots, proved not to be unanimous in support of UNIP. Since Zambian independence the army and the police have not played an important part in the country's political development, subordinating themselves to the civil power.

2.3.2.2 Foreign policy

Former President Kaunda always sought to act as mediator in southern African conflicts and the active role played by Zambia is reflected in the ANC's decision to locate its headquarters in Lusaka. The central position which Zambia still occupies in the region is also illustrated by the fact that it was the first coun-

try visited by President Nujoma of Namibia and by the newly released ANC leader, Mr Nelson Mandela. Zambia has high expectations of the role to be played by a democratic South Africa in the SADCC and PTA.

Events in neighbouring countries and the peaceful situation obtaining in Zambia itself have meant that over the years many refugees have streamed into the country. Numbering around 150,000, the refugees represent a considerable economic, and in some cases political, burden, including as they do dissidents whose presence complicates relations with neighbouring countries; moreover in recent years there have been a number of attacks on Zambian territory by Renamo.

2.3.3 Human rights

The human-rights situation in Zambia is relatively good. The state is not directly involved in grave abuses such as summary executions, disappearances or torture, while the justice system and to a lesser extent the press enjoy a degree of independence. As was noted earlier, in 1990 a multi-party system was introduced and a new constitution announced which better secured the separation of powers.

Until the constitutional reform of December 1990 the ban on political activity outside the only legal party, UNIP, was a serious infringement of freedom of assembly and association in Zambia. The number of political prisoners in Zambia has fallen continuously in recent years and, as far as is known, there are now none. Zambia has had a well organized and powerful security service, with little that happened in the country escaping its attention, but the new government is expected to put an end to its predominance.

Legislation on working conditions, minimum wages, pensions, redundancy procedures and minimum working ages is well developed in Zambia, thanks in part to the strong position of the trade unions, though it should be borne in mind that in 1989 there were only 360,000 formal jobs in a country of 7.5 million people. The right to strike is subject to strict and time-consuming procedures which make the majority of strikes illegal.

The main organization regularly concerning itself with human rights is the Law Association of Zambia, whose activities generally attract considerable publicity and which thus has an important whistle-blowing function

Freedom of worship is guaranteed by the Constitution and religious groups are not subject to restrictions. It should further be noted that refugees from Angola, Mozambique and Zaire are always well cared for in the small number of fairly large refugee camps that exist in Zambia. While the Asian community has regularly been the object of heavy-handed police action, it cannot be said that there is officially sanctioned discrimination.

The Zambian government, which formally attaches great importance to improving the position of women, has ratified the convention on the abolition of discrimination against women and amended its domestic legislation accordingly. The state gives equal rights to women and men, seeking to increase women's role in the life of society, and a significant number of government posts are held by women. Tradition and culture stand in the way of sexual equality, however, as witness the limited effectiveness of the 1989 legislation to protect widows against the traditional practice whereby the dead husband's family takes all the couple's property: the custom has by no means disappeared.

2.3.4 Social and economic situation and policy

2.3.4.1 Macroeconomic situation, economic growth and self-sufficiency

Mining, particularly copper mining, plays a central role in the Zambian economy, and the country's large copper reserves and high world prices gave a good start to its development process following independence.

While Zambia remains heavily dependent on copper, the source of almost 90% of its export earnings, 15% of GDP and 30% of state revenues, in other respects the situation has changed radically. From the

beginning of the 1970s onwards Zambia has been faced with falling copper prices which have only recently shown some (probably temporary) recovery.

The copper industry's net share in export earnings is somewhat lower. This is because it is also, in relative terms, the most import-dependent sector of the economy, with around 43% of gross export revenues being used to fund imports of capital equipment. Compared with the mid-1960s revenue from the sale of a given amount of copper will now pay for only about one third of the amount of imported goods. The continuing fall in copper prices has led to chronic balance-of-payments difficulties and a serious shortage of foreign currency; in the early 1970s the gap was bridged by foreign loans on commercial terms. Industrial capacity is increasingly underutilized and income per head has declined steadily.

In the early 1980s Zambia's economic difficulties became so serious that its donors and creditors were unwilling to provide further credit unless the government undertook certain economic reforms, and in the course of the 1980s measures were announced such as the devaluation of the Zambian kwacha, the reduction of government spending through cuts in the subsidies on consumption goods, a tight rein on public investment, a recruitment freeze in the civil service, a wage freeze, price decontrol and a series of moves to raise productivity in farming, mining and manufacturing.

Zambia was however faced with a further drop in export earnings as copper prices continued to fall, while monetary expansion undermined its programme of economic restructuring and donor support for the currency auction system proved inadequate. At the same time falling incomes and cutbacks in social provision (which hit the large urban population in particular) fuelled domestic opposition to the reform programme. From independence in 1965 to 1987 real incomes fell by an average of 2.1% a year. The rapid pace of economic reform which donors had encouraged proved unsustainable, and in 1987 the Zambian government developed its own plan for economic recovery, the Interim National Development Plan. However, this plan marked a return to economic interventionism and proved incapable of reversing the country's decline as per capita incomes fell to US\$ 200. In 1988 inflation exceeded 50%, and partly for that reason the Zambian kwacha grew increasingly overvalued; the black-market exchange rate was many times higher than the official rate of 8 kwachas to the dollar.

In 1989, in the light of the critical financial situation facing Zambia, a new policy framework was drawn up in close consultation with the IMF and the World Bank. The main features of the new policy for the medium term and the objectives for 1989-93, set out in the Policy Framework Paper, include:

- recognizing the price mechanism as an efficient means of allocating resources;
- positive real interest rates to encourage domestic savings and ensure the productive use of resources;
- promoting non-traditional exports, liberalizing the trade and foreign-currency regime and moving to a single exchange rate by mid-1992 at the latest;
- improving the structure of the budget and cutting the borrowing requirement;
- reducing the government's use of monetary expansion to finance its deficit;
- emphasizing the maintenance and rehabilitation of the infrastructure rather than new projects;
- initiatives in the farm sector, which the Zambian government sees as offering the greatest opportunities for growth.

With these objectives in view the government has:

- made a series of exchange-rate adjustments. In 1990 an Open General Import Licence (OGIL) System for certain goods, using a more realistic market-related exchange rate, was introduced on a temporary basis. The list of goods was regularly extended and at the beginning of 1991 the system of dual exchange rates was abolished. At the end of 1991 the official exchange rate was 78 kwachas to the dollar;
- abolished all direct and indirect price controls (except on maize meal);
- reduced subsidies to both producers and consumers. Maize meal prices were tripled in January 1989 and again raised sharply in 1989 and 1990. Fertilizer prices were also sharply increased (by some 150%). The result was a major reduction in the cost of subsidies.

In accordance with the Policy Framework Paper a Public Investment Plan (PIP) was drawn up for the

period 1991-94; concerned with certain key sectors, it stresses economic diversification and sets out priorities for public investment. In the key sectors it gives priority to investment in rehabilitating existing production structures. Much of the PIP is concerned with agriculture, with a particular focus on improving smaller farms' productivity through improved marketing, credit facilities, advisory services and the like. Another focus of attention is the rehabilitation of manufacturing and transport.

At Consultative Group meetings in 1990 and 1991 the donor community, including the Netherlands, voiced a number of reservations regarding the new policies.

1. Thus far the emphasis has been too much on a classical IMF stabilization programme. The results did not live up to expectations: inflation remained high, economic growth in 1990 was negative (and the prospects for 1991 are not hopeful) and there has been little if any revival in industry. Elaboration of the Social Action Programme was also delayed.
2. Necessary structural changes, notably reform of the parastatals and contraction of the civil service, have been deferred. The copper industry continues to form an economy in its own right. Moreover the only structural reform to have been implemented, a partial liberalization of the maize market, has not so far had the desired result: in 1991 Zambia had to import maize.
3. The IMF programme overestimates the Zambian government's administrative capacity and technical assistance is only slowly coming on stream.
4. Particular reference was made to the Zambian government's still considerable use of monetary expansion to cover its deficit in 1990 and 1991. Inflation was 115% in 1990.

It was however recognized that external conditions - notably falling copper prices and sharply higher oil prices - were hardly conducive to the success of the adjustment programme.

Zambia's external financing requirement in 1991 totalled US\$ 1.1 billion, which was reported to comprise the following components: donor project financing (US\$ 200 million), World Bank loans (US\$ 400 million), private capital flows (US\$ 40 million) and additional balance of payments support from donors (approx. US\$ 450 million). However, 1991 was election year, and liberal monetary financing led to the budget deficit norm being significantly exceeded. (It rose from 0.7% to 6.5% of GDP). There was a 98% increase in the money supply, resulting in 118% inflation for 1991. Consequently, a large number of donors provided less additional aid than had originally been projected. In addition, the delay in payments by Zambia to the World Bank led the latter to suspend links with Zambia in September 1991.

On coming to power at the end of 1991, the new government indicated that it intended to double its efforts and continue the policy of deregulation, market economics and slimming down of the machinery of government. Energetic efforts in this direction were taken in close consultation with the World Bank and the IMF. The budget presented to Parliament at the end of January 1992 contained a range of measures for reducing the budget deficit from 9.5% to 1.9%. In addition to tightening up expenditure priorities, the taxation system was to be reformed and collection improved in the short term. Restrictions on financial transactions with other countries were to be reduced. In addition, the system of subsidies was radically reformed in early 1992. All direct and indirect price measures were lifted, and producer and consumer subsidies drastically reduced. One result of this has been another sharp increase in the price of maize meal and fertilizer.

The goal of economic diversification is proving elusive. In 1985 the mining industry accounted for 15.6% of GNP, 58% of employment and 90% of exports; the corresponding figures for 1989 were 12.5%, 54% and 85% respectively. Other important sectors are covered in the following table, which also includes data on formal employment.

GDP by sector (%)

Agriculture	14
Mining	13
Manufacturing	35
Commerce	14
Services	15
Construction	2
Other	7
Total	100

Expenditure by category (%)

Private consumption	77
Government spending	13
Investment	8
Stocks	1
Goods and services	29
Services	28
Total	100

Formal employment by sector

Agriculture	37,200
Mining	54,200
Manufacturing	50,900
Construction	20,800
Commerce	26,600
Transport	26,100
Services	110,200
Other	39,200
Total	365,200
Total workforce	3,694,000

The mining industry's large role in government revenues is clear from the following table (estimates for 1991), which also shows the pattern of government spending.

Government revenue (%)

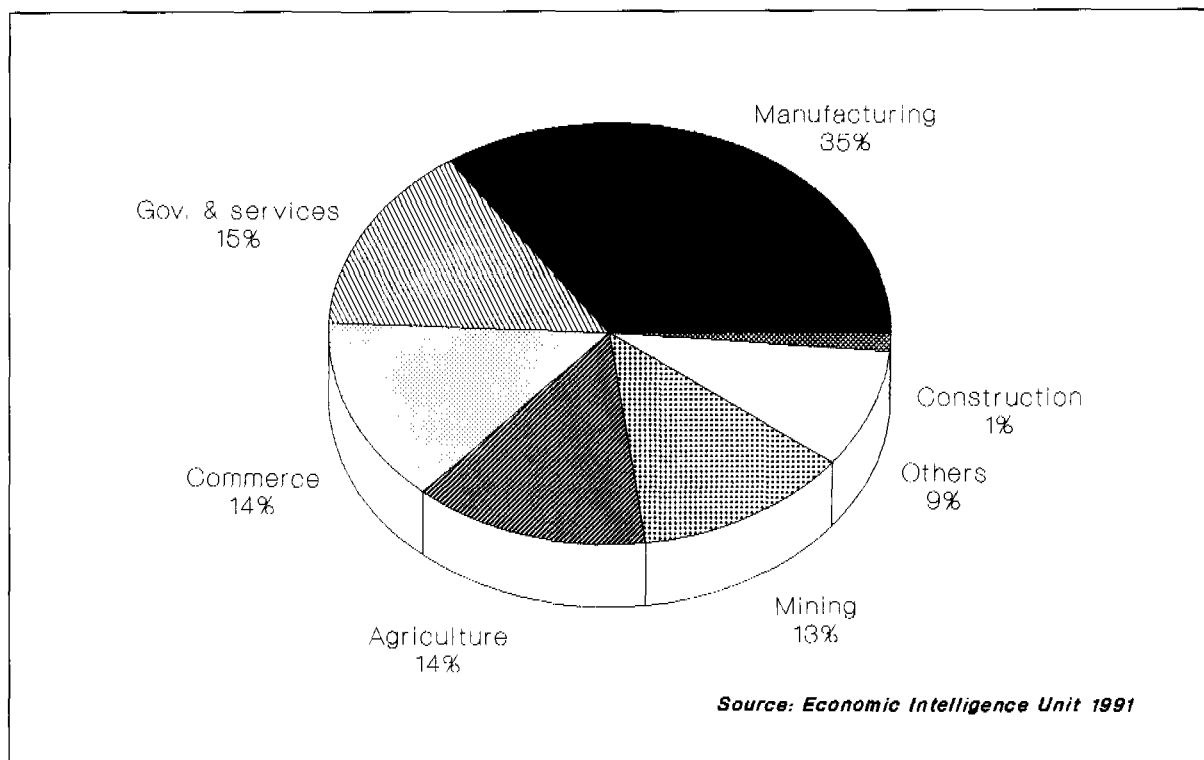
Direct taxes	17.4
Import duties	44.1
Mining levies	14.2
Other taxes	24.3

Total	100.0
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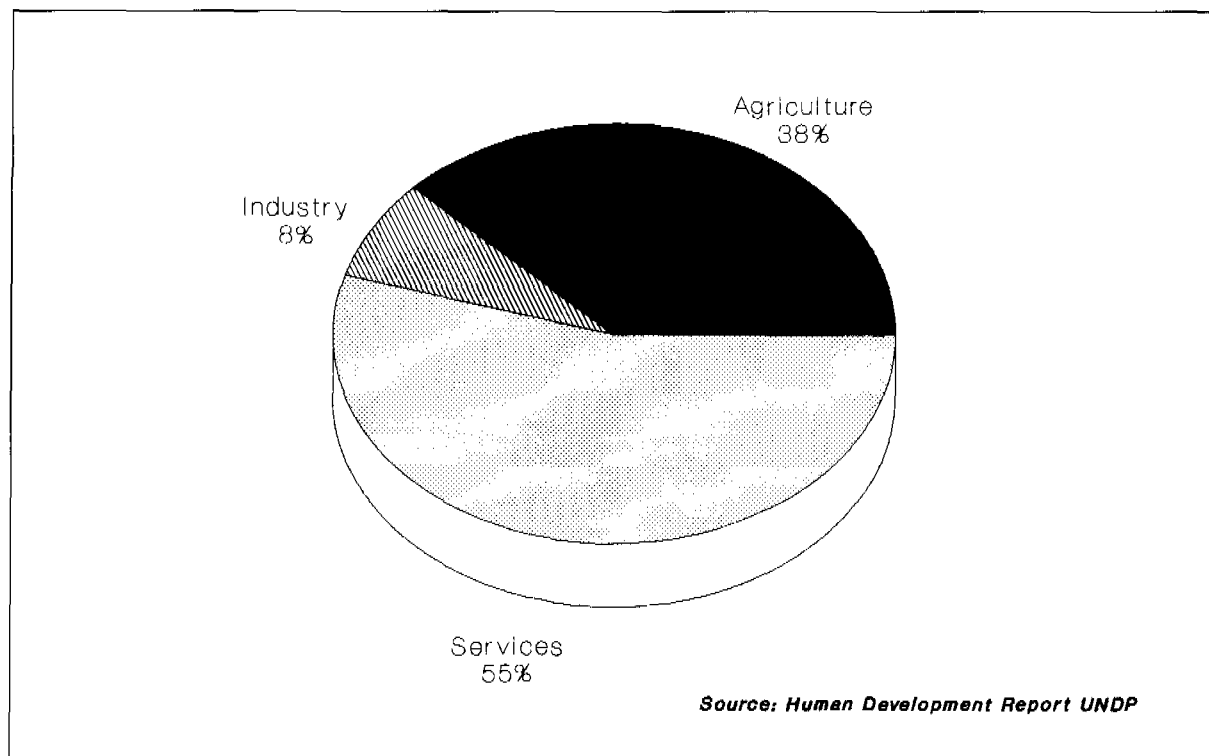
Government spending (%)

Education	12.5
Agriculture	6.8
Health care	6.6
Transport and communication	13.6
Tourism	11.7
Subsidies	11.5
Other	37.3
Total	100.0

**Fig. 2.3.4.a: G.N.P. ZAMBIA 1989
by economic sector**



**Fig. 2.3.4.b: Labour force
by economic sector 1985-1988**



The outlook for the mining industry is not bright. After 2000 progressive exhaustion will reduce output from the largest mines by an estimated 50%, and while new copper-ore reserves have been found the financial feasibility of their exploitation is still uncertain.

Donors are pressing both bilaterally and multilaterally for improvements to Zambia's adjustment policy, the main focus of attention being its likely impact, not adequately explored in the Policy Framework Paper, on income distribution and on poorer households' access to basic public services. An initial measure taken by the government in 1990, following the imposition of a sharp increase in the price of maize meal, was the introduction of a coupon system allowing those in the lowest income groups to buy a certain quantity of maize at a low price. Plans have been developed to promote small businesses and employment projects; given the government's intention of slimming down parastatals and the civil service in the near future, great importance attaches to increasing both formal and informal employment.

To analyse the social implications of the adjustment programme and to counter adverse effects wherever possible a Social Action Programme has been drawn up, in close consultation with donors, setting priorities in the areas of:

- education,
- health care,
- water supply and sanitation,
- food growing and food security,
- income-generating activities and employment,
- women and development.

By virtue of the large volume of aid provided the Netherlands is particularly involved in health care, where the central focus is on the rehabilitation of the primary sector.

The government has announced that it will take four measures to help the weaker economic groups. These measures are as follows:

- a temporary food subsidy for the "breakfast meal" eaten by the poorer population groups;
- a special programme, to be undertaken by the newly-set up Ministry for Community Development and Welfare, to promote activities in less developed areas, with funds being channelled partly through churches and NGOs;
- continuation of the Social Action Programme set up in association with donors, under which small-scale social activities receive support; and
- a programme aimed at the small-scale, community-based, labour-intensive rehabilitation of public works, notably in the following areas - infrastructure, education, health, and water and sanitation.

Zambia's external debt is considerable, in per capita terms the largest in the world. Total debt stood at about six and a half billion dollars at the beginning of 1992, which corresponds to 560% of export income, and without rescheduling debt service would amount to 65% of export earnings in 1991. Of this debt Zambia owes about 45% to multilateral organisations, 35% to bilateral donors and 20% to commercial banks and other institutions. Payment arrears to the IMF and World Bank alone totalled over one billion dollars at the start of 1991 (US\$ 800 million to the IMF and US\$ 200 million to the World Bank). Agreements were reached with both institutions in 1991: in the case of the IMF a Rights Accumulation Programme, while the World Bank will use part of the IDA and SAL loans scheduled for the first three years to cover the country's arrears.

With this scheme and the payment of arrears by Zambia (to which donors, including the Netherlands, made a contribution of US\$ 98 million) a World Bank Economic Recovery Credit became operational at the beginning of 1991. In September Zambia again fell behind in its payments to the World Bank, however, and the country's link with the Bank, and therefore also with the IMF, was again frozen. In January 1992 the new government normalized relations with the Bank, and the credit programme thus became operational again. The second tranche of the Economic Adjustment Programme - US\$ 80 million - became available at the beginning of 1992, enabling Zambia to settle its arrears to the World Bank. At

the beginning of 1992, the IMF was still owed US\$ 118 million for 1991.

In 1990 agreements were reached in the Club of Paris with various other official creditors, among them the Netherlands, on debt rescheduling. Discussions are also being held through the Club of London with a consortium of banks on refinancing commercial debt.

Zambia's financial aid requirement is very high. Its financing requirement in 1991 was estimated to be about US\$ 1.4 billion, falling to about US\$ 1 billion in 1993/1994. Deduction of donor funds for current programmes and private capital flows leaves a financing requirement for 1992 of US\$ 1 billion. Donors and the Zambian government are attempting to reduce the deficit by means of debt reduction and by additional balance of payments support from both bilateral and multilateral donors. Negotiations in this area between the new government and the donor community will take place early in 1992 in the framework of a Consultative group meeting.

2.3.4.2 Demography and environment

Zambia's population was estimated in 1989 at 7.8 million, of whom 550,000 (some 8%) live in the Western Province. Three times the size of the Netherlands, Western Province amounts to one sixth of the country's total area.

The population of Zambia is growing by 3.1% per year, albeit in some rural areas the rate is much lower (1.6% in Western Province, for example) as men migrate to the Copperbelt and Southern Province in search of work in mining or sugar production. This migration has left many households (30% in Western province) headed by women.

Almost half of the population now live in urban centres, making Zambia the second most urbanized country of sub-Saharan Africa (after South Africa).

Despite the high rate of population growth Zambia does not yet face serious ecological problems, since population densities are generally low (10 people per square kilometre). Uncontrolled discharges of toxic substances by the mining industry in the Copperbelt cause serious pollution, however, but despite the harm done e.g. to surface-water quality the economic importance of mining is such that little action has been taken to remedy the problem. In some parts of Zambia surface waters have also been polluted through the large-scale use of agricultural pesticides, notably Aldrin and Dieldrin.

Growing population pressures in urban areas are beginning to cause environmental damage, albeit only on a relatively small scale.

While the land is generally not very fertile, favourable climatic conditions (the annual rainfall is 750-1200 millimetres) and the range of heights above sea level allow many different crops to be grown; the main crop, by a wide margin, is maize, for both subsistence and sale. Along the Copperbelt railway line, where the concentration of population is greatest, output per hectare is stagnating or falling, casting doubt on the sustainability of current methods of maize cultivation.

Some 40% of Zambia is still forested, and while the annual rate of deforestation (0.2%) is not yet such as to cause serious concern the decline of commercially attractive species such as the Zambezi teak and the associated ecosystem is worrying. Zambia has many lakes, rivers, reservoirs, flood plains and marshy areas which play an important part in providing dietary protein: 66,500 tonnes of fish are caught every year, with some 28,000 traditional fishermen making much or all of their living in this way.

As the previous chapter noted, problems relating to the environment and to physical shortages are generally not yet acute in Zambia and projects specifically concerned with ecological problems are therefore not included in the programme of cooperation in Western Province or elsewhere.

While the environment is still in a healthy state in Western Province, certainly compared with many other parts of Africa, the environmental profile of the province compiled in 1988 identified several problem areas and showed caution was needed. Current forestry methods are not sustainable, for example, felling

having reduced the Zambezi teak forests to the point that sustainable production is probably no longer feasible. Certain wildlife species (including elephants) are in decline, owing in large part to poaching and the encroachment of human activities on their habitat. Effective wildlife management has been however hampered by the civil war in neighbouring Angola: wildlife does not respect national boundaries and imports have been a useful source of income for the warring parties. Erosion caused by traditional drainage techniques in the peatlands is a third problem. The grasslands' carrying capacity is still adequate and current livestock numbers (500,000 head of cattle) are not such as to cause overgrazing, albeit local concentrations due to uneven distribution are resulting in degradation. Supplementary feed and improved grazing systems could provide a solution.

In some maize-growing areas the soil is becoming increasingly acid as a result of monoculture, the lack of crop rotation and the use of artificial fertilizer. Action to counter this process appears feasible, since Zambia has adequate reserves of gypsum, and the Netherlands has previously given help in this area. There is very little use of pesticides except in cashew cultivation (sulphur).

If incipient environmental problems are to be controlled and the area of farmland increased the farming methods used must be suited to the natural environment; this requires effective management supported and implemented by all concerned.

2.3.4.3 Poverty: situation and policy

Food security

A. Rural areas

The Zambian government's policy on incomes has focused mainly on the working population in formal employment (360,000); in addition, price controls and subsidies have been used to keep down the prices of consumption goods, particularly food. While this has produced reasonably high living standards in urban areas it has widened the gap between the towns and the countryside, where incomes have actually fallen as a result of the drive to hold down producer prices. This has reinforced the trek to the towns which began in the colonial period.

Zambian farmers fall into three categories: those running large or medium-sized commercial farms, who make up 4% of the total; emergent farmers, who account for 21%; and traditional farmers, who form the largest group (75%). Households in this last category are economically weak because they own little or no livestock, and cattle play an important part in agricultural development as draught animals and as sources of fertilizer and income.

Several studies have drawn attention to the fact that within the various categories the most marginal position is taken by female-headed households, reflecting their inadequate adult labour power, insufficient livestock and limited access to agricultural development services. Some of the households in this group may receive transfer income from men working elsewhere, but how far this happens is not known.

Zambia has been agriculturally underdeveloped since before independence, when the colonial authorities favoured a policy whereby Northern Rhodesia (now Zambia) concentrated on mining and provided a market for the food surpluses produced in Southern Rhodesia (now Zimbabwe). While the Zambian government gave at least formal priority to the development of agriculture following independence, in practice this policy had little effect as public spending was channelled mainly into supporting loss-making parastatals and subsidizing consumer prices.

Operation Food Production, a ten-year programme launched in 1980, succeeded in raising output through a series of incentives to farmers. Under the programme small farmers' share in maize production rose from one third to two thirds while the larger commercial farmers concentrated more on export crops, encouraged by incentives such as the right to retain 50% of foreign currency earned through non-traditional exports. The end of the 1980s brought a major change in respect of what is by far the most important crop, maize. All agricultural prices, including those of inputs, were further liberalized. The exception was the price of maize to the consumer, even though the state was increasingly unable to fund

consumer subsidies; the effect was to make maize-growing increasingly unprofitable, and it was inevitably the small farmer who suffered most.

Zambia is potentially self-sufficient in foodstuffs, any shortfalls being due mainly to inefficiencies in the marketing of agricultural produce. Data compiled by the FAO indicate that in the 1980s maize output increased by an average of 7% per year while per capita consumption fell. This apparent inconsistency can only be explained by significant informal exports to neighbouring countries with more efficient marketing systems. Marketing problems have a more serious impact in Zambia than in other countries of the region because more than half of its population live in towns.

Rural Zambia needs to free itself from the straitjacket of economic interventionism. While central government has made some liberalizing moves (e.g. it no longer sets the price of farm produce other than maize), the parastatal cooperative system, with its transport, storage, transshipment and processing facilities, still dominates relatively remote areas like Western Province and farmers (including women farmers) still face an extremely inefficient system unable to pay an adequate price for their products or even to guarantee the time of payment.

Zambian agriculture is also handicapped by the virtual absence of credit and savings facilities, the result in part of defective monetary policy.

In the immediate future much hangs on whether, and how quickly, autonomous farmers' organizations can be established. If such bodies do emerge it will be at the expense of the parastatal cooperatives which currently exist.

In Western Province 90% of the population depend for their livelihood on agriculture, and of these 95% are involved mainly in subsistence farming (in which cattle husbandry plays an important part). Around one third of households in Western Province are headed by women.

Large-scale male migration to other areas means that farm labour is in short supply; the area of land available to each household averages only 1.2 hectares; and the traditional methods used involve relatively low labour productivity. Irregular rainfall in 4-5 months of the year is a further problem, as is the very marginal nature of much of the land. While accurate figures are unavailable, it is estimated that Western Province meets only 50% of its cereal requirements despite considerable imports - 20% of needs - from other regions; these imports are financed using income from sales of cattle, the region's main export. The region's remaining staple requirements are thought to be met mainly by cassava and bananas but the relevant production figures are respectively unreliable and unknown. Inadequate protein intake is likely to be a problem where cassava and bananas figure large in people's diet, since the areas concerned are remote from the flood plain and fish, an important supplementary protein source in Western Province, is thus unavailable. Livestock farming offers a possible solution, through the consumption or sale of animal products, but the fact that 60% of the population own no livestock shows once again that the lack of food security at household level is at the heart of rural poverty.

B. Urban areas

As well as rural poverty, particularly in peripheral areas, Zambia now increasingly faces urban poverty owing to the country's serious economic decline and high level of urbanization. Unemployment is generating considerable problems in many urban areas, and social provision, relatively generously funded after independence, is now also in decline.

Under the Social Action Programme a multi-sectoral approach is increasingly being adopted, with an emphasis on food security and nutrition. Malnutrition is a problem throughout the country, particularly among the young; this is true not only in rural areas but also in towns, where food supplies are subject to unpredictable fluctuations and prices are relatively high.

Industrial development and employment are important to Zambia, in view among other things of the likely decline of copper mining as reserves are exhausted, but the Netherlands' involvement in this area will for the moment remain modest. The Zambian government recognizes that it needs to put greater

efforts than in the past into increasing employment in rural areas and has itself included a scheme for the rural resettlement of town-dwellers in the Social Action Programme linked to the programme of economic adjustment.

C. Women and development

In 1983 the Zambian government, prompted in part by the UN Decade for Women, appointed a National Coordinator for Women's Projects within the National Commission for Development Planning (NCDP); officials with responsibility for women's matters have also been appointed in other ministries (agriculture, education, social affairs). One effect has been the inclusion, for the first time, of a section on women and development in the Fourth Development Plan (1989-93); the theme is also covered in some sectoral plans. In agriculture the aim is to give greater recognition to women's productive contribution; if small-farm output is to be increased it is seen as essential that women gain greater access to the services of agricultural development organizations.

In practice, though, the impact on general government policy has so far been slight. Zambian experts on women and development put this down to the low status of the relevant units with the various ministries. For some years now experts on women and development in government ministries have worked with the Women's League and representatives of women's NGOs in the Women's Affairs Committee, a subcommittee of the UNIP Central Committee. Zambia has a lively NGO sector in the area of women's affairs, and alongside these traditional Women's Clubs numerous other organizations and groups, small and not-so-small, are active in this field.

Health

The health situation in Zambia has suffered greatly from the adverse economic trends of recent years: in the 1-14 age group the main problems are malaria and malnutrition, followed by gastric and intestinal infections, while among over-15s malaria is the commonest serious disease and AIDS-related tuberculosis the main cause of death in hospital. An effective immunization programme has greatly reduced the prevalence of infectious diseases.

In more prosperous times Zambia set up an extensive network of peripheral health centres supported by district and provincial hospitals, but financial constraints have made it increasingly difficult to fund the current and capital spending needed to keep the system functioning. As regards tertiary health care, the large hospitals located in Lusaka and the Copperbelt absorb a large proportion of the total health budget, which itself accounted for 7.8% of public spending in 1991.

Cost-recovery systems are being considered with a view to meeting some of the cost of health care. No such step has actually been taken, however, partly in view of its politically sensitive nature. Moves have though been made towards improved financial management and support for the peripheral centres involving a system of district health care.

Poor health-care management is a cause for concern. In consultation with donors, the Ministry of Health implemented a number of measures in 1991 designed to ameliorate the situation. In addition to improving management, the aim is to give adequate support to the peripheral centres, which is where primary health care actually has to be provided. This applies except where parallel structures have been developed, often with bilateral or multilateral donor support. Further progress was made with donor coordination in the health care sector in 1991. There was an increase in multilateral and bilateral co-financing under the Social Action Programme, and greater coordination of donor efforts. In addition, the Ministry of Health held comprehensive talks with the donor community on the National Health Policy and Strategy document, which reflects the priority given to primary and rural health care. The Netherlands is closely involved in this, given the aid it provides in this sector.

There is a serious shortage of trained staff, particularly physicians, which is relieved by the use of foreign experts appointed with foreign help. Zambian-trained doctors generally aspire to a career abroad or rapid progression to some clinical specialty. A proposal has been elaborated to train Clinical Officers as Assistant Medical Officers able to take on district management tasks as well as primary, surgical and

obstetric tasks in the hospitals. This should reduce dependence on foreign expertise.

Malaria is Zambia's main endemic disease. While a National Malaria Control Programme now exists little concrete action has yet been taken. The main focus is still on the treatment of clinical cases, with the result that donor support has had little useful effect.

The dramatic rise in the number of AIDS patients in recent years has produced a sharp increase in hospital admissions and mortality in the 25-45 age group, and the large number of HIV seropositives (23% of urban blood donors in 1991) means that the position will get much worse. The rapid increase in tuberculosis cases is also largely a function of the AIDS problem.

The National AIDS Prevention and Control Programme has come into operation in recent years with extensive WHO/GPA support (including financial and technical assistance from the Netherlands). Patients' associations and interest groups representing those at risk are playing an increasingly prominent role in the fight against AIDS. Pioneering work is being done by NGOs, which receive direct help for this purpose from the National Programme. In addition to its role in sex education (emphasizing monogamy, safe sex and the use of condoms) the Programme is also concerned with the safety of blood transfusions; the latter aspect in particular is now relatively well developed. A start has been made on reorganizing the national blood-transfusion service, a task in which the Netherlands Red Cross is playing a part. Another focus of attention is home-based care. No effective strategies have yet been developed to deal with the problem of the increasing numbers of orphans.

Education

Zambia's worsening economic situation has had a serious adverse effect on both the quality and the quantity of education. The level attained by pupils completing secondary school has dropped sharply. This is reflected in the level of attainment of students entering higher education. On the one hand the government is increasingly levying charges for schooling; on the other teachers' pay at all levels, from primary school to university, has fallen so far behind the cost of living as to prompt an exodus - particularly from the two Zambian universities - of teachers and managers. Countries like Botswana and Namibia, and also South Africa, have proved attractive destinations for members of both professions.

The Zambian government seems in no position to improve this state of affairs, though it recently asked the British Council to examine and report on the situation at the University of Zambia. Among the many recommendations produced the most important were for improvements in university management, staff salary increases and the compilation of a strategic plan. Initial signs are that both university and government are taking the recommendations seriously.

Drinking water supply and sanitation

Water supply and sanitation are a serious problem in the urban fringes, where their low standards lead to high rates of sickness and death due to diarrhoea; the recurring cholera epidemics of recent years are another result. In various rural areas steps are now being taken to improve sanitation, generally with donor support; in many of these projects special efforts are made to involve women. The new Zambian government has announced that it intends focusing particular attention on this aspect of health care.

2.4 ZIMBABWE

2.4.1 General

Zimbabwe covers an area of 390,759 square kilometres, around ten times that of the Netherlands. As a landlocked country it is vitally dependent on ports in neighbouring countries, of which the nearest, the Mozambican port of Beira, is around 600 kilometres distant from the Zimbabwean capital, Harare.

Zimbabwe has a diversified economy and a well developed physical and administrative infrastructure which - unlike those of Angola and Mozambique - came through the independence struggle unscathed. Its population in 1989 numbered 9.1 million, of whom some 77% were Shona, 18% Ndebele and 5% members of other ethnic groups (including some 100,000 whites). While the official language is English a number of other languages (notably Shona and Ndebele) are also spoken.

After independence in 1980 Zimbabwe enjoyed several years of rapid economic growth, thanks partly to the ending of the international sanctions imposed against the former Rhodesian regime. In the mid-1980s, however, internal and external factors produced a recession from which the country has not yet fully emerged; even so, the social and economic situation in Zimbabwe is relatively good.

Since independence there has been heavy investment in the restructuring of social provision, particularly in the areas of education and health care, and a statutory minimum wage has been introduced. Little progress has however been made on land reform, the redistribution of agricultural land for the purpose of reducing the huge disparities in land ownership in Zimbabwe.

Zimbabwe's main economic problems are rapidly rising unemployment, a large budget deficit, relatively low growth and a low level of investment. To counter these problems the Zimbabwean government, with help from the World Bank and the IMF, has formulated its own programme of structural adjustment; implementation began in 1991.

2.4.2 Political situation

Following the long independence struggle against the Rhodesian regime of Ian Smith and the subsequent transitional period the new government of independent Zimbabwe took office on 18 April 1980. It was led by Robert Mugabe, the former leader of one of the two big resistance movements, the Zimbabwe African People's Union Patriotic Front (ZANU/PF). Since independence the main internal problem facing the country has been tension between the Shona and Ndebele peoples: both had played a major part in the independence struggle and the Shona leader, Robert Mugabe, and the Ndebele leader, Joshua Nkomo, helped shape the new Zimbabwe. ZANU won a large majority in the post-independence elections, however, and thereafter tension between the Shona and the Ndebele mounted. The actions of the fifth army brigade in Ndebeleland cost many innocent people their lives and caused great bitterness among the Ndebele. After years of discussion the ruling ZANU party of Robert Mugabe and the Zimbabwe African People's Union (ZAPU) of Joshua Nkomo finally merged in 1987, leading to a rapid improvement in the internal security situation. The state of emergency dating from the time of the Smith regime was finally lifted on 25 July 1990.

Parliamentary elections held on 28 and 29 March 1990 gave the unified ZANU/PF an absolute majority. Criticism of the conduct of the elections was widespread, however, with accusations that the government had engaged in intimidation and had made it impossible for the opposition to campaign through the media; the very low turn-out was a further blow to the government. Even so President Mugabe saw the result as a mandate from the voters to make Zimbabwe a one-party state. His plan, which was against the trend of developments elsewhere in the world, was widely criticized in many quarters (including the churches and indeed the governing party itself) and in September 1990 the government was forced to abandon it.

In election year the government came under pressure to move forward on land reform. At independence in 1980 safeguards for the big commercial farmers were built into the constitution for a period of ten years, and at the end of 1990 the government announced measures to promote land redistribution which

would involve compulsory-purchase procedures. In deciding the details of such procedures, the government will need to bear in mind that the big farmers are also big exporters and that expropriation could have serious repercussions on the confidence of potential investors.

Rapidly rising unemployment is the greatest threat to the country's stability: more than a quarter of the labour force are now jobless, and half of the unemployed (many of them well educated) live in urban areas. Though the number of jobs available has increased since the launch of the structural adjustment programme it is not keeping pace with the numbers of school-leavers. While the results of the educational programme of President Mugabe's government have thus far been impressive, many of the school-leavers who have benefited are unlikely to find their expectations satisfied in the near future.

Zimbabwe continues to suffer from the activities of the Renamo resistance movement in neighbouring Mozambique: not only do attacks continue on Zimbabwean territory, the need to keep an estimated 10,000 Zimbabwean soldiers in Mozambique to protect the Beira corridor puts a heavy burden on the national budget.

Zimbabwe maintains good relations with many countries. Its relations with South Africa are ambivalent: traditionally it has strongly opposed the policy of apartheid, but the reforms of recent years have been welcomed in Harare. While Zimbabwe has close economic ties with South Africa President Mugabe's government has always supported sanctions against that country, and the recent reforms have not altered its stance on this issue.

As the strongest member in economic terms of the Southern African Development Coordination Conference (SADCC) Zimbabwe plays a leading role within the organization, particularly in the matter of food security. It is also active in the Organization of African Unity, the Non-Aligned Movement and the Commonwealth, and in October 1991 the meeting of Commonwealth heads of government was held in Harare.

2.4.3 Human rights

The human-rights situation in Zimbabwe has improved considerably since the reconciliation between ZANU/PF and ZAPU, whose merger brought to an end the arbitrary arrests and other abuses taking place in Matabeleland. Following repeated extensions on account of the threat from South Africa and the precarious situation along the border with Mozambique, the 25-year state of emergency was finally repealed on 25 July 1990. While the areas along the border with Mozambique were indeed (and are still) dangerous, the state of emergency was mainly used to stifle political dissent. At the most recent elections, held in March 1990, the opposition complained of intimidation and denial of access to the media, and the university and other opposition groups remain a target for the authorities' allergic overreactions to criticism.

2.4.4 Social and economic situation and policy

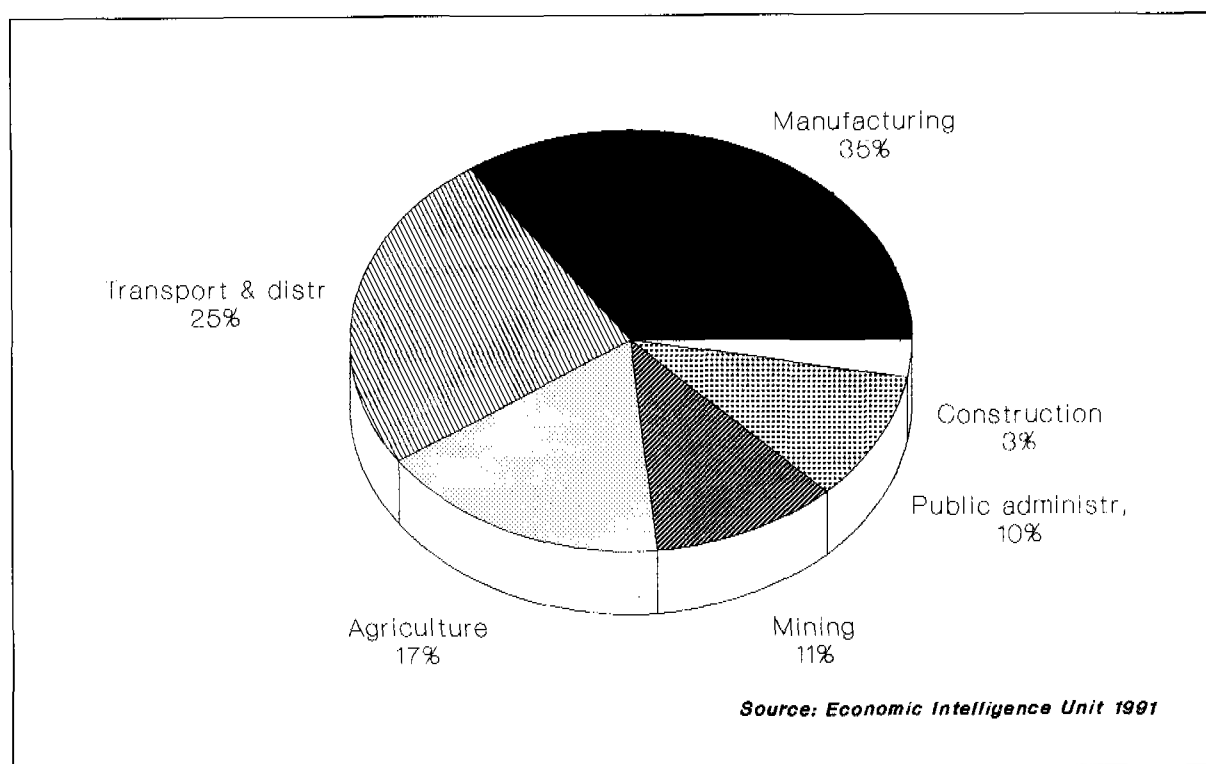
2.4.4.1 Macroeconomic situation, economic growth and self-sufficiency

After independence in 1980 Zimbabwe enjoyed a period of rapid economic growth, partly thanks to the ending of international sanctions against the Rhodesian regime and partly because the new government of President Mugabe stimulated domestic demand by raising wages. The country's isolation while sanctions were in force had helped diversify its economy.

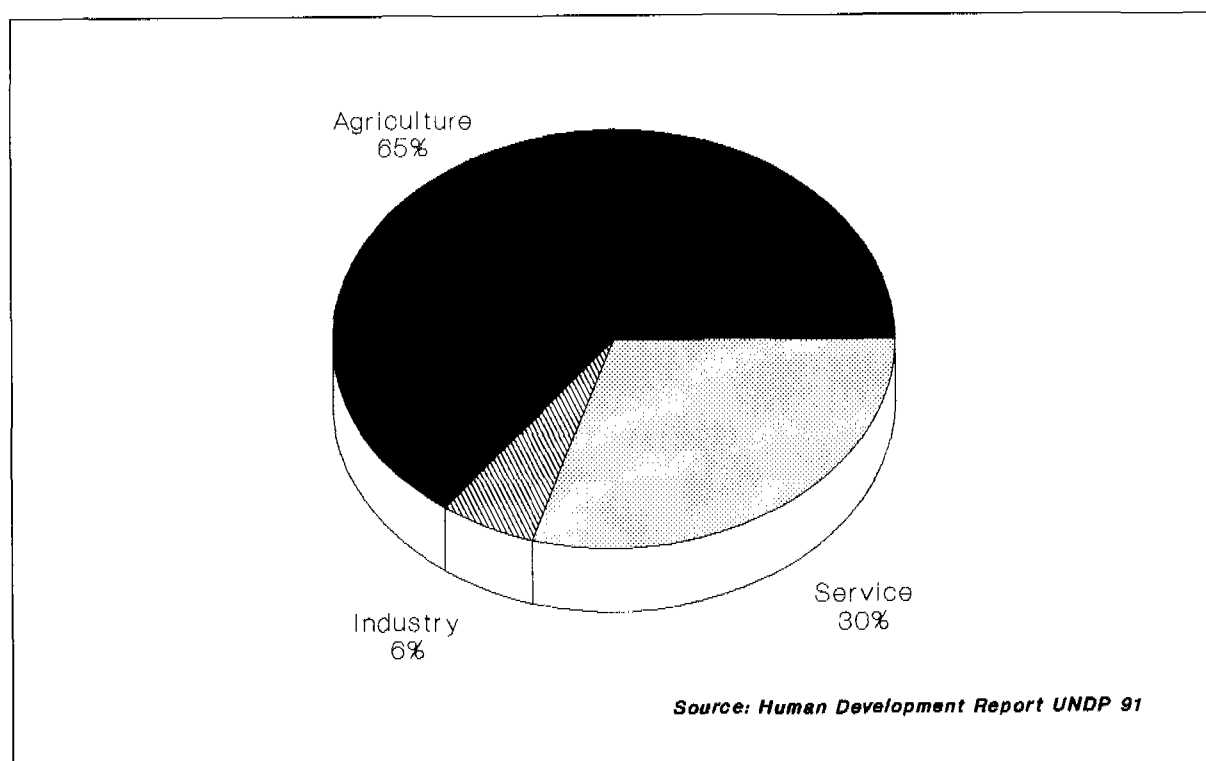
In 1990 Zimbabwe's GNP was made up as follows:

Agriculture	12.9%
Mining	8.2%
Manufacturing	26.4%
Services	28.7%
Other	23.8%
Total	100.0%

**Fig. 2.4.4.a.: G.N.P. ZIMBABWE 1990
by economic sector**



**Fig. 2.4.4.b.: Labour force
by economic sector 1985-1988**



Manufacturing industry accounts for 26.4% of GDP, making it the largest sector of the economy. While manufacturing is very much oriented towards the domestic market it also provides 20% of Zimbabwean exports; agriculture, in contrast, accounts for only some 13% of GDP, even though it employs 64.7% of the country's workforce and supplies 25% of its exports. Farming's small (by African standards) contribution to GNP is explained by the relatively high level of development of the other sectors of the economy. As well as, for example, tobacco and cotton, in most years Zimbabwe is also in a position to export a large part of its maize harvest. Food output fluctuates, however, in response to the weather, world-market prices and the government's shifting agricultural policies.

In 1989 exports (mainly of tobacco, gold, iron ore and nickel) totalled US\$ 1580 million; imports (mainly of parts for capital equipment, including transport, manufactured products, chemicals, oil and electricity) totalled US\$ 1535 million.

Since independence the Zimbabwean government has made great strides in the field of social policy, notably education and health care, where its central aim is to narrow social and economic differences dating from the colonial period. Efforts are directed particularly towards raising the living standards of poor sections of the population.

Independent Zimbabwe inherited highly developed health-care and education systems set up to cater for urban whites; provision for the black majority had been of a much lower standard. After independence the government made a start on restructuring medical provision with a view to strengthening primary care in rural areas; parallel moves were made to extend and improve educational services. The other key goal was to expand the productive capacity of small farmers through, among other things, the introduction of marketing and advisory services. The rapid rise in social spending entailed by these policies exceeded growth in the productive sectors of the economy and the budget deficit ballooned; public-sector borrowing, which has exceeded 10% of GDP throughout the period since independence, was estimated at 10.2% of GDP in 1990. Factors contributing to the deficit include not only wage increases and higher spending on health and education but also the growing losses of parastatal undertakings.

The progress made in social provision notwithstanding, the period since independence has not brought sustained economic growth or higher per capita incomes. Between 1980 and 1989 annual GDP growth averaged 2.7%, less than the 3.3% rate of population increase over the same period. It should however be borne in mind that favourable weather conditions in 1988 and 1989 meant high earnings from export crops.

The relatively limited increase in export earnings - 3.4% in real terms between 1980 and 1989 - and rising debt-service payments, which reached a high of 34% in 1987, prevented growth in necessary imports, which fell by 0.4% in real terms over the same period. This led to a fall in manufacturing capacity as necessary investments were not made. The main cause of low growth is thus the low level of investment in productive sectors, both private and public, and low investment is in turn ascribed to the financial risks facing entrepreneurs in a context of tight government regulation and to the high costs and uncertainties involved in the current allocation system for foreign exchange.

The annual rate of inflation during the 1980s was around 15%; with nominal interest rates fluctuating around the 12% mark this meant that real interest rates were negative. A savings rate of around 20% per year was maintained, however, thanks partly to the limited availability of consumer goods, and this helped the government to limit its deficit.

In 1989 26% of the labour force was without work, and the number of vacancies arising falls far short of the supply of available labour. Of the 200,000 youngsters who leave school every year only 20,000-30,000 find formal employment, the great majority of them in the government sector, and even if the programme of economic recovery achieves its annual target of 120,000 new jobs the number of unemployed school-leavers will still rise by 80,000 a year. Inadequate provision for post-school training means that too few students emerge with the skills needed to expand the formal sector and promote the growth of small-scale manufacturing and the informal sector. Growth in these areas is essential if the large numbers of school-leavers are to be absorbed.

Attempts by the Zimbabwean authorities to promote economic growth and cut the budget deficit while implementing the first Five-Year Development Plan (1986-90) proved unsuccessful. The IMF and the World Bank therefore judged the government's adjustment measures to be inadequate and insisted on a real programme of structural adjustment, the key points of which were: a cut in government borrowing to no more than 6% of GNP, full liberalization of the economy and a more favourable investment climate, and a gradual but major reduction in the subsidies to state undertakings (most of which are inefficient). Zimbabwe is one of the few African countries to meet its international payment obligations in full.

At a Donors' Consultation Meeting held in Paris in March 1991 Zimbabwe put forward its own programme of structural adjustment, A Framework for Economic Reform, the key points of which were trade liberalization, deregulation and a coherent package of fiscal and monetary measures. The programme's goal is to create a more market-oriented economy with a smaller role for the state and greater scope for the private sector, implying a greater stress in government policy on increasing employment and output. Investment will be encouraged and imports liberalized as much as possible. State undertakings are to be reformed, legislation and regulations amended to give greater freedom to small businesses and the informal sector, the machinery of government slimmed down and charges levied on users of educational, medical and other public services. Among the measures to promote small businesses is the abolition of the road service permit for goods transport for vehicles up to 10 tonnes: in this way the government hopes both to encourage small businesses and to improve the availability of transport services in rural areas.

The structural-adjustment programme gives prominence to the social dimensions of adjustment, with measures to cushion its impact on the poorer sections of society. In particular, measures are being prepared to reduce unemployment and inflation and to counter the adverse effects on the poor of retrenchment in social provision. The Zimbabwean government is currently preparing a detailed programme.

Unlike its predecessors, the Five-Year plan now in preparation will include a regional strategy to guide development in the provinces.

The trade liberalization and economic reform programme envisaged in A Framework for Economic Reform (1991-1995) will involve the phased replacement of the present system for allocating foreign exchange with a market-based one; the process is scheduled to be completed in 1995. The programme will involve, among other things, extension of the Open General Import Licence (OGIL) system, tariff reform, a supportive exchange-rate policy and improved export services. Except for a limited number of items excluded on grounds relating to defence, security or a vital public interest, all imported goods will be covered by an OGIL system by 1995. The expansion of the OGIL system is intended to promote export-oriented activity and the gradual introduction of competition into domestic industry.

To help sectors of manufacturing industry adjust two types of OGIL are being introduced, one unrestricted and the other with restrictions relating to specific categories of end user. The second type is intended to improve the export performance of the end-user categories concerned and to prepare industry for competition.

The items to be placed on the OGIL list first are mostly raw materials, whether or not locally produced, to be followed later by semimanufactures. Finance for imports of capital goods will initially be provided only from special lines of credit supervised by the Zimbabwe Investment Centre (ZIC); capital goods will not be transferred to the unrestricted OGIL list until the programme is half-way through implementation, while consumption goods will not be included until years 4 and 5. As regards the timetable for replacing the allocation system with an OGIL system, the picture is as follows. The plan was to place 24% of all imports on the OGIL list by 1990. This was to rise to 50% of all imports by 1991, 70% in 1992, 75% in 1993 and 85% in 1994 and 1995. For the OGIL system to succeed, aid has to be untied. Much on the state's executive capacity and the development of expertise in the private sector; it will also require the agreement and cooperation of donors, who will have to accept the untying of aid and hence the abolition of their own lines of credit for the purchase of capital goods.

The gradual abolition of the foreign-exchange allocation system will leave only import levies as a means of protecting local producers. From 1991 all tariffs will be set at between 0% and 30%. The surtax on

import duties, currently 20%, is to be reduced to 10% by 1993, when the whole tax system will be reformed. The plan is to abolish the surtax and to retain a minimum rate of 10% for import duties. The average rate of duty will be raised from 3% to 13%, while the average nominal level of protection (-import duty and surtax together) will fall from 19% to 14% in the course of the programme. Import duty ranging from 20 to 30% will be levied on most consumer goods. Rates of 15%, 10% and 10% respectively will be levied on semimanufactures, raw materials and capital goods.

As the programme proceeds imports by the government and by state undertakings will also be brought under the current tax regime.

The programme of import liberalization will need to be backed by an appropriate exchange-rate policy, and the government aims to maintain an exchange-rate regime which both makes the Zimbabwean market more attractive to foreign exporters and promotes the competitiveness of local producers. Over the last two years the average rate of exchange with Zimbabwe's main trading partners has in fact fallen by 20%.

2.4.4.2 Demography and environment

While average annual population growth from independence to 1990 is put at 3.3%, the latest data indicate a fall to 2.8%; the rate is higher in urban than in rural areas, and 26% of the population now live in towns (notably Harare, Bulawayo and Chitungwiza). The great majority of Zimbabwe's 9.1 million people are of African origin, the largest group being Shona. In the early years of independence the white population was rapidly depleted by emigration as an estimated 60,000 (fewer than had initially been expected) left the country for good; the number still remaining is put at 100,000. In rural Zimbabwe the pressures are greatest in the communal areas: these are home to a million families, mainly comprising small farmers and the landless, who make up the majority of the population.

AIDS is a serious and growing problem: in 1990 an estimated 350,000 people were infected with HIV, all of whom may well die before the end of the century. The seriousness of the AIDS problem is recognized in the Zimbabwean government's Framework for Economic Reform document.

Heavy demand on the part of manufacturing and mining means that national energy consumption is relatively high, and despite coal reserves and hydroelectric potential the country is not self-sufficient in energy (domestic output covers just over three quarters of total demand); oil products have to be imported. The government promotes the use of alternative energy sources, notably solar energy, and over the next few years the installation is planned of fifteen solar-powered pumping systems in areas affected by drought.

Zimbabwe has large reserves of minerals including gold, nickel, coal, chromium and asbestos.

The main environmental problem facing the country is soil erosion in the densely populated communal areas, where pressures on agricultural land have increased to the point that traditional management systems can no longer cope. Land reform, involving the redistribution among small farmers of the property of large land-owners, is making only slow progress. Pressures on the communal areas will therefore remain high, necessitating the development and implementation of systems of environmental management suited to local conditions.

As part of its programme for economic recovery the Zimbabwean government has announced its intention of continuing existing policies on nature conservation and energy. Specific focuses of attention will include wildlife management, grazing schemes, water management, more efficient energy use and the exploitation of alternative energy sources.

1992 will be marked by the appearance of the first State of the Environment report, which will provide the government with guidelines for action. A National Conservation Strategy is also in preparation.

2.4.4.3 Poverty: situation and policy

With annual per capita incomes averaging US\$ 650 (1988-90) Zimbabwe is one of southern Africa's more prosperous countries, but the mean hides wide variations in income and wealth. The pattern of land ownership is an acute political problem: almost half the country's agricultural land is in the hands of some 4,500 commercial farmers, most of them white, while over a million small farmers and their families have to make a living from the lower-quality soils of the communal areas. Since independence the government has sought to achieve a more balanced distribution through a resettlement programme, involving land acquisition and redistribution and state-funded infrastructural improvements, whose aim is to enable landless families to improve their position. This ambitious plan has had little success (only 52,000 families have been resettled, on 3.2 million hectares of land, since the programme's inception), and at the end of 1990 Parliament accepted a constitutional amendment allowing compulsory purchase at government-determined "fair prices". The issue is a highly controversial one in Zimbabwe, and the government has repeatedly assured commercial farmers who fear the loss of their land that the law will be applied in a reasonable manner.

There are wide variations in productivity in both the commercial sector and the communal areas, with 10% of farms producing some 50% of output. The government has done much to boost production by small farmers in the communal areas (their market share is now 20%, and in the case of maize exceeds 50%), but even so a 1989 World Bank study found that farming in these areas faced major problems in relation to land distribution, low productivity in communal and resettlement areas, and pricing policies and marketing. The national position with regard to food supplies may be satisfactory but at the level of individual households food security is a problem, particularly among small farmers in the communal areas. While maize from these areas has a large market share it is produced by a disproportionately small number of farms, mainly in North and East Mashonaland.

The great majority of farming families have access only to marginal land with little maize-growing potential and are largely dependent for their food supplies on other, traditional, food crops and on money incomes. Since maize has to be imported from other regions and is therefore relatively expensive there is an urgent need for higher incomes in the communal areas, where unemployment is as high as in the towns and the informal sector remains largely undeveloped. Many men migrate to the urban areas around Bulawayo and Harare while women stay behind; the households concerned then find themselves further marginalized because they have less access to the factors of production, notably labour, with adverse effects on productivity and the quality of family life. Over 86% of Zimbabwean women live in rural areas; they are estimated to provide 70% of all agricultural labour and 60% of wage labour; and 40% of households in the communal areas are headed by women.

Data on child nutrition over the period 1980-89 show a marked fall in acute undernourishment (measured in terms of weight in relation to height) from 9% in 1982 to 1.3% in 1988. The fall reflects several factors: the ending of internal conflicts, increased rainfall, reduced mortality from common infectious diseases, improved health services and a successful immunization programme for children. The rate of chronic malnutrition resulting in stunted growth has shown little change, however, standing at 28% in 1982 and 29% in 1988. This situation is directly linked with poverty, the ratio of income to food prices in both the commercial farming sector and the communal areas, and the infrequency with which children are fed (due to lack of time on the part of mothers).

The communal areas also lag behind in health care and education, since provision in these fields was formerly concentrated in the towns and reserved to the small numbers of whites. The government's active social policies have brought about a restructuring of these sectors, however, and great progress has been achieved. In the 1980s the proportion of children reached by immunization campaigns rose from 25% to 86%, infant mortality fell from 86 to 61 per thousand, life expectancy at birth rose from 55 to 57 years and annual population growth fell from 3.3% to 2.7%.

Primary-school enrolment rose from 1.2 million in 1980 to 2.2 million in 1989, the corresponding figures for secondary schools being 74,000 and 671,000. Between 1986 and 1988 the primary intake rate was 100% for both boys and girls; secondary rates were 49% for boys and 44% for girls. While Zimbabwe thus has relatively large numbers of people with a satisfactory level of education, unemployment

among them is very high; the main problem is the lack of post-school training provision, as a result of which the formal sector's needs for trained workers are not met. Total unemployment is put at 25-30% of the workforce. Between 1980 and 1987 formal employment in mining and manufacturing fell, partly owing to the wage increases implemented after independence, while the number of jobs in public services, notably education and health care, increased considerably. The growth of the informal sector, which is currently of limited size in Zimbabwe, will have an important part to play in creating employment.

In drawing up its programme of structural adjustment the government has taken careful account of its possible adverse effects on the weaker sections of the population (notably the more vulnerable groups in rural areas, the urban unemployed and women), who will be hit by higher unemployment, inflation, price increases, cuts in public services and the introduction of charges for schooling and health care. The government is seeking to create a safety net to protect such groups, e.g. through redundancy payments, the retention of price controls on essential consumption goods and the continuation of free education and health care for those on the lowest incomes. The details of the programme are now being worked out; donors will be asked to help in its implementation.

2.5 NAMIBIA

2.5.2 General

The United Nations withdrew the South African mandate in 1966 and a UN Council for Namibia was established to guide the country to independence. South Africa continued to occupy Namibia, however, and prevented the Council from performing its functions. In 1971 the International Court of Justice in The Hague declared the South African occupation to be illegal. Continued occupation meant that Namibia was the scene of constant conflict between South African troops and the South West Africa People's Organization (SWAPO), the resistance movement led by Sam Nujoma.

In September 1978 the UN Security Council adopted resolution 435, which laid down the procedure for Namibian independence: the ending of hostilities, the withdrawal of South African troops, the abolition of racially discriminatory legislation, the release of political prisoners and free elections supervised by a military and administrative UN Transition Assistance Group (UNTAG).

In 1988 an agreement was reached between South Africa, Angola and Cuba linking Namibian independence with the withdrawal of Cuban troops from Angola, opening the way to the independence process under the supervision of the UN peace-keeping force, UNTAG, and the Secretary General's Special Representative, M. Athisaari, in accordance with Security Council resolution 435. Following the election of a constituent assembly in November 1989 and the unanimous adoption of the constitution in February 1990 the process was successfully completed on 21 March 1990, independence day. Sam Nujoma, the leader of SWAPO (which had emerged from the elections as the largest party) became the first president.

2.5.2 Political situation

Domestic developments

The main challenge facing the country is that of overcoming the after-effects of the South African apartheid system and of a liberation struggle which lasted over twenty years. The central aim of Namibian government policy is national reconciliation: all Namibians are to be enabled to contribute to the country's development. Efforts are also being made to remedy social and economic inequalities and to develop educational and health-care provision. The political climate is stable; Namibia is a functioning multi-party democracy with SWAPO as the ruling party.

Foreign policy

Independent Namibia has taken its place on the international scene, joining the United Nations, the Commonwealth, the Organization of African Unity (OAU) and the South African Development Coordination Conference (SADCC) and acceding to the Lomé IV agreement. Namibia maintains contacts with South Africa with a view to the peaceful resolution through negotiation of outstanding issues such as the disputed sovereignty over Walvis Bay, territorial borders on the Orange River and debt problems.

Two rounds of negotiation have already been held with South Africa on Walvis Bay in which proposals for an interim administrative arrangement were discussed; prospects for a solution are hopeful. The territorial dispute relating to borders on the Orange River has been resolved in a manner satisfactory to both parties.

2.5.3 Human rights

South Africa's illegal occupation of Namibia and the long period of armed struggle preceding independence meant that for decades human rights were inadequately respected. The position is now greatly improved: no cases are known of persons detained on the grounds of their political convictions and the country's constitution includes safeguards for the protection of human rights. There appears to be a consensus in Namibia that the constitutional provisions relating to human rights are a sufficient guarantee that past violations will not recur.

2.5.4 Social and economic situation and policy

2.5.4.1 Macroeconomic situation and policy

The government of independent Namibia inherited from its predecessor an economy marked by wide disparities. On paper Namibia is in many ways a prosperous country: per capita GNP stood at US\$ 1200 in 1988 and the estimate for 1991 is US\$ 1252, but these averages conceal wide variations between different sections of the population: in 1988 income per head among the white minority, around 6% of the population, stood at US\$ 16,500; non-whites working in the formal sector, about 10% of the population, had incomes averaging US\$ 750 per head; and the remainder of the population had to subsist on an average of US\$ 85 per head. This unequal income distribution, coupled with the no less unequal distribution of social provision, means that only a minority of the population has access to decent health care and education. At independence almost half of the country's 9,000 hospital beds were concentrated in Windhoek and two other towns and health services were geared largely to curative intervention.

The situation is no less serious in the area of education, where services for the black majority are grossly underdeveloped and there is a shortage of qualified teachers and of learning materials. Around 60% of the black population are illiterate.

The Namibian economy is dominated by agriculture, fisheries and mining, each of which has reasonable growth potential. While farming (mainly animal husbandry) accounts for only 6% of GNP it provides a living, directly or indirectly, for 70% of the population. Agricultural development is greatly hampered by the lack of investment in recent years, the lack of infrastructural provision and the arid climate. A further problem is the very unequal pattern of land ownership: a little over 4,500 commercial farmers own 73% of all usable land, and around 270,000 people depend on these large farms for their income.

In contrast, 900,000 people live in the communal areas and depend for their livelihood on the remaining 27% of land suitable for farming. Given the rich fishing grounds off Namibia's coasts fisheries could make a major contribution to national income, but heavy overfishing by South African and European fleets has greatly reduced catches. Immediately after independence the government introduced a 200-mile exclusive economic zone to protect these fishing grounds and sought help in enforcing Namibian jurisdiction in this zone. It has also stated that it will seek to enter into new bilateral fisheries agreements under which some of the processing will take place in Namibia itself.

The main contribution to GNP comes from mining (26% in 1988 and 20% in 1989), which is also the country's largest private employer and accounts for some 75% of its export earnings. While the industry is varied in nature (diamonds, uranium, gold and other precious metals) it is suffering as a result of underinvestment in recent years. Virtually all mining output is exported in unprocessed or semiprocessed form (a legacy from the period of South African domination), making the country highly sensitive to price fluctuations on world markets.

In the run-up to independence the economy stagnated as a result of uncertainty over the country's political future: where GNP had risen by 3.3% in 1986, in 1990 it declined by 2%. The government is also faced with an inherited foreign debt, largely to South Africa, which amounted at independence to some US\$ 340 million.

The Namibian government has set itself the goal of narrowing the unacceptable gap in living standards between population groups at a reasonable rate without thereby choking off potential economic growth. First priority is given to achieving growth in communal agriculture. This will require investment in irrigation; the Namibian government is keen to make rapid progress on this front as it believes this will help narrow the productivity gap between commercial and communal agriculture.

Infrastructural measures are also urgently needed in the areas of water supply and health care; education and training, together with the development of research and advisory facilities, also require speedy action. The annual target for agricultural growth in 1991-2 is set at 3-4%.

As in e.g. Zimbabwe the disparities between commercial and communal agriculture are considerable, the

geographical distribution of the commercial and communal areas alone being enough to justify reference to two virtually separate agricultural sectors.

2.5.4.2 Demography and environment

The area of Namibia, excluding Walvis Bay, is 824,269 square kilometres, around twenty times that of the Netherlands; its population is put at 1.76 million with a growth rate of 3% per year. The ethnic make-up is Ovambo (49%), Kavango (9.3%), Herero (7.5%), Damara (7.5%), Nama (4.8%) and whites (6.6%). With a population density of 1.5 per square kilometre Namibia is a thinly populated country; half of its area consists of desert or semi-desert.

Demand for water for both drinking and irrigation, particularly in the northern province of Ovambo where 60% of the population live, is very great, and the government gives high priority to ensuring that it is met. The government has also taken steps to protect the country's important wildlife.

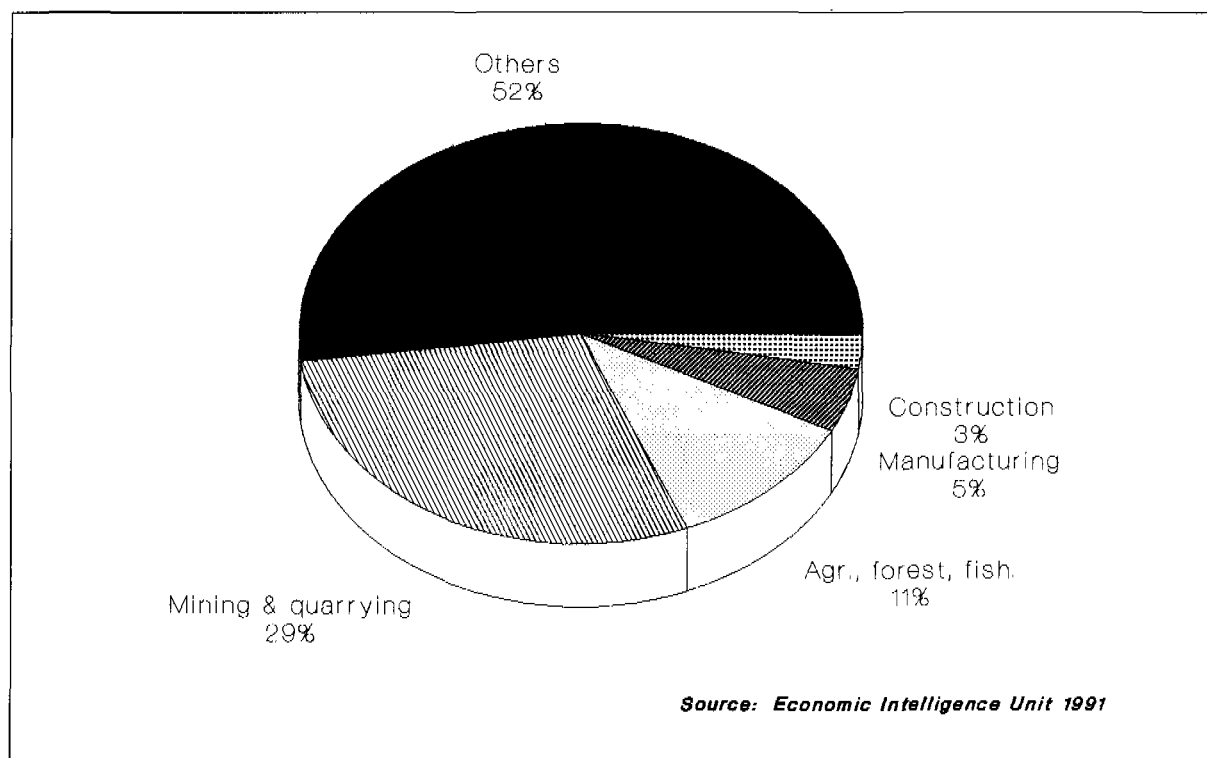
2.5.4.3 Poverty: situation and policy

On taking office the Namibian government committed itself to narrowing the extreme disparities in income, relieving poverty in urban areas and making basic services - health and education - accessible to all sections of the population. Government spending in these fields has been increased, despite the need for general retrenchment; an important element is the control of unemployment, which currently stands at around 35% of the labour force.

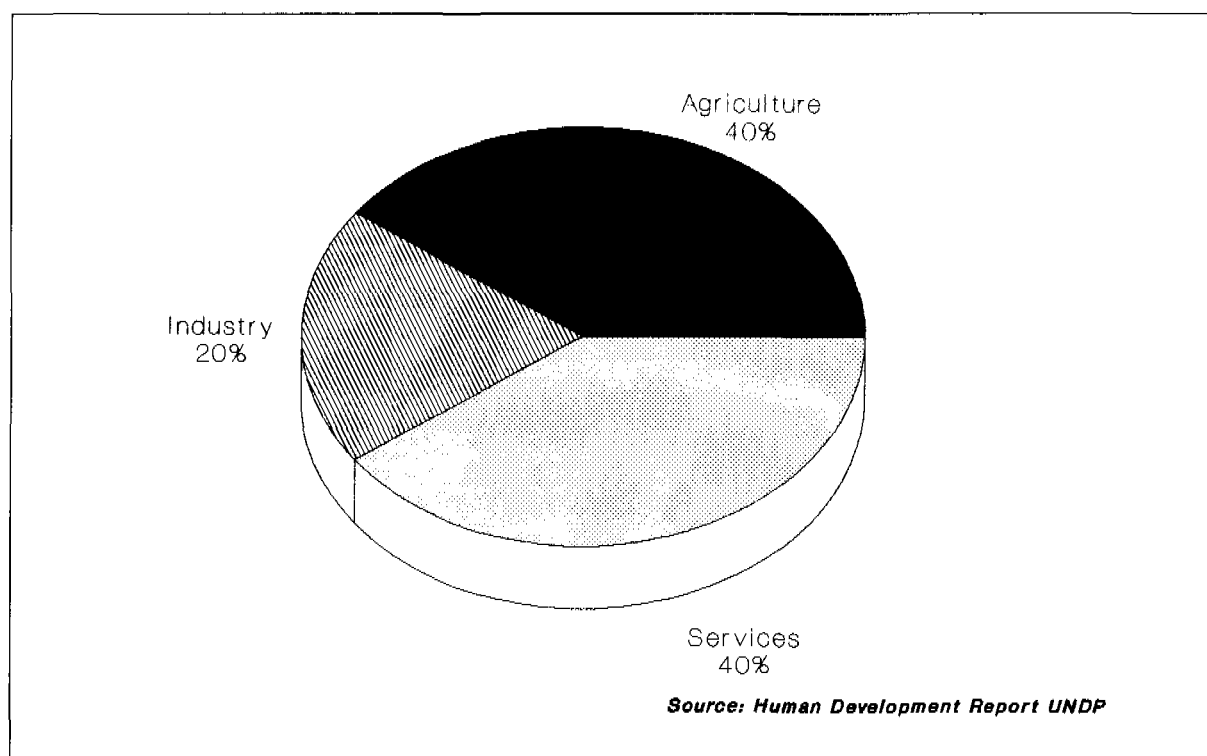
In the area of health services a shift is under way from curative to preventive care, and in this context the government is seeking to spread provision more evenly across the country and make it more accessible. One of the schemes introduced is the Universal Child Immunization Programme, which aims to inoculate all children in the 1-5 age range against the main diseases.

The government also seeks to make education more widely accessible. After independence it introduced new curricula and replaced Afrikaans with English as the medium of instruction. This caused considerable problems, as most teachers' English was not up to giving lessons in that language; courses have been organized, with EC help, with a view to overcoming this problem. The government has also shared the available resources fairly among all schools: where under the old system most of the learning materials went to white schools, now they are distributed proportionately.

**Fig. 2.5.4.a: G.N.P. NAMIBIA 1989
by economic sector**



**Fig. 2.5.4.b: Labour force
by economic sector 1985-1988**



2.6 ANGOLA

2.6.1 General

Angola is the second largest country of sub-Saharan Africa and is thinly populated; covering an area of 1,246,700 square kilometres (36 times that of the Netherlands), it has an estimated population of nine million and a population density of 7.2 people per square kilometre. There are natural harbours in the capital, Luanda, and in Lobito, Namibe and Cabinda, and the seabed of the territorial waters off the north coast and off Cabinda is rich in petroleum. The country also has reserves of diamonds, iron ore and, in particular, non-ferrous metals including uranium, and its agricultural potential is considerable. Of the more than 340,000 whites and mestizos of Portuguese origin who lived in Angola prior to independence in 1975 an estimated 40,000 still remain, mainly in urban areas, where they play an important part in the middle ranks of government and industry.

Since independence Angola has been in a state of civil war and has been attacked from South Africa (foreign intervention). The resulting economic deterioration reached a low point in 1987, and since 1988 the government has sought to improve the position through a national programme for social and economic recovery. The conflict was finally ended on 31 May 1991 with the signature of the Estoril peace agreement.

2.6.2 Political situation

From independence in 1975 until mid-1991 Angola was ravaged by a civil war between on the one hand the governing MPLA-PT (Movimento Popular de Libertacao de Angola - Partido do Trabalho), backed by Cuba, the Soviet Union and the GDR, and on the other UNITA (Uniao Nacional para a Independencia Total de Angola), backed by South Africa and the United States; both movements had previously fought against Portuguese colonial rule. An estimated 350,000 people were killed during the conflict.

After dragging on for a number of years negotiations between Angola, South Africa and Cuba, under the chairmanship of the United States and with the Soviet Union in the background, culminated in an agreement which coupled Namibian independence with the withdrawal of Cuban and South African troops from Angola; the last Cubans left the country in mid-1991.

The war-weariness of the Angolan people, the total dislocation of the country's economy, Namibia's progress towards independence and the improvement in US-Soviet relations all contributed to the two sides' willingness to bring the conflict to an end in a peaceful manner. Even so, a cease-fire agreed through the mediation of President Mobutu of Zaire at Gbadolite did not hold.

Negotiations were resumed in April 1990, through the mediation of the Portuguese government, and resulted in the Estoril peace agreement signed by both sides on 31 May 1991. The armistice for which it provided has held and the prospects for national reconciliation are encouraging.

The main points of the Estoril agreement are:

- an armistice;
- the release, under the supervision of the International Committee for the Red Cross, of all military and civilian personnel held in connection with the war;
- the return to barracks and subsequent demobilization of both sides' armies under UN supervision;
- the formation of a national army, navy and air force totalling no more than 40,000, 6,000 and 4,000 men respectively, with half of the army (20,000 men) coming from the former FALA (UNITA army);
- the recognition of UNITA as a political party;
- general elections in late 1992.

At its December 1990 session the MPLA party congress agreed to the introduction of a multi-party system in 1991, a decision ratified by Parliament in January of that year. It was also decided to introduce reforms which would move the economy in the direction of a market system. In May 1991 a new constitution on democratic lines was introduced, together with legislation on political parties, the right to

strike, press freedom and freedom of association, and organizations representing particular interests have since been established which sometimes take political action.

There has been some improvement in the tense relationship with South Africa. Under the 1988 agreement South Africa has withdrawn its troops from Angola, where they had been supporting UNITA. Both MPLA and UNITA are looking to foreign donors for help with the country's reconstruction.

2.6.3 Human rights

In recent years the human-rights situation in Angola has been improved by the extension of democracy and the acceptance of a multi-party system by the ruling MPLA. There are no confirmed reports of large-scale violations of human rights in Angola and the state made no use of capital punishment in 1990. While there are occasional instances of arbitrary arrest and detention incommunicado they appear to reflect bureaucratic incompetence rather than systematic policy.

The civil war made it difficult to give effect to economic and social rights and there were recurring food shortages; in late 1990 and early 1991, before the armistice, some two million people faced near-starvation, but the reopening of roads after the cessation of hostilities appears to have averted the danger.

There is now greater freedom of expression, while freedom of peaceful assembly and association will be anchored in legislation in 1991 along with the multi-party system. Freedom of religion is now general and there is little discrimination in Angola on grounds of race, sex or religion. A new press law introduced in June 1991 gave freedom to the printed press but not television. While education is open to all the severe shortage of teachers and resources means that only around 5% of the population are able to attend school.

2.6.4 Social and economic situation and policy

2.6.4.1 Macroeconomic situation, economic growth and self-sufficiency

Falling output has characterized the Angolan economy ever since independence in 1975; this is mainly on account of the civil war, which gave the country little opportunity for economic development and led to a 70% fall in manufacturing output. There was also a sharp drop in agricultural production coupled with a shift from cash-cropping to subsistence farming. In addition the war did great damage to the social and physical infrastructure in rural areas and many power stations, mines, factories and plantations were destroyed.

Other factors in Angola's economic collapse have been very high defence spending, a severe shortage of administrators and managers (especially after the Portuguese exodus), shortcomings in economic management due to ineffective central planning (only short-term goals were set and even these were generally not achieved), strict administrative regulation, and a seriously overvalued currency coupled with rigid price controls (leading to a 50-fold discrepancy between official prices and those on the parallel market in 1987).

The economic position deteriorated still further in late 1985 as oil prices fell - oil income had previously accounted for 30% of GNP and over 50% of government revenues - with the result that less and less foreign currency was earned and the country's already limited capacity to import essential raw materials, spare parts and consumption goods shrank still further. The war also absorbed 40% of the government's budget and a substantial part of the country's foreign-currency earnings.

The result of these developments is that Angola, once a food exporter but now unable to feed its own people, is almost ungovernable and faces a severe shortage of foreign exchange. The country has therefore needed food aid on a large scale in recent years. Oil is by far the most important source of foreign currency, but the heavy burden of military spending meant that none was available for productive investment. Oil revenues now account for some 40% of GNP, followed (in this order) by services, agriculture, commerce and finally manufacturing and mining. Foreign trade is thus dominated on the one hand by the export of oil (which accounts for 92% of all export earnings) and on the other by the import of food.

In 1987, recognizing the seriousness of the situation, the Angolan government announced a plan to stabilize the economy and lay the foundations for long-term structural adjustment. The main aims of the Economic and Financial Restructuring Plan are the rescheduling of foreign debt, transition to a more liberal market-oriented economy and the attraction of foreign investment. The plan provides for the freeing of prices, a larger role for the private sector, devaluation and reduced bureaucratic regulation. The main measures of economic policy proposed are: - a reduction in the budget deficit through curbs on domestic demand and effective control of the still rising credit going to the productive sector;

- an increase in domestic supply through higher prices for farm products and the establishment of small businesses;
- the improvement and liberalization of the system for allocating foreign currency to businesses, the promotion of competition and the reform of state undertakings;
- the diversification of productive sectors to reduce dependence on oil revenues;
- the narrowing of the differential between prices on the official and parallel markets, together with tax reforms aimed at reducing the budget deficit.

A programme for economic recovery (Programa de Recuperacao Economica, PRE) was also drawn up for the period 1989-90, setting out the policies which are intended to enable the Economic and Financial Restructuring Plan (SEF) to succeed. Implementation fell behind schedule, however, and at the beginning of 1991 the government launched the Programa de Accao do Governo under the direct responsibility of the prime minister, who is to carry through all the measures for which the PRE and SEF provide.

The success of both programmes will depend above all on the decentralization of economic decision-making, improved discipline within the machinery of government and the appointment of trained managers and administrators to implement them. Radical economic reforms are possible only in the context of political reform. Economic growth is vital: per capita GNP is now less than in colonial times and the country faces structural deficits on the current account of its balance of payments, which have been financed using medium- and long-term loans. By mid-1988 Angola's foreign debt totalled US\$ 4 billion, one-and-a-half times the value of exports of goods and services. From 1986 onwards the country was unable fully to cover its current-account deficit by borrowing or to meet all its debt obligations and by the end of 1988 its arrears totalled US\$ 648 million. Since then consultations on debt rescheduling have been held with the World Bank and the IMF (which Angola joined in 1989), and in 1989 a debt-relief scheme was worked out with Angola through the Club of Paris. The balance-of-payments situation will remain a problem in the medium term, however, and consumption goods and imported raw materials are expected to remain in very short supply. Only a substantial rise in the international price of oil can improve the position.

Inflation, estimated to be running at 20% per year, is due mainly to the use of monetary expansion to finance the budget deficit; the rate is much higher on the parallel market (75%).

Three quarters of the population depend for a living on agriculture, which accounts for 20% of GNP. The modern sector of the Angolan economy (with the exception of the oil industry, in which foreign firms play a key role) is dominated by 400 state undertakings whose output is inadequate and efficiency poor. Half of them are loss-making and have to be subsidized by the government. Legislation on land tenure is still pending: this has implications for land use, and the fact that access to land is not regulated has particular implications for women.

2.6.4.2 Demography and environment

There are no reliable figures for Angola's population, and estimates range from seven to nine million. Population growth is put at 2.5% per year, though it is not clear to what extent deaths, reduced fertility and malnutrition due to the war have lowered the rate. The great majority of Angolans belong to the Bantu language group, the main tribes being the Ovimbunu in Central Angola (three million), the Mbandu in the North (two million) and the Luanda-Tchokwe around the capital, Luanda (one million). Seven people in ten live in rural areas, but the civil war caused a large proportion of the economically active rural population to migrate to the towns. This meant a sharp fall in both commercial and directly produc-

tive activities in rural areas as people concentrated, where they could, on subsistence farming. From being a net food exporter Angola has thus become a major importer, its urban populations now virtually entirely dependent on imports for their food supplies.

The civil war hit people hard: around two million went hungry as the transport of food to threatened areas through the war zone became impossible; perhaps 800,000 were displaced and accommodated in camps while a further 800,000 fled to urban areas where they have little or no chance of earning a living; and an estimated 480,000 fled to other countries (350,000 to Zaire, 40,000 to Zambia and 50,000 to Namibia). Over 200,000 are expected to return home in the near future now that peace seems secured.

Hardest hit have been the women and children left behind. As the adjustment programmes take effect unemployment due to government retrenchment is likely to increase; it has been announced that 70,000 of the 120,000 civil-service jobs are to be cut. The outlook will improve only if peace is maintained, allowing rural populations to return to their home areas, revive agricultural production and restore trade with the towns.

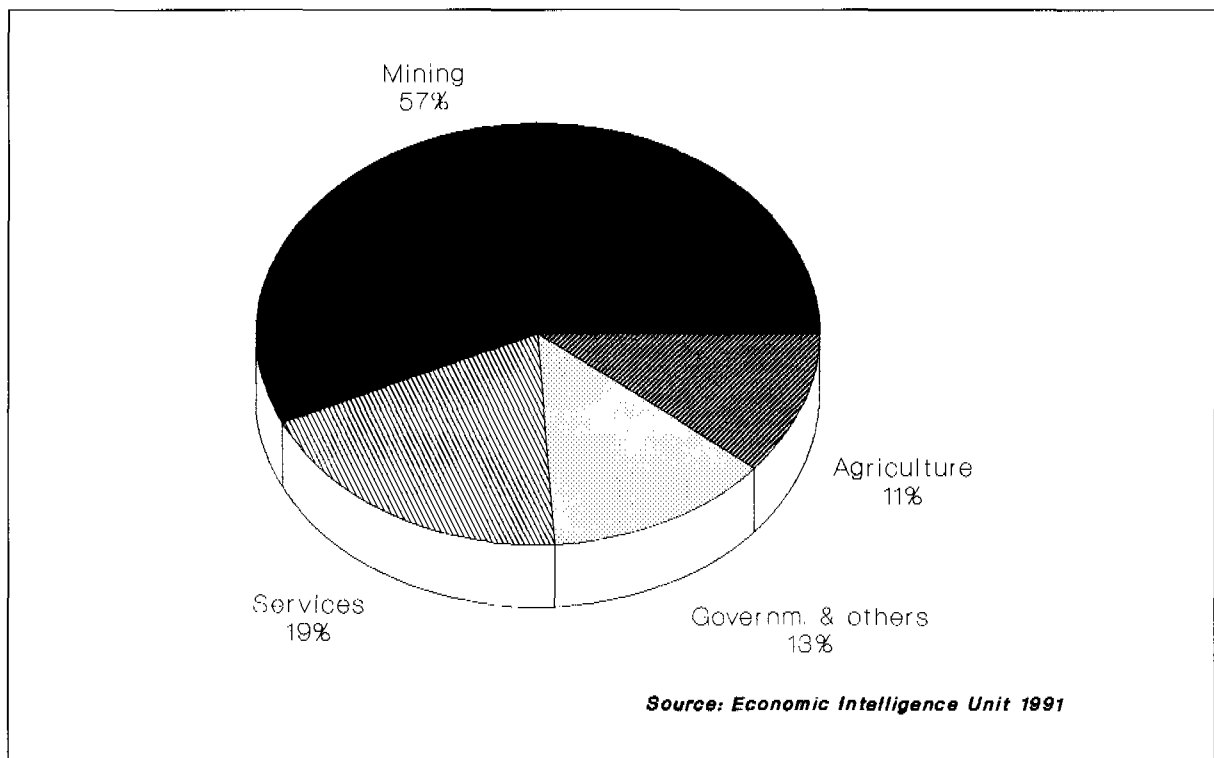
2.6.4.3 Poverty situation and policy

Reliable statistics are in short supply. The economically active section of the population is put at 25%. The prolonged civil war has left the majority of people living in wretched conditions; this includes large sections of the rural population, many of the formerly economically active who fled from the countryside to the towns only to find themselves without work, and those who have lost their jobs through the restructuring of state undertakings. There are also many displaced persons living in camps, while huge numbers have been disabled in the fighting. The employment position is extremely gloomy. The demobilization of the two armies will release into unemployment at least 150,000 young men who have learned no trade but war. Except in agriculture and a large section of the oil industry the state maintains tight control over the economy, and administrative problems, inefficient and ineffective planning and a shortage of expertise have produced economic stagnation and decline. A particular problem in this connection is that of illiteracy, which rises to 95% in some provinces.

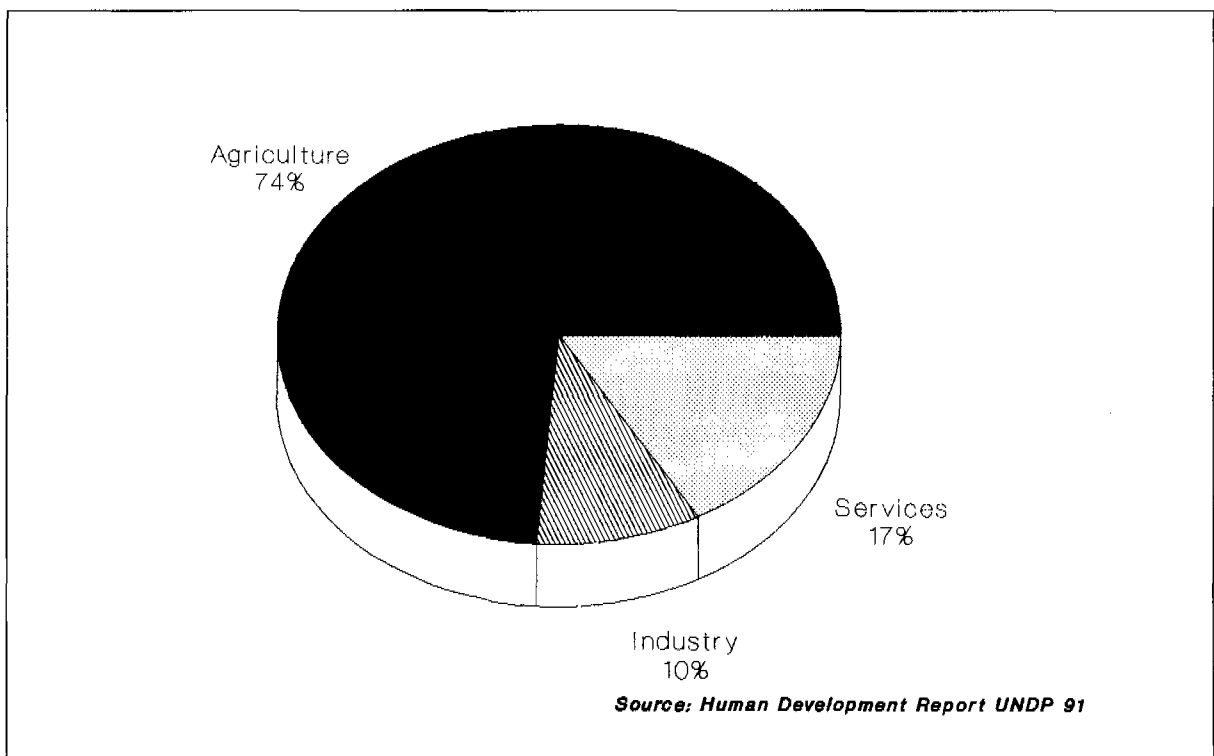
The scarcity of consumer goods and the extreme weakness of the national currency have led to the development, especially in urban areas, of a large parallel market in which people meet their basic needs through barter; the position in rural areas is much worse. Educational and health-care facilities are quite inadequate. In many regions social life is dislocated and the food situation bad. Child mortality is high and average life expectancy low. The national recovery programme seeks to remedy this situation and, inter alia, improve the social and economic position of the population; in addition to the macroeconomic measures already mentioned priority will be given to improving water supply, education and health care - measures of vital importance to the most vulnerable group, the rural population. To soften the social impact of the adjustment programme, particularly in rural areas, Angola will need to find the necessary resources and to ensure that the rural population is spared. International aid will be essential, preferably in grant form as the country already faces considerable debt problems.

Of particular concern is the fact that, following the departure of Cuban military personnel, the remaining 400 or so Cuban health workers will eventually also leave. Including these Cubans Angola would appear currently to have some thousand doctors.

**Fig. 2.6.4.a: G.N.P. ANGOLA 1989
by economic sector**



**Fig. 2.6.4.b: Labour force
by economic sector 1985-1988**



2.7 MALAWI

2.7.1 General

Malawi is a relatively small and densely populated country, with an area of 118,000 square kilometres, 8.55 million inhabitants (1990) and a population density of over 90 people per square kilometre of land area (i.e. excluding Lake Malawi); 80% of the population depends on agriculture for a livelihood and the average per capita income is US\$ 210 per year (1990). Lake Malawi plays an important nutritional role: fish from the lake supplies 60% of protein requirements and probably provides many people with a significant income.

2.7.2 Political situation

All important decisions are taken personally by Dr Hastings Banda, who has been "president for life" since 1970. The Malawi Congress Party (MCP) is the only permitted political party and parliament, which consists solely of MCP members, meets three times a year to endorse government legislation.

Dr Banda's close ties with South Africa put Malawi out of line with other SADCC members, but his country's dependent position has forced the president to reach an accommodation with Mozambique with a view to keeping open alternatives to transport links through South Africa, such as the corridors to Beira and Nacala. Relations with Zimbabwe have also improved, and the political changes taking place in South Africa will probably mean that Malawi's close links with that country become less of a strain on its relations with its neighbours and other SADCC members.

There are around 940,000 Mozambican refugees in Malawi, many of them related to Malawi people.

2.7.3 Human rights

The human-rights situation in Malawi is characterized by the absence not only of political freedoms but also of any degree of press freedom. The judiciary is not independent.

2.7.4 Social and economic situation and policy

2.7.4.1 Macroeconomic situation

Malawi's terms of trade worsened sharply from the mid-1980s onwards (its main exports are tobacco, tea and sugar) and both import and export costs rose following the loss of the rail links through Mozambique. The government responded by imposing tight adjustment policies which are now beginning to bear macroeconomic fruit. The adjustment programme, whose central goals are growth and the relief of poverty, combines four elements, namely expanding employment, improving education, raising small-farm output and income redistribution. Policies include the reduction of budget deficits, monetary restraint and market liberalization. Foreign debt has been reduced, as has debt service as a percentage of export earnings, while per capita GNP has risen from US\$ 170 in 1987 to US\$ 210 in 1990, an increase of 23% in three years.

2.7.4.2 Demography and environment

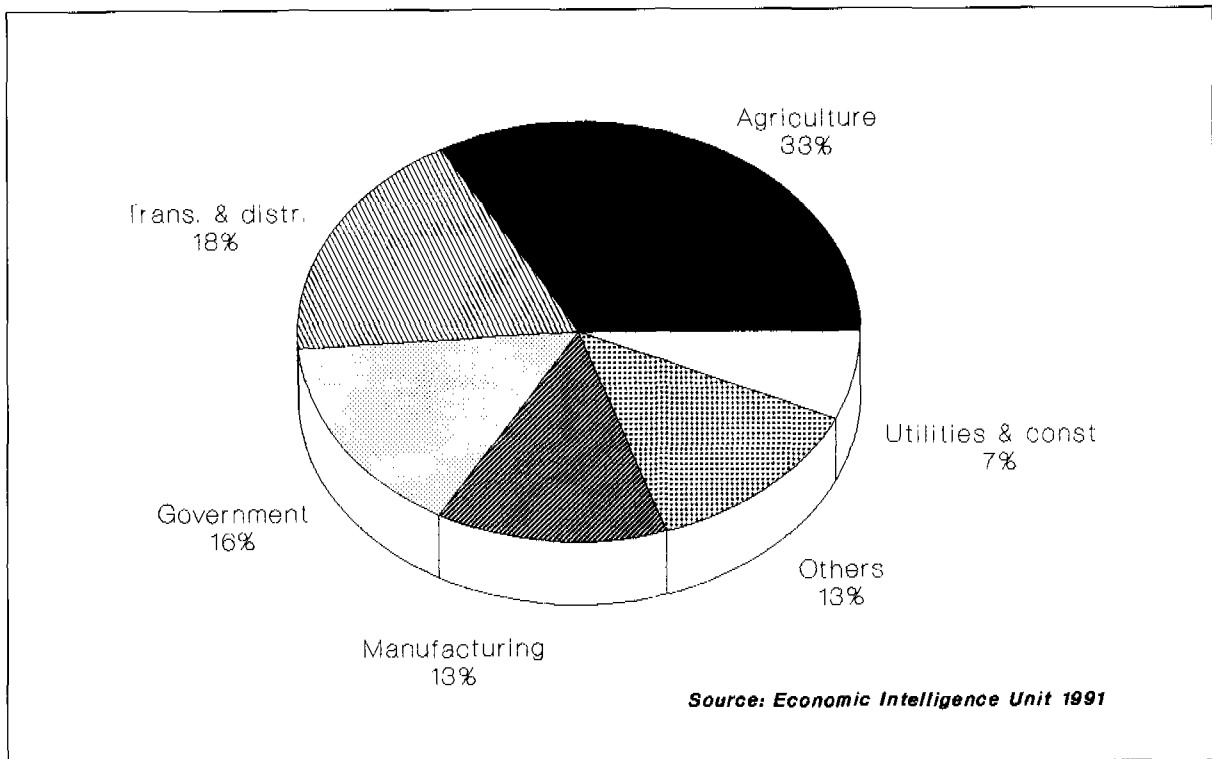
Population growth (excluding the influx of refugees) is put at 3.5% a year. Urbanization levels are low: only around 13% of the population are classed as town-dwellers, including the inhabitants of district principal towns with over 4,000 residents. Tobacco processing accounts for half of all the firewood burned and is thus a major contributor to deforestation, which is running at 3.5% per year. The government has therefore required all tobacco plantations to devote 10% of their area to woodland, thereby making themselves self-sufficient in firewood. Pressures on all reasonably fertile land are considerable: 86% of farmers have less than two hectares and 55.3% less than one. The refugee camps are located in marshy areas and scrubland with little agricultural potential; they are short of drinking water and firewood, and the resulting deforestation and diseases such as cholera have spread to the original population.

2.7.4.3 Poverty: situation and policy

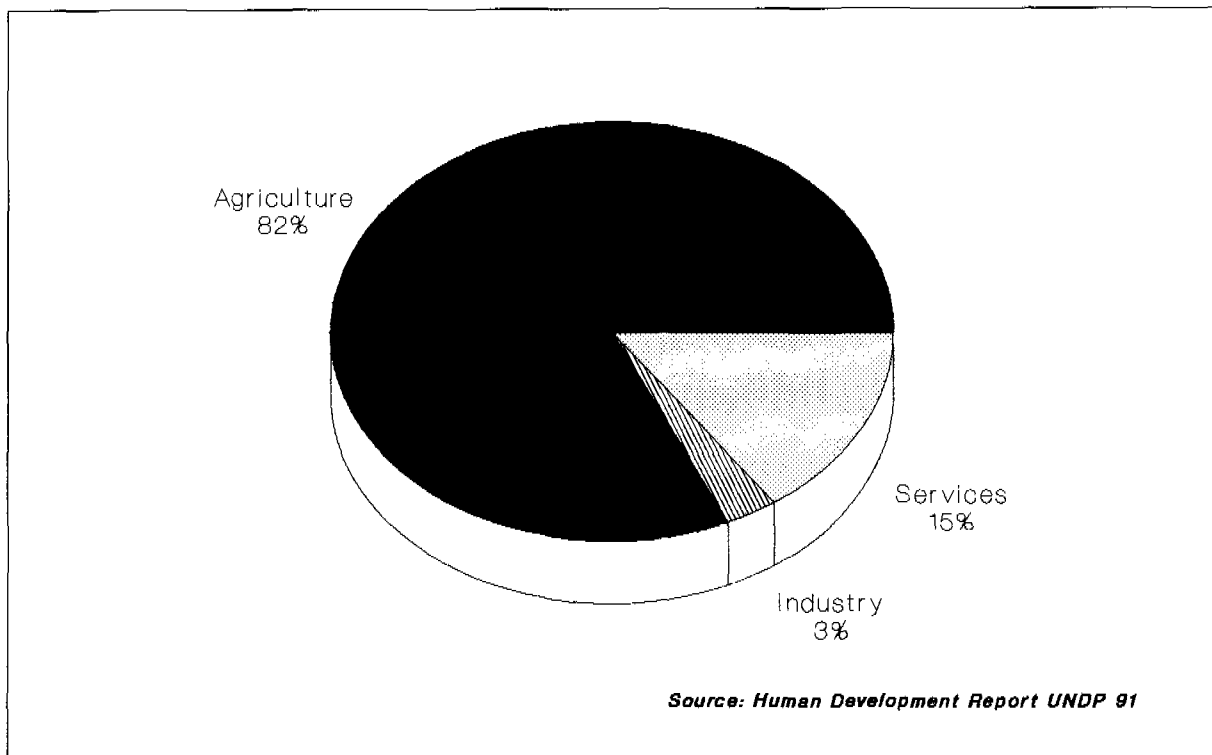
Malawi is one of the world's poorest countries, and while social indicators (notably nutrition, school enrolment, literacy and child mortality) have shown some improvement they remain poor even by African standards: infant mortality stands at 150 per thousand live births; 250 babies and children die before their fifth birthday; and half of all under-5s in rural areas suffer from quantitative or qualitative malnutrition. The adjustment programme mentioned in the section on macroeconomic policy is accompanied by a programme for the improvement of education and the relief of poverty and more money is being channelled into public services.

A serious problem for farmers is the shortage of reliable land and the prominent role and position of the plantations. The government-funded increase in productivity achieved in recent years has been very largely concentrated in the plantation sector while the smallholding sector has stagnated. Even so, output per hectare is still three times higher, on average, on small farms than on large, and government policy in this area is now changing emphasis; the forced transfer of land from small farmers to the plantations has now ceased.

**Fig. 2.7.4.a: G.N.P. MALAWI 1989
by economic sector**



**Fig. 2.7.4.b: Labour force
by economic sector 1985-1988**



2.8 BOTSWANA

2.8.1 General

The British protectorate of Bechuanaland became independent in 1966. In colonial times the British had only an oblique interest in the country, which was largely seen as a transit zone between south and central Africa. It long seemed likely that the protectorate would be absorbed into South Africa, but this was blocked by the arrival in power in that country of the National Party and the institution of apartheid in 1948.

The republic of Botswana which sprang from the protectorate was one of the world's poorest countries, but in the first twenty years of independence it enjoyed the highest annual growth rate in GNP per head of any country (8.3%). While Botswana is thus one of the few African countries to have achieved successful economic development, its wealth is very unequally distributed. At 67 per thousand and 59.8 years (1990) the rates of infant mortality and life expectancy are among the region's best, and the country has a reasonable system of educational and health-care facilities.

Botswana's area of 582,000 square kilometres consists largely of savannah and semidesert. Its population was estimated in 1988 at 1.2 million, mainly members of one of the nine Tswana groups of which the Bamangwato is by far the largest. However, there are also many minorities, among whom the Basarwa (Bushmen) are in a somewhat marginal position. Another minority, the whites (mainly Afrikaners) form a considerable section of the cattle elite. The largest minority group comprises Bakalanga, in the north-east, who have close ties with peoples in neighbouring Zimbabwe and speak their own language, Ikalanga.

The population is very unevenly spread across the country, with 80% living in the relatively fertile and developed east. The annual growth rate is high at 3.4% and urbanization is rapid: before independence in 1960 only 2% of the population lived in towns, but by 1990 the figure had risen to 28% and by the end of the century it is expected to have reached 42%.

While the official language is English, the national language, Setswana, is also widely used.

2.8.4 Political situation

Since independence Botswana has enjoyed balanced political development thanks to a functioning multi-party democracy. The country is governed by a National Assembly of 38 members, of whom 34 are elected from local constituencies and four "specially nominated". Parliament appoints the president, vice-president and other members of the government from among its members. In the elections of October 1989 the Botswana Democratic Party (BDP) won an absolute majority for the sixth successive time with 31 of the 34 elected members, the remaining three going to the left-leaning Botswana National Front (BNF). Since the death in 1980 of the first president and founder of the BDP, Sir Seretse Kama, the party's co-founder Dr Quett Masire has been party chairman and president.

For many years after independence Botswana's relations with its neighbours were uneasy: until Zimbabwean independence the country was almost totally enclosed by countries with white minority regimes, South Africa and Rhodesia, on which it depended for its existence. Botswana's only link with the rest of the world was the rail link between South Africa and Rhodesia, which runs through the country. Moreover until 1976 the South African rand was the main currency in Botswana and South African firms controlled much of the country's mineral wealth. Botswana did not feel able to comply with the international sanctions against its neighbour but always condemned apartheid and the Rhodesian regime.

While relations with Zimbabwe improved when that country became independent they remain somewhat tense. There were also tensions with South Africa, which carried out a number of attacks on Botswana territory. Relations with the homeland of Bophuthatswana, which Botswana does not recognize, are also uneasy. The changing political climate in South Africa has however considerably improved relations between the two countries.

Despite the political tensions and civil wars afflicting the region the proportion of GNP that Botswana spends on defence is relatively small at 2.3% (1986), as against a sub-Saharan average of 3.3%.

Botswana is a member of the OAU, the SADCC (whose headquarters are in Gaborone) and SACU (the Southern African Customs Union).

2.8.3 Human rights

The human-rights situation in Botswana is generally good. The Constitution includes a Code of Human Rights and the classical rights are respected. The press is remarkably free. There are no reports of political prisoners or torture, albeit corporal punishments are used.

2.8.4 Social and economic situation and policy

2.8.4.1 Macroeconomic situation, economic growth and self-sufficiency

The discovery and successful exploitation of diamond reserves and (less importantly) copper and nickel reserves has been crucial to Botswana's economic growth. In 1967 the South African firm De Beers Consolidated Mines Ltd discovered the world's second largest diamond mine in central Botswana: opened in 1971, the Orapa mine has produced an average of 4.5 million carats a year. In 1982 national output rose sharply as the Jwaneng mine came into production (producing 5.85 million carats in 1983); a smaller mine, Lethlakane, produced 0.54 million carats in 1983. In 1989 total output reached almost 16 million carats. Botswana diamonds, particularly those from the Jwaneng mine, are of high quality.

The diamond mines are run by Debswana, a company whose shares are owned half each by the Botswana government and De Beers. With a global market share of 30% Botswana is the world's largest diamond producer. Diamonds account for over 80% of Botswana's export earnings and over 50% of government revenue.

Copper and nickel are mined in the east of the country, at Selebi-Phike. The mine and associated smelting works belong to Bamangwato Concessions Ltd, in which the Botswana government owns 15% of the shares and the South African-based company Anglo-American (the parent company of De Beers) and the US-based Amex the remainder. While BCL is not always profitable, with a workforce of 4,000 it is the country's largest private employer. Other products of the extraction industry are coal, soda ash, cement, semiprecious stones and gold.

Despite its economic importance the mining industry is not a very big employer. Official policy therefore stresses economic diversification, involving the promotion of both tourism and manufacturing, with a view to creating jobs for the rapidly growing population. The government seeks to stimulate the private sector through both positive incentives and the non-use of exchange controls and import licences, and the low level of protection means that industry can operate competitively within the region (this is essential, given the small size of the domestic market). While manufacturing accounts for only 5% of GNP it provides twice as many jobs as the mining industry.

Tourism offers scope for further development and can provide jobs, notably in rural areas and the north where unemployment is high. The main tourist attraction is the Okavango Delta, an enormous inland delta in the Kalahari desert. In the development of tourism the Botswana government focuses on the wealthier traveller, with a view to limiting tourist flows and hence environmental disruption. The drawback is that such tourists, unlike back-packers, spend little money in the local economy. Tourism currently contributes around 100 million guilders a year to national income.

Botswana is traditionally a land of herdsmen, and while both arable and livestock farming together account for only 3% of GNP the sector is estimated to provide over 70% of employment (1988). Roughly 60% of the huge national cattle herd is owned by around 5% of the population. Around half of the meat produced is sold in the European Community, and under the Lome agreements Botswana pays only 10% of the import duties levied on products from other meat-exporting countries.

The majority of the rural population comprises small and marginal farmers with only a few head of cattle; indeed, over 40% own no cattle at all and form a growing underclass. Export earnings thus go mainly to the big commercial farmers, thereby further widening social disparities. The commercial farmers often have close ties with government and national politicians (to the point that the country is sometimes referred to as a "beefocracy"), while many leading politicians have big business interests. The guaranteed EC market, as well as increasing social inequalities, is also leading to an uncontrolled increase in cattle numbers and hence to great pressure on the environment.

Access to pastureland is increasingly regulated on a commercial basis. There are now four types of land in Botswana: government land (mainly wildlife reservations); communal or "tribal" lands (70% of the country's area), managed collectively by rural communities; private freehold farms mainly on fertile land; and leased ranches on former communal land.

The traditional interest in cattle and the arid climate have meant that relatively little attention has so far been focused on cereal-growing. Plans exist to use water from the Okavango Delta and Chobe (both in the far north) for irrigation purposes, but given the delicate ecological balance which characterizes these areas the advent of large-scale irrigated farming could cause irreversible environmental damage.

2.8.4.2 Demography and environment

Botswana covers an area around fourteen times that of the Netherlands and, with its small population, has a very low population density of 2.1 per square kilometre. The annual growth rate of 3.4% is among the highest in the world, however, generating a variety of acute problems. The fact that under-16s make up half the population has major implications for education and training provision and for what is already a very tight jobs market. The country is also experiencing rapid urbanization with all its associated problems.

The environment is coming under great pressure, mainly owing to large-scale commercial cattle-farming, and the concentrations of livestock around water sources often exceed the land's carrying capacity by a wide margin; the result is overgrazing and desertification. Growth in cattle numbers is also encouraged by the high EC price for meat from Botswana. Commercial livestock farming also has an adverse effect on the country's fauna (see section 1.5.2).

Implementation of the Okavango Integrated Water Development Project, involving the deepening of the rivers in the Okavango Delta, has been postponed indefinitely. This has not closed the debate, however; there are still serious plans to use delta water for irrigation purposes and rice-growing trials are being conducted along some arms of the delta. Since the disappearance of the tsetse fly (which causes sleeping sickness) the delta is also increasingly used by livestock farmers. Any large-scale "development" of the Okavango Delta would destroy a unique landscape and habitat. However, the growth of tourism is increasing the economic importance of the area's natural environment and growing numbers of people therefore have an interest in its protection.

There is little industrial pollution in Botswana. The copper and nickel mine at Selebi-Phike is the country's largest user of water and causes air and water pollution, but is not known to have had adverse environmental effects.

2.8.4.3 Poverty situation and policy

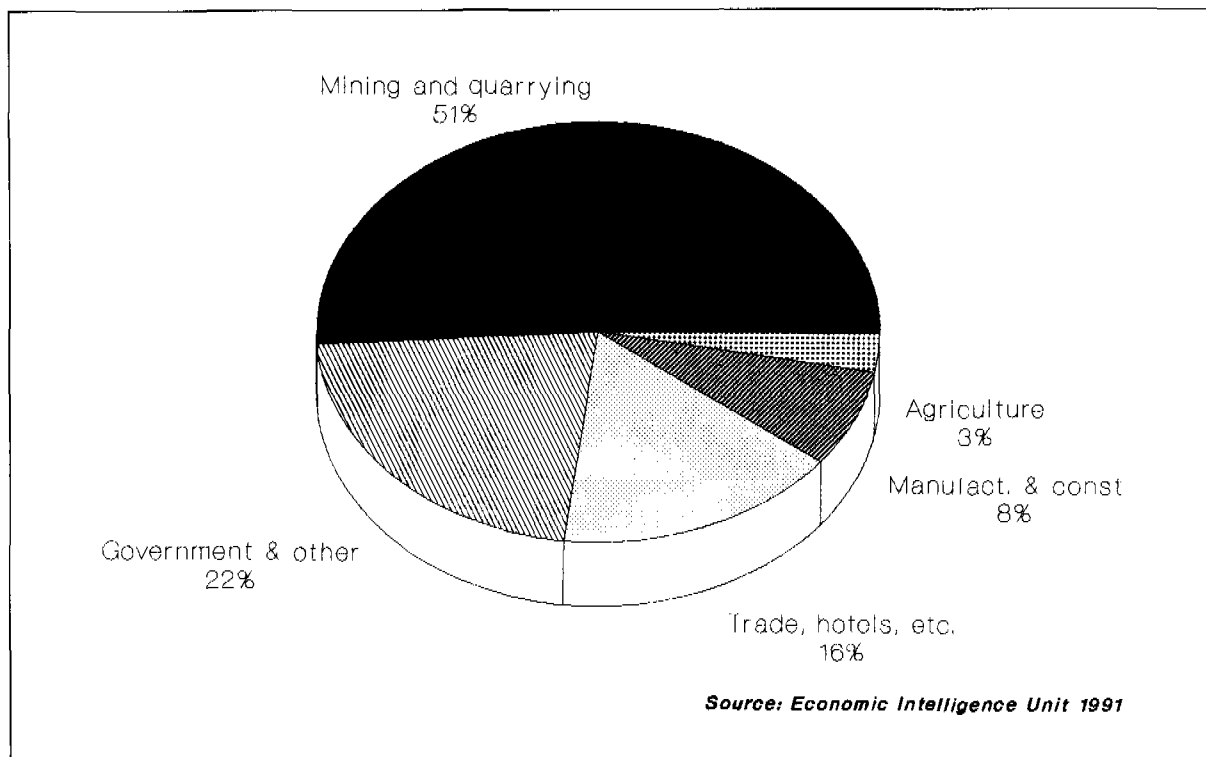
One of the reasons given for Botswana's success is the political and social harmony at which the government aims. The government genuinely seeks to ensure that people's basic needs are met and the seventh National Plan refers to rural development as a pressing priority. At over US\$ 1000 a year GNP per head is among the region's highest, but the country's wealth is very unequally distributed and there is great poverty in rural and peri-urban areas.

While the Botswana government operates a strictly non-racial policy the Basarwa (Bushmen), a hundred years ago the Kalahari Desert's only inhabitants, appear to have been reduced to a marginal existence as their lands were gradually taken from them first by white and later also by black livestock farmers. The

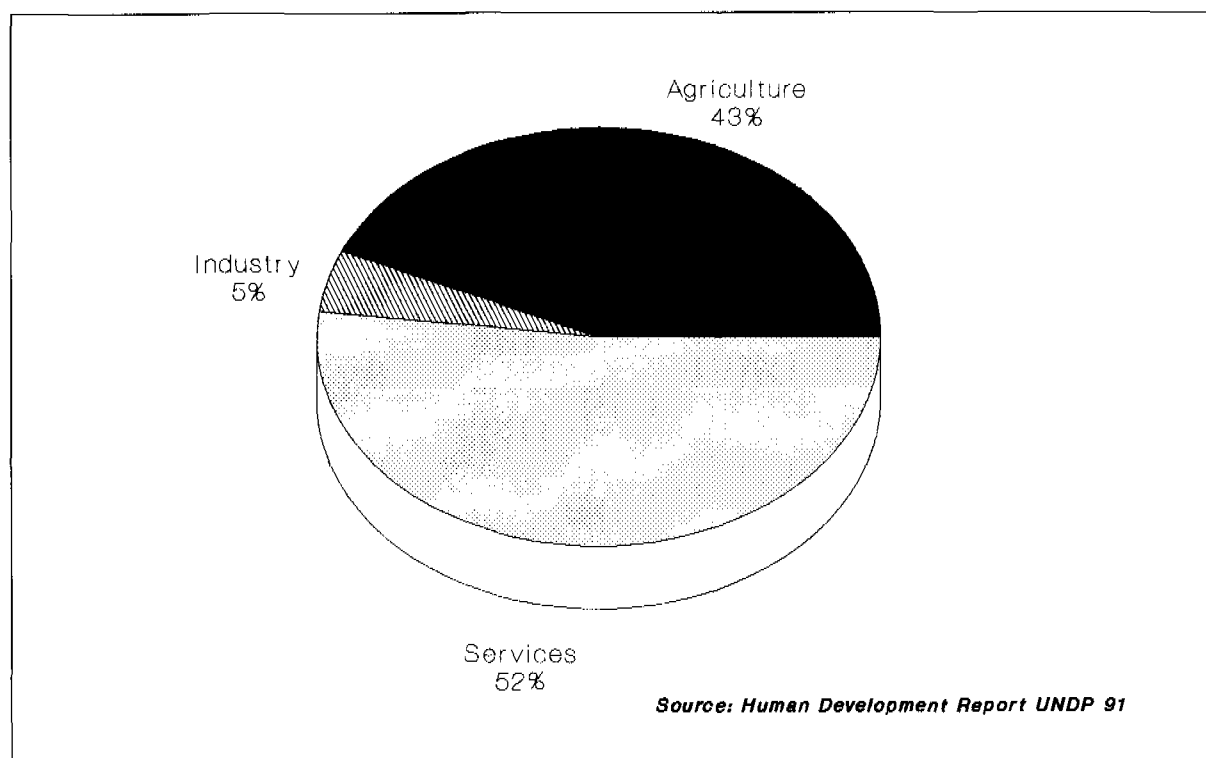
government has always promoted livestock farming and allocated the nomadic Basarwa a few small areas for settlement; a few now work for the cattle barons while others live in new villages or in shanty towns in Ghanzi. The government wants to integrate the Basarwa into Botswana society but offers them no means of livelihood, with the result that most Basarwa live well below the poverty line and depend on food aid. Around 3,000 still live as hunter-gatherers.

A second disadvantaged group is formed by female-headed households, most of them families in which the father works elsewhere in the mines.

**Fig. 2.8.4.a: G.N.P. BOTSWANA 1989
by economic sector**



**Fig. 2.8.4.b: Labour force
by economic sector 1985-1988**



2.9 LESOTHO

2.9.1 General

Lesotho, a kingdom covering an area of 30,335 square kilometres (about the size of Belgium), extends over the highest part of the Drakensberg mountain range and the eastern part of the South African plateau. The mountainous east of the country rises to 3,350 metres above sea level and is characterized by high rainfall, rocky outcrops and grassland; the west, where most of the population live, has deep valleys and a drier and better climate. The country is entirely surrounded by, and economically dependent on, South Africa; with an annual income per head of population of US\$ 410 Lesotho is one of the region's poorer countries.

Most of Lesotho's people are Basotho, who united around King Moshoeshoe at the beginning of the last century. Virtually from the outset the kingdom was threatened by Boers from South Africa, and to counter this threat Moshoeshoe placed the country under British protection in 1868. In return the Basotho had to cede much fertile land to the colonists (this land is still sometimes called the "Lost Territory"), though in Basutoland itself there was a British-instituted ban on whites owning land. In 1966 the country became an independent kingdom under King Moshoeshoe II.

2.9.2 Political situation

The first general elections were held in 1965, before independence, and were won by the Basutoland (later Basotho) National Party (BNP) of Chief Jonathan. The BNP favoured limited cooperation with South Africa and was supported by that country. In the next elections, held in 1970, the BNP lost its majority to the Basotho Congress Party (BCP), which was influenced by the ANC and the PAC. Chief Jonathan promptly staged a coup and suspended the constitution; some 500 people lost their lives.

In the years that followed Jonathan stabilized his position somewhat and sought a consensus. The BCP split into an "internal" and an "external" group. In 1975 one member of the BCP and one of another opposition party were brought into the cabinet, while the BCP's "external" wing formed itself into the Lesotho Liberation Army and carried out attacks in Lesotho. Jonathan accused South Africa of supporting the LLA and South Africa accused Jonathan of sheltering members of the ANC. In 1982 South African commandos murdered 30 ANC members and 12 other people in Maseru, Lesotho's capital. Relations with the country's only neighbour worsened still further when a section of the BNP sought closer links with the eastern bloc and Jonathan refused to expel ANC activists. South Africa closed the borders in 1986 and immediately thereafter the military seized power in Lesotho. A week after the coup 60 ANC members were expelled and the blockade was lifted. The new "strong man" was General Justin Lekhanya, who proceeded to exile King Moshoeshoe II in February 1990; in November 1990 Lekhanya announced that Moshoeshoe was no longer king and in the same month Moshoeshoe's son was crowned as Letsie III. Since the start of 1991 the political situation in Lesotho has been unclear, mainly owing to the factional struggle taking place within the army.

2.9.3 Human rights

While the military regime has pledged to transfer power to a civilian government in 1992 restrictions on political activity remain in place and opponents of the government are arrested by the police without formal grounds.

2.9.4 Social and economic situation and policy

2.9.4.1 Macroeconomic situation and policy

While agriculture makes a large contribution to GNP (18% in 1989) and is the primary source of work for a large part of Lesotho's labour force (81% in 1988), very serious soil erosion is reducing its share in GNP by an average of 3% per year. Maize is grown on 60% of arable land and sorghum on 30%. Only 10% of the country is suitable for arable farming; there is some livestock farming in the mountains. Lesotho has little by way of natural resources.

Remittances from the 150-200,000 Basotho (around 45% of the male labour force) who work in South Africa account for around half the country's GNP. Lesotho's economy is thus heavily dependent on the earnings of these mineworkers.

The next most important revenue-earner is tourism, which is also a major employer. Between 1968 and 1987 the number of visitors (mainly South Africans) rose from 4,000 to 215,000, but in recent years there has been growing competition from the so-called homelands, notably Sun City in Bophuthatswana.

The manufacturing sector, though relatively small, accounts for 14% of GNP. In the 1980s it grew rapidly, partly thanks to the sanctions imposed against South Africa: since these did not apply to Lesotho their imposition made it attractive for South African export industries to invest in that country.

The Lesotho mining industry has remained limited to small-scale diamond finds. In 1977 De Beers opened a small modern mine in Letseng-la Terai, but it proved not to be very rich and was closed in 1982. Its reopening is currently under consideration.

The government's attempts to reduce the country's dependence on South Africa seem unlikely to have much success, given its limited resources, and the two economies remain closely linked. Since 1986 Lesotho has been a member, with Swaziland and South Africa, of the Tripartite Monetary Area (which Namibia also joined in 1990). Under the TMA treaty, which regulates monetary cooperation among member countries, Lesotho determines the exchange rate for its currency (the loti); thus far it has remained equal in value to the rand.

Much is expected in the near future of the Highland Water Scheme (HWS), which will enable Lesotho to supply South Africa with water and become self-sufficient in electricity. The project was long a source of conflict between the two countries, in part because of the danger that it would make the kingdom even more dependent on its neighbour, but the legal framework and costs were agreed in 1988. The project will create several thousand jobs.

2.9.4.2 Demography and environment

Lesotho's population is relatively small and homogeneous: of its 1.7 million inhabitants 99.7% are Basotho. The annual growth rate is 2.7%. The population is very unevenly distributed: 70% live in the north and west, where density rises to 200 people per square kilometre as against a national average of 53. Both the pastureland in the mountains and the arable farmland are seriously affected by erosion.

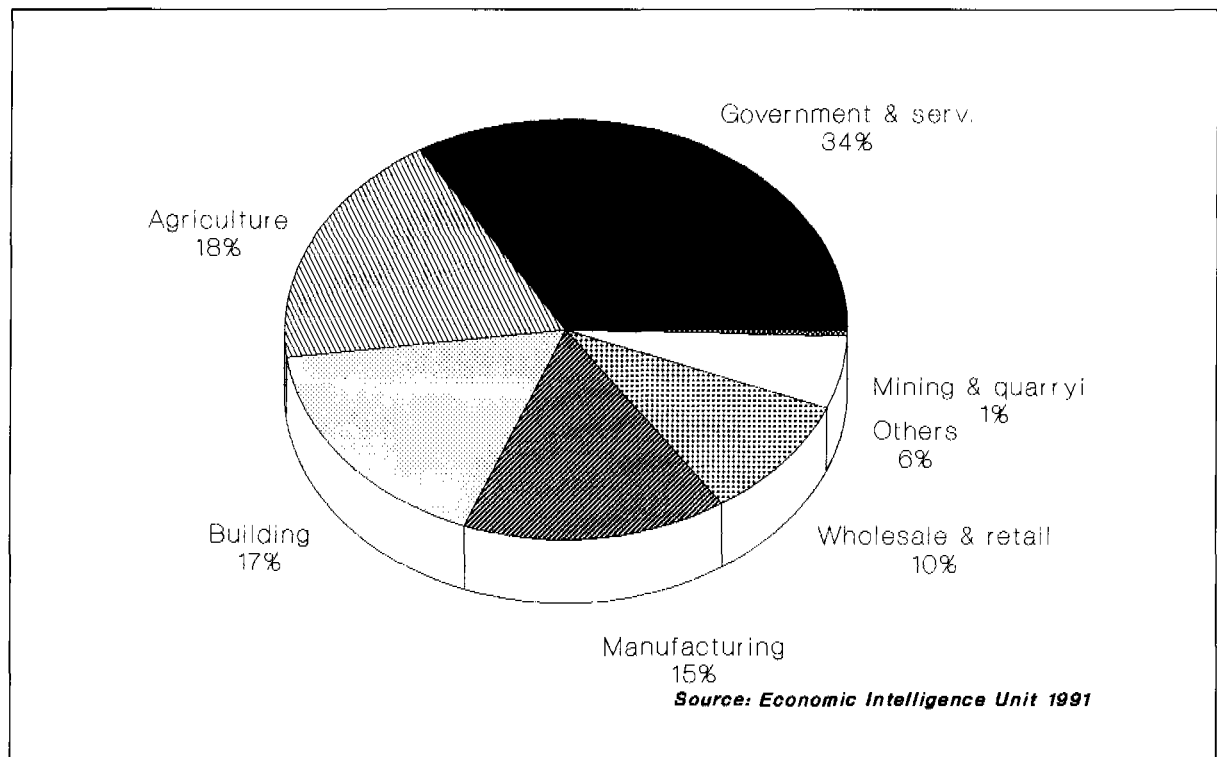
The problem of erosion, in the form of "dongas" or gulleys, was noted in the last century, since when attempts to reverse or halt the process have come to nothing. The pressure of population is a major cause of erosion: most Basotho depend on wood for fuel, with the result that 28% of timber stocks disappeared between 1976 and 1987. In addition, 68% of the country's forests and 70% of its savannah were lost as natural habitats in the 1980s. The problem of population pressures is compounded by the use of inappropriate and inefficient farming methods, the very weak legal position of farmers and, in the mountains, overgrazing resulting from the traditional role of cattle in Basotho society. There are no traditional rules governing the distribution of pastureland or the size of herds, however, and the land's carrying capacity is vastly exceeded in this textbook example of a "tragedy of the commons".

2.9.4.3 Poverty: situation and policy

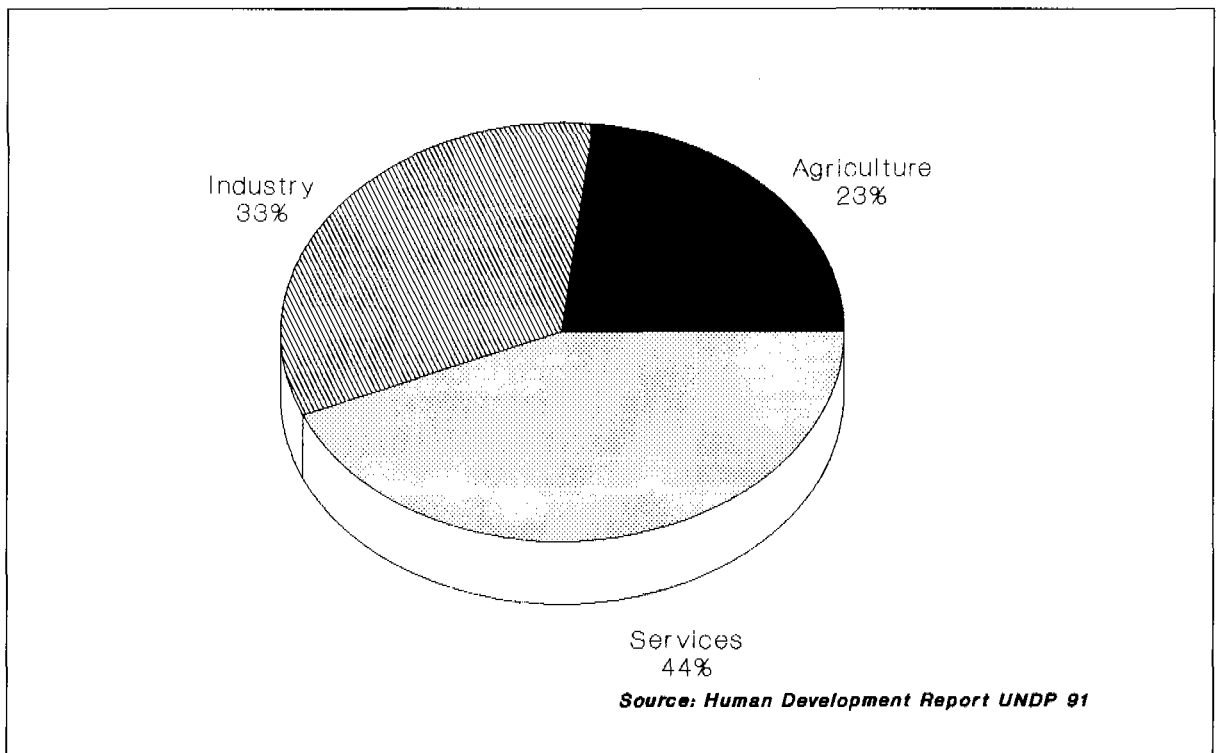
With its per capita GNP of US\$ 410 per year Lesotho is one of the poorest countries of southern Africa. A temperate climate means that tropical diseases are uncommon and health-care provision, to which 80% of the population have access, can be described as fair. Life expectancy at birth averages 57.3 years and 40% of the rural population have access to safe water supplies.

The government is unable to meet the growing demand for education; domestic employment also falls short of need.

**Fig. 2.9.4.a: G.N.P. LESOTHO 1989
by economic sector**



**Fig. 2.9.4.b: Labour force
by economic sector 1985-1988**



2.10 SWAZILAND

2.10.1 General

Swaziland, which is bounded on three sides by South Africa and has a 112-kilometre frontier with Mozambique, divides into three distinct geographical zones. From the western border with South Africa to the border with Mozambique in the east they are: the mountainous Highveld with its damp, almost temperate, climate; the Middleveld plateau, with its subtropical climate and lower rainfall than the Highveld, where half the population live; the Lowveld, also subtropical but drier than the Middleveld; and the Lumombo Plateau on the Mozambican border, which has the same climate as the Middleveld. The capital, Mbabane, has a population of 44,000.

With an area of only 17,363 square kilometres (half that of the Netherlands) Swaziland is continental Africa's second smallest country after Gambia. The country came into being as a political entity at the beginning of the nineteenth century, when the Swazis' forebears fled from the advancing Zulus to what is now Swaziland. Diplomacy and military force enabled the Swazis to consolidate their hold over the territory. The country became an independent kingdom in 1968.

Political power rests with the royal family, which also wields considerable economic influence. More than half of the country's land area and mineral resources are controlled by the Tibiyo organization, which is answerable only to the king. While the economic situation is fairly good the high level of dependence on South Africa is a potential threat to future growth and living standards.

There are many Mozambican refugees in Swaziland: the official refugee camps are overcrowded and large numbers of illegal immigrants live in the country's urban areas. There are estimated to be up to 134,000 refugees, equal to 20% of the local population; since many of them are educated they are seen as a threat to the jobs of the local Swazi population. While fewer refugees are arriving from Mozambique now that the conflict in that country is dying down, new flows are being generated by the violence in the South African province of Natal.

2.10.2 Political situation

The political situation in today's Swaziland was largely shaped by King Sobhuza II, who ascended the throne in 1921 and ruled the country until his death in 1982. The formal political system is based on the democratic western model: the king is the head of state, there are regular parliamentary elections and the government is responsible to parliament. The reality of the situation is less exemplary, however, in that alongside the western system the country also has an important political structure determined by traditional forms of government: the king's government has absolute power, political parties are banned and the constitution has been suspended.

The death of Sobhuza II was followed by a power struggle among various factions within the royal family which ended in 1986 when the then 18-year-old Prince Makhosetive was pushed to the fore and crowned as King Mswati III. The new king has maintained the political structure established by his predecessor.

The government of Mswati III is opposed within both the royal family and society at large, and in 1989 a plot was discovered to depose the king and free Prince Mfanasibili. Civil opposition is limited to the People's United Democratic Movement (PUDEMO), in which students play a major role. Protest actions last year led to arrests and there is recurrent labour unrest. Growing urbanization, educational improvements and the political developments taking place elsewhere in the region are all putting pressure on traditional Swazi norms and values.

While Swaziland currently maintains good relations with all the countries of the region, since the mid-1980s it has developed a special link with South Africa: this is due mainly to the possibility that Swazi territory might be extended by the transfer of the South African homeland of KaNgwate and the Ingwavuma area of KwaZulu (which would give Swaziland access to the sea).

The conclusion in 1982 of a secret security treaty between Swaziland and South Africa was followed by increased intimidation of the ANC, and Swazi police were accused of complicity with South African

agents in the murder of various ANC members.

Swaziland is a member of the Southern African Customs Union (with Lesotho, Namibia, Botswana and South Africa) and of the SADCC. Since 1986 it has also been a member, with Lesotho and South Africa, of the Tripartite Monetary Area (which Namibia also joined in 1990). Under the TMA treaty, which regulates monetary cooperation among member countries, Swaziland determines the exchange rate for its currency (the lilangeni, plural emalangeni); thus far it has remained equal in value to the rand.

2.10.3 Human rights

The classical rights are curtailed in numerous respects, with restrictions on freedom of expression and freedom of assembly and association; the lack of free elections is of course also a point of criticism, while the judicial treatment meted out to opponents of the government are given in no way resembles a fair trial.

2.10.4 Social and economic situation and policy

2.10.4.1 Macroeconomic situation and policy

Swaziland is one of the wealthier countries of sub-Saharan Africa but its average annual income per head of US\$ 700 conceals wide variations.

Agriculture is the most important sector of the economy: it provides work for around three quarters of the country's labour force and, together with forestry, accounts for 25% of its GNP. The Crown owns 56% of all land, and while traditional subsistence farming takes place on the Crown holdings over half has been earmarked for rural development and cash crops are cultivated. The remaining 44% is in private hands, mainly commercial firms and Europeans.

The main farm products are maize, fruit, cotton and, above all, sugar (30%). Commercial forestry is also practised; wood pulp is the country's second most important export after sugar. While the mining industry's share in the Swazi economy is gradually shrinking it still accounts for a considerable proportion of export earnings. The country has rich natural resources, including diamonds, coal and asbestos, and the government is seeking ways of expanding the mining sector.

The international sanctions imposed against South Africa induced a range of firms (among them Conco, which manufactures Coca Cola concentrate) to set up in Swaziland, and the Swaziland Industrial Development Corporation has had some success in encouraging such inward investment.

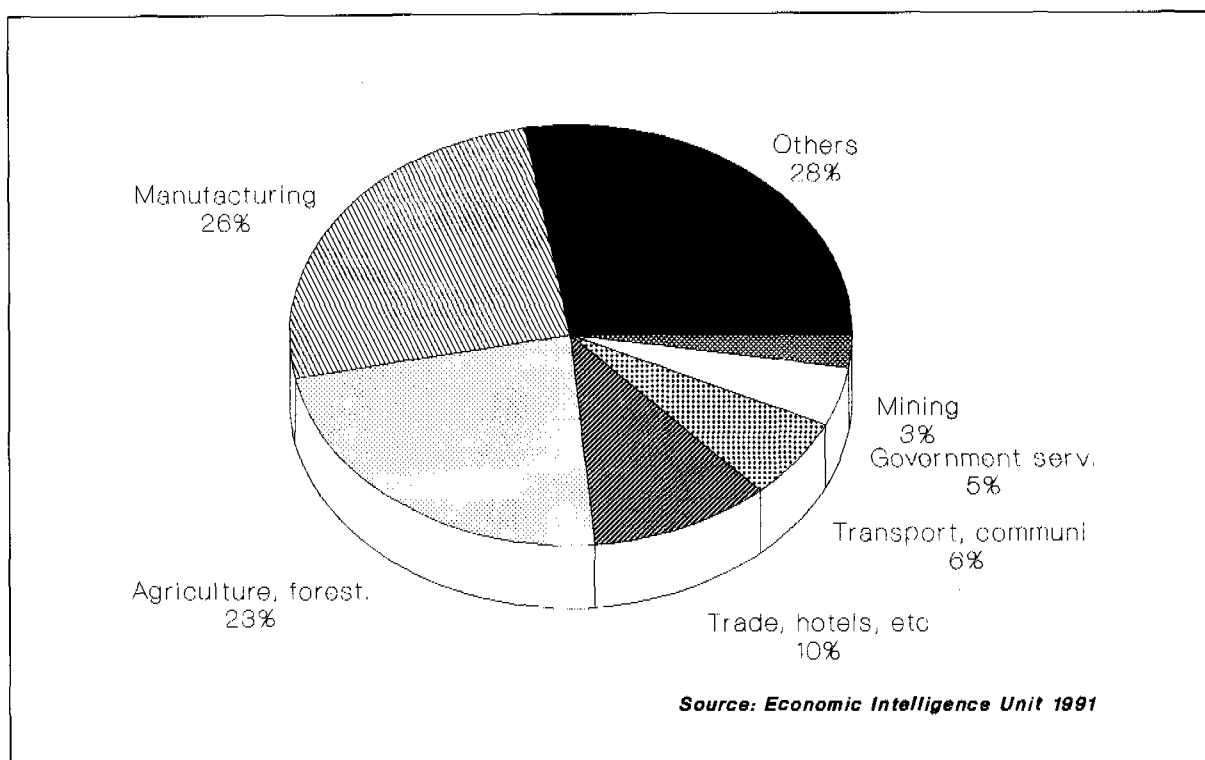
2.10.4.2 Demography and environment

Swaziland has only some 800,000 inhabitants but its population is growing at the rapid rate of 3.4% per year. Coupled with current land-use systems this growth is putting great pressure on the natural environment, one of the main problems being soil erosion due mainly to livestock farming. Another problem is the result of agricultural irrigation: owing to the inadequate maintenance of irrigation channels bilharzia is very common, infecting perhaps 30% of the population. Little attempt is made at nature conservation and ecologically valuable or vulnerable areas are at risk. Finally, there are major environmental and health problems in the peri-urban shanty areas.

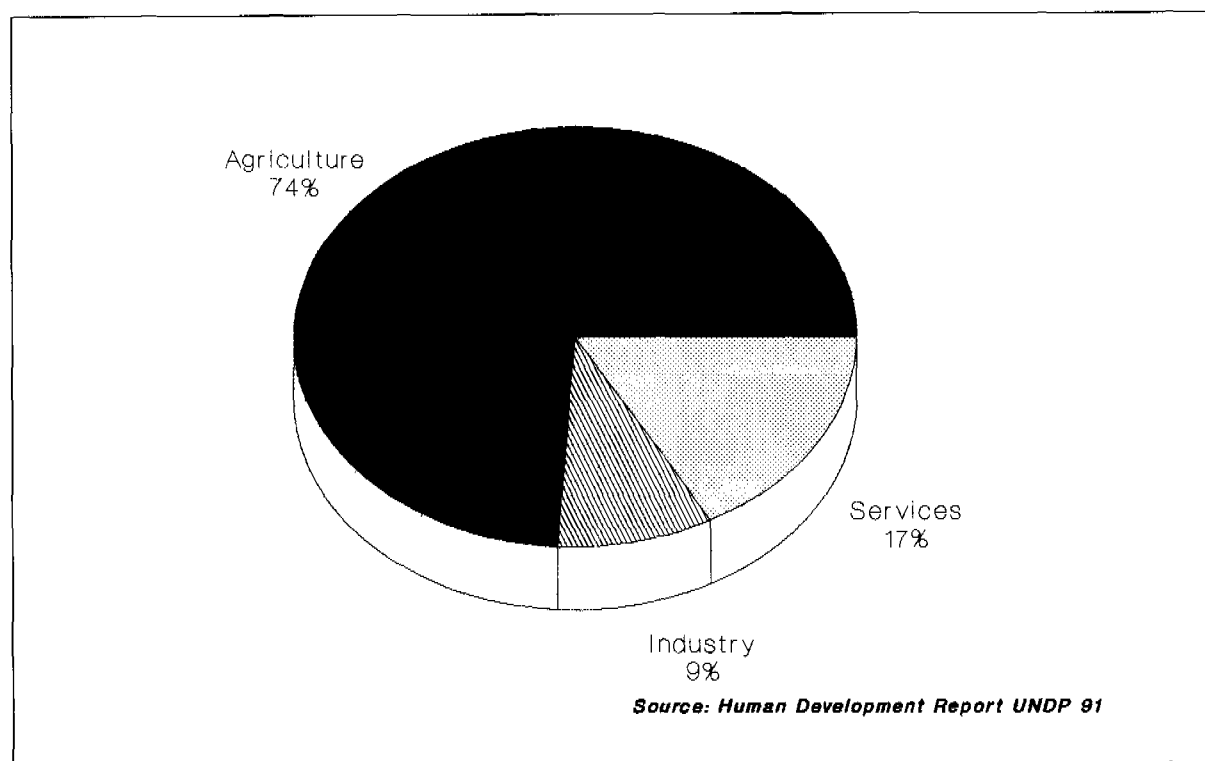
2.10.4.3 Poverty: situation and policy

While Swaziland has enjoyed significant development since independence its people have felt little benefit. The royal family owns a large part of the country's resources, which it shows little inclination to share. Most people live in rural areas and cultivate small plots of land allocated to them by local chiefs in the name of the king. The rest of the land is cultivated by commercial farmers, who are also responsible for the country's export earnings. The government is however seeking to reduce dependence on food imports by encouraging small farmers to grow maize.

**Fig. 2.10.4.a: G.N.P. ZWAZILAND 1988
by economic sector**



**Fig. 2.10.4.b: Labour force
by economic sector 1985-1988**



CHAPTER III

NETHERLANDS DEVELOPMENT POLICY IN SOUTHERN AFRICA

3.1 General

This chapter sets out current and future policy in respect of southern Africa, examining the situation in recipient countries in the relevant sectors and geographical areas and, where appropriate, looking in more detail at the following themes:

- women and development,
- the environment (including physical scarcity),
- rural development (including food security),
- health care and drinking water supply,
- education,
- industrial development and employment,
- institutional development,
- cultural factors.

3.1.1 Outlook on regional development

As previous chapters have indicated, the political climate evolving in southern Africa at the beginning of the 1990s brings with it the prospect of peace and development.

The constitutional reforms initiated in South Africa are laying the foundations for social change, and while this process will inevitably be prolonged and face setbacks from time to time we can reasonably expect that in the period covered by this policy plan apartheid will be further dismantled and greater efforts made to improve the lot of the weaker sections of South African society. We can also look forward to South Africa playing a more positive role in the region, its relations with its neighbours marked not by policies of destabilization but by increased cooperation in many fields and by a growth in trade and investment.

With Namibian independence came the end of a prolonged and serious armed conflict which did much to sharpen political differences in the region. Namibia is a relatively prosperous country with a stable political climate, and we can reasonably hope that over the coming years the process of national development will continue and that in Namibia too greater efforts will be made to improve the position of the poorest members of society.

The ending of the civil war in Angola and the achievement of peaceful internal relations are likely to usher in a period of national recovery when the foundations can be laid for developing the country's huge economic potential. Angola's agricultural capacity and mineral resources offer scope for the speedy economic rehabilitation of this devastated land.

The civil war which has ravaged Mozambique also seems likely to be brought under control in the near future, and while the domestic security situation will undoubtedly remain problematic for some considerable time to come the prospect for the next few years is nevertheless one of progressive economic recovery.

In the case of Zimbabwe there are grounds for cautious optimism. While the political situation is stable the government has come under growing criticism for its handling of corruption scandals and the slow progress of land reform. The prospects for further economic growth are uncertain since agriculture, manufacturing and mining all face problems. Development over the next few years will depend very much on how far Zimbabwe can compete in the manufacturing field with a South Africa which has open access to the region's markets.

Zambia's position remains worrying. The rate of agricultural development has not been sufficient to offset the long-term decline in copper earnings. The country's debts are huge and the sacrifices demanded by the process of economic adjustment will put its political stability under great strain. The recent elec-

tions, conducted peacefully and underpinning the further democratization of the country, have increased donor confidence in Zambia.

Malawi, which possesses good farmland but little by way of mineral resources, can achieve economic growth only by increasing agricultural productivity and gradually expanding manufacturing industry. The lack of political freedom and associated question marks over the country's political stability come the death of its elderly president have helped to isolate it politically. The Netherlands gave Malawi no new bilateral aid in 1991.

Botswana is relatively prosperous. Its economic prospects are good, thanks to revenues from exports particularly of diamonds and beef, its political climate is stable and it is likely to benefit from the sharply improved situation in the region through e.g. the development of manufacturing.

Swaziland too should experience economic growth, thanks to the improved regional situation, with the further expansion of what are already relatively developed and diversified manufacturing and agricultural sectors.

The political and economic situation in Lesotho makes it difficult to forecast developments over the next few years. The only SADCC state ruled by a military regime, Lesotho's political instability and complete dependence on South Africa have led to speculation regarding its possible incorporation into a future South Africa. The Netherlands gave Lesotho no new bilateral aid in 1991.

3.1.2 Choice of countries

The Netherlands' programme of development cooperation focuses on the poorest countries of the region. Two of the three countries with which large bilateral programmes have been built up, Mozambique and Zambia, are among the four poorest, with a GNP per head of less than US\$ 500 a year. In the other two members of the poorest group, Lesotho and Malawi, the human-rights situation is such as to make them unsuitable partners for cooperation in the period covered by this regional plan.

Of the three countries where GNP per head is in the range US\$ 500-1000, the Netherlands has an extensive programme of cooperation with Zimbabwe (GNP per head: US\$ 610). Such links do not exist with the other two members of this group. A limited programme is to be developed with Angola, which was until recently ravaged by war and where GNP per head stands at US\$ 610: the country's oil reserves, mineral wealth and agricultural potential should enable it to make relatively rapid progress towards national recovery. Swaziland's per capita GNP of almost US\$ 1000 makes it eligible for limited aid; similarly eligible are Botswana and Namibia, two of the region's wealthier countries. The distribution of incomes in these better-off countries is very uneven, however, and the Netherlands seeks to contribute, generally through non-governmental channels, to activities which benefit the poorest members of society.

In the period covered by this plan Netherlands efforts will therefore remain focused on Mozambique, Zambia and Zimbabwe. In keeping with the planned growth in the Netherlands' programme of cooperation with Africa, the programmes operating in these three countries are also to grow.

The flexibility offered by the use of regional cash ceilings will allow aid volumes to be varied from year to year and country to country as needs dictate.

3.1.3 Aid sectors

In the light of the current position in the region and of likely developments over the next few years and taking account of the priorities set in the Netherlands government's policy statement *A World of Difference*, most of the project aid going to southern Africa in the period covered by this plan will be channelled into:

1. rural development, specifically improved food security;
2. education and training;
3. primary health care.

The programmes of cooperation with the region's countries will concentrate mainly on these three sectors. Within each overall programme appropriate activities can be developed and implemented, notably in the areas of research and small-scale manufacturing, on the basis of the needs which exist in the country concerned.

In the area of food aid every effort will be made to procure the necessary supplies within the region, and hopefully the SADCC will be able to play a part by promoting and preparing such triangular transactions. Opportunities for cooperation in this area will be sought wherever possible, as will ways of enhancing the SADCC's capacity to contribute to regional food security in general.

One of the purposes of aid is to help recipient countries achieve greater economic autonomy, and a large proportion of the aid given will therefore take the form of macroeconomic support in the form e.g. of balance-of-payments support and contributions to Open General Import Licence systems and to Commodity Import Programmes.

In each area of cooperation every effort will be made, within the policy framework laid down in A World of Difference, to meet recipients' specific needs. Within each sector, in accordance with the policy of the Netherlands, there will be a focus on the themes of: women and development; environment; research; and institutional development.

Activities concerned specifically with the themes of women and development and the environment will also be possible. Regional sector papers are to be prepared on the basis of which policy choices within these areas will be made.

3.1.4 Country priorities

In the light of the policy statement A World of Difference the factors determining priorities for the period 1992-5 within each recipient country are:

- the recipient country's needs;
- the policies of its government;
- the content of the current programme of the Netherlands and the recipient country;
- other donors' programmes;
- management considerations and available expertise.

Taking these factors into account the following priorities have been set.

1. Mozambique

- a. Water management and supply
- b. Education and training
- c. Health care, particularly primary care

And when the internal security situation permits:

- d. Rural development, specifically increased food production

2. Zambia

- a. Support for local initiatives and increased popular involvement in the development programme for Western Province

- b. Rural development aimed at increased production and
 - i. the use of draught animals
 - ii. the development of livestock farming
 - iii. applied research and advisory services
- c. Education and training
- d. Health care, particularly primary care

3. Zimbabwe

- a. The support currently given to industrial development through the Commodity Import Programme will be reexamined in the light of the introduction of the OGIL system
- b. Rural development aimed at:
 - i. increased productivity among small-scale food producers
 - ii. *promoting employment in the off-farm sector*
 - iii. labour-saving activities to help women
 - iv. health care and sanitation
- c. Human-resource development and research
 - i. university education
 - ii. vocational education and training
 - iii. health systems research
 - iv. biotechnology

4. Namibia

- a. Water management and supply
 - i. Ovambo
 - ii. Enhancement of the technical expertise of the Department of Water Affairs in Windhoek
- b. University education and agricultural training
- c. Primary health care

5. Angola

Aid will be provided to Angola on a limited scale and through joint financing. The outcome of the elections scheduled for 1992 will play a part in determining the nature of the aid offered.

- a. Rehabilitation aimed at ensuring that demobilization proceeds smoothly
- b. Food production
- c. Primary health care
- d. Drinking water supply

6. Botswana

- a. Education and training
- b. Environment
- c. Industrial development

7. Lesotho

While no new bilateral activities will be undertaken work already under way in the area of interuniversity education and training and the use of medical experts is to continue in the framework of the Netherlands' regional programme for southern Africa.

8. Swaziland

- a. Education and training
- b. Environment

9. Malawi

- a. Support for health services
- b. Education and training
- c. Environment (through multilateral channels)

3.1.5 Rural development

Most of southern Africa's population is rural and a large part of the Netherlands' development programme is therefore aimed at improving the lot of country-dwellers. Activities in this area focus on agriculture (both arable and livestock), infrastructural improvement, health care and training.

Rural-development work in Zambia is concentrated in Western Province, and as part of the Western Province programme wide-ranging activities will be implemented in the areas of food production and animal husbandry. They will include research and advisory services, rural planning, the use of draught animals and veterinary services. Health services will also be supported.

Rural activities in Zimbabwe focus on water management and supply, with the counterpart funds generated by the Commodity Import Programme being used to improve rural drinking-water supplies. The use of counterpart funds makes the Netherlands one of Zimbabwe's larger donors in this area. Activities will be developed in the communal areas focusing on food production, employment, vocational training, health care and women and development.

While the security position in Mozambique is such as to exclude any rural programme in the immediate future, developments in that country in 1991 mean that such a programme could well be initiated later in the period covered by this plan.

3.1.6 Environment

The paper *A World of Difference* notes that sustainable development, the central goal of policy, depends crucially on ecological sustainability, i.e. the maintenance of the carrying capacity of the environment. Major themes in this connection include: the preservation of biological diversity; better local management of natural resources; the use of renewable energy sources; population policy; clean water supplies; sanitation; waste processing; the control of air pollution; and action to limit or offset the adverse effects of increasing motor traffic. Aid-programme priorities will include: institutional development in the areas of legislation and regulation; planning; environmental-impact monitoring and assessment and environmental education; research and the development of research capacity; and the promotion of environmental awareness.

An environmental policy will be developed geared specifically to the situation in southern Africa. This will involve the following.

- a. Environmental considerations will be given due weight throughout the project cycle. This may

involve taking possible environmental effects into account at the appraisal stage, for example, or incorporating environmental components into proposed activities.

- b. There will also be projects concerned specifically with ecological sustainability. They may be carried out bilaterally, multilaterally, through the Netherlands' co-financing organizations or through the SADCC.
- c. The regional environmental policy will be introduced in consultation with the embassies concerned and in conjunction with the relevant spearhead programme.

A regional profile is to be compiled covering environmental and related factors in southern Africa. A parallel profile will be compiled in relation to the theme of women and development (see below).

3.1.7 Women and development

Central themes of A World of Difference are the relief of poverty and the narrowing of racial, sexual and socio-economic inequalities. The removal of inequalities between women and men is an essential element in the development of a society in which freedom and power for some is not associated with servitude and impotence for others.

At the heart of the theme of women and development as currently being elaborated in the context of the Netherlands' aid policy is the concept of autonomy, of a woman's right to control her own life and body. Four dimensions are distinguished in this connection, namely the physical (rights in respect of fertility, health and sexuality), the economic (equal access to and control over the means of production), the political (self-determination and the right to organize) and the social (the right to an independent identity). The different elements become meaningful only in combination and must therefore not be treated separately. Autonomy criteria will be applied alongside the DAC/WID criteria already in use and a procedure is being developed to assess projects for their contribution to women's autonomy. A system will be introduced to ensure that the DAC/WID and autonomy criteria are applied throughout the project cycle and show how the position of women will be affected.

Regional policy on the theme of women and development will include the following elements.

- a. The DAC/WID criteria will be applied through the project cycle. It is intended that around 50% of bilateral spending should meet these criteria by 1998.
- b. There will also be projects aimed specifically at strengthening the position of women along one or more of the dimensions of autonomy. They may be carried out bilaterally, multilaterally, through the Netherlands' joint-financing organizations or through the SADCC. Hitherto there have been few projects aimed specifically at women.
- c. Regional policy on women and development will be further elaborated in consultation with the sectoral expert to be appointed in Lusaka and in conjunction with the relevant spearhead programme.

A survey is to be compiled on the basis of which choices can be made; it will also allow a detailed indication of the countries, geographical areas, categories of women and dimensions of autonomy on which most attention will be focused and provide a basis target-setting. The first stage is to identify governments' priorities and see how the autonomy concept can be related to them; a survey will also be made of the position of women in different sectors. Greater information is needed on intra-regional similarities and differences in the position of women and on the social, economic, political and cultural background. To this end a regional profile is to be compiled on the theme of women and development with a view to elaborating a regional policy and identifying and formulating projects in which the relevant considerations are taken into account.

The profile will cover the heterogeneous distribution across the region of the many female-headed households, the proportion of which ranges from 30-40% in Zambia and Zimbabwe to 60-70% in Lesotho. The causes also vary widely. In the three countries just mentioned men migrate from the less pro-

ductive agricultural areas to the commercial sector, in search of work in towns. In the case of Lesotho large numbers of men seek work in South Africa, while in Angola and Mozambique many men have been killed or incapacitated in war.

The effect on the position of women of cultural as well as economic and political factors is clearly illustrated by this example from Lesotho. Within the region Lesotho is unique in having many women whose education, at both primary and secondary level, goes beyond that of men: the reason is that boys are given the job of tending cattle at an early age and continue in this occupation until reaching the age at which men emigrate, so that they have little opportunity to gain an education. This situation is, however, not reflected in the number of high positions in the formal sector held by women.

3.1.8 Education and research

The educational aid which the Netherlands provides to Africa is to be stepped up over the coming period, as the policy statement *A World of Difference* stated, and southern Africa will share in this increase. The emphasis will be on raising standards in education and training: this implies that fewer activities will be carried out, over a greater number of years, using a variety of instruments and substantial resources. At primary level help will be given with the expansion of educational capacity inter alia through the provision of programme funding.

To maximize the benefits flowing from the aid which the Netherlands provides, every effort will be made to coordinate activities, in the educational field as elsewhere, with those of donors. This process will be assisted by the posting of a regional educational specialist to Harare.

The World Bank's recommendations as set out in its 1988 report *Education in Sub-Saharan Africa: Policies for Adjustment, Revitalization and Expansion* will play a major part in shaping the policy of the Netherlands. Requests for assistance with the preparation and formulation of education policy will be considered in the light inter alia of those recommendations.

Cooperation in the educational field with the countries of southern Africa and the SADCC will focus mainly on the themes of food security, primary health care, transport, women and development, and the environment. In this way the specific education and training programmes will meet both the priorities of the Netherlands' regional programme and those set in the framework of the SADCC.

The long-term strengthening of institutions, the improvement of their management and the provision of management training will be key emphases. In this connection the Netherlands will, among other things, involve itself in the African Capacity Building Initiative. The activities making up the ACBI programme are aimed at strengthening organizations concerned with policy analysis and economic management. National and regional training and research institutions are supported through the ACBI, with contributions being made to the achievement of the programme's goals through study grants and the reinforcement of local advisory capacity.

Future aid provided by the Netherlands to southern Africa in the area of education and training will take account of new developments, needs and opportunities, and consideration will be given to meeting the costs of donor coordination, policy research and multilateral umbrella initiatives such as the World Bank-coordinated Task Force of Donors to African Education (DAE). This flexible approach will also allow the funding where appropriate of local salaries and operating costs.

The programme of cooperation with educational institutions and governments in southern Africa will increasingly extend outside university education to elementary, intermediate and advanced vocational training and to specialist training courses with a view to alleviating the serious shortage of trained technicians and professionals.

Given that the Netherlands' primary concern is to help meet the great need for vocational training no activities will be undertaken in southern Africa in the area of general secondary education other than those aimed at raising the standard of teachers of mathematics and science.

Wherever possible support will be given to national programmes aimed at enhancing the capacity and quality of primary schooling. The sums of money required are considerable and coordination will therefore be sought with the work of other donors. Aid may take such forms as teaching aids, textbooks, exercise books and other learning materials, furniture, financial help with the expansion of existing schools and training for local education-ministry officials in educational planning, management and budgeting.

The programme of cooperation with the region's universities will continue. The sectors in which aid is given must reflect the priorities applied in other contexts (such as the Netherlands' policy on aid to SADCC countries).

Continued support will also be given to university projects whose aim is to enable first-year students fruitfully to follow university courses by improving their knowledge of mathematics and science. University staff-development programmes will also be assisted. Under the "Cooperative links" and "Direct aid to training institutions in developing countries" programmes steps will be taken to help strengthen advanced vocational training, including both technical and managerial courses. Such courses will also be helped indirectly through the involvement of secondary mathematics and science teachers in activities aimed at improving first-year students' knowledge of these subjects. Such "pre-entry science courses" are necessary because secondary students' standards in these subjects do not meet university requirements.

There is a great need for assistance with the training of teachers for various forms of general and vocational education, since without a properly trained teaching force the knowledge and skills needed for development will not be passed on and society will not derive full benefit from the education and training system. The assistance currently given with the training of secondary mathematics and science teachers in several southern African countries will continue. Support will also continue for the training of teachers at various of the region's universities through the improvement and extension of certain study areas, such as educational theory and teaching methods.

Assistance will be given with the strengthening of institutions of elementary and intermediate vocational education, particularly in countries making radical changes to their educational structures. Eligible institutions may include craft schools, intermediate vocational colleges and organizations which combine training with practical work; what matters is that courses should be practically oriented and meet industrial and commercial needs in sectors crucial to national economic development. Aid may also be given in connection with courses for school-leavers and others wishing to set up small businesses; such courses must include training in management, finance and marketing in addition to their technical components.

Adult education is of particular importance in Angola and Mozambique, countries which did not become independent until the 1970s and where primary education has had to be built up from scratch. Elsewhere in the region primary schooling was made generally available in the 1960s and the need for adult education is accordingly less urgent. Adult education is normally funded by national governments, though in some cases technical and financial assistance is given by donor countries and UN organizations. The Netherlands will not consider becoming involved except where adult education and training in basic skills is integrated into programmes of rural development to which it provides aid.

Through the SADCC the countries of southern Africa are currently considering the need for an Open University for the SADCC region and the feasibility of establishing such an institution. If the decision is taken to proceed the Netherlands will examine the possibility of assisting in some way.

Many projects in southern Africa involve research activities, generally of an applied nature. In conjunction with research under the spearhead programme research activities will be targeted on the rural programme in Zambia's Western Province and on the development of education in the region.

3.1.9 Institutional development

The institutional inadequacies both of the region's governments and of many non-governmental organizations are a major obstacle to development in southern Africa and the Netherlands will seek to promote

institution-building in the region in a variety of ways.

First, institutional feasibility will be among the considerations taken into account in project appraisal. Factors examined will include efficiency, effectiveness and the extent to which the proposed institutional structure fits into projects' social context.

Second, activities will be extended as necessary to incorporate an institutional component. In general efforts will be made to include institutional development among aid activities.

Third, activities purely concerned with institution-building will be eligible for aid. They may be in such areas as education, training, management, consultancy and research; technical assistance may also be considered. Where possible collaboration will be sought with multilateral initiatives, as has been done in the case of the African Capacity Building Initiative (ACBI), launched by the World Bank, UNDP and African Development Bank to promote institutional development in Africa.

Fourth, help will be available to activities aimed at promoting good government such as those of the Global Coalition for Africa (GCA). In this way a contribution can be made to the emergence and maintenance in southern Africa of democratic and pluralist societies.

3.2 MOZAMBIQUE

3.2.1 General

As was noted in Chapter II, in terms of GNP per head Mozambique is the world's poorest country. With the introduction of the Economic Rehabilitation Programme in 1987 the Mozambican government opted unambiguously for far-reaching economic reforms involving reliance on market forces to increase production. In addition peace negotiations have been started with the opposition movement Renamo.

Continuing insecurity due to the internal conflict is the main obstacle to Mozambique's development, overshadowing all other problems. However, problems will continue to confront the country for a long time even after peace has arrived. The integration into civilian society of former soldiers of both Renamo and the Mozambican army, the resettlement of refugees, the construction of a democratic society, the expansion of education and health-care provision and urban and rural development will all demand great efforts. The country also suffers from a shortage of human resources, aggravated by poverty, malnutrition and inadequate public services. The education system produces too few qualified Mozambicans at all levels, while institutional structures are weak and suffer from a general shortage of administrators.

While accession to the IMF, World Bank and Lomé III and the agreement on macroeconomic policy reached between the Mozambican government and the IMF and World Bank have greatly increased the resources available for social and economic development, Mozambique's financial problems remain serious. The government budget is tight and the private sector on its own is not in a position to provide basic services. The country has huge foreign debts which need to be rescheduled every year or remitted virtually in full to make even minimal imports possible. The exchange rate is still under great pressure and the low level of social provision exacts a heavy toll on the most needy.

The Netherlands has been involved in Mozambican development since before independence in 1975. Help was channelled through church organizations and solidarity movements, with voluntary workers laying the foundations for the important role still played by non-governmental organizations. Bilateral cooperation with Mozambique dates from the mid-1970s when the country became independent, and until 1980 it received aid from the Netherlands' programme of reconstruction aimed at the former Portuguese colonies in Africa. At the start of the 1980s Mozambique was brought under the Southern Africa Programme, under which funding is provided not only for bilateral projects but also for the activities of the Southern African Development Coordination Conference (SADCC). Aid was also provided from the budget categories for rural development, macroeconomic assistance and the joint funding of NGO projects and under the volunteer programme. Emergency aid activities were funded from various categories. The need thus arose for a policy which would allow aid to be provided in a more structured fashion.

Recent Netherlands policy, taking account of Mozambique's aid needs and the social and economic policies of its government, has been to provide a substantial proportion of aid in the form of import support capable of rapid disbursement, with a view to maintaining and if possible restoring the country's productive capacity. Since 1987, when Mozambique made a radical change of economic course with the launch of an adjustment programme agreed with the IMF and World Bank, aid has also been provided under the programme of balance-of-payments support.

Between 1975 and the end of 1991 bilateral aid from the Netherlands to Mozambique (including the rehabilitation of the port of Beira funded through the SADCC) totalled some one billion guilders; amounts have increased sharply in recent years and annual aid flows are now of the order of 80 million guilders, a quarter of which is provided under the regional programme for southern Africa. The Netherlands has for many years been one of Mozambique's largest donors. Since 1987 all aid to Mozambique has been in grant form and the proportion of emergency aid has risen. A number of projects involving the Eduardo Mondlane University are funded from education programmes and ten Mozambicans have followed training courses in the Netherlands.

The central reason for the Netherlands' involvement in aid to Mozambique was and is the absolute poverty which exists in that country. In his analysis *The Struggle against Absolute Poverty in Mozambique* (January 1991) Professor R.H. Green sets out the following elements of a strategy for the relief of abso-

lute poverty:

- a. poor households must be enabled to produce more;
- b. access to basic services, including human investment (health, training, water supply), extension (not only in agriculture but also in e.g. employment in the non-agricultural sector), infrastructure (chiefly transport and communications) and trade must be improved;
- c. safety nets are needed for those households and individuals who are temporarily or permanently unable to produce enough to avoid or survive absolute poverty;
- d. peace and order must be restored.

In the past decade aid provided by the Netherlands to Mozambique has been geared to progress in the first three elements. In the years immediately following the period of reconstruction (1975-80) efforts were focused mainly on rural development, improvements in health care, institution-building and infrastructural development. Aid provided by the Netherlands was at that time directed towards the countryside, geographically and sectorally, but from the mid-1980s onwards the rapidly worsening security situation meant it had to be restricted to urban areas, notably Maputo and Beira, where it was targeted on sanitation and water supply. The number of rural activities was sharply reduced, their place being taken by substantial food and emergency aid and import support.

On the basis of the analysis of the situation in Mozambique given in Chapter II and the considerations detailed below criteria have been drawn up for the appraisal of projects and programmes in Mozambique.

The first consideration is that Mozambique faces an emergency in which millions of people need immediate help if they are to survive, and donor efforts must therefore go beyond what would be needed to promote development in more normal circumstances. While it is clearly undesirable that Mozambique should become permanently dependent on external help, emergency aid, particularly food aid, will continue to be needed for years to come. Even so the ultimate aim remains that of helping the country to become self-sufficient in food.

Second, we must assume that the security situation will remain poor for some considerable time to come and that many parts of the country will therefore remain unsafe or inaccessible. Rural development programmes and projects will therefore have to wait, while more funds than normal are allocated to essential infrastructural rehabilitation. New projects and programmes can only be launched in areas which are secure and reasonably likely to remain so.

Third, the severe economic crisis affecting Mozambique means that virtually no funds can be generated internally. The country's liquidity position is such that local project costs often cannot be met, so that wherever possible flexible funding will need to be provided to finance activities which produce a quick return; great caution will be exercised regarding requests for help with any investment which would tax Mozambique's limited ability to meet recurrent costs.

Fourth, we must recognize that the Mozambican government machine has both quantitative and qualitative shortcomings. There will accordingly be an emphasis on institution-building. To minimize the pressures on the state's limited capacity the number of new project-style activities will be kept down and, where a new project is initiated, the scope for co-financing with other donors will be investigated.

Finally, Mozambique needs already to be concentrating on the development of human resources in preparation for the period of recovery and development which can be expected to follow the ending of the internal conflict.

In the light of these considerations the following criteria will govern cooperation between the Netherlands and Mozambique.

1. A large proportion of the funds provided by the Netherlands to Mozambique will be channelled directly to the poorest and hardest-hit sections of the population. In addition to food aid, assistance

will be available for resettlement, primary health care, housing and sanitation with a view particularly to helping rural people to become self-supporting. Since there is no immediate prospect of an end to the emergency situation, emergency aid will be committed over longer periods than hitherto with a view to facilitating planning and ensuring continuity.

2. Mozambique must be assured of regular financial assistance if it is to continue with the adjustment programme. The Netherlands' contribution will consist mainly of import support and, resources permitting, balance-of-payments support. The funds may be used for the purchase of raw materials and spare parts for industry and for imports of medicines, educational materials and so on. Preparations are under way in Mozambique for the introduction of a non-administrative mechanism for allocating foreign currency; if it proves effective it may be considered for financial assistance. Debt-relief measures will be considered year by year.
3. Education and training programmes which enhance the country's ability to shape its own future are a vital necessity in current circumstances. Education and training are also essential to raise output and productivity and - a crucial requirement in a nation in the making - to develop a sense of identity. Mozambique needs managers and administrators at all levels and in all sectors. Investment in human capital thus has high priority.
4. Another priority is institution-building, an essential basis for the country's future development. Funds will be available for the development of durable institutional structures which help reduce the need for foreign aid.
5. In present circumstances investment proposals relating to rehabilitation work or new projects will be considered only where they bring sure and speedy economic benefits, while those whose benefits are long-term or uncertain will be held over; the risk that this may delay growth in some cases must be accepted.
6. In the current position there is great need for flexible aid aimed at helping the government to meet recurrent costs, maintain primary services and the infrastructure and repair damaged buildings and equipment.
7. As the programme of rural development (including food security, education and health care) is built up, a part of it will be targeted on one region.

These criteria imply the following pattern of cooperation with Mozambique in the period covered by this policy plan.

Of the basic annual allocation of some 30 million guilders ten million will be earmarked for emergency (mainly food) aid, wherever possible through multilateral and non-governmental channels, and a further ten million for programme aid. Debt relief may also be provided; hitherto some 15 million guilders have been used for this purpose annually. The project programme will initially focus on drinking water supply and education and training; rural development and the promotion of food security will be included as and when domestic security permits. In individual cases rural-development aid may involve joint financing. In the area of health care the Netherlands will seek to support the programmes of multilateral organizations and other donors. The purpose of targeting part of the programme on a particular geographical area is to enhance the effectiveness of rural-development aid by ensuring that activities relating to food security, health care and education are properly coordinated. The immediate relief of poverty will be pursued through further support for the World Bank's Social Dimensions of Adjustment Initiative. The physical development of the transport infrastructure will be de-emphasized, since the limits of Mozambique's institutional capacity have been reached and further capital investment in this field cannot be guaranteed to produce an adequate return; the transport sector will however be supported through institutional support and training.

The programme will at all times reflect the priorities set out in A World of Difference, the criteria listed above and the general purpose of the Netherlands' aid to Mozambique, namely to support Mozambican development efforts and in particular to help relieve poverty. Account will be taken at all times of the

specific circumstances of Mozambique, namely the war situation and the economic crisis, and every effort will be made to ensure that the aid given contributes to the development of structures and institutions which will eventually enable the country to guide and sustain its own development.

3.2.2 Themes and sectors

3.2.2.1 Rural development

The poor security situation has meant that in recent years no new bilateral technical-aid projects have been identified in rural areas and, with one or two exceptions, the Netherlands has ended bilateral activities in the field of rural development. This has been offset by increased bilateral activity in rural areas, while the former sector programme for rural development has been used to help fund multilateral and NGO projects concerned with food security and agricultural production.

If and when security improves rural food supplies should gradually become more plentiful and reliable, despite the return of refugees (who will go back to their own land and be able to produce their own food).

While recent developments point to a possible improvement in the security situation in some parts of the country we must assume that it will take some years before all rural areas are safe even once hostilities have been formally terminated. This means that the rural-development component of the aid programme can take shape only gradually. Pending the restoration of peace consideration will therefore be given to participation in the activities, new or existing, of NGOs or other donor countries; such an approach recognizes the gradual nature of the transition from today's insecure situation to one of peace and safety.

The Mozambican government's Public Investment Plan for 1990-92 focuses particularly on the development of agriculture and the rural infrastructure, while its Priority District Programme provides for the restoration of rural services notably in the areas of health care, sanitation and water supply. Given the country's limited institutional capacity the Netherlands will look favourably on Mozambican requests for assistance in this area.

It has been agreed with the Mozambican authorities that the possibility of regional targeting be examined for part of the programme of cooperation, with a view to ensuring that activities in the three areas of rural development (with a particular emphasis on food security), health care and education are properly coordinated and their effectiveness is thereby maximized. Under its Priority District Programme the Mozambican government is to target a large part of its own development efforts on forty or so districts where a large proportion of the population live and whose development prospects are thought good. The reinforcement of the Programme by the regional targeting of Netherlands-funded activities is one of the options being considered in discussions between Mozambique and the Netherlands on the substance of a programme of rural development, including health care and education.

The criteria which will help determine the choice of geographical area on which part of the programme is targeted are the degree of poverty, the quality of the recipient structure, the location of programmes implemented by the Mozambican government with help from other donors, logistical considerations and the security situation.

The development of a rural programme in Mozambique implies additional tasks for the embassy in Maputo, which will therefore be strengthened by the appointment of a sectoral specialist in rural development.

Health care

Netherlands involvement in Mozambican health care dates from the start of the 1980s when the Netherlands began aiding the medical maintenance centre. In this, the oldest Netherlands project in Mozambique, technicians are trained in the repair and maintenance of medical equipment.

In 1986 and 1987 drugs were supplied (amounting to some 10% of national requirements for the drugs

concerned) for use in rural primary care in the prevention, diagnosis and treatment of the commonest diseases. In the course of 1987, however, it became increasingly clear that the supply of drugs largely irrelevant to the promotion of basic health care was of questionable value. Alternative approaches were therefore sought, and it was decided to use the programme of import support to fund the supply of vital drugs for use in secondary and tertiary health care. This compromise was chosen because the war situation in rural areas made help for primary care virtually impossible; given the continuing lack of security in rural areas this aid has been continued.

The Netherlands has also given support to organizations actively involved in the development of health care in Mozambique. Consideration is also being given to strengthening the Mozambican health ministry through the assignment of experts whose salaries are paid by the Netherlands.

Rural health care will be assisted where possible, taking account of the security situation, and funding may be made available for the reconstruction of war-damaged health centres.

Within the West-East-South programme consideration is being given to funding the assignment of physicians from eastern Europe. Also under consideration is the possibility of offering budgetary support to underpin recurrent government spending (which fell steadily from 10.6% in 1980 to around 3% in 1990). In this connection cooperation will be sought with other donors (e.g. Switzerland) which are actively involved in Mozambican health care.

In the light of other donors' extensive programmes in the areas of both preventive and curative care the Netherlands will focus particularly on helping to strengthen Mozambican institutional capacity.

Since the start of the 1980s the hazardous situation in many parts of the country has meant that the Netherlands' aid efforts in the area of water supply and drainage (funded under the regional programme for southern Africa) have mainly focused on the cities of Maputo and Beira; a further factor influencing this choice is the lack of counterpart staff in the provinces. Alongside the help given to water-supply undertakings institutional and staffing support has been provided on a bilateral basis for the construction and maintenance of wells in rural areas; this assistance was terminated in 1990 because the Mozambican undertaking concerned (PRONAR) had achieved a measure of autonomy and financial support from other donors, including NGOs, was sufficient to allow PRONAR's rural water-supply programme to continue.

Every effort will be made improve the position of women through recognition of and support for their vital contribution to the planning, preparation, construction and maintenance of rural drinking water-supply systems. The intention is to co-finance a UNICEF programme for this purpose.

3.2.2.2 Environment

In view of the hazardous situation affecting rural areas activities will for the moment remain limited to the following areas:

- environmental problems in overpopulated peri-urban areas;
- the pollution of ground and surface waters in urban areas;
- coastal protection.

While many problems are known to exist the number of usable project proposals is limited owing to the absence of clear environmental policies in Mozambique. As a result of the war many refugees have settled in and around towns and cities, notably Maputo, and this uncontrolled settlement is putting enormous pressure on the areas concerned as land is used for housing, agriculture and other purposes, among them the supply of firewood. Aid may be made available over the coming period for activities concerned with energy saving and land management.

The pollution of ground and surface waters in urban areas as a result of inadequate sanitation and waste disposal is an acute problem and a serious threat to health. The Netherlands' involvement in water-related activities (see section 3.2.2.4) is in part intended to help solve this problem.

Consideration is being given to the possibility of undertaking, with joint financing from the World Bank, the protection of beaches, sea defences and areas of special ecological importance. A study is now under way in the Maputo area; a similar study will be considered for Beira. Help with erosion control in urban areas will also be considered.

3.2.2.3 Women and development

Various activities which specifically involve women and seek to improve their social and economic position are already being supported under the project programme. These activities, which are concerned with drinking-water supply and sanitation and with the local production of cereal for use as baby food, will continue through the period covered by this plan.

As the security situation improves and the project programme can be extended to include more rural activities, efforts will be made, where appropriate, to promote the involvement of women in various schemes. To this end a sectoral specialist in issues relating to women and development is to be stationed in Maputo; his or her tasks will include helping to shape a more explicit policy on women and development in Mozambique.

3.2.2.4 Urban poverty

Owing in part to the poor security situation the Netherlands' aid programme has mainly focused on urban Mozambique. The largest project has been the study and design work for, and implementation of, the Master Drainage Plan for Maputo, a major element of which was the installation of a sewage-treatment plant to reduce the discharge of effluents into open waters. The project has improved the sanitary conditions of some 187,000 urban residents in the lowest income category and a further 52,000 in middle and high income groups.

The restoration of the Beira sewerage system, including pumping stations and discharge systems, will greatly improve sanitary conditions in the city. Since 1984 work of various kinds has been carried out and equipment supplied, resulting in great improvements. The sanitation and water-supply undertaking has received technical assistance, jointly funded with Finland, for the purpose of staff training and the improvement of management.

Technical assistance has also been given to units within the Ministry of Construction and Water in the area of urban and rural drinking-water supply and to the Ministry's hydrological section. This takes the form of a salary supplementation scheme and the provision of operational equipment and funds for emergency arrangements. The salary supplementation scheme, training and the provision of funds are used to help strengthen operational and financial management at both central level (UDAAS) and provincial level (the sanitation and water-supply undertakings). This should eventually improve water quality and ensure that safe drinking water is available for distribution in urban areas. The Ministry of Construction and Water will be helped to achieve its aim of restoring supplies of safe drinking water in urban areas to their 1980 levels. Funding will be provided for studies etc. concerned with the introduction of water and sewerage charges related to local conditions with a view to ensuring that the lowest income groups have effective access to these services. Support for the hydrological section dates from 1980; the last phase of the project is expected to start this year. Through the courses they give at the Eduardo Mondlane University and intermediate technical colleges the teachers deployed under the project make an important contribution to the training and recruitment of staff for the water industry.

As well as increasing the availability of drinking water efforts will be made to improve urban sanitary and hygienic conditions through low-cost sanitary systems and education and awareness campaigns aimed at mothers as the key figures in children's training in hygiene. The scope will also be examined for the development, with the Netherlands' support, of integrated site-and-services projects, job-creation activities and school and health-centre construction projects, with a view among other things to relieving urban poverty. The stress on the transfer of knowledge related to practical requirements will remain.

With a view to enhancing the effectiveness of the activities undertaken greater use will be made where possible of experiences elsewhere. This may involve collaborative arrangements with appropriate organ-

izations and institutions such as water-supply undertakings and water-control and treatment boards in the Netherlands. At central level experts will be assigned with a view to improving the planning, management and use of supplies of ground and surface water. The control of water quality will be emphasized.

With financial help from the Netherlands a sectoral study covering the provincial capitals is being carried out in conjunction with Denmark and the World Bank; it will focus on organizational, administrative, technical, financial and, particularly, legal and institutional problems in the area of water supply and sanitation. Based on the recommendations which emerge assistance will be available to help strengthen the institutional structure and autonomy of the sector and the undertakings within it. In parallel with the sectoral water study, and making use of its results, an examination will be made of the scope for establishing an autonomous sewerage and drainage undertaking for Maputo and for participation by the Netherlands in such a scheme.

3.2.2.5 Physical infrastructure

The Beira Corridor Transport System is a vital trade artery for a major part of the region and the Netherlands has aided schemes for its rehabilitation since the establishment of the SADCC. Funds committed for the rehabilitation of Beira harbour and the deepening of access channels since 1980 total some 275 million guilders.

The Netherlands began directly aiding port rehabilitation soon after the SADCC was set up. The investment phase is now largely complete and port management and the supervision of project implementation have become major elements in the cooperation link. In the framework of the link between the ports of Amsterdam and Beira thirteen managers have been supplied by Amsterdam Port Consultants to work in the areas of port operations, container handling, maintenance, financial management and training. This management support has helped improve efficiency in the use of the equipment provided and in port operations in general.

The cooperation programme stresses training at all levels, and in view of the serious shortage of technicians and managers in the transport industry training for transport personnel will continue.

3.2.2.6 Education and research

Without radical improvements to the education system it is clear that Mozambique's development will be seriously hampered by shortages of skilled managers and administrators. The emphasis in education and training work in Mozambique will be on widening access and raising standards.

The aid given to the Eduardo Mondlane University (UEM) under the "Collaborative links" programme will be continued. The link with UEM relates to agricultural, scientific and mathematical education, and when it was evaluated in 1989 current projects were found to meet major local needs. Reflecting the conclusions of the evaluation there is to be a specific focus in future on human-resource development and the development of Mozambican faculties and institutions with a view to reducing the need for external experts.

Under both the "Cooperative links" and "Direct support for training institutions in developing countries" programmes, increasing attention will be paid to practically-oriented vocational training at advanced and secondary levels and to professional training designed to alleviate the serious shortage of qualified technical and professional staff. The aim will be to ensure that courses are linked to the requirements that arise as a result of the process of social, economic, political and administrative development in Mozambique.

Support is to continue for university projects aimed at improving first-year students' knowledge of science and mathematics to the point that they can profitably follow university courses; university staff-development programmes will also be supported. Within the "Cooperative links" and "Direct support for training institutions in developing countries" programmes increasing attention will be focused on the improvement of advanced vocational training, both technical and managerial.

University projects for which Netherlands funding is sought will be critically examined for their social

relevance and long-term prospects. On the latter point funding will be available to help launch activities (such as advisory services and research contracts) for which the university can obtain payment from outside bodies. Such revenues reduce the university's dependence on shrinking allocations from the national budget.

3.2.2.7 Other activities

Social Dimension of Adjustment

The government of Mozambique is aware of the extent and severity of poverty in the country and has joined the regional Social Dimensions of Adjustment (SDA) programme of the World Bank and UNDP. In 1989 the World Bank put forward a proposal for an SDA initiative at national level. Even though poverty is severe and extensive in Mozambique it was agreed not to set direct operational goals for the SDA programme but rather to approach existing programmes in a more integrated fashion and to improve their coordination. The SDA initiative now focuses on the preparation of special policy measures aimed at the most vulnerable sections of the population and on support for the planning of projects and programmes. While the war situation persists the target group will see no benefit from these SDA measures. The initiative is thus not aimed directly at the relief of poverty (as in other countries), and we therefore need to consider whether the government can maintain expenditure on health care and education and prevent further erosion of these services. The Netherlands is co-financing this initiative to the tune of six million guilders and is actively involved in its implementation.

Cultural affairs

Since independence in 1975 the Mozambican government has done much to promote a sense of national cultural identity with a view to countering the pressure for autonomy felt in certain parts of the country. The government's activities are aimed at propagating both local and national culture.

The overwhelming problem of poverty has meant that the cultural dimensions of development have received no attention in the bilateral programme. Now that Mozambique may be entering a period of peace the maintenance of the country's cultural heritage can be expected to receive greater attention, and the Netherlands is willing to provide funding in this area when the time is ripe.

3.2.3 Programme aid

3.2.3.1 Emergency aid

Since the start of the 1980s war and economic crisis have faced Mozambique with a food shortage which has gradually become structural in nature. The depopulation of dangerous rural areas has sharply reduced food production and supplies, and such is the severity of the economic crisis that it is impossible to obtain food on a commercial basis. Potentially a major food exporter Mozambique has increasingly had to rely on imports, with (according to the FAO) around half the population now dependent on this form of aid.

Since 1980 the Netherlands has provided emergency aid totalling some 90 million guilders from a variety of budget categories, making Mozambique one of the biggest recipients of Netherlands bilateral food aid. Funds for food aid have been provided from the sector programme for rural development (Budget Category I-a), while funds from Category I-e (emergency humanitarian aid) have been used to help Mozambican refugees in Malawi and Zimbabwe (inter alia through the UNHCR). Emergency medical aid has been given through Médecins sans Frontières and UNICEF programmes have been co-financed. Finally, funding has been given to strengthen the management capacity of CENE, the Mozambican agency which coordinates the emergency-aid work of many governmental donors and some 200 NGOs.

The Netherlands will continue to provide food and other emergency aid, funding it under the regional programme for southern Africa as the sector programme for rural development is phased out. Implementation will take place in conjunction with the World Food Programme (WFP) and appropriate NGOs, including the four Netherlands-based development NGOs (NOVIB, HIVOS, CEBEMO and ICCO).

Wherever possible supplies will be obtained in the region, taking Mozambican preferences, delivery times and any additional costs into account. To make a start on concerting donor efforts the Netherlands reached an agreement in 1991 with the Mozambican government that Netherlands food aid would be channelled through well-established NGOs with their own emergency-aid programmes and through the WFP. The WFP was chosen for this purpose because the network it has built up in Mozambique over the years enables aid to be applied quickly and effectively; it also has a good picture of local needs and can supervise local purchases. Speed is important in Mozambique; so too - if the aid provided is to reach its destination - is the choice of transport and distribution channels, and tight agreements are therefore reached regarding the purchase, distribution and destination of aid material. The WFP makes increasing use of NGOs which are well established in Mozambique.

There being no sign of an end to the emergency, aid commitments will be on a longer-term basis than in the past with a view to *facilitating planning and ensuring continuity*. Many donors are prepared to take this approach, but all have their own priorities and procedures.

The conditions attached to emergency aid are increasingly taking control of the country out of the hands of Mozambique's weak machinery of government, making it unable to develop consistent policies of its own. Paradoxically, therefore, the very scale of emergency aid creates a problem for the government: since the planning and finance ministries have little if any say in preparing and implementing emergency aid there is virtually no coordination with the programme of economic adjustment, and the effectiveness and efficiency of the emergency-aid programme suffer as a result. Aid activities need to be coordinated more closely with the relevant ministries if the policy and management aspects of emergency aid and economic adjustment are to be aligned. Coordination of the reconstruction work funded under the emergency-aid programme with the structural activities funded from regular resources would greatly enhance the former's efficiency.

Emergency aid is therefore to be committed for a period of several years rather than one year at a time; the annual amount will be of the same order of magnitude (ten million guilders) as that committed in previous years. It will be funded under the regional programme for southern Africa.

3.2.3.2 Balance of payments and import support

Over the period 1985-90 the Netherlands provided programme aid in the form of import support. In 1987 Mozambique reached an agreement with the World Bank and IMF on a programme of economic adjustment which it has since consistently implemented. The Mozambican government wishes to give action against poverty a central role in its policy, rather than seeing it just as a social dimension of adjustment, and support for the economic- adjustment programme contributes to the achievement of this aim by making foreign currency available for use as the government sees fit.

The policy has been that the aid is always allocated one year at a time and can be used only to fund imports of raw materials and spare parts; agreement between Mozambique and the World Bank and IMF on the macroeconomic policies to be pursued has also been a consideration in deciding whether to offer this form of aid. In 1985 and 1986 around half of the balance-of-payments support provided went to fund imports for manufacturing industry and half to fund imports of baby food, pharmaceuticals and agricultural seeds supplied to certain ministries. From 1987 virtually all the aid was used to fund imports of manufacturing inputs; in 1990 and 1991 much of it was used, at the express request of the Mozambican government, to fund oil imports.

Restrictions on the use of import support have been considerably relaxed and the Netherlands, like the World Bank, now applies a "negative list" of goods (such as weapons and jewellery) which may not be imported using aid funds.

In the past two years steps have been taken, in conjunction with other donors, to streamline import support. It has been agreed, for example, that wherever possible the allocation of resources to importers should be left to the Gabinete de Coordinacao dos Programas de Importacao (GCPI), the central coordinating body established for the purpose by the Mozambican government. In addition Netherlands import support to Mozambique was fully untied (except in respect of supplies from South Africa) in 1990.

Given the social and economic policies pursued by the Mozambican government and its record on the management of public resources, the Netherlands would like to see donors adopt a uniform standpoint on the management of counterpart funds generated using import and balance-of-payments support. As long as such funds continue to be well managed the Netherlands does not intend specifying in any way how they should be used, regarding them as general budgetary assistance to the Mozambican government.

3.2.3.3 Debt relief

Mozambique's total external debt in 1990 ran to over four billion dollars. Most of it was in the form of official debt: debts to commercial banks totalled around US\$ 300 million in 1990, of which US\$ 217.5 million was bought in 1991 for the sum of around US\$ 20 million; the Netherlands took part in this World Bank-led exercise, contributing four million guilders.

In November 1988 the UN General Assembly accorded Mozambique the status of least developed country, qualifying it for the cancellation of aid debt under UNCTAD resolution 1655 (S-IX). Of the 152.9 million guilders owed to the Netherlands a total of 82.4 million was cancelled in the period up to 1991, and the intention is that the remainder of Mozambique's bilateral debt be remitted over the coming period in accordance with the relevant UN resolutions.

The debt-service payments due in 1988, 1989, 1990 and 1991 (of 1.8 million, 0.9 million, 0.9 million and 0.9 million guilders respectively) have also been cancelled. The policy of overall debt remission will continue to be underpinned by annual remissions of debt-service payments.

3.2.4 Technical assistance

The shortage of administrative skills at all levels is a serious problem and necessitates technical assistance in the area of administration and management. The problem is compounded by the loss of managers from government, attracted into industry by higher salaries.

Technical assistance has figured large in the development link with Mozambique since its inception. It takes the form of the assignment of experts on salary supplementation schemes, deployed via the Directorate General for International Cooperation (DGIS) or NGOs. Most of the DGIS experts work in universities, in a small number of priority faculties. With rural Mozambique effectively inaccessible because of the war, Netherlands-funded experts work only in urban areas, mainly in educational and governmental institutions. The turnover of Mozambican staff in such institutions is high, in part because of the attractions of the private industries now developing. Even so there is a gradual process of staff development.

There are many other Netherlands experts working in various sectors (water, education, agriculture), some of them supplied through non-governmental organizations, while experts from private industry play an important role in the development of Mozambique's productive and transport capacity. The shortage of local administrators and managers means that this large-scale assistance will remain necessary for some time to come and the number of DGIS experts will therefore be maintained at its present high level (around 45).

Consideration will be given to the deployment of experts in other sectors, e.g. non-university education, or with a view to the institutional strengthening of health care. Rural-development work can begin as soon as the security situation permits; much expertise will then be needed to help strengthen the institutions concerned.

3.3 ZAMBIA

3.3.1 General

As Chapter II outlined, the economic crisis facing Zambia is largely the result of its economic dependence on a single export product, copper, whose price has fallen sharply on international markets, of inadequate development in agriculture and of the government's policy of propping up inefficient state-owned producers. By 1991 the lack of economic diversification and high levels of government debt produced by this situation had left Zambia unable to meet its international debt obligations and without the resources needed to maintain essential public services or to fund essential investment in industry.

The programme of cooperation with Zambia has been critically reviewed in the light of the very serious economic situation facing the country at the start of the 1990s and of the Netherlands' policy as set out in *A World of Difference*. This has involved a thorough re-examination of the programme for rural development in Western Province, outlined below, and adjustments will be made to it over the next few years. Over the period covered by this plan the programme of cooperation will focus on the structural relief of poverty in ways geared as closely as possible to Zambian needs. This means that, first, macroeconomic support on the basis of the macroeconomic policies agreed between Zambia and the World Bank and IMF will be maintained and, second, the involvement of the Netherlands in the development of Western Province, one of the country's poorest areas, will continue.

In the light of the above, the pattern of cooperation with Zambia over the period covered by this plan will be as follows. Of the basic annual allocation of 30 million guilders, ten million will be earmarked for macroeconomic support, and a further ten million for the programme of projects in Western Province. The share of the total going into education and training will increase, with annual amounts of the order of five million guilders, and the remaining five million will be earmarked for primary health care.

This pattern will be applied flexibly as annual programmes are determined, with Zambian needs being met as fully as possible within the framework laid down in *A World of Difference*.

3.3.2 Themes and sectors

3.3.2.1 Rural development

Since the start of the development link with Zambia the focus has been on agriculture, particularly livestock farming. The reason for this choice was that even in the 1960s Zambia was highly urbanized, with higher income levels in urban than in rural areas. The government gave rural development very low priority in the years of relative prosperity, and while this attitude is now shifting as a result of the economic crisis the financial resources available are minimal. A large proportion of the poorest households and those in the weaker social groups are in subsistence farming, and the potential for further agricultural development is considerable. Netherlands rural-development aid is targeted on Western Province. Where initially the emphasis was very much on livestock farming, a more integrated approach is now favoured building on traditional mixed-farming methods. Women play a large role in agriculture and their involvement in projects is becoming steadily clearer and stronger. Over the coming period openings will be sought for further Netherlands aid geared to the diversification of rural employment in agricultural supply and processing industries.

Among the focuses of Netherlands aid to livestock farming is the use of draught animals: the Netherlands funds the employment of a national coordinator in this field within the Ministry of Agriculture and supports several institutions concerned with research and training. In addition, SNV (formerly the Organization of Netherlands Volunteers, now the Organization for Development Cooperation and Awareness), is involved in a number of activities in North Western Province concerned with strengthening agricultural cooperatives. A museum in Southern Province receives technical and financial assistance. Aid is channelled through the FAO into the Early Warning System for food supplies, the organisation of an agricultural census and institutional support for the Food Security Department of the Ministry of Agriculture for the purpose of improving marketing structures.

With technical assistance from the Netherlands a logistical plan is being developed in Southern Province for the purpose of improving fertilizer distribution and the harvesting and collection particularly of maize, Zambia's main crop.

Non-farm projects funded by the Netherlands in Western Province are concerned with primary health care and the strengthening of the regional planning office. In recent years limited support has also been provided for infrastructural improvements.

Zambia's contribution to implementing the project programme has suffered through the economic crisis affecting the country. Many project activities are held up as a result of inconsistent policy, neglect of the financial and economic dimension, civil-service inefficiency and infrastructural shortcomings. The frequent staff changes within the civil service are a further hindrance to project implementation, as are Zambia's inability in many cases to meet local and/or recurrent costs and the shortage of adequately trained Zambian project staff.

Zambia and the Netherlands are currently studying ways of assembling the activities in Western Province into a programme and thereby improving their coordination. The conclusions and recommendations reached by a joint programming mission organised in September and October 1991 for the purpose of seeking a solution are geared towards measures to further strengthen the programme's internal cohesion. Structurally, this task will have to be approached in a less project-based way; it will have to be more geared towards some of the priorities contained in the Medium Term Development Plan.

The policy of the Netherlands will emphasize the development of autonomous farmers' organizations and the diversification both of farm crops and of employment opportunities outside primary production. On the organizational side the potential and limitations of the current system of state cooperatives will need to be examined. So serious is the shortage of trained and experienced managers and of storage, processing and transport facilities that reform of the current cooperative structure is essential; while any reform which has to rely on administrators who can neither escape from a tradition of central economic planning nor gain the confidence of farmers and farming communities is probably doomed to failure. For the present, therefore, support for the cooperative sector will be approached with caution and every opportunity will be taken to strengthen genuinely autonomous farmers' organizations.

Fertilizer use, at least for the main basic food crops in Western Province, is virtually out of the question economically, except in the case of maize in Kaoma District in the east. The stress will therefore be on other ways of increasing output, through crop diversification and the integration of arable and livestock farming; this will also help relieve the problem of unbalanced nutrition. In the area of land and water management openings have been identified for expanding rice production in well defined areas without the need for large-scale infrastructural works.

The lure of large-scale irrigation schemes will be difficult to resist: despite their dubious economic viability and the failure to take account of the various opportunity costs involved, they unfortunately continue to receive government and donor support.

Health care

Netherlands involvement in Zambian health care focuses on the primary sector. Twenty or more physicians are employed with Netherlands funding in district hospitals in Northern and Western Province, some of them in the Netherlands-supported primary-care programme in Western Province. The programme's main aim is the creation of a durable infrastructure for primary health care; help is also provided with the organization and training of community health workers and Rural Health Centre staff, who between them have the job of promoting and supervising village health care.

Funding is also given for pharmaceutical supplies, in the form of standard packages of essential drugs, to Rural Health Centres; in 1992 the sum of four million guilders was provided for this purpose. This import support and aid from the Swedish International Development Agency (SIDA) in the area of management and transport enables the whole country to be covered. Half of the cost of the drugs for the Rural Health Centres is met by Zambia and a quarter each by SIDA and the Netherlands. These activities

are priorities of the Social Action Programme (SAP).

The SAP is also concerned with the control of cholera and tuberculosis. In 1991 the Netherlands was closely involved in the drafting, by the Ministry of Health, of the National Health Policy document, which emphasizes the importance of primary and rural health care. Widespread HIV infection has brought exponential growth in the number of TB patients in recent years but with little donor support and limited local resources the National Tuberculosis Programme has been unable to cope with the sudden increase. Positive results have been achieved in the framework of management support for the districts, however, and the NTP is to be reformulated with a view to developing an adequate and sustainable strategy to deal with this serious problem; the Netherlands is involved in the work of reformulation.

Since Zambia, with a little over seven million inhabitants, is still fairly thinly populated, there has generally been little interest in population issues and birth control. The position has recently begun to change, however, owing to the worsening economic situation and the spread of AIDS. The Netherlands is actively involved in Zambia's AIDS-prevention programme through, among other things, the import support given in the medical sector, while part of the Netherlands' contribution to the World Health Organization goes into controlling AIDS in Zambia.

The Netherlands plays a part in improving rural health and living conditions in North Western Province through a project concerned with sanitation and drinking-water supply (including the digging of wells) which benefits at least a quarter of the population. Provision is also made for public education in hygiene and sanitation.

3.3.2.2 Environment

The nature of certain current projects, concentrated in Western Province, is such that account must be taken of possible ecological consequences. The activities concerned relate to land and water management, applied agricultural research, local agricultural development, livestock farming and the use of draught animals. Use is made in this connection of the findings of the environmental profile of Western Province compiled in 1988 with funding from the Netherlands. A report on the carrying capacity of pastureland has been drawn up, based in part on the environmental profile, and a report on soil conditions in the province is on the point of completion.

There are threats to people's livelihood (if not, as yet, to the environment) from the low fertility of the mainly sandy soils. Since the use of artificial fertilizers in cultivating staples like maize, cassava and sorghum is not economically feasible all locally available means of maintaining soil fertility must be exploited to the full; the integration of arable and livestock farming will therefore remain a goal and ways will be sought of widening cattle ownership and of increasing the access to draught power and manure of those who own no cattle, thus enabling them to achieve sustainable integrated production at a higher level of output. The scope for developing agro-forestry will be carefully examined; in this connection it should be noted that stocks of commercially attractive hardwoods are approaching exhaustion. Innovative activities, such as the current project to develop alternatives to the large-scale use of pesticides, are receiving support under the environmental spearhead programme. The scope for, inter alia, the promotion of fauna management and use by local communities is also being examined in this context.

3.2.3.3 Women and development

The aid programme seeks to strengthen the position of women in a number of ways. Between 1983 and 1990 a woman expert was attached to the provincial agricultural advisory service. The project, which has been continued under Zambian management, is aimed at improving advisory provision, credit facilities and the supply of seeds and other inputs. Income-generating activities are also included. So far, the results have been far from encouraging, and attention will need to be given to the question of implementing a constructive follow-up as part of the Western Province Programme.

Support is given through a multi-bi funding arrangement with the FAO to the People's Participation Project, an educational project aimed primarily at women. The project seeks to promote replicable activities which help increase women's productive power while lightening their workload. Its effects have been

limited as sources of credit have dried up.

In connection with various projects, notably in the areas of arable and livestock farming, the aid programme has included research into women's cultural, social and economic roles with a view to determining their position in the various sectors. The growing emphasis on cash and export crops may tend to squeeze out subsistence farming or increase the burden on women, and it is vital to ensure that aid activities and their effects do not add to their already considerable workload.

A report being compiled by a local consultant should improve our understanding of ways in which the aid programme can be used to strengthen the position of women; its recommendations will form the basis for further measures to be elaborated in consultation with the sectoral expert on women and development to be appointed in Lusaka at the end of 1991. The expert may also suggest further ways of promoting the position of women in the project programme in Western Province (on which point a study was carried out in 1990), and will help determine, in close consultation with the sectoral experts on rural development and health care, how the report's recommendations are to be implemented within the aid programme.

Following agreement with the Zambian authorities the Provincial Planning Unit is to be strengthened by the appointment, with financial support from the Netherlands, of a Zambian expert on women and development. Aid is also being considered for the Woman Development Department of the National Commission for Development Planning in Lusaka.

3.3.2.4 Urban poverty

Zambia is highly urbanized: where in 1960 the proportion of the population living in towns was 17%, by 1988 it was 50% and by the end of the century it is forecast to reach 65%. By 2025 Zambia's urban population is expected to total 19 million, as against just 0.2 million in 1950; in 1987, the half-way mark, the total was just over four million, so that 81% of the forecast growth for 1950-2025 will be concentrated in the second half of the period.

Given the critical economic situation facing the country, these figures indicate a very bleak future for urban Zambia's poorest groups, particularly in Lusaka and the towns of Ndola, Kitwe and Mufulira in the north-eastern Copperbelt.

As has been noted, much of the Netherlands' project programme is targeted on Western Province, and it has been agreed with the Zambian authorities that this should remain the case. In view of the size of the country's urban population, however, a modest contribution is to be made, through multilateral channels, to relieving urban problems. Funding will be provided from both the Southern Africa Programme and the Urban Poverty Spearhead Programme for the Municipal Development Programme, which aims to improve urban administration by providing training, carrying out studies, assisting municipal authorities through consultancy services and strengthening links between municipal authorities, research institutions and non-governmental organizations.

3.3.2.5 Institutional development

The institutional shortcomings both of the Zambian government and of non-governmental organizations are a major hindrance to the country's development. The aid programme in Western Province will seek to promote institutional development with activities aimed at involving the target group in the programme's preparation and execution, with farmers' organizations and women's groups in particular eligible for assistance designed to ensure the continuation of activities. Consideration will be given to ways of improving the functioning of elected members and officials of district councils through training and other forms of support.

The Netherlands will also use multilateral channels to assist in the development of institutional capacity through the African Capacity Building Initiative (ACBI) and the Municipal Development Programme (MDP).

Non-governmental institutions need a democratic climate if they are to thrive and the Netherlands is working to establish such a climate through the Global Coalition for Africa. The measures which the Zambian government elected in November 1991 takes to create the kind of conditions needed for the development of such institutions will play an important part in shaping future cooperation programmes.

3.3.2.6 Education

The Netherlands sees continuing aid to Zambian education and training as vital and in particular will seek ways of strengthening institutions which provide practically oriented technical and vocational education. Assistance to the primary sector, perhaps in the form of budgetary support, will also be considered.

As already announced, the funding for the links between the University of Zambia and Delft, Twente and Eindhoven technical universities currently provided under the "Cooperative links" programme will end in mid-1994. New requests for aid will be examined very critically with a particular focus on their relevance to Zambian social needs.

3.3.2.7 Cultural affairs

From the time of Zambia's independence in 1967 former President Kaunda sought vigorously to ensure the maintenance of the culture and traditions of the various elements of Zambian society. Considerable efforts have also gone into promoting the national culture with a view to reinforcing the sense of national identity.

Netherlands cultural aid to Zambia goes notably to the Tonga Museum and Crafts Project in Southern Province; its purpose is to secure for the future the cultural heritage of the Tonga, who have long lived in the area. The Crafts Centre associated with the Museum, which sells traditional handicrafts, is also aided. Advisory services, training and credit facilities help generate employment for the people of Southern Province. Aid amounting to 2.2 million guilders is planned for a six-year period. The Museum will also receive funds from the National Zambian Museum Board, whose policy is, inter alia, to promote local museums. Thereafter the Museum and Crafts Centre should have the technical and financial resources to secure its own future.

3.3.3 Programme aid

3.3.3.1 Balance of payments and imports support

In 1992 the Netherlands will contribute to supporting the economic adjustment programme drawn up by Zambia in consultation with the World Bank and the IMF. In the period now ending the Netherlands has also made a significant contribution to the financial and technical support going to the adjustment programme agreed with the World Bank and IMF and laid down in the Policy Framework Paper 1989-93. In 1990, at the first Consultative Group meeting following Zambia's 1987 break with the World Bank and IMF, a number of donors undertook to provide additional aid in forms suitable for rapid disbursement, and in 1990-91 the Netherlands provided 40 million guilders to fund imports needed to maintain Zambia's productive capacity. At the request of the Zambian authorities part of the total (20 million guilders) was channelled through the finance ministry's Open General Import Licence system, which enables importers to import certain development-related goods; 9.5 million guilders went to fund imports of lorry parts and ten million to help pay off Zambia's arrears to the World Bank. In 1991 a multi-donor scheme was agreed, to which the Netherlands contributed 37 million guilders, to further reduce Zambia's arrears to the World Bank. The Netherlands has also helped to fund a team of macroeconomic experts attached to the Zambian finance ministry.

Programme aid is provided under the Southern Africa Programme. It is used to fund the purchase of necessary goods, notably in the areas - rural development and health care - on which the Netherlands project programme focuses. The programme aid provided in 1991 mainly comprised drugs for use in primary health care and tuberculosis control and veterinary medicines. In the framework of the Social Action Programme, which seeks to cushion the impact of the 1989-93 adjustment programme on the weaker

sections of society, the Netherlands provided programme aid amounting to ten million guilders in 1991; this was used to fund purchases of essential drugs and work on infrastructural rehabilitation.

3.3.3.2 Debt relief

In mid-1990 Zambia reached an agreement with its creditors, among them the Netherlands, on the rescheduling of government and government-guaranteed loans. In 1990, as part of a Club of Paris scheme, the Netherlands remitted 39.6 million guilders; as well as debt service, including arrears on aid loans, a substantial part of the principal (18.4 million) was also remitted.

3.3.3.3 Emergency aid

The Netherlands provides aid through the UNHCR for Mozambican refugees in Zambia; they are located along the Zambian border with Mozambique.

3.3.3.4 Technical assistance

Much of the technical assistance provided involves the assignment of experts. Mention has already been made of the Netherlands' financial and technical contribution to the team of macroeconomic experts attached to the Zambian finance ministry; the University of Zambia also receives assistance through the assignment of 20 experts on supplementation schemes.

To help relieve the shortage of doctors in Zambia over twenty are employed on supplementation schemes; several more are funded through the NGO programme. A number of veterinarians from the Netherlands are also working in Zambia.

A large number of bilateral experts are working in Zambia under the project programme, the majority in Western Province.

In 1987 the Development Cooperation Field Inspectorate (IOV) looked at long-term aspects of development activities in Western Province. In the light of its recommendations and of discussions with the Zambian authorities it is intended that Netherlands experts should in future be employed in advisory rather than line functions; their number is also to be reduced. The IOV recommendations have also led to increased emphasis on the training of counterparts. In addition ways are being sought of anchoring Netherlands-aided activities more firmly in local structures, while the social foundations for aid and development work are being strengthened by involving more local people and promoting local organization; where it is thought desirable this is increasingly being done outside the government framework, e.g. by strengthening farmers' groups and promoting non-governmental initiatives.

3.4 ZIMBABWE

3.4.1 General

The Netherlands was aiding the people of Zimbabwe, within and beyond its borders, before the country's independence in 1980; humanitarian in nature, the aid was channelled through international and non-governmental organizations. Immediately on independence bilateral aid was provided for reconstruction purposes and at the international Zimcord donor conference in 1981 the Netherlands committed the sum of 100 million guilders, for a period of three years, to fund the rebuilding of schools damaged in the struggle for independence, the construction of a dairy, the purchase of seed and rural drinking water supply work. Since then aid has also been channelled into manufacturing through a programme of import support, the Commodity Import Programme (CIP), whose purpose is the maintenance and expansion of Zimbabwe's manufacturing capacity. The counterpart funds generated by the CIP are then used to finance rural-development work by the Zimbabwean government.

The aid given to Zimbabwe under the regional programme for southern Africa, which was introduced in 1985, has been used entirely to support the CIP, though the country has also received modest amounts of aid under other programmes. In the coming period CIP support will be replaced with macroeconomic aid in the framework of the programme of structural adjustment launched by Zimbabwe in 1991. In this way the Netherlands will be helping the Zimbabwean government to achieve its aim of creating a healthy economy while protecting the weaker members of society. There will also be greater emphasis than in the past on rural development in the communal areas; other themes will be research, small-scale manufacturing and the development of human resources.

The pattern of project aid will be as follows.

- a. The support currently given to industrial development through the CIP will be reexamined in the light of the introduction of the OGIL system.
- b. Rural development aimed at:
 - i. increasing productivity among small-scale food producers
 - ii. promoting employment in the off-farm sector
 - iii. labour-saving activities for women
 - iv. health care and sanitation
- c. Human-resource development and research
 - i. university education
 - ii. vocational education and training
 - iii. health systems research
 - iv. biotechnology

Projects in all these areas will wherever appropriate include activities relating to education, the environment, and women and development (women make up a large part of the target group). In addition special programmes will be drawn up covering these three themes.

3.4.2 Themes and sectors

3.4.2.1 Rural development

As in the past the primary aim of project activities concerned with rural development will be to improve living conditions in the densely populated communal areas, where the pattern of land ownership and a lack of employment have resulted in large numbers of female-headed households, low agricultural productivity and declining food security at household level. Regional-policy goals of particular relevance to Zimbabwe are as follows.

- Increased productivity in small-scale agriculture. Aid will be available for activities relating to the cultivation of maize and traditional food crops, seed production, small-scale irrigation schemes,

improved access to capital and other inputs (including advisory services) and the storage, marketing etc. of harvested crops. Work in the area of biotechnology may also be supported.

- Increased employment in off-farm activities, e.g. through the development of the informal sector. Funding will be available to help support credit facilities, management education and practically oriented vocational training aimed at promoting small business.

Activities in these two areas will be targeted particularly on women and households headed by women, other marginal farming households and the unemployed.

- Labour-saving activities for women. Women make a major contribution to agricultural output and their growing workload has implications for their own and their families' welfare. Aid will therefore be available for measures - such as agricultural and domestic labour-saving schemes and increased child-care provision - aimed at relieving women's workload in both their productive and their caring functions.
- Health care and sanitation. In the health field aid will continue to be provided for family planning and mother-and-baby care, inter alia through health systems research. Funding for AIDS prevention and care will also be given favourable consideration.

Activities are to be organised so as to integrate aspects of education, environment and women and development in these areas of rural development

Where possible activities will be geared to the programme of social action which the Zimbabwean government is to develop in the Social Dimensions of Adjustment framework. Where the government's capacity for action is limited support may be provided through NGOs and through the deployment of experts for the purpose of management training.

The rural-development activities initiated during the period now ending will be extended into the new programme. They include two projects, in areas with little potential for maize-growing, concerned with the production of seed for traditional food crops and the local storage and processing of grain; these projects are aided through the Netherlands NGO NOVIB (Netherlands Organization for International Development Cooperation). Other Netherlands NGOs involved in current activities are CEBEMO (Central Agency for the Joint Financing of Development Cooperation Programmes) and ICCO (Inter-Church Coordinating Committee for Development Projects); they are implementing two projects in the area of drinking-water supply.

The Zimbabwean government uses the counterpart funds generated through the Commodity Import Programme for rural development in the communal areas; assistance is given notably to women's groups and small-scale irrigation schemes.

Finally, in recent years support has been given through the World Bank to a programme concerned with family planning. Its purpose is to expand mother-and-baby care, whether provided by the state or by traditional midwives, with a view to reducing population pressures, lightening women's reproductive load and improving the health of mothers and children. While this support is to be discontinued, consideration will be given to providing support at national level for the programme of health systems research which is already supported at regional level.

3.4.2.2 Environment

Future activities will focus mainly on the communal areas, where environmental problems are at their most serious owing to the population pressures and relatively poor soils. With a rapidly growing population traditional management systems are no longer adequate; increasing soil erosion is the result. The crucial need is for measures to strengthen the local management of natural resources, including the regulation of the cultivation of new land, grazing by livestock and other forms of exploitation, and aid will therefore be available for environmental activities of this type.

3.4.2.3 Women and development

The involvement of women in national development has been seen as essential to the development process since the first Five-Year Development Plan. The government recognizes that traditional society accorded women a subordinate role and seeks to promote equality between the sexes. Since independence women's legal position has been strengthening by legislation to give them equal rights with men in the areas of marriage and inheritance; new income-tax laws are also intended to promote the emancipation of Zimbabwean women. The governing ZANU party has a large and well organized women's section which enjoys the support of President Mugabe. There are also NGOs active in this field.

The Zimbabwean government assists women's groups involved in income-generation. Services helped under this programme, which is supported by several donors and by 1986 covered 13,600 groups, include credit facilities and agricultural and horticultural advice. The Netherlands supports the programme indirectly, through the counterpart funds generated by the Commodity Import Programme, while regional-programme funding is channelled through Netherlands NGOs and multilateral organizations into projects aimed at improving the social and economic position of women and at enhancing the autonomy of women's groups.

Two projects aimed at strengthening the organization of women's groups by promoting their technical and managerial skills are currently receiving aid through the ILO and SNV, a Netherlands NGO. The projects also seek to increase the groups' access to credit, improve the marketing of their products and strengthen the administrative bodies supervising them. This aid, which amounted in 1991 to 800,000 guilders, can be expected to increase with the posting of a sectoral expert in women and development to the embassy in Lusaka, Zambia.

3.4.2.4 Urban poverty

The proportion of the Zimbabwean population living in towns and cities, currently just over a quarter, is projected to rise to a third by the end of the century. Between 1960 and 1988 the urban population grew by an average of 5.9% a year; the forecast for 1988-2000 is 5.4%. Zimbabwe's urban population is thus smaller than Zambia's, and where 65% of the twelve million Zambians living at the end of the century will be town-dwellers, the Zimbabwean total will be 35% of 13 million. The largest urban centres in Zimbabwe are the capital, Harare, and Bulawayo, in the south-east of the country. Other centres of increasing importance are Masvingo, Mutare and Gweru.

The project programme in Zimbabwe will be gradually expanded over the coming period, and in consultation with the Zimbabwean authorities ways will be considered of applying regional funds and funds from the Urban Poverty Spearhead Programme to the relief of urban poverty. With the rapid spread of *unemployment among relatively well educated Zimbabweans*, the country's urban population includes increasing numbers of poor people with some education; the promotion of small businesses in urban areas will therefore form part of the future cooperation programme.

Aid will also be provided through the Municipal Development Programme (briefly described in the section on Zambia) for the strengthening of urban administration in Zimbabwe.

3.4.2.5 Industrial development

Zimbabwe's industrial development has in the past been aided through the Commodity Import Programme, under which raw materials for Zimbabwean industry are imported. As noted in section 3.4.3., the period covered by this plan will see a transition to aid through the Open General Import Licence system.

3.4.2.6 Education and research

Since independence the Zimbabwean government has put great stress on education as an element of social policy and an instrument of social and economic development. This policy was intended above all to narrow the disparity, dating from colonial times, in educational provision for blacks and whites. The

government succeeded in creating a system of free primary education, open to all, and considerable progress was made in the areas of secondary and higher education. Educational spending, which stood at 4% of GNP in 1980, had risen to 10% by 1989; since then it has fallen, however, owing to the country's economic difficulties. As a result of this fall and the rising pressure of population Zimbabwean education faces a number of problems:

- a shortage of qualified teachers and heads at both primary and secondary level,
- an unequal distribution of such qualified teachers and heads as are available between urban and rural areas,
- the low standard of primary and secondary schooling,
- outdated curricula,
- an inappropriate examination structure,
- a lack of funds for building maintenance, libraries, the purchase of books and equipment, etc.

Netherlands support for educational and training activities in Zimbabwe is to be stepped up. The emphasis will be on raising standards in education and training. This implies greater depth and less width: fewer activities will be carried out, over a greater number of years, using a variety of instruments and relatively substantial resources. The Netherlands' programme will be coordinated wherever possible with those of other donors. The posting of a sectoral specialist in education to the embassy in Harare, covering the whole southern Africa region, is intended to facilitate such coordination.

Within the programme of cooperation with educational and training institutions and government in Zimbabwe greater emphasis will be placed on practically oriented vocational training at elementary, intermediate and advanced levels, on specialist courses and on in-service training as means of alleviating the serious shortage of technical specialists. To be eligible for aid courses must be geared to the concrete needs generated by the processes of social, economic, political and administrative development in Zimbabwe.

Support for the University of Zimbabwe in Harare will be continued. New projects for which the University seeks funding from the Netherlands will be critically assessed for their social relevance and long-term prospects. In the latter regard funding will be available to help launch activities (such as advisory services, research contracts and the organization of courses and seminars) for which the University can obtain payment from outside bodies. Such revenues help reduce dependence on shrinking allocations from the national budget.

An examination will be made of ways in which the Netherlands might assist in strengthening the ministries concerned with education and training. Possibilities include in-service training for civil servants in the area of educational planning and management; the temporary placement of specialists from the Netherlands in the ministries concerned will also be considered should such a measure be requested by the Zimbabwean government.

3.4.2.7 Other activities

The Karoi grain silo project, carried out by local contractors in collaboration with GEM consultants and financed using counterpart funds and funds provided by the Netherlands, was completed on time in July 1991. Under the Development-Related Export Transactions (ORET) programme a low concessional loan of 25 million guilders has been provided for the purchase from DAF of some 300 urban buses in kit form. A further three applications for low concessional loans are currently under consideration. The Finance Company for Developing Countries (FMO) and the Centre for the Promotion of Imports from Developing Countries (CBI) are also active in the manufacturing sector in Zimbabwe.

3.4.3 Import support and the transition to the Open General Import Licence (OGIL) system

Since 1985 the greater part of Zimbabwe's allocation under the Southern Africa Programme has been channelled into import support through the Commodity Import Programme (CIP), helping to fund the import of a wide range of inputs for Zimbabwean industry. The main product categories have been natural rubber, bus and lorry kits and parts, soap and water-treatment agents, raw materials for the paint and plastics industry, pump parts, street-lighting equipment, agricultural chemicals and telecommunications

equipment.

The purpose of the import-support programme is to promote economic growth and manufacturing employment and to maintain manufacturing capacity and improve its utilization. To help realize these aims the Netherlands supplies Zimbabwean private industry with foreign currency, through the CIP, for the purchase and import of essential raw materials, parts and semimanufactures. The CIP generates counterpart funds which are then used in the development notably of small-scale irrigation and water-supply systems in the communal areas. In 1991 the Netherlands announced that counterpart funds could also be applied to activities relating to the social dimensions of adjustment.

The aid is provided in financial form; in addition, since 1988 technical assistance has been provided, in the form of a procurement adviser, to ensure that the relevant procedures are properly observed. The Zimbabwean authorities' input is limited to the allocation of resources to importers by the Ministry of Trade and Industry and the authorization of payments on transactions in the framework of the programme by the Ministry of Finance, Economic Planning and Development.

As the Zimbabwean delegation has confirmed in successive years' policy consultations, the Netherlands-funded CIP helps meet Zimbabwean industry's foreign-exchange needs while assisting rural development by generating counterpart funds. As part of the process of structural adjustment the present foreign-exchange allocation scheme is to be replaced by an Open General Import Licence (OGIL) system, for which the Netherlands has on a number of occasions pledged support.

The introduction of the OGIL system has implications for the Netherlands import-support programme. The CIP is linked to the system for allocating foreign exchange and when the latter is abolished the CIP will go with it. Since the process will be phased, the CIP's abolition will need to be planned in close consultation with the Zimbabwean authorities.

Zimbabwe's programme of trade liberalization and structural adjustment merits support. The transformation of the CIP will therefore need to proceed in parallel with the replacement of the system for allocating foreign exchange until the full amount now provided through the CIP is available for investment in the OGIL system.

3.4.4 Technical assistance

Some 120 experts are deployed in Zimbabwe, around half of them through non-governmental organizations. SNV field staff number a little over 40, while the remainder (12) are employed under the salary supplementation scheme.

Activities relating to rural water supplies have figured large in the bilateral programme over the past decade, and the technical assistance provided has accordingly been targeted on this sector. While experts will continue to be employed under the supplementation scheme the possibility will be considered of a shift of emphasis to health care and education, where there is a severe shortage of trained staff.

3.5 NAMIBIA

3.5.1 General

Before independence in March 1990 Netherlands aid to the Namibian people was funded as part of the Second Track policy vis-avis South Africa. Namibia was at that time still under South Africa rule and the aid was intended to promote social development and emancipatory processes aimed at the achievement of substantive reforms and abolition of apartheid by peaceful means. It was given mainly through human-rights organizations (legal-aid programmes) and the churches (humanitarian aid). Immediately after independence the Netherlands and the new Namibian authorities opened discussions on the shape of a future aid programme; it was concluded that there was little real scope in the short term for concrete bilateral projects since the Namibian government had not yet had time to draw up a development policy and was still engaged in establishing its own administrative structure. Even so the government already had a clear picture of its priorities for the coming years, which were: (1) agriculture and rural development, (2) education and training, (3) health care, and (4) housing.

Raising farm output in the communal areas, particularly in the north of the country, is given highest priority, as the government believes that interventions will yield quicker social and economic results here than elsewhere. Namibia's mineral resources put it in a relatively favourable starting position and the government realizes that national development will have to be funded domestically wherever possible. One of its aims is to narrow income disparities without jeopardizing potential growth. At the pledging conference organized by the UNDP and the Namibian government the donor community was asked to provide US\$ 270 million a year up to 1993.

3.5.2 Themes

In the statement on Namibia which the Minister of Foreign Affairs and the Minister for Development Cooperation submitted to the Lower House in June 1990 the Netherlands declared its desire to follow closely the priorities of the Namibian government; at the latter's request Netherlands aid will focus on water supplies in the north and south of the country, the areas most disadvantaged in the period before independence.

The Namibian government's own activities in the area of the development of rural water supplies are targeted in the first instance on the Ovambo region in the north. This region contains about 60% of the country's population, and although its water resources are reasonable, the people can barely scrape a living from marginal farming. The Namibian authorities thus face the challenge of restoring and extending the infrastructure to enable the region's water to be distributed prudently while raising the living standards of marginal farmers.

An important role falls to the Department of Water Affairs which, despite gaps in its staffing establishment, appears to be in a position to carry out its task. In working with the Department the Netherlands will stress the need to take not just social and economic but also possible ecological consequences into account when identifying water projects. Agreement has also been reached with the Namibian authorities on support for water development through the assignment of experts under the salary supplementation scheme.

Netherlands aid to Namibia began at the end of 1990 with the funding of work already initiated by the Department of Fisheries and Water Affairs. This was the rehabilitation of the Calueque-Olushandja state water system, phase I (1.36 million guilders), involving the restoration of the Calueque dam and the associated pumping station together with pipelines and channels. The system was in a poor state owing to military action and neglect and its rehabilitation will improve the water supplies and therewith the living standards of the people of the Owambo region. Consideration is being given to helping phase II of the work, which is mainly concerned with increasing the system's pumping capacity, and in the short term the possibility is being examined of participating in a feasibility study for the Western Owambo irrigation scheme and a water-treatment plant in Ogongo.

Another task facing the Namibian government is that of accommodating the still predominantly white

civil service to the country's new situation. Under South African rule educational provision was very unequal, with the result that few educated blacks are available to fill civil-service posts, and while the University of Namibia was of course desegregated after independence many black students have had difficulty in reaching the required standard. The Netherlands will consider aiding the development of pre-entry courses aimed at enabling the students concerned profitably to follow university courses.

The basic annual aid allocation for Namibia will be of the order of ten million guilders.

3.6 ANGOLA

3.6.1 General

The years of civil war, which finally ended in 1991, devastated the country and made the implementation of long-term development projects impossible. The current situation in Angola, marked by political uncertainty and continuing insecurity, leaves no scope in the short term for a programme of structural development cooperation. Bilateral efforts will therefore continue to focus on the supply of food and emergency aid to those parts of the country where people have been worst affected by the war. If the peace settlement between the governing MPLA and the opposition UNITA party holds, decisions will have to be reached on future aid patterns which reflect the country's manifold needs. This will have to wait until the expected elections have been held.

Such is the ruinous state of rural Angola that future aid policies must focus first and foremost on food production, health care and water supply. When the situation permits, an identification exercise will be carried out to determine the areas on which aid should be targeted. The pattern of cooperation agreed with Angola must accord with national development plans and adjustment programmes and be coordinated with other donor's programmes. The job of implementing projects and programmes should preferably go to non-governmental organizations well established in Angola; priority will be given to co-financing with UN agencies such as the FAO or WHO, with the World Bank and with the EC. Aid could go to small rural businesses with a view to remedying the underutilization of productive capacity and thereby assisting macroeconomic development.

3.6.2 Themes and sectors

3.6.2.1 Rural development

The first objective is food security, with measures both to increase supplies from their present low levels and to tackle climate-induced fluctuations in production. Then comes the generation of income and employment: projects with this objective are urgently needed in the areas hardest hit by the civil war, where people live in wretched conditions and must start the process of building a decent existence from scratch. Help may also be given with the import of essential agricultural inputs and, in the initial phase, food aid will be provided as necessary. The achievement of food security would also bring major health benefits.

3.6.2.2 Health care and drinking-water supply

Activities in the areas of health care and drinking-water supply will be undertaken through NGOs or under a co-financing arrangement with other donors.

Health care is among the sectors hardest hit by the civil war, and in rural Angola it will need to be developed from scratch. The national priority in this area is therefore health promotion with and by the people. A central focus will be on mother-and- baby care, since the causes of high infant mortality - malnutrition and infection - can be tackled directly through nutritional education, vaccination programmes and improvements in sanitation and drinking-water supply. Popular participation provides the best assurance that health provision is geared to local physical and cultural conditions. Activities in primary health care will be coordinated with those relating to agricultural development and drinking-water supply.

Reliable supplies of safe drinking water are essential to public health. Since water-supply systems in rural Angola are in urgent need of rehabilitation and the need for safe drinking water is growing rapidly the programme of cooperation will give priority to drinking-water supply activities. In the present situation work on the physical infrastructure is the first requirement; aid will also be available for the training of local health workers (public-health experts, midwives).

Cost-recovery systems being for the moment out of the question, water-supply projects will need to incorporate the simplest techniques so that users can undertake simple maintenance work as part of community management. Water needs to be available on a continuous basis and within easy reach. Agreed district development programmes must give due weight to the links between water supply, health care and agricultural development.

3.7 MALAWI

Though among Africa's poorest countries Malawi receives relatively little foreign aid. While the indications are that aid funds are used reasonably efficiently, the country's political situation and its government's social policies make it ineligible for large-scale aid or a specific country programme. Until the government allows proper scope for democratic development Netherlands aid will remain limited to a small number of well-defined humanitarian activities. Since the Netherlands has no embassy in Malawi preference is given to co-financing and multi-bi arrangements; technical assistance is also provided in the form of experts employed on salary supplementation schemes.

A large part of the aid which the Netherlands provides to Malawi is medical in nature. The Netherlands is involved, through a co-financing arrangement, in a World Bank/WHO project for the improvement of general health care. A national pharmaceutical programme (1990- 95), which receives funding from the Netherlands, is aimed at improving the use of a limited number of essential drugs; drug selection, quality control and inspection form part of the programme. Training is also an important element, with a view to developing local pharmaceutical expertise.

As in Zambia, the Netherlands provides aid for a regional project concerned with drinking-water supply and sanitation in peri-urban areas.

Technical assistance through the assignment of experts is also mainly geared to health care, and more than twenty general practitioners and several specialists from the Netherlands are working in Malawi. Experts are also attached to the University of Malawi, where a university aid project is in implementation.

To help relieve the nutritional problems mentioned in Chapter III a three-year project has been started, as a follow-up to earlier Netherlands inputs, involving the small-scale production of infant cereal from local ingredients (maize, cowpeas and groundnuts). It links with the WFP's "supplementary feeding of vulnerable groups" project, which reaches over 50,000 young children and, with financial help from the Netherlands, has successfully gone over to the use of locally produced infant cereal. The cereal, known locally under the name Likuni Phala, is still produced centrally using large-scale methods, however, and the new project (for which the sum of 2.7 million guilders has been earmarked) will encourage decentralized small-scale production. The extra output should help raise the number of children reached by the WFP project to 80,000. The distribution of small producers' output through the WFP project is also intended to encourage the development of small independent business.

3.8 BOTSWANA

For all the high rate of economic growth that Botswana has enjoyed since independence the country faces problems, in the form of rapid population growth and a highly unequal distribution of income, which could jeopardize its future development. Since the diamond revenues that keep the economy afloat will eventually fall off the government needs to diversify the economy. Another cause for concern is the threat to the country's fragile ecosystem from the expansion of cattle farming.

The Netherlands' limited aid link with Botswana has been geared mainly to industrial development (with a view to lessening the country's dependence on South Africa), rural development and education and research particularly at university level. Focuses of attention in the educational field include the ecological problems facing the country.

With its stable political climate and safeguards for human rights and press freedom Botswana can reckon on substantial donor support, while its healthy economy and high export earnings mean that capital is not generally a problem when projects are launched. The country does however suffer from a shortage of trained managers and administrators which hampers the diversification of the economy.

In the period 1992-95 the main focus of the Netherlands aid programme will be on technical assistance in education and research; the university cooperation link will be maintained and there will be an emphasis on technical and managerial training as a foundation for Botswana's economic diversification. A second theme will be research into the country's ecological problems, while rural activities will focus on creating employment with a view to improving rural food supplies and stemming the exodus to the towns. All activities will be carefully scrutinized for their environmental implications.

The Organization for Development Cooperation and Awareness (SNV, formerly the Organization of Netherlands Volunteers) has an extensive programme whose target groups are remote-area dwellers (bushmen) and female-headed households. SNV, 28 activities.

3.9 LESOTHO

The Netherlands' bilateral aid link with Lesotho, which has to date been limited, will, as far as activities under the Southern Africa Programme are concerned, be terminated during the period covered by this regional policy plan.

3.10 SWAZILAND

Since independence Swaziland has been economically successful and aid from the Netherlands, never large in scale, has been limited to ad hoc funding for rural-development activities and university cooperation. Swaziland is also eligible for assistance under the Development-Related Export Transactions (-ORET) scheme.

In the coming period Netherlands aid will focus on education and research in the framework of the university link, and in particular on courses providing first-year students with the basic knowledge they need to benefit fully from their university studies.

CHAPTER IV

THE PROGRAMME IN SOUTHERN AFRICA

4.1 Background

The internal situation in South Africa still bears many traces of the apartheid system, one of whose main features was that political rights were granted or withheld on grounds of skin colour. Apartheid left the country's black majority with few if any political rights and has meant that people's standards of living vary markedly with the racial group to which they belong.

Racial segregation has a long history in South Africa, but when the National Party came to power in 1948 what had been a gradual process was sharply accelerated and segregation was anchored in the law. While new independent states were coming into existence in much of the continent, in South Africa a system was being constructed under which the black majority was increasingly denied basic human rights and the disparity in living standards between black and white grew ever wider. Widespread resistance to the system was already evident when in 1955 many South African organizations adopted the Freedom Charter, the aim of which was the creation of a South Africa free from racial discrimination.

In the years that followed the scale of resistance grew and many organizations began working to change the country's segregation-based society. While most of those organizations used only peaceful means, the African National Congress (established as early as 1912) and the Pan Africanist Congress (set up in 1960), impelled in part by the 1960 Sharpeville massacre, decided in addition to engage in armed confrontation with the regime. However, it was above all the violent action taken by the South African authorities against their own people that prompted growing international opposition to the apartheid system.

In the field of labour relations the 1980s brought major legal reforms, based on the work of the Wiehahn committee, which have enabled black trade unions to contribute to improving the living conditions of sections of the black population. The black unions also play a major part in bringing the political aspirations of the black population to the government's attention.

Growing resistance among South Africa's black population - by which is meant all innumerable groups in South African society that together make up the great majority of the population but whose members were treated under apartheid as second-class citizens - did much to create the climate in which the ruling National Party under President F.W. de Klerk came to recognize that an urgent start needed to be made on dismantling the system. Another important contributory factor was the wide range of international sanctions applied against South Africa, whose economic consequences and psychological effects played a large part in increasing the acceptability in white circles of President De Klerk's reform programme. The manner in which ANC leader Mr Nelson Mandela, who was released from prison in 1990, has developed into the leader of a determined and critical but at the same time constructive opposition has also helped create a climate in which ongoing reform appears likely. The formation in November 1991 of a broadly based alliance of political parties, the Convention for a Democratic South Africa (CODE-SA), marked the start of a process of negotiation between government and opposition on the creation of a new South Africa.

Now that the dismantling of statutory apartheid is well under way and political negotiations have begun, a start will need to be made on the ending of social and economic apartheid. The huge investments that this will require in education, health care and housing imply great economic efforts over a long period of time. The impact on South Africa's economic development of policies aimed at the accelerated advancement of the black population could be very favourable, in part because such policies could help restore the confidence of investors, domestic and foreign, in the country's economy. The benefits will not make themselves felt immediately, however, while the policies will require a sharp increase in government spending in the short term.

In the 1970s export revenues generated by the mining industry (which represent 70% of all the country's export earnings), particularly from the sale of gold and diamonds, enabled South Africa to achieve annu-

al GNP growth rates averaging 5.5%. Since 1985, however, falling gold prices, poor harvests and a combination of official and unofficial sanctions have cut the figure to 1%. This low growth has been accompanied by high inflation, fluctuating around the 12-15% mark since the mid- 1980s, which has caused the value of the rand to fall sharply. The result has been that real disposable incomes per head of population fell by 17% between 1981 and 1987; after a brief recovery in 1987 the level again fell in 1989 and 1990.

The South African government is seeking to deregulate what has been a tightly regulated economy and to privatize state-owned businesses in order to stimulate the economy. This policy is controversial, with opposition groups contending that it amounts to destroying a potential policy instrument for a future majority government and entrenching the economic power of a minority.

The greatest and potentially most explosive problem facing South Africa is the high level of black unemployment. Currently put at 30% of the labour force, the rate is projected to rise to 45% by 2000 even with an economic growth rate of 3% per year. Many South Africans will thus see little improvement in their living standards; given the high expectations of the black population this is likely to generate considerable social tensions. It must also be remembered that the reforms which are to pave the way to a new South Africa are still at an early stage. Divisions among blacks and whites are still wide and innocent people die every day through politically inspired violence. A long period of uncertainty regarding South Africa's future can only heighten social tensions and harm the investment climate. The Netherlands' policy in respect of South Africa will therefore continue to centre on vigorous support for social developments in the direction of a new and democratic South Africa.

4.2 Netherlands policy

The purpose of the Second Track programme is to support social developments aimed at the peaceful achievement of substantive reforms in South Africa. Over the years aid has been targeted on four areas.

1. Education and training

Educational provision in South Africa shows wide disparities, quantitatively and qualitatively, as between the different population groups. The government spends four times as much on white schoolchildren as on black, and the disparity in standards is reinforced by the fact that three quarters of teachers in black schools are unqualified. Drop-out rates among black pupils are high and few move on from primary to secondary and higher education. The aid which the Netherlands provides goes to supporting projects in such areas as further training, bridging programmes for youngsters, in-service training (teacher upgrading), the development of alternative teaching materials and grants for study at school and university.

2. Management and training activities for non-white trade unions

Activities in this field comprise practically-oriented courses for union officials in e.g. employment rights and labour law and negotiating techniques, specific research into working conditions, and legal and financial assistance for the families of union members.

3. Humanitarian aid

Humanitarian aid is provided in the form of legal assistance and material support for the victims of apartheid; help is given with trial costs and financial support is given to families whose breadwinner is detained. Humanitarian aid is also given to South African refugees in Zambia and Tanzania.

4. Community development

Funding is provided for activities to improve the community infrastructure, promote social and political awareness and strengthen organization for the benefit of the black population.

The criteria applied in the assessment of project proposals are as follows:

- the initiative proposed must be demonstrably geared, directly or indirectly, to the peaceful transfor-

mation of South African society into one based on equal rights for all, free from racially discriminatory legislation;

- it should not tend to buttress the existing system, so that no activities will be undertaken in cooperation with the South African authorities;
- it must be within the law;
- it must target individuals or groups who are either victims of the apartheid system or persons with whom awareness-raising activities have a reasonable chance of success;
- activities need not take place in South Africa itself.

Finance

The main source of funding for Second Track work is the Southern Africa Programme, from which a total of 66 million guilders was earmarked for Second Track in the period 1985-90; the annual cash ceiling was gradually raised from eight million guilders in 1985 to 13 million in 1988 and 15 million in 1990. In addition Netherlands NGOs (the joint-funding organizations) have their own activities which draw on Budget Category IV-a (Joint Financing Programme), while media courses for black journalists on the Weekly Mail and Vrye Weekblad have been funded under the Communications Programme (Category I-f) and small-scale projects have been funded under the Small Embassy Projects Programme (Category I-f). The sum of 270,000 guilders is available annually from the budget of the Ministry of Foreign Affairs for cultural activities in the Second Track framework; these may take place in South Africa or the Netherlands.

Channels

Aid from the Southern Africa Programme for Second Track activities is channelled through a number of organizations.

The Embassy in Pretoria plays an important role in programme implementation, with more than half of all project proposals passing through this channel. In the early years of the programme the Embassy concerned itself mainly with educational projects and trade-union activities; now however it covers the whole range of activities.

All four Netherlands joint-financing organizations (NGOs which work with the government), NOVIB, ICCO, CEBEMO and HIVOS, and the two trade-union federations, FNV and CNV, take part in the programme. The Southern Africa Committee (KZA) has been involved in providing humanitarian aid to South African refugees.

The victims of apartheid have also been helped through such international organizations as the International Defence and Aid Fund (IDAF), the various UN funds for southern Africa and the anti-racism programme of the World Council of Churches.

No budgetary distinction is made as between the various channels: the allocation of resources depends on the quality of the project proposals received and the time of submission.

All Netherlands-funded projects in South Africa are implemented by NGOs; South African government agencies, including the governments of the so-called independent homelands, are ineligible for financial support. The organizations must have the capacity needed for project implementation and financial and substantive progress reports must be submitted on the disbursement of the funds provided. In general the quality of such reporting by the South African organizations concerned is very high.

Implementation

Since 1985 a total of 174 projects have been approved under the Southern Africa Programme. In recent years in particular requests for assistance have exceeded available resources and tighter selection procedures have therefore had to be applied. The distribution of aid commitments across the four areas in 1985-89 was: education, 24 million guilders; humanitarian aid, 17.3 million; awareness-raising and community development, 11.7 million; and trade unions, 5.7 million.

Most of the projects aided through the Second Track Programme target urban blacks; only 16 of the 174 project activities were exclusively aimed at the rural population. The programme's political objectives make this imbalance inevitable, since the urban population is more highly organized and better able to articulate its needs and urban organizations have easier access to donors.

Finally, a small number of projects have been funded through the Embassy in Pretoria which could be classed as "Third Track", i.e. the promotion of internal dialogue in South Africa. These comprised the IDASA-organized conference of South African writers (1989), the Conference for a Democratic Future initiated by Dr Beyers Naudé (1989) and the Five Freedoms Forum Conference on Negotiations (1990).

Looking ahead

The Second Track policy is to be amended to take account of the developments under way in South Africa, with the emphasis shifting from politically oriented opposition activities to more development-related work; the basis for the change was laid by the Lower House's Foreign Affairs and Development Cooperation Committees at their meeting on 18 March 1991. The European Programme of Positive Measures is to be similarly adjusted: the considerable increase in EC funding (from 30 million to some 42 million ECU a year) makes it desirable that resources be spread over a wide range of projects proposed by a variety of organizations.

No future South African government, whatever its make-up, will be able to meet the country's educational, housing, employment and health-care needs in the short term. The high expectations that recent developments have generated among large sections of the black population make the position all the more perilous; the aim of Netherlands aid will therefore be to promote the development of a sustainable democracy, for which a sound economy and social relations grounded in equality are preconditions. What this means for the Second Track programme is as follows.

Support will continue for activities aimed at the development of a new, non-racial, education system for all South Africans. The emphasis will generally be on technical and vocational rather than academic education, on account among other things of the high levels of youth unemployment and the need for help with income generation.

Support will also continue for projects such as the training of black lawyers (Lawyers for Human Rights) and other human-rights activities. As the political situation improves and the need for legal assistance declines its place within the programme will shrink.

Greater emphasis will be placed on helping disadvantaged rural populations. The people concerned are generally poorly organized, if at all, and benefit from self-help projects geared to income generation. Non-governmental organizations have a major part to play here.

To help relieve urban poverty in South Africa one township is to be selected on which part of the programme will be targeted. The latest thinking on the relief of urban poverty will be incorporated in this section of the programme: it will thus have the status of a pilot project whose results will guide approaches to the problem elsewhere in South Africa.

Aid will be available for management training for both government and industry. The transfer of knowledge and skills and the encouragement of new initiatives can help black business starters to integrate into the economy.

Support will continue for training programmes organized by non-racial trade unions, and aid will be made available to non-racial sports organizations wishing to raise sporting standards and improve their administration.

Only limited and indirect assistance will be provided in the fields of social housing, primary health care and other public services, since these are and will remain the responsibility of the South African government. Support may however be provided through advisory and training services in these fields and, on a

very limited scale, for infrastructural work such as the construction of hospitals and social centres.

Returning exiles need to be reintegrated into society. This will require special support, and project activities aimed at assisting reintegration will be eligible for funding e.g. through specialized organizations such as the UNHCR.

In the light of the process of negotiation now underway in South Africa, technical assistance may be provided to parties involved in the talks.

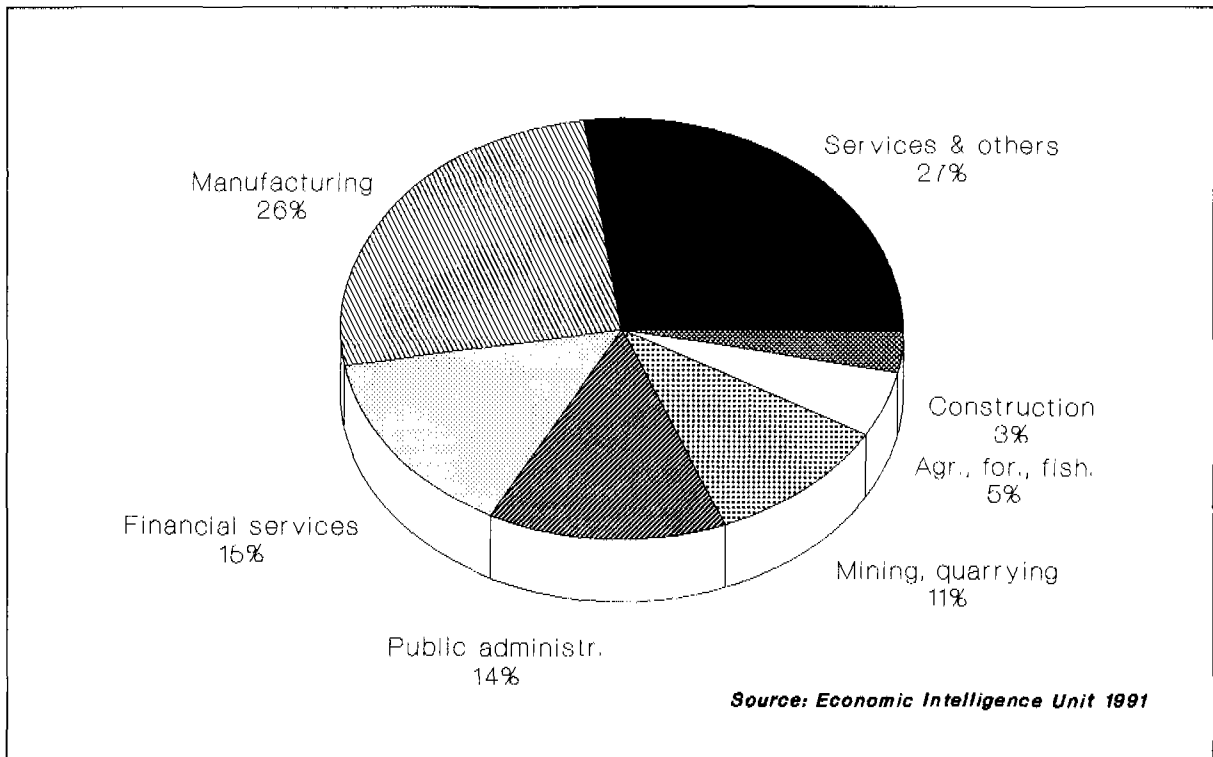
A regional approach will be applied to project selection, with projects in selected regions eligible for financial support; this makes for a more effective development programme by allowing detailed knowledge to be built up of the regions concerned. The choice of regions reflects the following considerations.

Most current activities are concentrated in three urban centres, the Pretoria-Witwatersrand-Vereniging area, the Capetown region and the Durban-Pietermaritzburg region. These will be retained as target regions, so that urban problems will remain a major focus of the programme. A second consideration is that these regions possess the recipient structures needed for an effective programme.

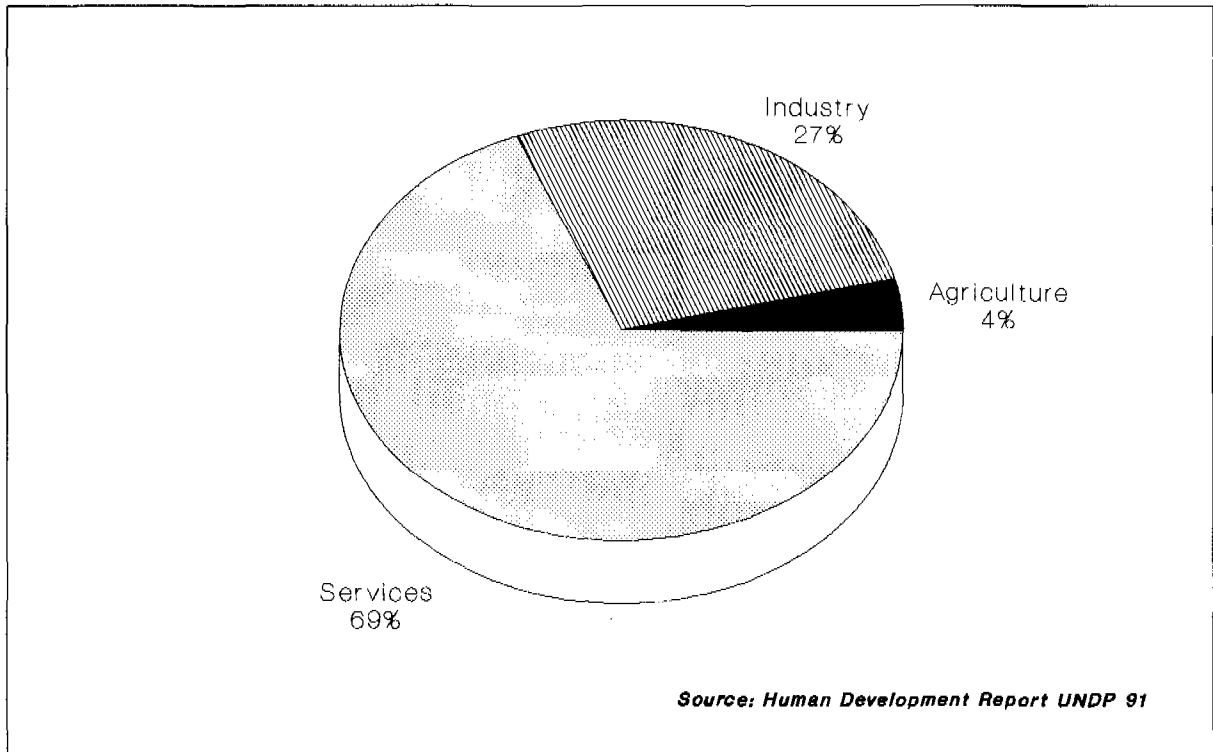
The programme's rural component will focus on the Eastern Cape region, selected because of its severe social and economic problems. The region is dependent on the ports of East London and Port Elizabeth and on the car industry, agriculture and wool production. This ANC heartland is burdened by poverty and unemployment, while the disparities between white, coloured and black give the problem a special character. Preliminary studies indicate that there is scope for an effective aid programme.

Since the Lower House discussed the Second Track programme in March 1991 the annual amount available for activities in this framework has been set at 15 million guilders; the sum of 270,000 guilders already mentioned as available for cultural activities is in addition to this.

**Fig. 4.1.a: G.N.P. SOUTH AFRICA 1990
by economic sector**



**Fig. 4.1.b: Labour force
by economic sector 1985-1988**



APPENDIX

Southern Africa: basic data, 1986

	Mozambique	Zambia	Zimbabwe	Angola
Area (1,000 km ²)	802	753	391	1247
Population (millions)	14.2	6.9	8.7	9.0
Annual population growth (%)	3.0	3.4	3.0	2.8
Urbanization (% of total population)	19	48	27	25
GNP per head of population (US\$)	210	300	620	-
GNP (US\$ millions)	4,300	1,660	4,949	-
Exports (US\$mln.) fob	159	689	1,301	1,787
Imports (US\$mln.) cif	480	714	1,132	1,080
Balance of payments (US\$ mln.)	-363	-302	-42	-
Foreign debt (US\$mln.)	-	5,300	2,481	-
Debt service as % of export earnings	-	-	-	-
Life expectancy at birth	48	53	58	44
Infant mortality (per 1000 births)	120	82	74	-
Adult literacy rate (%) 1985				
Enrolment in primary education (%) 1988	84	103	131	93

Southern Africa: basic data, 1986

	Malawi	Botswana	Lesotho	Swaziland	SA
Area (1,000 km ²)	119	600	30	7	1,221
Population (millions)	7.4	1.1	1.6	0.698	32.3
Annual population growth (%)	3.3	3.3	2.7	-	2.3
Urbanization (% of total population)	-	20	17	-	56
GNP per head of population (US\$)	160	840	370	690	1,850
GNP (US\$ millions)	1,100	1,150	230	-	56,370
Exports (US\$) fob	243	-	-	-	18,454
Imports (US\$) cif	260	-	-	-	12,989
Balance of payments (US\$)	-57	169	-9	-	3,125
Foreign debt (US\$)	1,114	358	186	-	-
Debt service as % of export earnings	40.1	4.3	4.2	-	-
Life expectancy at birth	45	59	55	55	61
Infant mortality (per 1000 births)	153	69	102	-	74
Adult literacy rate (%) 1985					
Enrolment in primary education (%) 1988	62	104	115	-	-

Data from World Development Report 1988

Southern Africa: basic data, 1987

	Mozambique	Zambia	Zimbabwe	Angola
Area (1,000 km ²)	802	753	391	
Population (millions)	14.6	7.2	9.0	-
Annual population growth (%)	3.2	3.5	3.0	-
Urbanization (% of total population)	23	53	26	-
GNP per head of population (US\$)	170	250	580	-
GNP (US\$ millions)	1,490	2,030	5,240	-
Exports (US\$) fob	89	869	1,358	-
Imports (US\$) cif	486	745	1,055	-
Balance of payments (US\$)	-372	21	50	-
Foreign debt (US\$)	-	6,400	2,512	-
Debt service as % of export earnings	-	13.5	23.3	-
Life expectancy at birth	48	53	58	-
Infant mortality (per 1000 births)	141	80	72	-
Adult literacy rate (%) 1985				
Enrolment in primary education (%) 1988	82	104	129	-

Southern Africa: basic data, 1987

	Malawi	Botswana	Lesotho	Swaziland	SA
Area (1,000 km ²)	118	582	30	17	1,221
Population (millions)	1.1	1.6	0.712	33.1	
Annual population growth (%)	3.5	2.3	2.6	-	2.3
Urbanization (% of total population)	13	21	19	-	57
GNP per head of population (US\$)	160	1,050	370	700	1,890
GNP (US\$ millions)	1,110	1,520	270	-	74,260
Exports (US\$) fob	264	-	-	-	20,066
Imports (US\$) cif	281	-	-	-	14,629
Balance of payments (US\$)	-24	597	-12	-	3,027
Foreign debt (US\$)	1,363	518	241	-	-
Debt service as % of export earnings	23.3	3.7	4.4	-	-
Life expectancy at birth	46	59	56	55	60
Infant mortality (per 1000 births)	150	67	100	-	72
Adult literacy rate (%) 1985					
Enrolment in primary education (%) 1988	64	105	115	-	-

Data from World Development Report 1989

Southern Africa: basic data, 1988

	Mozambique	Zambia	Zimbabwe	Angola
Area (1,000 km ²)	802	753	391	1,247
Population (millions)	14.9	7.6	9.3	9.4
Annual population growth (%)	3.1	3.5	2.7	3.0
Urbanization (% of total population)	24	54	27	27
GNP per head of population (US\$)	100	290	650	-
GNP (US\$ millions)	1,100	4,000	5,650	-
Exports (US\$) fob	104	1,073	1,589	-
Imports (US\$) cif	706	889	1,325	-
Balance of payments (US\$)	-359	-174	9	367
Foreign debt (US\$)	4406	6498	2659	-
Debt service as % of export earnings	7.8	14.2	24.8	-
Life expectancy at birth	48	53	63	45
Infant mortality (per 1000 births)	39	78	49	135
Adult literacy rate (%) 1985	38	76	74	41
Enrolment in primary education (%) 1988	68	97	136	-

Southern Africa: basic data, 1988

	Malawi	Botswana	Lesotho	Swaziland	SA
Area (1,000 km ²)	118	582	30	17	1221
Population (millions)	8.0	1.2	1.7	0.735	34
Annual population growth (%)	3.5	2.6	2.6	2.2	2.3
Urbanization (% of total population)	14	22	19	-	58
GNP per head of population (US\$)	170	1,010	420	810	2,290
GNP (US\$ millions)	1,080	1,940	330	-	78,970
Exports (US\$) fob	301	1,418	55	-	19,714
Imports (US\$) cif	412	1,031	534	-	16,664
Balance of payments (US\$)	-53	491	-73	-	1,292
Foreign debt (US\$)	1,349	499	281	-	-
Debt service as % of export earnings	17.2	4.0	5.2	-	-
Life expectancy at birth	47	67	56	56	61
Infant mortality (per 1000 births)	149	41	98	-	70
Adult literacy rate (%) 1985	41	71	?	-	-
Enrolment in primary education (%) 1988	66	114	?	113	-

Data from World Development Report 1990