Peter Gibbon (ed.)

SOCIAL CHANGE AND ECONOMIC REFORM in **AFRICA**

SOCIAL CHANGE AND ECONOMIC REFORM IN AFRICA

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OFFICIAL CURRENCY RATES OF KENYA, LESOTHO,
TANZANIA AND ZIMBABWE 1985–1992

Average exchange rate over year (= 1 USD)

	1985	1986	1987	1988	1989	1990	1991	1992
KSh	16.43	16.22	16.45	17.75	20.57	22.92	27.51	34.22 ²
Maloti	2.19	2.26	2.03	2.26	2.61	2.58	2.73	3.00 ³
TSh	17.47	32.70	64.26	99.29	143.38	195.1	219.2	323.0 ⁴
							366.0 ¹	410.0 ¹
ZWD	1.61	1.66	1.66	1.80	2.11	2.44	3.43	5.00 ⁵

Notes: KSh=Kenya Shillings; Maloti=currency in Lesotho; TSh=Tanzania Shillings; ZWD=Zimbabwe Dollars.

¹ Parallel exchange rate

² October 12, 1992

³ November 30, 1992,.

⁴ November 2, 1992.

⁵ Average for the first five months

Source: Economic Intelligence Unit, Country Profiles (Reports) 1986-1992

Preface

Drafts of the papers in this volume were originally presented at a workshop jointly organised by the Scandinavian Institute of African Studies (SIAS) and the School of Social Work, University of Zimbabwe, in Harare in March 1992. This workshop represented the conclusion of a first phase of work by a group of African-based scholars participating in the SIAS research programme on "The Political and Social Context of Structural Adjustment in Sub-Saharan Africa", launched in late 1990. Amongst other aims, the programme seeks to play a catalytic and supportive role in relation to work on adjustment-related issues by African-based scholars, complementing initiatives by the Africa Economic Research Consortium, the Council for the Development of Social Research in Africa (CODESRIA), the Southern Africa Political Economy Series (SAPES), the United Nations Research Institute for Social Development (UNRISD) and others.

The objective of this first phase of activity was for scholars to produce papers summing-up and reflecting on what was currently known about specific areas of adjustment-related socio-economic and political change in their own countries. In this task they were to employ one or another political economy perspective. Assistance was provided from Sweden mainly in the form of access to the relevant contemporary international literature, usually unavailable in African universities due to foreign exchange shortages and institutional problems.

In the light of discussion at the workshop most of the papers were rewritten, in some cases comprehensively. All were also updated to at least mid-1992. The research programme has now moved into a new phase and most contributors to this volume are now engaged in primary fieldwork, the bulk of whose results should be presented in 1994.

Throughout the programmes life it has received moral and financial support from the Swedish International Development Authority (SIDA) Planning Secretariat in Stockholm, and in particular from Arne Ström and his predecessor Björn Ahrén. Arne Ström also participated in the discussions at Harare, which were led by Adebayo Olukoshi (Nigerian Institute of International Affairs, Lagos), Knud Erik Svendsen (Centre

for Development Research, Copenhagen) and Ibbo Mandaza (SAPES, Harare).

In Harare the workshop could not have proceeded without practical assistance from Ebrahim Jassat, Eva-Lena Volk and Ibbo Mandaza. In Uppsala the programme has been sustained by support from all the SIAS staff, especially Kajsa Övergaard (who assisted in the production of the final manuscript) and my former colleagues Kjell Havnevik and Eva-Lena Volk. To all these individuals I wish to express my thanks.

Peter Gibbon

Uppsala, March 1993

Map of Kenya

Map of Tanzania

Map of Zimbabwe

Introduction: Economic Reform and Social Change in Africa

Peter Gibbon

Structural adjustment — or economic reforms aimed at stabilising developing countries' external and internal balances and promoting their export growth by devaluation, producer price changes, trade liberalisation, privatisation and supporting legal reforms — has become a fact of life in most African countries over the last decade. Its adoption has usually (but not always) occurred in a context of economic crisis and on the basis of promises and threats from donors, led by the two foremost international financial institutions, the International Monetary Fund (IMF) and the World Bank. The latter are also largely responsible for adjustment programmes' design.

Research related to structural adjustment in Africa has gone through a number of phases in which progressively broader issues have been broached. The first, lasting until 1986–87, was dominated by studies of economic reforms' macro-economic impact. The period 1986–89 saw the publication of a number of works focusing more on their social welfare impact, particularly in relation to what are commonly called "vulnerable groups". From 1989–90 onward sectoral-level economic studies and work on the politics of adjustment became more common, written both from implementation-centred and broader political impact-centred perspectives. Simultaneously, efforts have emerged to think through certain national adjustment processes in relation to broader economic, social and political changes.

This changing focus of research has occurred in the context of the development of a surprising degree of implicit agreement about some of the trends accompanying adjustment efforts in Africa — surprising given the often sharp divergence in orientation between observers. At present this convergence seems to embrace the propositions that only very limited progress has been made in implementing the more ambitious reforms, that the economic results of the reforms that have been implemented have failed to live up to the claims originally made for them, and that — whether they have been implemented or not — social

conditions have probably continued to decline. As in the case of eastern Europe, there also seems to be a growing acknowledgement that certain of the key social classes and practices that lay at the heart of the pre-reform situation — and which were among its ostensible targets — have continued to flourish. By contrast, the situation of the social classes which the reforms were aimed at most improving (e.g. most categories of peasants) remains highly precarious.

Profound differences exist between commentators as to whether such conclusions imply that economic liberalisation in Africa was misconceived from the outset, or that its validity remains intact since there has been no political will to implement it, or that political democratisation is a precondition for its thoroughgoing implementation and/or success. Further differences are also evident as to what counts as “political democratisation”. However, what is at least clear is that many of the initial assumptions which were made about the determinants of both key variables and key players have proved erroneous. In this context it remains valid to continue asking most of the original questions about the impact of economic liberalisation, as well as to refine and develop some of the more recently posed ones. Above all, it is important to consider what the answers tell us not only about the direct outcomes (or non-outcomes) of particular economic policies, but also about the underlying processes, institutions, classes, and other collective actors in Africa today. For it is only on the basis of a deeper understanding of the latter that attempts can succeed to influence the current situation, from inside or outside Africa, and from whatever political perspective.

The contributions to this volume cover developments before and during liberalisation in agriculture, amongst women informal sector workers, amongst non-governmental organisations, in the social sector and in relations between the state and civil institutions. This group of topics was chosen for study since together they involve the main immediate parameters of existence of the mass of the population of Africa. The countries covered comprise Kenya, Lesotho, Tanzania and Zimbabwe, which adopted IMF and/or World Bank-sponsored adjustment programmes in 1981, 1988, 1986 and 1990 respectively.

Clearly this choice of countries is biased toward Anglophone eastern and southern Africa, and it has further proved impossible to cover all the topics indicated in each of these countries. Furthermore, in some

cases it is too soon, or there is insufficient evidence, to come to many conclusions about adjustment. Nevertheless, the studies presented here throw up important material on liberalisation itself and on the processes surrounding it.

THE IMPACT OF THE ECONOMIC REFORMS

Agricultural reforms

Agricultural adjustment aims to increase production, especially of export crops, by deregulating markets for products and inputs and allaying local to world market prices. It rests on broader macro-economic reforms, principally devaluation.

Since the advent of reform programmes, agricultural performance has diverged quite sharply in Kenya, Lesotho and Tanzania. In Kenya the adjustment period has witnessed agricultural stagnation, except in tea and horticulture; in Tanzania it has been one of slight per capita growth, especially of food crops. Significant growth in marketed food crops also occurred in Lesotho. However in each case the link with reforms is at best ambiguous.

Reforms in Kenya have concentrated on the cereals sector, but after more than a decade have remained almost completely unimplemented. Where sub-sectors were operating in a more liberalised context already (e.g. tea and coffee), production responded positively when world prices rose (tea) but negatively where they fell (coffee). Decontrol of input prices and removal of subsidies from them appear to have negatively affected their use, at least in the context of a market which is still far from competitive.

More reforms have been implemented in a shorter space of time in Tanzania, but the process is still very much a partial one. In the export crop sub-sector, where production has been mostly stagnant, price changes were gazetted but mostly not passed onto producers by the marketing boards and the state-run cooperatives. In the food crop sector liberalisation was apparently further-reaching, but may have "spontaneously" occurred *de facto* considerably earlier. Increased cereals production has followed liberalisation, but cannot be related to improved prices since the latter have fallen. Moreover, demand by private traders appears to be considerably below levels of marketed production.

In Lesotho, producer price and marketing reforms have not been part of the adjustment package, which instead dealt with input supply, land tenure and control over grazing rights. Measures concerning the last two of these have been gazetted, but again seem not to have been implemented on the ground.

The informal sector

Proposed economic reforms specifically directed to the informal sector have mainly been confined to issues of easing and rationalising restrictions on operators and widening access to resources like credit which are normally available only in the formal sector, with the aim of reducing the costs and risks of doing business. Such reforms have been proposed in both Zimbabwe and Kenya (for an extended period in the latter case), but have only been implemented to a limited degree.

However, the main tendency in the literature relating economic reforms to the sector has been less on such issues and more on liberalisation's macro-economic impact, which is usually viewed as leading to a rapid expansion of informality. In particular, it tends to be assumed that as labour is squeezed out of other sectors it gravitates to the informal sector as an employer of last resort.

Although reliable longitudinal studies are absent, labour participation in the sector is almost certainly increasing on both a full – and part-time basis and at an unprecedented rate. This indeed reflects contracting (per capita) formal sector employment, falling real formal incomes and high consumer goods inflation. Another factor related both to adjustment and increased informal labour supply is higher school dropout rates, linked (*inter alia*) to the introduction of fees. Some of these factors also increase demand for cheaper informally-made and/or marketed products. Yet formal sector employment has fallen absolutely perhaps less than critics anticipated and more important influences on informal sector growth may have been factors only indirectly related to adjustment. These include continuing high rates of rural-urban migration, gender barriers to full-time employment, increasing numbers of female-headed households and – on the demand side – long-term shortages of certain goods and services at prices affordable to the mass of the population.

In fact, it seems more reasonable to attribute economic reform with

responsibility for heightened (often part-time) middle class or skilled working class, rather than mass, entry to the sector. However, the former still has important consequences for all operators, since it probably increases competition in its more remunerative branches and may thus undermine the limited levels of income security/stability achieved there by those from vulnerable backgrounds.

The social sector

Initially, adjustment packages were indifferent to how savings in state expenditure were made, as long as internal balances were rectified. In fact there may even have been veiled encouragement to cut the social sector. Later adjustment packages have often included admonitions to protect these areas and have been accompanied by “compensatory” measures. However, these admonitions have lacked force and, in Africa at least, compensatory programmes have failed to get off the drawing board.

It is therefore hardly a surprise to find incontrovertible evidence of falling per capita state expenditure, deteriorating social infrastructure, and even declining gross school enrolments in Tanzania. There is also strong circumstantial evidence suggesting declines in teacher quality and commitment and extremely high levels of parental alienation. The expenditure and infrastructure outcomes appear to directly relate to adjustment itself, although a decline in the latter was already in train beforehand. Declining enrolment levels are also almost certainly related to adjustment, through the introduction of cost-sharing, increased pressure on parents to utilise child labour and community dissatisfaction with poorer service provision. On the other hand the adjustment context has been associated with a significant expansion in private secondary school provision in Tanzania — although this trend effects only very limited numbers of students and was also well-established already. Patchy evidence from Zimbabwe, where school fees have recently been introduced for urban but not rural schools, suggests some transfer of children to rural areas and corresponding family restructuring.

Adjustment proper is of much more recent (late 1990) vintage in Zimbabwe. As in the Tanzanian education case, but on a more restricted scale, some aspects of health care and health status were already showing cause for concern before the economic reforms occurred. In particu-

lar, aspects of health status like nutrition, which relate more to general economic conditions rather than to the extent and efficiency of health interventions, seem to have hardly improved since the early 1980s. Adjustment itself has been associated with more stringent enforcement of (highly restrictive) rules for free access to medical treatment and with increased drug charges. Preliminary evidence suggests significant declines in attendance for various forms of treatment at government health facilities and some increases at mission facilities (where fees were not being collected). Increased “domestication” of health care burdens has almost certainly also occurred.

Non-Governmental Organisations (NGOs)

The number of NGOs (i.e. registered legally independent relief and/or development agencies) has more than doubled both in Kenya and Tanzania during the period of economic reform. Particular growth is evident in organisations providing health, education and other social services. Economic reform has encouraged a shift of provision from the state to these bodies both directly — by encouraging donor financial support for them — and indirectly by squeezing state resources, thus obliging popular expectations to find non-state expressions.

However, both in Tanzania and Kenya NGO growth has other important sources and dimensions. In these countries, as elsewhere in Africa, NGO expansion has followed a growth in the constituencies and resource-bases of NGOs in the Northern countries dedicated to Third World development and often in active conflict with their “own” governments. Meanwhile, in the African countries examined, local NGO growth may further express a degree of popular political dissatisfaction/alienation, with local government in Tanzania and — more complexly — with *harambee* (locality-based self-help projects) in Kenya. The relative decline in the popular significance of the latter may also have economic origins in declining levels of peasant agricultural surplus.

State, civil society and adjustment

Since the mid-1980s an initial donor emphasis on “rolling back the state” and promoting private sector initiatives has been broadened into a more comprehensive programme of privatisation of parastatals, sup-

port for decentralisation of government decision making (increased role for local government), encouragement of internally regulative functions within the state, and selective encouragement for those "civil society" institutions attributed the capacity to increase "economic policy accountability". Aid conditionality has been applied mainly to the first and second of these reforms. More generally, supporters of liberalisation tend to anticipate a growth or revival of civil society from the increasing level of economic activity outside state control. For the same commentators, opposition to liberalisation is mainly attributed to constituencies within or closely related to the state, rather than to components of civil society itself. By contrast, many critics of adjustment relate the awakening of civil society mainly to opposition to the economic reform process.

Privatisation or even reform of parastatals has proved one of the most difficult aspects of adjustment to implement. Persistent pressures of this kind on the Kenyan, Tanzanian and Zimbabwean states have been almost totally fruitless. In Kenya, parastatals may even have enjoyed a heightened importance during the adjustment period, while certain private sector lobby groups were either proscribed or co-opted (ironically, some continued to attract donor support even after this). Similarly, efforts by the Kenyan state to tighten regulation of NGOs have been evident.

On the other hand, in Kenya, Tanzania and Zimbabwe, the adjustment period has also been marked by a growing assertiveness on the part of (some) civil society organisations. The relation between this and economic liberalisation is neither simple nor consistent however, and other factors have often been more important than adjustment itself. The revival of civil society activity in Kenya, which contributed to the reintroduction of multiparty democracy in November 1991, was mainly the result of widening opposition to an increasingly dictatorial government. Although the opposition parties tended to be more pro-adjustment than the state party (KANU), and the latter's trade union affiliate (COTU) adopted an explicitly anti-adjustment position, it was the issues of democracy and ethnicity which played the main role in determining subsequent political alignments.

By contrast, civil society organisations in Zimbabwe have tended to mobilise support much more directly in relation to the question of ad-

justment. Probably the strongest civil society organisation, the trade union federation ZCTU, has extended its influence by propagating a mainly anti-liberalisation programme, while some business organisations are themselves ambivalent. Further, to contain working class reaction to economic reform, the state has had to curtail some aspects of business autonomy which liberalisation was supposed to promote (e.g. free collective bargaining).

In both Tanzania and Kenya there have been instances of organised popular opposition against the practices of certain agricultural parastatals/state-run cooperatives during the adjustment period. But it is difficult to read an explicitly pro-private sector message into such protests, as in Tanzania at least there have on occasions been similar mobilisations against private traders accused of screwing prices down. Organised protests have also occurred in Tanzania against educational cost-sharing. Again though, these have a much broader background which means that they cannot be reduced to protests about adjustment alone.

SOME FEATURES OF THE ADJUSTMENT CONTEXT

This brief review of the evidence from the contributions to this volume suggests that, at least on the limited internationally comparative basis covered here, it is really only in the social sector that adjustment measures have principally determined sector outcomes. This bears out the common observations that economic reform has been more systematically applied to “demand”, as opposed to “supply”-side questions, and that its general design embodies a built-in voluntaristic bias. Even in respect of the social sector, certain of the (clearly negative) correlates of adjustment predated its implementation and probably would have happened anyway – especially since the absence of reform would have led to an absence of donor support for alternative strategies.

The extremely limited nature of this conclusion underlines the importance of using studies of the adjustment process for broader purposes, especially to develop an understanding of the more general context in which economic reforms operate – or, more frequently, become subject to modification or fail to operate at all.

The contributions to this volume cover a rather smaller range of countries than the number of variables which they indicate influence

this context. Therefore their interest is more in offering hypotheses than generating conclusions. Moreover, the short time-span that most of them cover sometimes encourages a bias toward focusing on aspects of the context which are organisational and intermediate rather than structural. Noting these reservations, the remainder of this introduction provides a glimpse of some of the features of the political and social context of adjustment on which new light is thrown.

The agricultural context

The studies of Kenya, Tanzania and Lesotho presented here underline observations elsewhere that there are a number of features of the agrarian situation in Africa making it highly refractory to efforts to increase production on the basis of price, marketing institution and land tenure reforms. These include: African agriculture's generally very low technical level (including acute implement poverty) and rainfed character, which still makes weather the principal determinant of yields and even the planted area of many crops; generally stagnant or declining world market demand for most primary products; a tendency for much prime land to be underutilised due to sharply unequal ownership structures (Kenya); demographic pressures to devote increasing land and household efforts to food crop production; investment of considerable household resources in non-agricultural activities; and the nature of local power relations. Even where the latter allow price and marketing institution reforms to occur, the Lesotho case provides an example of their obstruction of other changes. Though they themselves would be economically best placed to take advantage of the gazetted restrictions on access to grazing land, Basotho chiefs would not only incur immediate economic costs in this process but would also contribute to the undermining of their own traditional powers — which were based on their previous political control over this access.

A second point to emerge from the case studies is that certain more or less effective forms of free competition-based productive accumulation by peasants are *already* present in most African countries, although since they may wear traditional "veils" they may not be readily visible. An example is accumulation based on sharecropping in Lesotho. Often these stand in a conflictual relation with other less productive forms of accumulation, but proposed reforms may simply fail

to address them or rather encourage the latter.

It can also be observed that certain of the "private" institutions which reforms project as more efficient and responsive alternatives to "public" ones, turn out to share more in common with the latter than anticipated. This is most obviously the case in agricultural marketing. Relative to Kenyan public monopolies like NCPB, private cooperative monopolies such as KPCU have been equally inefficient and exploitative, equally weak in the face of government pressure and equally plagued by political factionalism, patronage and embezzlement. Meanwhile, individual private grain traders in Tanzania, operating in a system where regulation has generally disappeared, can successfully supply Dar es Salaam from neighboring Morogoro but do not (or no longer) operate in Rukwa, where unsold bumper harvests coexist with rampant malnutrition. Thus, rather than the form of enterprise ownership, a more relevant criterion for evaluating marketing mechanisms is possibly whether they are accompanied by/incorporate basic forms of public accountability.

The informal sector context

Contributions to this volume bring out sharply the informal sector's normally grossly underestimated size and complexity, as well as the close interweaving of its internal structure with gender divisions.

Zimbabwe appears to be one of the few countries where a competent (i.e. amongst other things, gender-sensitive) census of the sector has been undertaken. This found 1.6 mn participants, or 27 per cent of the total labour force (including peasants). Since this (1991) survey the sector has grown by at least a further 100 000 participants, as during the 1992 drought this number of peasants are reported to have taken up informal gold mining. The sector's size in Zimbabwe is somewhat surprising, since the country is usually considered to be one in which informalisation is relatively undeveloped. No accurate figure is available for Kenya where its relative size is almost certainly greater. The currently highest estimate (roughly 10 per cent of the total labour force, by the World Bank) was computed by a method which when employed in Zimbabwe arrived at a figure a fraction of the correct one.

Contributors to this volume examined only one branch of the sector, namely retailing and other services provided by women. Yet this alone revealed a highly complex structure, with significant internal differen-

tiation, established processes of upward mobility, high levels of diversification by individual operators, a wide range of production relations and close relations with national and international commodity circuits.

Despite these characteristics, women's participation in the sector was still overwhelmingly on a survival basis and in forms which support to operators, policy-based or otherwise, typically failed to address. The great mass of women remained cut off from access to opportunities for advancement or even assistance by their lack of property, contacts, education, the absence of other adult helpers and an increasing burden of household responsibilities. Especially for poor women the latter would be heightened by adjustment. From both the perspective of survival and that of empowerment, the extremely difficult issue of collective organisation of informal operators is thus posed anew.

The social sector context

In both Tanzania and Zimbabwe the expansion of education and health provision was initially a crucial aspect of the construction of the legitimacy of the independent state, not only inside but also outside the country. In both cases however the main emphasis was on a quantitative expansion of inputs – in the Tanzanian case subsidised by both parental and student labour. Furthermore, this expansion was organised in basically authoritarian forms and with the state (and donors) as the only contributors to policy making.

The absence of popular accountability partly explains the ease with which education provision could disintegrate in Tanzania as government revenue and expenditure declined. Similar dangers confront Zimbabwe. In both, traditionally disadvantaged groups are likely to be worst affected, while probably unbearable pressure is being placed on poorly-resourced voluntary efforts.

Aid policy acknowledges that social sector expenditure should be protected and that the state should continue as the main provider. But given that resources (including donor ones) have dwindled, and that the state may no longer be seeking legitimacy in the old way (or may even have concluded that its importance was exaggerated) it seems likely that only the appearance of popular pressure groups can avert gradual but general collapse. Unfortunately, where the latter have emerged in Tanzania, they have done so only in an episodic form and with a restric-

ted social base. The consequence has been a pattern of a few isolated state concessions (e.g. at the University of Dar es Salaam) amid a sea of neglect. This has been moderated only by limited self-help provision, which however itself underlines and extends regional and social inequalities.

The NGO/self-help group context

Until recently the NGO/self-help group context in Kenya and Tanzania varied sharply. Recent evidence suggests increasing similarities, although not a convergence.

From the mid-1960s until the mid-1980s the Tanzanian state exercised monopoly claims in the development sphere, self-help groups were organised or sponsored only by the party or one of its mass organisations, and NGOs were largely absent. In Kenya on the other hand there were tens of thousands of self-help groups, much of the initiative for which came from below. Local politicians often played a stimulative role in their development and counted those they organised as part of their political base, in return for helping them gain access to state funds.

As KANU was revived as a theatre for political factionalism in the 1980s, the primary significance of Kenyan self-help groups became re-defined as channels for extending centralised state patronage networks to grass-roots level — often by-passing traditional elites. A new generation of local politicians, owing their status to external sponsorship, played an increasing role in project selection and financing. On the other hand, NGO presence also expanded considerably, particularly in the social service sector as the state failed to match popular expectations.

NGOs simultaneously increased in number in Tanzania, though not nearly to the same extent. Meanwhile, self-help groups in Tanzania have in the last one or two years become (partly involuntarily) detached from the party. In the cases of both local development NGOs and self-help groups, relations to the political centre still seem to be considered indispensable, though these now tend to be mediated through individual patrons rather than the party machine.

Both states have reacted not only cautiously but also opportunistically to the growth of NGOs and Northern donor support for them. Strategies of regulation (in the Kenyan case through the Security apparatus) have

been accompanied by efforts to recapture local-level development credit by organising local NGOs from above and obtaining foreign funding for them. Other elite groups also form NGOs for personal accumulation purposes. One of the contributors to this volume suggests a differentiation of NGOs along the lines of their predominant socio-political alignment, with various categories between people's organisations at one extreme and government — or elite-formed organisations at the other. Such a process implies distinctions between the interests and practices which organisations serve and foster and the way they relate to various other actors in the "development space".

The state context

The general nature of the state is dealt with mainly indirectly by the contributors, but interesting insights emerge concerning relations between state elites and economically dominant groups, the nature of elite politics and the nature of state economic institutions, particularly in Kenya and Tanzania.

In both Kenya and Tanzania (and Zimbabwe, too) racially-constituted economic elites still exist distinct from the state elite. But in each of these countries there has been a further process of penetration of the economic elite by the state elite, and the former's partial deracialisation. This is deepest and most extensive in Kenya, where some elements of the dominant African groupings became significant property owners in their own right even before independence.

In each of these countries, most processes of "private" accumulation continue to depend on some type of connection with the state — formal, informal or both. Yet well-established and mainly autonomous forms of accumulation, by Africans in Kenya and Europeans in Zimbabwe, are also present. Meanwhile, important differences are evident between Kenya and Tanzania with regard to levels of elite fragmentation on the one hand, and restrictions on extents and levels of accumulation on the other.

Historically Tanzania appears to have been characterised by a politically homogeneous elite drawn mainly from those (African) ethnic groups which matured in the colonial period. Asians were allowed to accumulate, but primarily in the industrial sector. The same populism this expressed was also reflected in restrictions on accumulation activi-

ties within the state elite itself. In Kenya the political elite was formed similarly, but from ethnic groups which were already politically divided and factionalised. Both Asian and African accumulation in all spheres was positively encouraged, with the proviso that key constituencies should be allowed shares of it. The latter redistribution was subject to regulation from both the political centre and through community mobilisations of various kinds.

Recent years have seen important changes in both countries. In Tanzania the model of public economic accumulation which dominated in the 1970s broke down under the weight of passive resistance and informalisation. Both non-indigenous and state elites soon became active in an informalised version of "accumulation from above" (for an elaboration of this concept see Mamdani, 1987, 1991 and *Neocosmos*, this volume). This remained subject to restrictions, but in progressively weaker and less consistently applied forms. In Kenya, on the other hand, the accession to power of a President from a group occupying a subordinate role according to the prevailing laws of ethnic arithmetic — and his subsequent efforts to consolidate an independent political and economic base — led to a breakdown both of existing conventions governing the division of benefits from accumulation, and the regulation of the accumulation process more generally.

These changes have sharply impacted on the nature of elite politics in the two countries. In Kenya politics has become intensely competitive and bloody as succession/consolidation struggles have been launched both by those seeking to establish and retain access to the state apparatus and the political centre. Such struggles have involved issues of the factional and individual leadership of key public and "private" institutions, the roles and policies of these institutions, access to and control over grass-roots organisations, the validity of certain private property claims, the role of civil society and state legal institutions in regulating the exercise of political and economic power, rank/status positions within the political centre, etc. The prizes involved have both individual and group economic accumulation and political patronage dimensions. Their essentially factional rather than "interest group" basis tends to mean that changes in the balance of *class* forces only occurs around the margins. It should not be assumed however, as some donors appear to, that simply because politics is dominated by a narrow elite

only they will benefit. This has most evidently not been the case historically in Kenya.

Elite politics in Tanzania seems meanwhile to be in a period of hiatus, in which the memory of a common social project and old principles of political advancement are withering (for example, the ability to “get results” in some campaign or another), and new ones (for example, influence exercised over grass-roots communities) are still embryonic. Nonetheless, elite informalisation possibly implies a weakened relation between the state elite and the bureaucratic middle strata, who though also experiencing informalisation are doing so from a position of weakness.

State economic institutions have especially become the sites of major power struggles in Kenya during the contests described above. In the context of efforts to shift the locus of power within the elite, some aspects of the role of parastatals have been extended, despite conditionalities to the contrary. As Ngunyi and Gathiaka (this volume) point out, increased emphasis on them corresponds to a strategy combining efforts to take over and expand state-based accumulation and patronage networks with others to gain access to new connections with the private sector. Coupled with the ongoing importance of agricultural revenues to the Kenyan state, this probably makes parastatal reform a receding hope.

State economic institutions in Tanzania never played this same range of roles. Although they did occupy some of them, they also had more “secular” political objectives such as the political organisation and control of the population. Given the Tanzanian state’s primary fiscal dependence on harvesting aid rather than agricultural products (c.f. Mkandawire, 1991), and given that Tanzanian elite politics is not characterised by severe factional competition, there is reason to expect that long-term elite opposition to privatisation could weaken. The individual accumulation objectives which parastatals serve need not be sacrificed in such a process. Rather, the problem for the elite is what to do with the bureaucracy. The latter may prove dispensable if the state elite can successfully establish alternative political constituencies through recasting itself as the piecemeal sponsor of “voluntary” development initiatives. But while this may lead to a reshaping of the state apparatus in Tanzania, its broader political implications seem unlikely to be far-

reaching. For the state to become responsible to broader constituencies than those it serves already, there must first be a decisive change in the character of the social forces playing the main political roles.

The civil society context

The civil societies of each of the countries described by the authors seem to share certain salient features. In the first place, most experienced a brief period of bloom during and immediately after the struggle for political independence. Yet the extent to which a plurality of autonomous citizens' groups existed even at this stage is open to doubt, since many of those which emerged were branches of the same movement in different guises. In any event, as part of the initial process of state consolidation, at least in Kenya and Tanzania, this period ended swiftly with most autonomous organisations crushed or co-opted. Exaggerated state fears about the presence of independent organisations, given the latter's frequently statist orientation and the ease with which their elimination was accomplished, were also expressed in the often considerable concessions granted to their constituencies.

Insofar as it is possible to speak of a rebirth of civil society during the 1980s, this tended to occur only partly as a result of a process of organisation from below. Probably more important was the detachment of certain organisations from the states which had incorporated them or with which they were otherwise intimately related. This occurred in the case of certain Christian and Islamic interests in Kenya and the trade union centre in Zimbabwe. Such detachment partly reflects the incapacity of the state to continue to incorporate the aspirations of these organisations' constituencies in changed economic and political circumstances — particularly where these constituencies were rapidly maturing ones, as in the case of the Zimbabwean working class and employed middle class.

Once separated from the state, and in the absence of many alternative focuses, these organisations have tended to become channels for the expression of a wide range of grievances often only tenuously related to their original "mission". ZCTU, for example, became a mouthpiece for protests against elite corruption, restrictions on academic freedom and the drive to impose single-party rule. However, this breadth is also a source of weakness for, as the Kenyan case demonstrates, in different

political circumstances the same grievances can find other expressions and the sizeable base of such organisations can swiftly evaporate. Moreover, organisations which were once part of the state can very easily be reincorporated within it. Both these latter features suggest that civil society remains brittle and vulnerable.

Each of these brief contextual descriptions throws up numerous further research issues. Broad research projects, particularly cross-national and multiple-topic ones need to be organised around a central theme, however. One implicit in many of the observations above, as well as being explicit in a number of the contributions to this volume, is that of identifying (and learning how to foster the political autonomy of) forms of economic accumulation on whose basis economic growth and the formation or strengthening of popular organisation can be linked.

State-Civil Institutions Relations in Kenya in the 1980s

Mutahi G. Ngunyi and Kamau Gathiaka

Research on civil institutions and their role in the Kenyan polity has mainly looked at traditional institutions like community development organisations and the co-operative movement. In the context of structural adjustment and struggles for institutional and political pluralism other less studied civil institutions have gained importance as key players on both the political and development stages. The time is therefore opportune for researchers to examine their increasingly important role.¹

This paper looks at the relationship between interest groups and professional associations in Kenya on the one hand, and the state on the other, during the 1980s. This decade has been chosen for attention because it has been characterised by a complex interplay between, firstly, a movement toward political monolithism which attempted to stifle associational life and, secondly, recession, adjustment and aid conditionality – which all played some part in stimulating or protecting its revival. The approach adopted is a historical one, the explanations offered are provisional and further empirical investigation is necessary for their verification.

THE NATURE OF CIVIL SOCIETY IN KENYA 1963–79

Alfred Stepan defines civil society as an arena “...where manifold social movements...and civic organisations from all classes...attempt to

1. During the preparation of this paper, discussions were held with several people. In November 1991, we talked with the Training Officer of the Kenya National Chamber of Commerce and Industry. She deputised for the Chamber's Technical Officer. In mid-December, we talked to the Chairman of the Kenya Consumers' Association. We also held discussions with the Chairman of the Justice and Peace Committee of the NCCK in December. Efforts to contact LSK council members were futile given that the council was involved in a major court case and that most of its members were at the centre of the crusade for multi-party politics in Kenya. We could also not contact the COTU officials but we managed to talk to a former board member of the FKE.

constitute themselves in an ensemble of arrangements so that they can express themselves and advance their interests" (1988, 3–4). Civil society is therefore that set of non-governmental popular organisations, institutions, associations (formal and informal), authority structures, and collective activities which group the mass of the population together in different ways. Civil societies may be differentiated and compared according to what institutions play the most important roles within them. That is, whether they are dominated by *inter alia* secular, traditional or logistical institutions and practices.

Although civil society is separate from the state, the two are inter-related and in some ways dependent on each other. The state is an active actor within society "...where it co-exists and interacts with other organisations from families to economic enterprises or religious organisations...competing with other political, economic and social organisations for scarce resources" (Azarya, 1988, 10). However, it differs from the organisations of civil society in that it seeks to dominate them, regulate their activities, and set the rules by which conflict between them can be resolved.

According to Michael Bratton, although the post-colonial state is weak "...by any conventional measure of institutional capacity, ...it remains the most prominent landmark on the African institutional landscape" (1989, 410). For Bratton this is so because of an absence of other institutions in the political space between the family and the state with an outlook beyond the parochial environment. In this context therefore, the weak state "...projects upwards from its surroundings like a veritable Kilimanjaro in... (the) open plains of a domestic society... thinly populated with alternative institutions" (Bratton, 1989, 411).

Although the post-colonial state in Kenya can indeed be said to be weak, unlike in the scenario drawn by Bratton, post-independence Kenya was once characterised by a particularly dense, vibrant and complex civil society with strong civil institutions. Civil institutions for our purposes shall be defined as those organisations within civil society with a secular and national coverage. Some of the most important civil institutions in Kenya directly after independence were trade unions, professional associations, farmers' associations and a strong independent press. The strength of some of these institutions derived from the fact that they were involved alongside nationalist movements in the struggle

for political independence in Kenya.

Towards the last quarter of the sixties and throughout the seventies, however, this complex civil society shrank as the state seized control some of its most vibrant institutions. As early as 1972, the International Labour Organisation was bemoaning the absence of a cohesive national ideology and, ever since, outside observers have questioned the existence of a national civil society. In particular, during the 1970s, civil society in Kenya was characterised by three basic developments.

First and foremost, this period witnessed a gravitation towards a maximum leader and the disintegration of what Anyang' Nyong'o calls the nationalist coalition. The nationalist coalition had comprised popular mass institutions such as political parties and nationalist movements, civic organisations such as labour movements, ethno-regional groupings and strongmen, and the emerging indigenous bourgeoisie. This coalition had been a *conditio sine qua non* of the strength and vitality of Kenya's struggle for independence.

But, according to Nyong'o, a faction of this coalition soon favoured its disintegration because they saw such a process as providing them with an opportunity to more freely accumulate capital and directly control the state machinery. However, little did they realise that "...by neglecting political organisation in preference to direct control of state apparatuses, they jeopardised their control of the presidency as well... — (and) subsequently even lost it" (Nyong'o, 1989, 231).

Hence, with civil organisations reshaped to support the oligarchic leadership of the regime, mass institutions increasingly sidelined and radical nationalist leaders confined to political limbo, there emerged an informal practice of elite coalition formation. This practice revolved around the maximum leader and basically concerned itself with ethnic arithmetic, probably because ethnic nationalism unlike class interests could not be subdued.

President Jomo Kenyatta had by this time realised that in any case he could not contain ethnic interests under a centralised nationalist party because of the entrenched power of ethno-regional notables in the districts. Thus, instead of "...suppressing leaders who sought to maintain and fortify their local power bases, Kenyatta assisted and manipulated their efforts by selectively dispensing or withholding patronage needed for the task" (Barkan, 1992, 172). It was believed that if co-opted into

a coalition, such leaders would maintain popular support and legitimacy for the regime at the grass-roots.

In an example of what Rothchild and Foley call the "politics of inclusiveness" Kenyatta, like most African leaders, thereafter informally brought together "...a broadly based coalition accommodating ethno-regional strongmen...to compensate for (his) lack of regulatory capacity and... to prevent the formation of a counter coalition" (1988, 241). Through this informal practice of coalition formation, ethno-regional notables with local constituencies were appointed to the cabinet or given key positions in the running of government ministries and parastatals for the purposes of ethnic balance. Although this practice occurred under the aegis of a one-party state with a strong president, Robert Jackson observes that it was "...a highly plural (system) with bargaining and competition occurring among cabinet members acting on behalf of supporting groups...." (1970, 178).

Secondly, this period saw the emergence of factional patronage networks. These were also ethnic or sub-ethnic in nature and were sometimes used as a mechanism for political mobilisation by the elite. The networks were sometimes also "...attempts by the dominant bourgeoisie to regroup itself outside the state apparatus so as to control the political process...." (Nyong'o, 1989, 248).

The most elaborate of these was the Gikuyu Embu Meru Association (GEMA) which represented a faction of politicians that surrounded Kenyatta, possibly with the tacit patronage of Kenyatta himself. As a very resourceful network, operated by a clique of powerful politicians, GEMA saw itself as a force capable of emphatically tilting the power equation in Kenyan politics — as their most protracted intervention (the Change the Constitution Movement) demonstrates.

To Kenyatta, these organisations not only provided linkages between society and the state, they also served as a stop-gap that processed the demands of different ethnic groups before reaching the central political machine. The Kenya African National Union (KANU) therefore became a coalition of these local and regional networks embracing and articulating diversified interests (Barkan, 1992, 180).

Lastly, this period witnessed the enfeeblement of certain institutions of civil society as actors on Kenya's political stage. Those institutions which formally rivalled either the state or the ruling coalition were re-

shaped, while those that enhanced the leadership of the ruling oligarchy were nurtured and developed. The most affected institution was the labour movement.

During the struggle for political independence in Kenya, the labour movements served as a medium for political conscientisation, mobilisation and recruitment. They also served as "political incubators" in which upcoming politicians were put on hold awaiting a time when they could be entrusted with responsibilities. At independence therefore, labour movements had crystallised into formidable power centres acting as auxiliaries to the nationalist movement.

By the mid-sixties, the labour movement had further established themselves as political actors capable of keeping state power under check. Different politicians had also partitioned the movement into political constituencies operating as "back-ups" to their influence. Two such constituencies were the Kenya Federation of Progressive Trade Unions (KFPTU) whose leadership was loyal to the then Vice-President Jaramogi Ajuma Oginga Odinga, and the Kenya Federation of Labour led by loyalists of the late Tom Joseph Mboya.

At a time when Kenya was gravitating towards a maximum leader, the existence of such labour movements with widespread support and the patronage of politicians who the ruling oligarchy viewed with suspicion was seen as a threat. Hence, the entire trade union movement was collapsed into a single union, the Central Organisation of Trade Unions (COTU), this time under the patronage of Kenyatta himself.

To ensure that the labour movement was enfeebled, the Trade Dispute Act of 1965 empowered the Minister for Labour to "...declare any strike illegal, if the union had not exhausted the voluntary machinery for dispute settlement" (Sandbrook, 1970, 252). It was further made (informally) clear to the trade unions that its leaders must support both the government and KANU. This informal rule was enforced when four of the COTU officials defected from KANU to the newly-launched Kenya People's Union (KPU). Thereafter, every COTU leader had to re-affirm their alignment with KANU and total loyalty to the government to survive their tenure of office.

During this period, the role of political parties as mass institutions also declined significantly. Opposition parties were banned while KANU degenerated into a "...moribund organisation that emerged only

at election times" (Barkan, 1992, 191) or when "...its form was functionally needed to achieve certain conjunctural objectives for the dominant factions" (Nyong'o, 1989, 232).

Despite the enfeeblement of some of the institutions of civil society and the near collapse of the party system, a wide range of associational life continued. This particularly took the form of self help groups although a myriad of other civil institutions with their origins in the church, professional, business or gender-based solidarities played a significant role in the country's development and political processes.

ASPECTS OF CIVIL SOCIETY IN KENYA IN THE 1980s

The Kenyatta succession of October 1978 brought to power a leader from one of the smaller ethnic groups in Kenya. Unlike Kenyatta, Daniel Arap Moi could not rely on the unconditional support of any major constituency, or even a resourceful ethnic base. In fact, he was threatened by a possible and latently hostile ethnic coalition between the Kikuyus and the Luos. But more threatening to him was a Kikuyu bourgeoisie that had entrenched itself in almost all sectors of both the polity and the economy. Worse still, the institutional layout in the Kenyatta state was such that it kept the Kikuyu hegemony afloat. For Moi to become President, the support of the Kikuyus was a *sine qua non*. In exchange for this support, the Kikuyu bourgeoisie and indeed the entire ethnic group could not take anything short of the number two slot in the republic's power structure.

A Moi presidency and Mwai Kibaki vice-presidency was therefore seen as a "package deal" with Kibaki serving as Moi's "political insurance". To the Kikuyus, this package was acceptable because a Moi presidency was seen as one dependent on them. Besides this intra-Kikuyu conflicts prevented them from providing an agreed candidate of their own. This compromise was not stable however, as becoming President gave Moi the motive and some of the means to operate independently of the Kikuyus. It became apparent to Moi that "...political power is more than a (powerful) office, it is access to the key levers of the economy which constitutes real political power" (Ajulu, 1992, 83). Hence, the process of consolidating his own position involved concerted efforts to advance the position of a section of a bourgeois class which

would be personally loyal to him.

While Kenyatta had at his disposal enough resources to secure the support of a relatively broad-based ethnic coalition at independence, David Throup (1987, 35) argues that the same was not true for Moi. The rise of a new ethnically-based bourgeois faction could only occur at the expense of sections of the traditional power bloc. Moi had therefore to dismantle Kikuyu hegemony in order to create an alliance loyal to him. This he did by first and foremost banning GEMA and secondly by withdrawing support for Kikuyu-controlled financial institutions and replacing key persons in provincial administration and government parastatal bodies with people from his own ethnic group – the Kalenjin.

Evidence available today reveals that a little over one out of every two District Commissioners in Kenya is a Kalenjin, while already in 1986 "...the number of Kalenjin Ministers (had) nearly doubled from 9 per cent to 17 per cent" (Throup, 1987, 61). But the place where Kalenjin interests have become most entrenched is in the parastatals.

A study of the ethnic composition of public enterprise management in Kenya in September 1991 revealed that Kalenjins accounted for 25 per cent of all the chairman and chief executive positions in the 150 parastatals surviving as going concerns in Kenya. Although one out of every five Kenyans is a Kikuyu, while only one out of every 10 is a Kalenjin, the Kikuyus then held only 17 per cent of all the chairman and chief executive positions in these parastatals.

Of a total of 85 profit-making parastatals, the Kalenjins alone controlled 40. By controlling the profit-making public enterprises, they have been able to control for the Moi regime some strategic sources of government revenue, public sector employment, critical linkages to the private sector and a certain reward structure.

In one of the leading parastatals in the insurance business headed by a Kalenjin, the Kenya National Assurance Corporation (KNAC), employment levels between 1988 and 1992 doubled from 800 to 1,500 employees with between 450 and 500 of these being Kalenjin (*Finance*, April 1992, 38). Cases of misappropriation of funds in this corporation through dubious investment policies have also been cited. For instance, to complete the Protection House owned by the Corporation and situated in Nairobi cost KSh. 50 mn., yet a four-floor extension to the same building, earlier estimated to cost KSh. 50 mn., later cost KSh. 160

mn. through the adoption of an alternative design. It has been claimed that the chairman of the corporation was to obtain up to KSh. 10 mn. from this deal (ibid). Another sinkhole is the twelve-storey building under construction by the corporation in Eldoret town. Sources in the construction industry have questioned the KSh. 600 mn. cost of this building and have attributed its over-valuing to the possibility of kick-backs to the corporation's chairman (ibid).

Moi's coalition is not confined to Kalenjins alone. Apart from incorporating domestic Indian capital, he has also co-opted a large number of university professors into his alliance. The current head of the civil service is a former Vice-Chancellor of the University of Nairobi while two of Moi's Vice-Presidents have been professors at the University of Nairobi. Statistical evidence further reveals that out of 141 heads of parastatal bodies, twenty-seven are either former or current university dons. Interestingly, this number equals that of former and current politicians.

The process of dismantling a politically and economically entrenched section of a local bourgeoisie has not been easy. It has seen the deployment of a variety of tactics, including efforts to close down/restrict avenues of political opposition, to co-opt certain forces, and to develop new constituencies through the use of patronage. The latter has depended greatly on the maintenance of high levels of aid – which in turn has depended on Kenya emphasising its commitment to the economic and geo-political objectives of the main western donors.

Apart from dismantling Kikuyu hegemony and forming a new ethnically-based coalition, Moi's other task was to restructure the institutional layout he inherited from Kenyatta. Most crucial in this exercise was the revitalisation of KANU, this time not as a mass movement but as a medium for political brokerage and for phasing out politicians at variance with the regime without being constrained by constitutional requirements. Given the structural weakness of the party he inherited from Kenyatta, Moi saw the possibility of revitalising it with himself as the power core in a manner which could circumvent and trap ethno-regional leaders with popular support, without being seen as acting *ultra vires*.

His first move was therefore to introduce a constitutional amendment in May 1982 allowing for a one-party system in Kenya. With KANU now becoming the sole agent whose consent every leader seeking public

office must seek, his second move was to hold party elections in 1985. These elections revitalised the party from the headquarters all the way to the grass-roots making party branches autonomous power centres controlled by the President and his ruling oligarchy.

In the words of one observer, instead of using the revitalised party apparatus to "...mobilise regime support at the grass-roots, Moi has used the branch organisations to promote endless rounds of factional infighting to break up clientelist networks that were once used to advance ethno-regional interests" (Barkan, 1992, 182). This has particularly been the case in Central and Nyanza provinces where party branches headed by little known politicians have been used to undercut the power bases of popular leaders.

Towards the last quarter of the 1980s, the party had become so powerful that it threatened the fate of almost all politicians country-wide. With party expulsions re-introduced, it took only a few days to send into limbo politicians whose careers had taken years to build up. Once expelled from the party, politicians lost all their elected public positions, from chairman of a county council to Member of Parliament.

Having managed to achieve control of a substantial sector of the economy by undermining the economic efforts of certain groups, and having attained full control of the political process by using the less regulated institutional dynamics of KANU, Moi's next move was to complete the process of reshaping associational life to suit his political rule. This move was, however, largely unintentionally thwarted by the introduction of adjustment programmes which encouraged the emergence of other actors on Kenya's development and political stage, and by the general decline in economic performance during the 1980s. For most of the decade only very modest growth was experienced. Underlying this was a serious crisis in most branches of agriculture (except tea and horticulture). Only limited progress was made with economic liberalisation. In consequence, when Kenya's specially privileged relationship with the donors was undermined by the end of the cold war, the diverting of aid to the development of patronage networks became exposed to sharp external criticism. This criticism increasingly extended to the political sphere, with donors linking the absence of genuine economic reform to political monolithism.

It is against this background of political developments in Kenya that

the relationship between the state and civil institutions in the eighties should be viewed.

VARIETIES OF STATE-CIVIL INSTITUTION RELATIONS

The trajectories of different formally constituted interest groups, professional associations and civil institutions in Kenya has varied dramatically in the context of these developments. One group of organisations was deregistered. A second was dissolved, emasculated or "beheaded". A third reconstituted themselves as patronage networks of the regime. A fourth slid into slumber or voluntarily cooperated with the dominant group, commenting only intermittently on issues that concerned the polity. A fifth was co-opted into KANU — itself an acknowledgement of their potential nuisance value on the political front. A sixth assumed a heightened activist role, not only in articulating the interests of their membership, but also in commenting on the day-to-day running of the entire body politic.

The response of each of these institutions to the political developments of the eighties has depended on a number of factors. These include the nature of the membership of these organisations, the nature of the relationship between the leaders and members, and the particular sorts of bonds existing between members themselves. Their response has also depended on the relationship of their leadership to the rising group within the state and to other social forces.

The first three types of fate listed above will be illustrated briefly before a harder look is taken at some organisations exhibiting the second three trajectories.

Groups which were deregistered

This category usually had the potential to question government policies effectively, with possible use of "negative sanctions", but without being part of broader coalitions or alliances. Hence, they could be picked off at strategic moments. These groups included the volatile Matatu Vehicle Owners Association (MVOA), the University Staff Union and the Student Organisation of Nairobi University (SONU). Interestingly, with the advent of political pluralism in Kenya, most of the institutions in this category have been revived, some under different names.

Groups which were “beheaded”

This group of organisations were less inherently oppositional than the deregistered ones, but equally vulnerable due to a narrow base. Generally they ran foul of government fortuitously through simply becoming “too big for their boots”. A good example here is the Kenya Farmers’ Association (KFA) which is discussed at some length in Bates (1987). From the 1940s, the KFA was the National Cereals and Produce Board’s (NCPB) sole agent country-wide. It built, maintained and administered NCPB property and ran loan programmes, distributed inputs and contracted grain movements by road and rail. During the 1979 famine, the KFA further increased its influence, forcing NCPB to back down in a dispute over the cost of administering new buying centres created during the crisis. It also managed to gain a monopoly over USAID-supplied fertiliser distribution around this time.

The KFA was effectively destroyed in 1984 after a rift between one of its leaders and a political figure close to the President. A new organisation, the Kenya Grain Growers’ Co-operative Union (KGGCU), was formed in its place under the patronage of the President. The KFA’s Board of Directors was replaced and its agency agreement with the NCPB cancelled. An independent distribution network for fertilisers was also put in place.

Groups expanded/created as patronage networks

This group of organisations were national or regional organisations, moribund or non-existent in particular geographical areas, which were selectively administratively (re)activated to suit the political needs of the ruling group. Important examples here were the new or revived co-operatives in grain and cotton created in the eighties. With regard to grain, these were mainly moribund in Western Province by 1979. The 1979 famine was used to reactivate them by connecting them to seasonal credit distribution. Gyllström (1991, 63–93) describes the promotion of cotton co-operatives in the same period in Western, Nyanza, Eastern and Rift Valley Provinces. These co-operatives were created from above to supply credit and inputs. In response to this inflow of resources, the registration of new co-operatives almost doubled from 178 in 1978 to 325 between 1979 and 1983 (Gyllström, 1991, 83).

Muted allies

Moving to the fourth, fifth and sixth sets of trajectories of Kenyan interest group and civil associations during the 1980s, a different form of exposition will be adopted. First a more detailed description of the historical development in national context of one or more group in each category will be outlined. These groups' relations to the state during the 1980s will then each be subject to a longer analysis. The career of three organisations will be outlined here: the Federation of Kenyan Employers (FKE), the Kenya National Chamber of Commerce and Industry (KNCCI) and the Kenya Consumers' Organisation (KCO).

The Federation of Kenyan Employers (FKE)

Since being founded as the Association of Commercial and Industrial Employers in 1956, the FKE has grown in size to some 3,000 members from both private and public sectors. It has a large full-time staff of thirty-eight administrative and twenty-one professional staff, who fulfil advocacy and advisory functions. The FKE claims to harmonise employers' interests, mainly through an annual joint private-public sector management policy workshop, and to represent them in a variety of formal and informal fora.

These include meetings with the Ministry of Labour, sessions of Industrial Courts, and various wage and national insurance councils, manpower councils, training councils and presidential commissions. The FKE also engages in management training and some business counselling.

The Kenya National Chamber of Commerce and Industry (KNCCI)

Separate racially-based Chambers of Commerce were fused in 1965 following government pressure. In spite of active government participation in the formation of the organisation, the Chamber operates as an "autonomous, unitary and non-profit" non-governmental organisation, at least in theory.

Today the Chamber projects a national image with 30 local branches and a secretariat based in Nairobi. In 1979 it came under the patronage of the President of the Republic. According to the Chamber "...this patronage has enabled the Chamber to forge very close working relationships with government departments and parastatals more than ever be-

fore" (sic). Other senior government officers and cabinet ministers are also honorary members of the council. In fact it has become difficult to distinguish between the approach of the Chamber to socio-political and economic issues from that of the Government.

The objectives of the Chamber are to protect and represent business interests internally and externally and to provide specialist services to members through supplying trade information and organising trade fairs and exhibitions, running training courses and interacting with other Chambers world-wide. It also carries out certain functions on behalf of the government, including issuing certificates of origin and commercial invoices.

At present membership stands at over 9,000, 6,000 from the branches outside the capital and 3,000 from Nairobi. However, membership apathy towards the Chamber is evident. The reasons for this need further investigation. By July 1991, almost half of the membership had not paid their fees (*Daily Nation*, 2 July 1991). The situation is deteriorating with internal power struggles developing, which have called for intervention by the President and the Attorney General.

The Kenya Consumers' Organisation (KCO)

Founded in 1951 as the Kenya Housewives Consumers' Organisation, the KCO has since the 1970s gradually expanded its interests from monitoring consumer prices and product quality to protection of consumer rights and educating communities on their responsibilities as consumers.

In pursuit of these objectives, KCO works closely with the Kenya Bureau of Standards (KBS) the government body which ensures manufacturers adhere to laid down product standards. KCO sits on technical committees of the KBS where standards are determined. Kenyan production standards number 500 so far. KCO enlists technical experts from the universities, research institutes and other professional organisations to make representation on their behalf in the technical committees.

The organisation also makes consumer representations to price control committees and to the Ministry of Health advertisement board. Through the latter, KCO has effectively championed the inscription of contents, dates of manufacture and expiry and safety precautions on

drug packages, bottled beers and packaged milk.

KCO's resources are extremely limited. Only recently has it acquired offices and it still has only four full-time staff. The active membership is around 5,000. KCO is yet to assert itself strongly on public policy. On inflation, for instance, the organisation has always liaised with the Central Organisation of Trade Unions to gain a hearing from the government.

Organisations which were co-opted

There were two spectacular instances of co-option of mass organisations by KANU during the 1980s, those of Maendeleo ya Wanawake (see Kanyinga, this volume) and of the Central Organisations of Trade Unions. The latter organisation's history will be described here.

The Central Organisation of Trade Unions (COTU)

COTU is an umbrella body representing employees in Kenya's private sector. Civil servants and parastatal employees may not join trade unions, with the exception of teachers who are represented by the Kenya National Union of Teachers (founded in 1957).

COTU succeeded the Kenya Federation of Registered Trade Unions (KFRTU) which was formed in 1952, the year that Mau Mau took shape. Through public *barazas* and demonstrations, it pressed for more political leverage for Africans.

Around 1955, KFRTU's name was changed to Kenya Federation of Labour (KFL). Because of the involvement of this movement in the political struggles of this period, it was hard to distinguish the newly formed federation from KANU.

The Kenya African Workers' Congress (KAWC) also emerged around this time with support from the Communist bloc. The Congress challenged KFL organisationally and ideologically. In post-independence Kenya, this led to open conflict. In 1964, an incident involving supporters of both bodies occurred in Mombasa, claiming three lives. This invited intervention from the government. A Presidential Commission on Trade Unionism was constituted which recommended that KFL and KAWC be dissolved and that COTU be formed. COTU was registered in 1966 under the Trade Union Act of the same year.

The union has since been steered by a Secretary General who is

nominated by the President from three names presented to him by the union's governing national council. The incumbent Secretary General is the fifth to occupy the office since 1966.

COTU has twenty-seven affiliates with a total of 350,000 members, i.e. around 50 per cent of private sector wage employees. Its precise position vis-à-vis the ruling political party KANU has been shrouded in mystery since 1989 when the party announced affiliation of the former to itself.

Organisations assuming an activist role

In this final category special attention will be paid to the Law Society of Kenya and the National Council of Churches of Kenya.

The Law Society of Kenya

The Law Society of Kenya (LSK) dates back to the early part of the twentieth century. Initially it operated as a social club for lawyers. In 1949, the club matured through an Act of Parliament to become the Law Society of Kenya. Its status changed from a social gathering to a professional organisation with the following objectives:

- (a) to maintain and improve the conduct and standards of the legal profession
- (b) to facilitate the flow and sharing of knowledge among members of the legal fraternity
- (c) to assist the government and the courts in all matters affecting legislation and the administration and practice of law in Kenya
- (d) to protect and assist the public in Kenya in all matters touching, ancillary or incidental to the law
- (e) to represent, protect and assist lawyers whenever the need arises

Until 1972 LSK membership was exclusively drawn from the white community. Thereafter, Africans gained access to the society and by 1975 they had taken over leadership of the Council. This is a body of nine persons, elected by members and in whose hands the powers of the society are vested. The individual character and overall composition of Council members very much determines the orientation of the Society, especially on questions of social justice.

Up to the early part of the 1980s the Society remained unknown outside legal circles. Nevertheless, it was to evolve from dormancy to be-

come one of the most critical organs influencing public policy and state decisions.

The National Council of Churches of Kenya

The National Council of Churches of Kenya (NCCCK) was born out of a United Conference of Missionaries Societies at Kikuyu on 17 June 1915. A distinct Kenya Missionary Council (KMC) was created within the Alliance in 1918. KMC firmly stood for African interests including abolition of forced labour. It changed its name in 1945 to Christian Council of Kenya (CCK) and adopted the express task of rehabilitating soldiers returning from the Second World War. In addition CCK developed a school curriculum for Christian education and a general code of social responsibility.

In the 1950s, as the independence struggle intensified, the council "kept close contact with political organisations with a view to introducing Christian influence in the formulation of policy". It provided relief and education to political detainees and people forcibly relocated from their farms to villages. It also prepared Africans for responsible positions in the church leadership.

During the 1960–61 famine the council embarked on a food relief campaign especially among the Maasai and the Turkana. From then onwards agriculture, nutrition and the plight of the poor became issues central to the council's missions. Through relief to people affected by drought, floods and war, it strove to make such victims self-reliant in a sustainable manner.

In 1966 the Council was again reconstituted to serve as a national body drawing membership from all churches with at least 10,000 adherents and from any association of Christians with at least hundred members which accepts the basis of faith as contained in the Constitution of the Council. With reconstitution CCK changed its name to National Christian Council of Kenya (NCCCK). It supports various community and development projects which include leadership training, family life education, communication, urban improvement and rural development and relief services.

The Council's Christian Education and Training Programmes (CETP) is of special interest. Through it, NCCCK came to boldly pin-point several political evils in Kenya. However, in the organisation's own view,

NCKK's tradition and concerns — though touching on politics and economics — “are not with politics or economics for their own sake, but with the character and personality which cannot be developed except in an environment in which the political scheme and the economic framework are in accordance with the Divine will” (Kenya Missionary Council Minutes of 18 February 1942, quoted in NCKK, 1987, 1).

NCKK has a membership of thirty-seven churches encompassing the original protestant churches, some newer African Churches, missions and other religious organisations. The organisation enjoys support from government and non-governmental bodies, local and foreign.

EXPLAINING STATE-CIVIL INSTITUTIONS RELATIONS IN THE 1980s

As already observed, the institutions described developed very different relations with the state during the 1980s. From the institutions only the LSK and the NCKK developed strong critiques of government policies and actions. COTU was co-opted by the ruling party KANU and hence silenced, while KCO, KNCCI, and FKE have maintained a non-confrontational stance. Nevertheless, the latter three have intermittently questioned certain government policies.

During the 1980s the Kenyan state sought to increasingly consolidate itself as the only power centre in Kenya. This was a natural occasion for conflict between it and certain other potential power centres in civil society, such as LSK and NCKK. This means that an opposition arose in response to the growth of monolithism itself. In the process new platforms were created from some groups and new guises adopted by others.

In the wake of the rise of LSK, other professional associations also asserted themselves. The Kenya Medical Association (KMA) and Kenya Business and Professional Women Association began to forcefully express social concerns, especially from 1990. The Press Club and the International Commission of Jurists (ICJ) Kenya chapter also awakened to the social, economic and political realities of present day Kenya. The KMA and ICJ even jointly organised a symposium in Nairobi in early 1992 to place in context the role of professionals in the current political developments in the country. Their belated but growing

importance constitute interesting research issues. The role of Press Club should ideally be seen against the background of more general developments in the press in the 1980s. However, reasons of space prevent this.

Of course, not all professional associations have developed in this way. Many have taken a back seat oblivious of their obligation to serve the wider society in ways related to their specialisation. Of special interest in this regard is the Kenya Economic Association (KEA) which "died", except in name, during the late 1980s. Up to around 1988 the association was strong, addressing national economic issues and providing a critique of structural adjustment. The organisation's death coincided with the demise of its patron, a cabinet minister who was killed early in 1989. Donor support from Friedrich Ebert Foundation also dried up. The toll taken by these two events indicates that it had not matured to stand on its own.

During the decade more organised secular lobby groups, especially those with strong roots such as the Kenya Association of Manufacturers (KAM) and Federation of Kenya Employers (FKE), managed to resist co-option and survive. On the other hand, they have offered no serious challenges to government, even on issues like structural adjustment, which by opening up the economy to international competition theoretically works against the interests of both.

However, adjustment and the more general economic downturn it has coincided with does appear to have stimulated a heightened profile for certain of the religious lobbies. NCKK and well established churches such as CPK, PCEA and the Catholic Church have strongly involved themselves in social action and development issues during the decade. This involvement has, in turn, sometimes led to conflict with the government. Other religious groups though have preferred kick-backs from the state and remain silent on Kenya's social evils.

These issues and others will be explored in greater detail by returning to the cases of specific organisations and groups of organisations.

FKE/KNCCI/KCO – state relations

As already indicated, except for the KCO, these organisations have kept a low profile with respect to issues of public policy. Some reasons can be posited to explain this passivity.

Firstly, two of them are directly patronised by leading politicians.

The President of the Republic is the patron of the Chamber. The Assistant Minister for Culture and Social Services is the patron of the KCO. Since this is the ministry that houses NGOs, it was hoped that by having the Minister as a patron, the KCO would elicit some funding from the Ministry's NGO budget and also get government support for international funding. Given this setting, both the KCO and the Chambers have avoided confronting the government on issues of policy because to do so could endanger the political patronage they enjoy.

Secondly, the membership of both the FKE and the Chamber does not differ very much from the composition of members of government or the political class as such. Most government ministers and policy makers are also employers and industrialists whose interests the two lobby groups are articulating. Furthermore, it is believed that FKE and KNCCI act as channels for the distribution of licenses to local businessmen. Given such a configuration it is hardly surprising that conflict over issues of public policy has been absent.

Nevertheless, there have been a few isolated cases where these lobby groups have questioned government policy especially as the process of economic liberalisation has taken root in the economy. The KCO for instance is on record as having questioned hikes in consumer prices for electricity in late 1991. The organisation's campaign led to a revision of these prices. It has also been involved alongside the Public Law Institute in fighting against some aspects of government policies on the liberalisation of communication services. Its stances even on these questions have been far from confrontational however.

Even before the 1980s both the FKE and the KCO assumed a very low profile with respect to public policy. But the case is very different with the KNCCI. The Chamber was at this time a very active group holding seminars that deliberated on government policy on industry and the economy at large, producing publications that ventilated policy issues amongst businessmen and basically influencing the direction of government policy on trade and commerce.

COTU – state relations

Although from 1966 the relationship between COTU and government was for the most part cordial, before the trade union was co-opted into the ruling party occasional tensions emerged between it and the govern-

ment. In 1980, for instance, a row erupted between the then Minister for Labour and the COTU leadership over the management of the Organisation and its leadership's involvement in politics. The Minister threatened to ban the Organisation, arguing that divisions among its leaders were a threat to national peace.

Apart from such isolated cases, the labour movement has operated in harmony with the government. The first tripartite agreement between government, FKE and COTU dates from the year of COTU's formation. Further formal agreements occurred in 1970 and 1978 and there is circumstantial evidence to suggest their subsequent renewal. The substance of these agreements was a trade-off between expansion of employment and wage restraint. 10 per cent increases in private and public employment were agreed in each of the years mentioned, in exchange for wage freezes. According to Michael Chege (1987), real wages declined by 12.7 per cent between 1974 and 1983 while wage employment rose correspondingly. In the last years of the 1980s, this pattern was repeated. Between 1987 and 1990 wage employment rose from 0.66 mn. to 0.71 mn. in the private sector and from 0.63 mn. to 0.69 mn. in the public sector (*Kenya Government Economic Survey*, 1991, 37). Over the same period average annual real earnings fell in the private sector from 317.6 Kenya Pounds to 308.9, while in the public sector they fell from 343.6 to 331.6 Kenya Pounds (at 1975 constant prices) (*ibid*, 45).

While COTU's strength was far from being publicly demonstrated, and while also it generally avoided conflict with the state, as an organisation representing a third of a million workers it was presumably regarded as a potential focus for quite widespread opposition. The government's decision to co-opt it in this context was perhaps inspired by events in other African countries such as Nigeria and Zambia. Trade Union movements in these countries established high profiles in periods of repression of other institutions of civil society, serving as a funnel of discontent whose scope went well beyond industrial issues. In Zambia this occurred even though ZCTU itself was a conservative body.

After its co-option, COTU's support for unpopular government policies led to internal divisions and splits. With the introduction of political pluralism, certain factions broke away from COTU. Two of these

formed the National Congress of Trade Unions (NACOTU) and the Kenya Federation of Workers (KFW) respectively. The growth of pluralism in the political arena highlighted the lack of freedom on the part of the Organisation to address and express opinions on national issues as long as it was affiliated to KANU. Indeed, the leaders of NACOTU gave COTU's affiliation to KANU as the reason for their split while KFW has affiliated to the Forum for the Restoration of Democracy (FORD), an opposition party.

The position adopted by COTU after the advent of pluralism is of considerable interest. In the context of increasing pressure from KANU from both the internal opposition and the donors, COTU came out firmly as the main source of opposition to structural adjustment. In attempting to regain popular credibility, it has claimed that the international financial institutions were pressing the government and private employers to retrench two million workers. In fact, there are only 1.4 million persons in wage employment.

LSK/NCKK – state relations

The missions of the LSK and the NCKK are similar in many ways in that both the legal profession and the church address themselves to the individual and his or her relationship with their environment. Interestingly, the individual and his or her welfare is also supposedly the state's primary concern. In fact, the state sees itself as the custodian of the will of the individual. On the other hand, government is the executor and propagator of this will. But while, according to social contract theorists, government is meant to act on behalf of the individual, lawyers and the clergy are meant to check excesses by government against the individual. It is this role that both the LSK and the NCKK have ostensibly set out to play in contemporary Kenya.

In 1986, for instance, both these groups were involved in a wrangle with the government over the implementation of the queue-voting election procedure. In this procedure, KANU primary elections were to occur with supporters queuing behind their favourite candidate instead of using the secret-ballot system. Candidates who mustered 70 per cent of the vote in primaries were nominated unopposed to parliament. The NCKK sent a resolution signed by 1,200 pastors to protest against the adoption of this electoral system, a move that was countered with

government accusations that the Council had assumed the role of an opposition political party.

Both the LSK and the NCKK are also on record as having opposed the removal of security of tenure from the offices of the Attorney General and the Auditor General in the mid-1980s. This resulted in a call for the deregistration of the LSK by certain government ministers. The two lobby groups also campaigned against the screening of Kenyans of Somali origin to ascertain the validity of their identity.

These confrontations led to very strained relationship between the LSK, NCKK and the government. At one point the ruling party indicated a wish to co-opt the LSK in order to "...enhance unity and economic development" (*Kenya Times*, 10 December, 1989, 1). This led to yet another protracted wrangle between the LSK and the government with the LSK arguing that its primary task was to "...safeguard the principle of the independence of the legal profession, ...the rights of the individual and constitutionalism" (*ibid*, 11 December, 1989, 1).

In the 1990s the relationship between the LSK, NCKK and the government remained strained. Both groups were in the forefront in the campaign for political pluralism in Kenya. The key players in the LSK were also hired as lawyers for the multi-party advocates. This further raised their political profile as the debate over pluralism reached a crescendo.

Simultaneously it must be noted that the relationship between the LSK and the government on the one hand, and the NCKK and the government on the other, has not exhibited the same trend over time. While that of the NCKK has been consistent in its stance irrespective of its leadership, the stance of the LSK has largely been determined by who has been its chairman.

Explanation of the roles played by LSK and NCKK has to take into account three separate trends during the 1980s. Firstly, government became increasingly monolithic and restrictive in relation to civil society. Secondly, those organisations which, for one reason or another, retained a degree of critical independence in this process increasingly served as focuses for opposition generally. Thirdly, economic recession and structural adjustment tended to depress the economic situation of the mass of the population. These trends combined in different ways to stimulate parallel but distinct focuses of public opposition to KANU.

As previously powerful groups were attacked, and as their traditional channels of expression were increasingly closed off, opposition to government decisions became more intense and tended to seek out institutions with bases whose autonomy was beyond the reach of the state. This was particularly true of the churches. In fact, it can be argued that the autonomy of the churches from the state increased during the 1980s, with side-effects of its own. Moreover, as Kenya entered a period of recession and adjustment, a section of the population came to depend increasingly on the social services and assistance provided to them by the churches — assistance which had formerly been provided by the state. This gave the churches an independent popular power base. Simultaneously, to maintain this base and exercise an influence on the process of national development, the churches were obliged to express the concerns of the poor and to insist on conditions under which these concerns could be effectively expressed.

In contrast, oppositional trends in the LSK tended to be identified with a faction of the ruling party which lost out during inner-party conflicts in the early 1980s. Those members of this faction with social and economic positions independent of government favour and patronage then sought to operate through the LSK. There they managed to mobilise other sections of middle class opposition to the growing tide of state monolithism in the 1980s through their various challenges to its constitutionality. In this way the LSK and NCKK, jointly with other independent civil institutions of the day, struggled to the “bitter-sweet” success which saw the introduction of multi-party politics in December 1991.

Naturally the state has not given up its powers lying down. Far from it, it has tried to use intimidation, kick-backs and deregistration tactics to maintain its hold. This has not been to much avail. With the shift in power balance, the concept of the state as a “provider” has dramatically changed to that of an “enabler”. The cloud of mystique surrounding the power core, which in Africa is the presidency, has also been considerably eroded. Civil society and its institutions, through a new multi-polar power equation, now share substantial powers in determining their own destiny.

It is too early to say with confidence anything about the future of the reinvigorated institutions. Will they stand the test of time? Do they have the capacity to withstand future challenges from a powerful central

state? With the emergence of a series of political parties, two of which – Forum for the Restoration of Democracy (FORD) and Democratic Party of Kenya (DP) – have popular grass-roots support, the political space for the revived institutions might however increase.

WORLD BANK/DONOR ORIENTATION TO INTEREST GROUPS AND PROFESSIONAL ASSOCIATIONS

Support for civil institutions enriches social pluralism and associational life, creating longer term conditions for responsive and reasonable government. This is the official view of the World Bank which notes that

...every opportunity should be taken to support local, communal, and non-governmental organisations of all types – village associations, co-operatives, credit unions, professional associations, chambers of commerce and industry, and the like....The challenge is to build on this solid indigenous base, with a bottom-up approach that places a premium on listening to people and on genuinely empowering the intended beneficiaries of any development programme. (World Bank, 1989, 191)

In spite of this awareness, our preliminary findings show that the World Bank does not support in any way the operations and activities of civil institutions described in this study. Nor to any great extent do the other major governmental and semi-governmental donors. On the contrary, most donors supported the Kenya government throughout the 1980s.

Broadest donor support to the organisations and institutions examined in this paper were to the quiescent ones which in effect acted as government allies. While relying mainly on membership fees, the FKE received some level of financial and technical support from ILO, UNDP, UNIDO, USAID and the German Freie Demokratische Partei-linked Friedrich Naumann Foundation. These institutions are currently helping FKE set up a "Centre of Excellence for Entrepreneurship Development" in Nairobi. The KNCCI again depended mainly on membership fees but also had support from the Friedrich Naumann Foundation and USAID. The KCO attracted a certain amount of funding from the Ford Foundation, American and Swedish environmental agencies, the Dutch government and the Union of International Consumer Organisations. COTU, however appeared to operate mainly on membership fees and

government assistance for particular projects.

Of the "oppositional" organisations, NCKK received "unearmarked" financial grants from Germany and Britain, while the LSK was entirely reliant on membership contributions. Donor funding to NCKK did not appear to have increased despite a withdrawal of most of its traditionally important support from government in response to the organisation's critical stand on matters of poor governance and non-accountability.

In view of the foregoing, it is clear that while the World Bank and other donors assert the need to support pluralistically-oriented civil institutions, they generally only pay lip service to this sentiment. On the other hand, Kenya's growing dependence on donors and government perceptions of donor support for opposition groups possibly insulated LSK and NCKK from some government action.

CONCLUDING REFLECTIONS

Political pluralism re-emerged in Kenya largely against the background of opposition to the advance of monolithism. The latter itself represented a mechanism whereby a relatively weak faction of the ruling class sought to compensate for its weakness by simultaneously attacking the power bases of other factions and restricting civil and political liberties generally.

These developments have occurred in the context of economic recession and implementation of some parts of an adjustment package. The latter added to the government's difficulties and probably strengthened some forms of opposition — although, ironically, it is only a "statified" lobby group (COTU) which has taken an explicitly anti-adjustment stand. As the momentum of political change increases, and popular participation becomes the norm, the alliances of the 1980s are bound to undergo shifts. Some of the most vocal institutions like the LSK already started to decrease in significance when the new political parties formed, while a myriad of pressure groups like Release the Political Prisoners (RPP), Mothers in Action, and Alternative View emerged. The issue of the fate of adjustment in the context of these political changes is just one of many elements of a pertinent research agenda for this new period.

The Social-Political Context of the Growth of Non-Governmental Organisations in Kenya

Karuti Kanyinga

Sub-Saharan countries are faced with severe social, economic and political problems which continue to deepen. One major aspect of these problems is a crisis in state capacity. This has led to widespread disillusionment with past development strategies and, in particular, with what are perceived as state-centred approaches. The latter are viewed by many commentators as not only failing to create sustained economic growth, but also to have been associated with increased impoverishment and marginalisation of the poor and a reduction in popular participation both in development activities and, more generally, in national politics.

Partly to find a way out of this impasse, but with the intention of ensuring that Southern financial commitments to the North are honoured, the international financial institutions have pressed structural adjustment programmes (SAPs) on the Southern countries. However, what is important is not that SAPs have been prescribed and superintended by the IMF and the World Bank, but they have been implemented with high social costs and have also failed to benefit those who suffered most from state-led development efforts. SAPs have frequently led instead to increased unemployment, reduced government expenditure on basic amenities and the introduction of cost-sharing. Besides the effects on social development, existing forms of governance have become shaken and threatened by an increasingly discontented population.

In the context of declining state investment and reduced capacity, specifically in the delivery of basic social services, a search for viable institutional actors that can adequately cope with the emerging problems and fill the evolving lacuna in the development space has started. The private non-profit voluntary sector has won the attention of both governments and the lending institutions in this regard. The importance of non-governmental organisations (NGOs), particularly in local development, has increased as the state's development role has tailed off. This paper discusses developments in the NGO sector in Kenya during the

adjustment period (1981 to present) against a historical background in which mounting economic difficulties, deepening service delivery problems, and growing donor (and popular) disillusionment with the state have coincided.

Kenya's private voluntary sector is rich and diverse, comprising traditional welfare associations, thousands of self-help (*harambee*) groups and more formalised NGOs. All are non-governmental actors and are more or less autonomous from state institutions, but they vary enormously in purpose, character and values. This discussion will focus mainly on the more formalised NGOs, usually distinguished from other groups on the basis of being committed to broad development objectives, registered as voluntary development organisations or corporate bodies with either national or international legal status, and having sources of funding which are mainly international. In this they differ from traditional welfare organisations and *harambee* self-help groups whose organisation is more intimate, informal and community-based, which tend to be brought together by immediate or narrower common concerns and which are mainly dependent on local resources. While traditional welfare associations and *harambee* organisations have been an on-going feature of Kenyan history, it is the formalised NGOs which have become the major novelty on the development scene in recent years.

THE INTERNATIONAL CONTEXT OF THE RISE OF NGOS IN AFRICA

Two central features of the international context of the rise of NGOs in Africa are the rise of "Third World oriented" NGOs in the Northern countries, and the transformation of donor agendas during the period of structural adjustment. These will be examined in turn.

Northern NGOs constitute an extremely diverse group in terms of values and origins. Some are guided simply by the philanthropic tradition of charity, others by a critique of the policies (including the development policies) of Northern governments. Some (probably most) originated as domestic and/or foreign missionary-related organisations, while others expressed broader liberal-democratic political sentiments.

A significant point in the development of Northern NGOs was the devastating effects of the Second World War. Many NGOs emerged as

voluntary organisations aimed at assisting in relief and rehabilitation in the affected European countries. These organisations raised funds from the general public and lent a hand in distributing governmental aid. In the United States this period saw the emergence of Catholic Relief Services (CRS) and Co-operation for American Relief Everywhere (CARE), formed in 1943 and 1945 respectively. In Britain OXFAM was formed in 1942 from the Oxford Committee for Relief as a voluntary agency to provide relief and welfare services to Nazi-occupied Greece. The Danish Association for International Co-operation was similarly founded in 1944 with the objective of assisting post-war European reconstruction. Save the Children Fund had emerged in the wake of the First World War, from an organisation fighting the allied blockade of Germany.

Recuperation from the shocks of war in the North prompted many organisations to switch their activities from Europe to Third World countries where there was an immediate need to attend to problems arising from natural calamities and from the decolonisation struggle. This switch reflected pressure from the Northern public to support newly independent countries, as in the case of South East Asia, and to acknowledge the unfolding spirit of self-determination in Africa. In these new areas Northern NGOs found themselves confronting problems stimulated by their own governments, including emergency relief situations caused by decolonisation struggles, and civil wars in which Northern governments had a hand (OECD, 1988, 19). In the case of US "private and voluntary organisations" (PVOs), government itself appears to have played a role in the switch. Since the US was not a colonial power and therefore did not have established political links in the South, its struggle for international political hegemony (or officially, against Soviet hegemony) could not move entirely through state channels. Financing PVOs/NGOs would appear then to have been an appropriate front to gain a foothold in these countries. In any event, US government support to voluntary agencies marked the beginning of co-operation between US voluntary organisations and international development aid efforts.

Since their shift to the South, the emphasis of Northern NGOs has undergone a transformation. As it became clear that relief problems were recurrent rather than the result of unique situations, attention was

increasingly focussed upon community development and, in some cases, institution-building. Moreover, as the link became clearer between the recurrence of these problems and the inadequacies of the development policies followed by Southern governments and bilateral donors, a critique of the latter began to be articulated.

This critique increasingly coincided with a wave of popular "bilateral aid fatigue" in the North, itself deriving from the poor results of official efforts to deal with the droughts and famines which gripped Sub Saharan Africa from 1980 to 1984. In this context demands arose for the mobilisation of funds to "directly" reach the affected people. Appeals by private individuals and organisations led to an influx of funds to voluntary and charitable organisations ready to disburse aid to the developing countries by emphatically by-passing governmental institutions. Perhaps the best illustration of this phenomenon was the Band Aid/Live Aid episode of 1985, in which over USD 76 mn. was raised in a few weeks from the British public alone for famine relief in Ethiopia. Band Aid/Live Aid's discovery of fresh reservoirs of potential support for a new kind of development assistance, coupled with an increase in donations to OXFAM from USD 20 mn. to USD 51 mn. the same year (Hancock, 1991), considerably strengthened the standing of Northern NGOs vis-à-vis their own governments.

In certain cases, political instability meant that aid could in any case not be channelled through governments in this period. Loss by governments of political control of certain areas meant that aid had to reach the latter "directly". In others, relief aid was used in such a blatantly partisan way by governments that the maintenance of official assistance could not be publicly justified. For example, in October 1990 the Sudanese government diverted U.S. relief supplies destined for the famine victims in the war-ravaged south (the base of the main rebel group, the Sudanese People's Liberation Army, SPLA). The intent of the government was to starve the victims, who were suspected of sympathising with SPLA. The relief supplies are believed to have been traded for weapons from the Middle East (*Daily Nation*, 12 October 1990).

Extreme examples of this kind highlighted a link between government action and "natural" disasters which sustained a merger between the case for alternative *channels* of aid and the case for alternative *forms* of aid. Arguments about the inadequacy of delivery mechanisms in-

creasingly became combined with the argument against the general bias of Northern official aid toward spectacular and costly large-scale projects such as giant dams, irrigation schemes and support to mechanised farming. The benefits the poor could derive from these were usually negligible or even negative. Critics increasingly counterpoised to such development strategies the idea of sustainable "grass-roots" initiatives. These initiatives were in turn often identified with NGOs' emphasis on local institution building.

The 1980s have therefore been a period of major growth and development of Northern NGO status and influence, and of an increasing identification of Northern NGOs with "alternative" development agendas. Despite this apparent radicalisation, the most influential Northern NGOs probably remain the religious ones, if only because of their substantial historical linkages with Southern national religious bodies.

A second international condition of the rise of NGOs in Africa is a transformation of donor agendas during the 1980s. This transformation first became apparent at the beginning of the decade when the World Bank threw its weight behind a broad strategy of structural adjustment, whose central feature was the encouragement of market liberalisation. The size and inefficiency of the public sector was specifically underlined as the main cause of recipients' lack of growth. The World Bank's concern was therefore to institute policy changes involving the reduction of the state's role and the revitalisation of institutional actors in the private sector to fill the gaps resulting from its withdrawal.

Thus, the World Bank and governmental donor agencies originally attached importance to NGOs not as a result of criticism against the methodology of official development project assistance but because they were interested, ideologically, in the promotion of initiatives to circumvent the pervasive public sector. Increased attention to NGOs therefore reflected their identification as probably the most effective private actors in the recipient countries. This emphasis of the World Bank and other donors on the potential role of NGOs became strengthened and deepened in the 1980s as a result of the coalescence of three further developments.

The first of these was the need for the official donors to come to terms with the developing critique of conventional project aid strategies. In the process a literature emerged focussing on the comparative advan-

tages of NGOs in the promotion of sustainable (particularly local) development. NGOs were discovered to have vast practical experience in mitigating local development problems, utilising cost-effective and flexible methods of development operations and understanding and incorporating local institutions and values (cf. Bratton, 1987; Ng'ethe, 1989). Arguments along these lines in effect allowed the adoption of unconventional methods while leaving other conventional assumptions intact.

Secondly, criticism of the effects of structural adjustment on the fate of the poorest and most vulnerable groups in the recipient countries resulted in the modification of some SAPs after 1987–88 to include “Social Dimensions of Adjustment” activities. These activities (which are not part of Kenya’s programmes) involve various compensatory initiatives directed at benefiting the poor. NGOs are seen as playing a key role in these initiatives because of their historically close relationship with poverty relief.

Thirdly, although this is more explicitly expressed by academic advisers to the World Bank than in the latter’s own work, NGOs are seen as increasingly “interesting” in so far as they constitute a central component of civil societies which are considered otherwise rather weak. This last issue has become increasingly central since the rise of the debate about “governance” in donor circles, and more particularly in the light of discussions about political conditionality. A series of authors (particularly Bratton, 1989 and Hyden, 1990a and 1990b) explicitly link encouragement and support of African NGOs to strengthening the principle of voluntary public participation and the organisation of civil associations, in such a way that political democracy acquires a local foundation. Hyden goes on to also speak of a need to encourage “intermediate organisations” (ibid) — presumably NGO-umbrella organisations or the like — which will directly link NGOs to national politics. (For further material on this discussion see Fowler, 1991).

Growing international donor interest in NGOs has been a critical stimulus to local NGO growth in Africa. Most of this growth is of “genuine” NGOs but, equally, the increasing funds available have also spawned more dubious ventures. As Kobia (1985) has noted “it has become necessary to form NGOs to spread money that must be given out without delay, and certainly any group that registers as an NGO can find

funds for its operation somewhere in the North". Hence one finds in Kenya and elsewhere numerous "hawking" NGOs whose development activities exist only on paper or "pending donor funding", access to which is gained through elaborate project proposals fine-tuned to latest donor fashions, interests and prejudices.

In any event, these trends have combined to lead to unprecedentedly high levels of resources being channelled through NGOs in the 1980s, while direct aid to governments has declined. Increased support for NGOs by both the public and the donor agencies has been spectacular. While in 1970 only USD 0.4 billion was channelled through NGOs (Clark 1991) an OECD report (1988) noted that in 1985 aid worth over USD 4.5 billion was channelled through them. This was equivalent to about 15 per cent of total official development assistance. Two-thirds of it was constituted by grants from Northern NGOs themselves, while the remainder was matching contributions from governments. The report adds that by 1986, total grants through NGOs had risen to USD 5.3 billion of which USD 3.3 billion represented grants by NGOs themselves (OECD *ibid*, 81). Clark (1991) states that by 1989 NGOs transferred USD 6.4 billion to the south, or about 12 per cent of all western aid in that year. In addition, NGOs are now commonly contracted for project implementation by UN agencies (in particular, the UN High Commission for Refugees, the UN Fund for Population Activities and the World Bank), while they have also acquired consultative status in some international fora — for example, the World Bank—NGO committee (World Bank, 1990a).

While donors continue to disburse aid to NGOs, aid to governments has meanwhile become subject to freezing or suspension. Aid to Kenya from many donors was suspended in November 1991 as a condition for effecting political and economic changes. The US government, for example, has continued to support private voluntary initiatives, such as NGOs, which are not under the direct control of the government. It is hardly surprising in such a context that, quite independent of their local political significance, NGOs are increasingly a factor with which governments in Africa must reckon. Donor preference for them and the growing NGO influence which stems from it implies a contradictory set of incentives for these governments. This point will be returned to later in the paper.

HARAMBEE AND NGOs IN KENYA PRIOR TO THE 1980s

Although distinct from traditional mutual assistance organisations and *harambee* (literally, pulling together) self-help groups, NGOs in Kenya draw much of their local contemporary strength from these roots (Ng'e-the 1979). People sharing common age statuses, family ties or lineages would organise themselves to accomplish certain production tasks and assist members in need, such as the newly-wed, mothers with new-born children, the bereaved and those affected by natural calamities. Those orphaned and others less fortunate could benefit from contributions by the more affluent, just as those with good harvests would share part of their crop with those with none. This remains the position in respect to rural areas in Kenya up to today — although these redistributive mechanisms have often undergone some transformation.

Harambee's official recognition and institutionalisation dates from the eve of independence in 1963 when Kenya's first President, Jomo Kenyatta, used the concept to denote local collective voluntary initiatives in nation-building. In the post-independence political and ideological context *harambee* was henceforth to play an absolutely central role — serving amongst other things as a major focus of popular participation.

It may be argued that the clarion call to *harambee* was a matter of political manoeuvre. Encouraging the populace to itself take a lead in the development process via a series of finite local initiatives could be seen as creating a safety valve through which rising public expectations about what the new state could be and do might be defused. Aware that meeting the expectations of political independence was a difficult task it was convenient for other avenues of development to be emphasised, so that no responsibility for failing to satisfy these would be borne by political leaders. Moreover *harambee* could perhaps help distribute resources more equitably and provide a way of harnessing ethnic and political party lines of division amongst the populace.

The resonance of the appeal to the *harambee* spirit stemmed from its reflection of the collective and cooperative social values already described (Ngau 1987, 524). Henceforth, communities mobilised themselves and their resources and engaged in *harambee* efforts to build local schools, health clinics, water-wells, cattle dips and later, village

polytechnics (Thomas 1987, 464). Resources were voluntarily contributed by community members and benefits were broad-based. The financial, as well as some of the technical inputs involved came largely from the surpluses from peasant farming which accumulated during the 1960s and 1970s. Indeed the buoyancy of *harambee* and of peasant agriculture were closely related.

A second local source of voluntary development initiatives in Kenya was the emergence of certain church-based and independent secular organisations independent of the state in the colonial period. While the church-based organisations were mainly an outgrowth of missionary activities and combined evangelical work with relief and welfare functions, there were also local welfare organisations formed by migrant workers in the major towns, such as the Kavirondo Tax Payers' Welfare Association, some of which took on political overtones during the decolonisation struggle.

After independence the floods and famine of the early part of the 1960s became an international centre of focus and an entry or growth point for both many foreign relief agencies and local voluntary organisations. Also in the 1960s locally based NGOs expanded their activities. For instance, the National Council of Churches of Kenya (NCCCK) and *Maendeleo ya Wanawake* (later known as *Kanu-Maendeleo ya Wanawake* after having been co-opted by the country's ruling party, KANU) saw an unprecedented expansion of their activities and areas of operation in order to cope with the rising needs and demands for welfare services.

By the late 1970s, Kenya was the base for over 120 NGOs, both foreign and indigenous. By this time many had shifted their focus from relief and welfare activities to more general community development work in order to sustain their relief results and address more adequately the root causes of the problems with which they were dealing. However, although such trends are extremely hard to measure, the activities of NGOs generally were at this time probably considerably overshadowed by *harambee*. Only in the 1980s, when the economy entered into a gradual but nonetheless perceptible decline, is it possible to suggest a modification occurred in this relation of forces. From the outset the Kenya government adopted an extremely positive stand vis-à-vis NGOs, essentially viewing them in the same light as *harambee*. An

emphasis on the maximization of local resources and the promotion of popular participation, broadly consonant with NGO philosophy and practice, came to inform discussion about development in various government reports, as well as being a central feature of the adoption of a decentralised development strategy – District Focus for Rural Development. This active encouragement stood in sharp contrast to the discouragement of both indigenous and foreign NGOs in certain neighbouring countries, for example Ethiopia. Warm relations between government and NGOs were exemplified specifically by the support granted to the latter in terms of tax exemptions, secondment of government staff to NGO projects and general collaboration in development endeavours.

During this same period Kenya became a favoured base for foreign NGOs operating in Eastern and the Horn of Africa. These were attracted not only by the relatively welcoming attitude of government, but also the absence of major political upheavals, the temperate climate of the Nairobi area and good international communications. The new wave of famines in the region during the early 1980s was to lead to further growth in the presence of existing and new foreign NGOs. This was to continue throughout the decade, though for slightly different reasons.

KENYA IN THE 1980s

The Kenyan economy grew quite vigorously until the mid-seventies, when, despite the coffee boom of 1976–77, the country entered into a recession. By the late 1970s this recession led to a foreign exchange crisis and Kenya had to go to the international institutions for assistance. As a result, in 1981 Kenya was among the first Sub-Saharan African countries to adopt a SAP.

SAP's implementation in Kenya has fallen almost entirely on the demand side, and economic activity has remained depressed. GDP growth per capita was only 0.3 per cent per annum in 1982–86 and 1.2 per cent per annum in 1986–90 (Ikiara, 1991). Investment as a proportion of GDP meanwhile fell from an average of 26 per cent between 1978 and 1983 to an average of 22 per cent between 1984 and 1988 (Mosley, 1991). Erosion of the governmental revenue base and declining levels of public investment have been accompanied by falling shares of state

expenditure on social services — especially when compared to defence (see Musyoki and Orodho, this volume, Table 4).

Little systematic work has been done on the effects of declining government support to most of the social services during the 1980s. There is nonetheless little dispute that the drop in relative spending on the health sector has been associated with a breakdown in the functioning of many public health institutions, serious shortages of drugs and a drain of trained manpower to the lucrative private sector. More generally, adjustment measures such as devaluation, price decontrol and withdrawal of subsidies have undoubtedly increased the extent and deepened the degree of poverty and vulnerability of certain sectors of the population already badly effected by the economic downturn (cf. Ndumba, 1990, Kanyinga, 1991, Odada and Ayako, 1989).

Since poverty has almost certainly increased while state capacity to handle its individual consequences has declined, the net result has been to increase potential demand for NGO-provided services and initiatives. At the same time — although as indicated this is almost impossible to document empirically — it is likely that the ability of communities to support expansion of community services via traditional *harambee* measures has gone into decline. Certainly the phenomenon of agricultural decline (see Ikiara, Jama and Amadi, this volume) implies a parallel decline in disposable peasant surpluses. This creates conditions where NGOs may occupy an increasing centrality in the institutional landscape — though, as will be argued, *harambee* is by no means disappearing as a result.

Alongside the economic trends accompanying recession and adjustment in Kenya in the 1980s it is important to mention the most important on-going political trend. This has been the effort of an initially relatively weak section of the local political and economic elite to impose its influence on the elite as a whole, the state and society generally. The result has been an increase in authoritarianism, on the one hand, and in efforts to develop new networks of state patronage on the other. Amongst other things this has involved a significant reshaping of KANU and an encroachment by the latter on other civil organisations, including some NGOs. NGOs have suffered far less in this respect than certain other institutions of civil society (including *harambee*), but nonetheless there are some spectacular cases of NGO co-optation —

Table 1. *Number and range of NGOs in Kenya (1988)*

Foreign NGOs and number	135	Indigenous NGOs and number	149
Foreign Operational e.g. Corat Africa, Euro Action, Accord, Adventist Development and Relief Agency (Kenya)	55	Indigenous Operational e.g. AMREF, KWAHO	109
Foreign Donor e.g. Compassion International Inc., African Development Foundation, Ford Foundation	17	Indigenous Donor e.g. Chandaria Foundation, Foundation for Social Rehabilitation	3
Foreign Donor Operational e.g. Action Aid – Kenya, Aga Khan Foundation	53	Indigenous Donor Operational e.g. Family Planning Association of Kenya, Kenya Women's Finance	22
Foreign Donor + Umbrella e.g. Helpage International, International Planned Parenthood Federation (IPPF)	4	Indigenous Donor + Umbrella (no information)	—
Foreign Operational + Umbrella e.g. African Association for Literacy and Adult Education, League of Red Cross and Red Crescent Societies – Kenya Office	4	Indigenous Operational + Donor Umbrella e.g. KENGO, NCKK	2
Foreign Operational + Donor + Umbrella e.g. World Education Inc., Youth for Christ International	2	Indigenous Operational + Umbrella e.g. Kenya Union for the Blind Kenya Association of Youth Organisations (KAYO)	13

Source: Kanyinga (1990)

chiefly that of *Maendeleo ya Wanawake* (MYW), the national women's group umbrella organisation.

MYW's co-option illustrates a number of the important trends in state-NGO relations set off by the latter's growing internal and external influence, in the context of economic downturn and (in the Kenyan case) the difficulties facing a government with a weak and restricted political base. Because of its size (possibly around 20,000 constituent groups) and potential influence, MYW represented a major potential patronage resource to an isolated political leadership and an important prize for it to capture. Co-optation of MYW was one way of broadening and strengthening the reshaped KANU and of providing the political elite with access to grass-roots' organisations — a particular necessity in the wake of the shrinking of KANU's popular base as a result of the state-doctored elections of 1988. It was also a way for the dominant section of the political elite to associate itself with an instance of relatively good development performance amidst a declining national economic performance. It was finally a way for it to gain access to the funds commanded by MYW, including of course those it commanded from donors less keen on direct support to the Kenyan government. The Kenyan government could not adopt such a strategy in relation to NGOs generally of course, if only because it lacked the capacity to absorb their burgeoning numbers or to itself substitute for their activities.¹

KENYAN NGO GROWTH IN THE 1980s

The 1980s was a period in which Kenyan NGOs changed in three main ways. Firstly, their transition from concerns about relief to more general interests in development was confirmed. Secondly, the range of activities in which they were involved widened to include specialised fields such as energy, environment, primary health care, nutrition, education, and vocational training (Kanyinga, 1990; *Weekly Review*, 4 November 1988). Thirdly, there was an unprecedented proliferation in the number of NGOs during the decade.

Table 1 provides a summary of the range of foreign and indigenous

1. *Maendeleo ya Wanawake* disaffiliated from KANU in 1992, in the wake of the advent of multiparty politics.

Table 2. *The growth of NGOs between 1978 and 1988*

Directory documented NGOs	No. of NGOs in		Difference 10 years	Growth (%)
	1978	1988		
Operational	124	287	163	132
Service delivery*	11	—	—	—
Total	135	287	152	113

* operational NGOs with no offices in the country and for which data for 1988 was not available

Source: Kanyinga (1990)

NGOs in Kenya in 1988 for which sufficient information was available for classification purposes. Naturally it is difficult to unambiguously classify NGOs by what they do, their origins or their constituency (see Fowler, 1985 and Ng'ethe, 1989). The classification used here distinguishes foreign international from local origins and classifies functional specialisations according to whether they are operational, umbrella or simply conduits for donations ("donor" bodies). The classification is not exclusive and overlaps may possibly exist in consequence.

In addition, the number of NGOs in the country is in any case hard to keep track of. The government does not have an adequate statutory monitoring system. In the 1980s NGOs continued to filter into the country at a higher pace than the Kenya National Council of Social Services (KNCSS), the main registration unit, could keep up with, while certain NGOs were in any case supposed to register with various other bodies and ministries under an array of different legal clauses such as the Societies Act. Even if a coherent monitoring system had been present, many operational NGOs would probably still not have registered (Fowler, 1989b). Moreover, some NGOs which do register fail to keep the government informed about their operations. Registration is also hampered by the absence of a clear or an adequate official definition of what constitutes an NGO.

The survey summarised in Table 1 draws some of its data from ear-

Table 3. *Distribution of Kenyan NGOs by sectors*

Sectors and sub-sectors	Number of NGOs in sector	Proportion of total by subsector (%)	Proportion of total by sector (%)
<i>Relief and social welfare</i>			23.2
1. Destitute	42	4.0	
2. Handicapped	33	3.0	
3. Charity	26	2.5	
4. Recreation	5	0.6	
5. Relief and development	39	3.8	
6. Shelter	42	4.1	
7. Religion	55	5.2	
<i>Actual development</i>			32.3
1. Community development	115	11.4	
2. Agriculture	50	4.8	
3. Food and nutrition	43	4.2	
4. Health	94	9.0	
5. Water and sanitation	30	2.9	
<i>Technical services</i>			25.5
1. Technology	11	1.5	
2. Education and training	173	16.8	
3. Social counselling	15	1.5	
4. Employment	20	1.9	
5. Population and family Planning	28	2.7	
6. Transport & communicat.	11	1.1	
<i>Environment and energy</i>			5.3
1. Conservation and Development	55	5.3	
<i>Others</i>			13.7
1. Women	41	4.0	
2. Youth	40	3.9	
3. Children	60	5.8	

Source: Kanyinga (1990)

lier attempts to track the development of NGOs. KNCSS, established by the government in 1964 to co-ordinate NGOs produced two directories between 1978 and 1988. Others have been produced by more specialised organisations such as the Mazingira Institute (1985), Inter-Action (1986) and the Ford Foundation (1987). These directories pro-

vide data which indicate that by the end of the 1980s there were over 400 NGOs in the country (including around 100 for which only limited information was available).

The spectacular growth of NGOs during the decade is indicated in Table 2. In 1978 there were 135 organisations for which reasonable information was available, in 1988 there were 287, a growth rate of 113 per cent. Fowler (1988) estimates that the growth of foreign NGOs in the period was roughly double that of indigenous ones.

NGOs' numerical growth is also reflected in their increased financial weight. Interim survey findings by Fowler (1989b) showed that the income of around 100 responding NGOs was about USD 72 mn. per annum, while Lekyo (1989a,b) estimated that NGOs in Kenya controlled a total of between USD 150–200 mn. annually. Total disbursement of aid to governmental and non-governmental sources in Kenya the same year was about USD 1,712 mn. (UNDP, 1989). Leyko (*ibid*) further estimates that NGOs account for something like 30–40 per cent of all development expenditure in Kenya (see also Ng'ethe et al, 1990).

The activities of NGOs in Kenya are extremely diverse. The 1988 KNCSS directory attempted a classification of NGOs in the country by sectors and means of operation. Table 3 reproduces this information. The table should be read in conjunction with previous qualifications concerning possible double-counting.

It may be observed that very large numbers of NGOs are involved in provision of education and health, sectors where *harambee* effects have been traditionally notable but also characterised by retreat on the part of the state during the period of recession and SAP. Another notable trend is a shift of emphasis to community development activities, although relief and welfare activities remain important too. Unfortunately, data on the actual resources invested in each sector – as opposed to the numbers of organisations involved – is hard to come by.

While comprehensive statistics are absent it is indisputable that NGOs' contribution to the development process in Kenya is of growing significance. In the area of education, for instance, they now contribute to school feeding, equipment and other schemes and programmes. In technical education, alongside *harambee* efforts they offer considerable financial, material, and technical support. It is estimated that about 45 per cent of the total village polytechnics in the country are wholly sup-

ported by the *harambee* and NGO sector (*Daily Nation*, 19 September 1991).

NGOs make an indispensable contribution to providing health services to the poor. NGOs in the health sector "provide up to 40 per cent of Kenya's health requirements and it is suspected that the government's 60 per cent share may come down to 50 per cent with increased assistance from NGOs" (Ministry of Health, August, 1989). More detailed data released by the Ministry indicates that NGOs provide between 40 and 45 per cent of the total family planning services in Kenya (Ng'ethe et al, 1990).

In the energy and environment sectors, NGOs provide affordable equipment such as energy saving *jikos* (stoves), and every year distribute millions of tree seedlings in areas affected by soil erosion.

A possibly still more important contribution has been in the area of assistance to vulnerable groups — particularly women and children. There are over 20,000 registered self-help groups in the country, the majority of which are women's organisations. These receive support from NGOs in terms of grants and start-up capital for interest-free (revolving) loan funds. They use these to operate projects, particularly income-generating activities which are meant to improve household incomes. Orphaned and street children are also targets of NGOs. Activities in these areas are aimed at rehabilitation and providing educational opportunities and other basic needs, with some success.

Studies on the role of NGOs in local development have shown that besides enabling the maintenance of a level of welfare provision that would otherwise have been completely unsustainable, they also contribute enormously towards the creation of local capacity for sustainable development via imparting development skills and knowledge to their beneficiaries (Kanyinga, 1990). Both have major implications for long-term political developments and hence increasingly attract the interest of the state, which is in any case aroused by the rising level of resources which NGOs command. This issue has already been touched upon in relation to MYW. In the early 1990s it has arisen in Kenya with renewed force.

NGOs IN THE CURRENT KENYAN SOCIO-ECONOMIC CONTEXT

Attention will now be turned to two inter-related aspects of the current socio-political context of the rise of NGOs in Kenya. One concerns the relation between NGOs and their own constituencies, the other concerns the relation between NGOs and the state. Both illustrate the complexity of trends surrounding NGO growth.

The issue of relations between NGOs and their own constituencies will be approached through a further discussion of *harambee*. Reference has already been made to the importance of the *harambee* movement as a precursor of the rise of formally organised NGOs, as well as the fact that over the years, NGO growth has perhaps challenged the domination of Kenyan self-help efforts by *harambee*. The hypothesis has been further suggested that this relates partly to changing levels of peasant agricultural surpluses, and partly to a combination of declining state provision and the rising availability of external funding earmarked for formal "voluntary activities". In all this some of the differences and similarities between the politics of *harambee* and NGO activities should not be overlooked, especially as they concern political patron-client relations.

Over the last few years, two apparently opposed interpretations of the meaning of *harambee* have been circulating in the academic literature. For purposes of simplifying the discussion only the clearest example of each position will be described. Barkan and Holmquist (1989) argue that *harambee* is essentially a voluntary movement by which local communities spontaneously extract resources from the state, and indeed that *harambee* represents the basis of a kind of social contract between people and the state (i.e. government legitimacy rests upon it). On the other hand, Ngau (1987) has argued that *harambee* is increasingly a coercive mechanism whereby politicians extract resources from local communities for projects which are of basically little benefit to them, with the implication that *harambee* may well be undermining the legitimacy of the state. This does not really do full justice to either position, but it expresses the main direction of their arguments.

In reality aspects of both these positions are correct. *Harambee* involves a mobilisation of local resources and also of state and elite re-

sources and tends to redistribute them in both directions. Besides embodying this contradiction it also has a contradictory relation to the voluntary spirit and, of course, expresses the contradictory motives for involvement of different social forces. These tendencies can be easily illustrated.

Initiation and actual implementation of *harambee* activities consist of community members identifying common developmental needs and drawing up appropriate strategies for their solution. The process is frequently fostered by local elites (including politicians) and administrative officials, all taking key roles at some stage of the project cycle. The involvement (and often initiation) of projects by politicians is aimed at developing their local bases through the injection of government/KANU money. The involvement of government officials has various implications, among which are the stifling of the voluntary spirit and the selection of projects primarily on the grounds that they will give administrative localities a high profile.

In spite of this, the *harambee* movement is supported by a wide spectrum of people and almost everybody at the local level is involved, although the degree and form of involvement vary considerably. Barkan and Holmquist's findings (1989) show that ordinary community members, particularly the small and middle peasants, participate more and contribute labour, money or material in kind. The local elites also provide inputs — mainly in the form of financial resources — whose own source includes national- and regional-level politicians interested in developing and consolidating local patronage networks. Indeed members of local elites who are the most articulate and who have the most developed patronage links (including politicians) are preferred for leadership positions as they may bring enormous resources from senior politicians.

Contributions from the masses are generally voluntary although there are instances of coercion by administrative officials to force compliance from supposed "free-riders". Property belonging to those who have not contributed is frequently confiscated and auctioned. The proceeds are directed to the *harambee* kitty but due to general lack of accounting procedures, corruption and mismanagement by party and government officials, there is embezzlement of funds. There is also an apparent increasing preference for costly projects which themselves can be a source of kick-backs. While therefore the main beneficiaries of *harambee* for-

mally continue to be peasants, local elites can extract considerable political (and sometimes material) resources in the process.

Forced contributions and embezzlement of *harambee* funds have been major causes of sour relations between the state and civil institutions. The churches, among others, have been critical of "distortions" of *harambee* pointing out that the voluntary spirit has been grossly abused by self-seekers in the party and government pursuing increased political stature.

The interweaving of *harambee* and patron-client networks at various levels has many implications. As indicated, it may lead to a deviation in project forms from small-scale to large-scale and costly elite-preferred ventures. Secondly, patronage-based political competition is heightened by the *harambee* phenomenon, causing duplication of efforts and related tendencies for projects once started to be stalled or abandoned if a patron falls from grace. Finally, inter- and intra-regional disparities in development emerge or become reinforced corresponding to where patronage linkages manifest comparative strengths or weaknesses, and where national- and regional-level politicians target new constituencies. Thus while *harambee* indeed involves a transfer of state or elite resources to localities, and while these resources may be distributed fairly equitably within these localities (notwithstanding embezzlement problems) the major gains are political rather than social. Moreover they tend to accrue to individual politicians rather than reinforcing state political legitimacy generally.

In a further contradictory element of this complex situation, the state has been obliged to respond to popular criticism of this last aspect of *harambee* by increasing control and coordination over the patronage-driven proliferation of projects. This control, which is exercised through the District Focus for Local Development policy already mentioned, naturally also implies a diminishing in the voluntary aspect of *harambee*. Furthermore, the dominant section of the political elite sometimes has to resort itself to side-stepping these control mechanisms according to its own changing patronage needs.

Many of the problematic features of *harambee* have been brought out sharply in the early 1990s as Kenya's political opposition has acquired strength and legitimacy and different sections of the elite have felt themselves increasingly threatened. Party leaders close to the President have

always been the ultimate patrons behind *harambee* networks, often serving as conduits for the "Presidential contribution" itself. As opposition has intensified, the President and his close associates have stepped up donations through every cabinet minister, parliamentary ally and even district party official in order to raise their political stock. Notable absentees from these (and indeed historically from most) *harambee* functions have been citizens of Asian descent. It is possible, however, that they are the source of much of the "Presidential contribution". Meanwhile local administrative officials are still keen to impress their enthusiasm upon those in authority and hence have been increasingly obliged to force reciprocal contributions from a bombarded and fatigued public.

NGOs' relations to their own constituencies exhibit both parallels and overlaps with the *harambee* phenomenon, not least because a majority of NGOs (particularly new entrants) themselves undertake at least part of their activities through *harambee* self-help groups. Such institutions provide an appropriate entry into "grass-roots" development activities (Ng'ethe and Kanyinga, 1992, 32). Hence the eclipse of *harambee* organisations by NGOs is at best partial and ambiguous. *Harambee* groups in the process have, in fact, often simply diversified their source of patronage, little time is spent on scanning the interests involved and inputs have been provided by NGOs irrespective of whether projects serve the aims of politicians or local communities.

A related trend is that on-going patronage networks (including some *harambee* formations) have sought out NGOs for support. Certain NGOs have preconceived ideas on what constitutes the basic needs of the community, which become widely known. On this basis politicians and others may scout them out by tailoring their applications for support in certain ways. Some NGOs are particularly well known because of the enormous amount of resources they control. These naturally attract the attention (often competitive) of politicians and senior government officials wishing to earn credit from their masters and clients. Politicians want such NGOs in their constituencies so that any successes the NGOs might have will enhance their political reputation. On the other hand certain NGOs prefer alliances with senior politicians because they feel it provides them with various advantages.

This raises the question of whether NGO activities are in principle

any more likely to purely benefit the poor than *harambee* ones have. This question has both social and geographical dimensions, i.e. it concerns both poor people and poor areas. Of some concern is the increasingly common observation that some NGOs are engaging in large-scale prestige activities mirroring traditional elite-favoured *harambee* projects.

Such concerns about the distribution of benefits from NGO projects are reinforced by the fact that many NGOs have their head offices far from places where projects are located. Such projects are manned by junior staff and monitored by senior staff touring in the grand style. As a result an anti-NGO sentiment is being generated in some areas, with reference to "secretive Pajero communities", high expenditure on luxurious offices and secretarial staff and so forth (Ng'ethe and Kanyinga, 1992, 27).

Turning to the question of NGO-state relations, it is worth recalling at the outset both the historically relatively warm relation between the Kenya government and NGOs and also the fact that a context of relatively weak government and relatively strong NGOs sets off tendencies toward co-optation by the state.

As NGOs have grown in number and influence in Kenya state-NGO relations have been concerned less with instances of individual co-optation, as in the case of MYW, and more with the issue of general regulation — as well as the parallel question of NGO coordination. As in the closely related issue of *harambee* regulation this question combines perfectly legitimate concerns about duplication of effort and possible imbalances in national development with explicitly political ones about state legitimacy. The issue of state legitimacy arises from NGOs' potential accumulation of credit for socio-economic projects (cf. Baldwin, 1990, 97) at the expense of the state and also from NGO's possible tacit or active support for opposition organisations. The expression by governments of concerns of the latter kind has been fairly common in Africa in recent years, leading to the banning of NGO use of radio equipment in Uganda, and the proscription of one or more NGOs from certain geographical areas in Sudan and Zimbabwe. In Kenya it seems to have led government to identify NGOs as a whole with organisations like the National Council of Churches of Kenya and the Green Belt Movement which have been openly critical of government and which

were subject to calls by KANU MPs for deregistration in 1987 and 1989 respectively.

Several attempts at regulation of NGOs have been made in Kenya but with little success — partly due to the autonomy and heterogeneity of NGOs and partly due to the clout that they enjoy with donors. The state has also been restrained by the danger to its international image which an explicit display of appetite to politically control NGOs might imply. Moreover, centralisation of authority and political control is (logically at least) inconsistent both with the reintroduction of political pluralism and with the state ceding its role in micro-activities to other agencies.

As indicated, NGOs have traditionally been registered and supposedly coordinated in Kenya through KNCSS. However, the organisation lacked statutory authority and adequate institutional ability to enforce various requirements on NGOs and the latter's co-ordination has visibly remained an unaccomplished task for the KNCSS. NGOs have also failed to register with the Council for fear that KNCSS may be an avenue for state interference with their autonomy. In 1989 NGO representatives on KNCSS spelt out new initiatives to rejuvenate the organisation (Lekyo, 1989a,b; Kanyinga, 1991b). The need to have KNCSS strengthened so as to keep pace with changes in NGO activity had been in the minds of both the NGOs and the state, both of whom viewed lack of co-ordination of development activities as a matter of grave concern.

In the late 1980s there was a growing feeling in government quarters that the tremendous growth rate in number and activities of NGOs required some form of regulatory mechanism supported by a centralised or systematised information network. NGOs for their part requested supportive policy legislation from the state and by the end of 1990, legislation aimed at "facilitating the co-ordination of NGOs" was presented to the parliament. NGOs were confounded by the fact that the legislation appeared to be aimed exclusively at controlling and monitoring their diverse activities. Many NGOs and donor observers, some of whom supported NGOs in the contest, felt that the Act treated NGOs as essentially political bodies. For nebulous security reasons an NGO could be deregistered with no recourse to the courts of law. More generally, NGOs were administratively placed under the Office of the President and specifically the Department of Internal Security. In the ensuing controversy, while NGOs managed to win some concessions by

way of amendments, the state remained adamant on the Act's central provisions. However, eighteen months after its promulgation in January 1991 the Act still had not been enforced – a testimony to the fact that NGOs have some power and can influence policy changes. Another factor was probably that the government did not want to lose the support of NGOs, or rather its perceived development partnership with them, during a period of budgetary difficulty.

Related to this last issue was the whole question of donor relations to NGOs and thereby to Kenya, and of the suspension of new pledges of World Bank and some bilateral aid in November 1991. A government which ignored all these factors would indeed be behaving surprisingly. Nonetheless in mid June 1992 the Permanent Secretary in charge of Internal Security informed all NGOs that the Act would come into almost immediate effect. The NGO Network Standing Committee, the umbrella organisation that lobbied on behalf of NGOs for changes and amendments to the Act, responded by asking NGOs to disregard the announcement and not register. According to the *Weekly Review* the hardening of the government's position was apparently a result of NGO organisation of relief programmes in western Kenya for victims of ethnic conflict – most of whom were considered to be probable opposition supporters (*Weekly Review*, 19 June 1992). On 2 July 1992 representatives of over 250 NGOs, along with the main bilateral donors unanimously passed a resolution expressing concern over the sudden implementation of the act and decided that NGOs should continue the boycott (*Weekly Review*, 17 July 1992).²

CONCLUSION

The international and national context of spectacular NGO growth in Kenya is a complex one. It includes the growth of influence of Northern NGOs, changing bilateral donor agendas, recession and structural adjustment in Kenya, and the nature of and changes to the *harambee* self-help movement. The latter simultaneously embodies a set of contradic-

2. Subsequent to this meeting the government conceded the major demands of the NGOs by announcing further amendments to the Act. However, the latter had not been enforced by early 1993.

tions which have possibly also been internalised by at least some NGOs. However, despite the fact that NGO growth is not really associated with fundamental changes in Kenya's institutional landscape, NGO-state relations have undergone rapid and considerable change.

Several aspects of the socio-political context of NGO growth in Kenya have not been explored in this treatment and require further investigation. These include NGOs' relations with donors and with each other. However, possibly more interesting for further research purposes would be a continued exploration of the relationship of NGO involvement and operation in specific localities to the variety of on-going and developing forms of local social and political relations — particularly in the new context of political liberalisation.

Agricultural Decline, Politics and Structural Adjustment in Kenya

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Kenya's agricultural sector plays a crucial role in the country's economic development. The government, in its publications, Sessional Papers and occasional decrees has expressed the desire to achieve sustained food security, create jobs and attain high economic growth through improved agricultural performance. In spite of this, the sector has faced major difficulties in the last decade in providing employment and basic food self-sufficiency to the rapidly growing population and in generating export earnings to stimulate further growth. This paper reviews the performance of Kenyan agriculture during the last decade, and tries to identify constraints on its growth. It then seeks to situate these against the background of the structure of interest group politics in the sector. Finally it briefly examines Kenyan agriculture's experience of structural adjustment.

THE CRISIS IN KENYAN AGRICULTURE IN THE 1980s

Agriculture in Kenya continues to be by far the largest sector of the economy, accounting for about 31 per cent of GDP. Earning the country nearly 65 per cent of its foreign exchange, it provides employment for over 70 per cent of the labour force, is a major source of raw materials for agro-processing industries and feeds one of the fastest growing populations in the world. The overriding importance of agriculture in the Kenyan economy cannot, therefore, be overstated. Most of the economic policies and programmes undertaken in the country depend for their success on the sector's performance.

Until the early 1970s, Kenya's economic performance was above average for Sub-Saharan African economies. GDP in the first ten years of independence grew at an annual average rate of about six per cent in real terms, with per capita income growing at an average of three per cent annually, despite a population growth rate of 3.6 per cent. The agricultural sector contributed significantly in this overall economic growth.

Table 1. *Production and sales of selected Kenyan crops 1979-80 to 1990-91*

	Maize (a)	Rice (b)	Wheat (c)	Pyrethrum (d)	Sugar (c)	Cotton (b)
	mn. bags	'000 tonnes	'000 tonnes	tonnes	'000 tonnes	'000 tonnes
1979/80	19.5	37.5	194.7	114	296.0	27.6
1980/81	17.6	36.4	204.6	162	401.2	38.1
1981/82	21.9	38.7	203.4	240	369.0	25.5
1982/83	26.1	38.6	247.5	258	308.0	24.3
1983/84	24.2	36.6	251.3	87	326.1	25.8
1984/85	15.8	36.4	144.4	34	372.1	22.8
1985/86	27.0	39.5	201.1	30	345.6	38.0
1986/87	32.2	21.3	254.4	74	365.8	25.4
1987/88	26.8	30.1	207.0	93	413.2	23.8
1988/89	30.7	31.7	234.0	102	412.9	10.9
1989/90	29.2	31.5	244.2	124	442.2	13.8
1990/91	25.4	nil	190.1	136	434.0	18.8

Notes: (a) Estimated total production

(b) Sales to marketing board

(c) Total production

(d) Sales to marketing board, extract equivalent

Source: Kenya Government Economic Survey (various years)

This impressive performance was not sustained during subsequent years, as agricultural growth declined from nearly 6.2 per cent per annum between 1965 and 1973, to about 3.3 per cent annually between 1980 and 1988. Over the same period, population growth increased to nearly four per cent per annum, contributing to a fall in food production per capita. The index of per capita food production (1979–81 = 100) declined from 119 in 1964–66 to 101 in 1987–89 (World Bank, 1990c). As a result, recurrent food crises have occurred. In 1980–81, it was estimated that six million Kenyans (37 per cent of the population) faced food insecurity – a proportion well above the continental average. The shortage was partially drought-related and partially due to poor food reserve management, with some maize having been recklessly exported. The situation was sufficiently serious to prompt a paper on Food Policy, the Sessional Paper No. 4 of 1981 (Kenya Government, 1981).

Kenya's food security was further threatened in 1984 following one of the worst droughts on record. As in 1980, the Government had allowed the depletion of strategic reserves, leaving the country vulnerable to hunger and starvation. To avert the 1984 crisis 600,000 tonnes of maize were imported, approximately 400,000 tonnes of it on commercial terms at a cost of USD 60 mn. A further 180,000 tonnes of wheat and other grains (mainly in flour form) were also imported. Wheat imports had averaged only 40,000 tonnes during 1975–78 (World Bank, 1986). The railways, government vehicles, and private transport were mobilized to move foodstuffs from Mombasa port to different parts of the country. The exercise put severe strain on the country's transport system and the retail price of maize rose steeply. In some parts of the country, per capita calorie intake was below minimal nutrition requirements and malnutrition was common. The nutritional situation remains serious – per capita daily calorie supply declined from 2,289 in 1965 to 2,060 in 1988, which is only 89 per cent of the minimum daily calorie requirement (McNamara, 1990).

Throughout the 1980s, production of Kenya's staple food, maize, fluctuated sharply. As in the case of wheat, production rose sharply from the drought years of 1979–80 to around 1982–83, after which it stagnated. The government's quantum index for cereals, which takes 1982 (a relatively good year) as a base, shows a substantial rise in production (from 100 to 104) in 1986, followed by a steady fall by 1990

Table 2. *Kenyan coffee data 1980-81 to 1990-91*

Year	Estates			Smallholdings/Primary coops			National totals		
	Area (ha)	Prod. (tonnes)	Yield kg/ha	Area (ha)	Prod. (tonnes)	Yield kg/ha	Area (ha)	Prod. (tonnes)	Yield kg/ha
1980/81	32,861	34,744	1,057	84,710	64,007	756	117,591	99,717	848
1981/82	36,635	34,392	1,023	97,423	52,531	539	131,108	87,436	667
1982/83	33,605	32,981	981	100,967	52,469	520	134,572	86,064	640
1983/84	35,711	54,258	1,519	114,235	74,683	654	149,946	129,625	864
1984/85	35,711	28,922	810	116,328	67,717	582	152,039	94,089	619
1985/86	38,627	45,542	1,179	117,677	68,385	581	156,304	114,881	735
1986/87	39,678	36,381	919	116,050	67,907	585	155,628	104,941	674
1987/88	39,578	40,000	1,011	115,776	35,000	734	155,354	125,000	805
1988/89	39,579	38,648	976	116,087	78,334	675	155,666	116,982	751
1989/90	37,789	34,356	902	121,475	69,483	592	159,264	104,543	668
1990/91	38,000	35,160	930	117,400	51,411	440	155,400	86,400	540

Source: Coffee Board of Kenya (Annual Reports, various)

to 80 (*Kenya Government Economic Survey*, 1991).

A high rate of urbanisation (estimated to be between seven and eight per cent per annum) has contributed to sharp increases in demand for some specific food items, especially wheat and rice. The country presently produces only 65 per cent of its wheat requirement and rice production is generally very expensive as it is produced from irrigation schemes. Wheat consumption increased by nine per cent per annum in the 1980s, leading to a growth of annual imports to around 120,000 tonnes for most of the decade and to over 300,000 tonnes in 1990. According to sources within the government, in the late 1980s and early 1990s Kenya turned down the usual donor arrangement which entailed importing wheat with grant aid and using the sales proceeds for development projects in the country. Reluctance to use this arrangement stemmed from its potential threat to influential interest groups whose custom was to privately import low grade wheat for sale to Kenyan consumers at the prevailing price for higher quality wheat, thus entailing huge profits.

The 1980s was also a bad decade for coffee, which up to the mid-1980s was the single most important foreign exchange earner for the country. By early 1990, coffee had dropped to third place as a foreign exchange earner after tourism and tea. The decade has been characterised by large fluctuations in production in both the estate and smallholder branches of the industry, as well as a large decline in the coffee yield per hectare (Table 2). Between 1980–81 and 1990–91 coffee yields per ha. fell from 1,057 kg. to 930 kg. on estates and from 848 kg. to 540 kg. on smallholdings. This has been attributed to a drastic fall in prices which made it uneconomical for farmers to use the recommended levels of inputs. The price of unroasted coffee fell from KSh. 41.60 per kg. in 1986 to KSh. 38.60 in 1990. The suspension of the International Coffee Agreement has made it even more difficult to stabilize coffee prices.

Coffee production has also been adversely affected by the politics of the industry's administration, especially in the latter half of the 1980s as the government has sought to assert more control. This has been reflected in struggles both within the major producer body, the Kenya Planters' Cooperative Union (KPCU) and between the latter, other industry agencies and the state.

Table 3. *Kenyan tea data, 1980-1991*

Year	Estates		Smallholdings		National totals		
	Area (ha)	Production (kg)	Area (ha)	Production (kg)	Area (ha)	Production (kg)	Yields (kg/ha)
1980	25,850	55,913,349	50,691	33,980,009	76,541	89,893,358	1,174
1981	26,153	55,137,699	52,743	35,803,706	78,896	90,941,405	1,153
1982	26,384	56,087,026	54,698	39,946,051	81,082	96,033,077	1,184
1983	26,561	68,774,249	54,969	50,964,190	81,536	119,738,439	1,469
1984	26,873	63,463,679	56,499	52,708,241	83,372	116,171,920	1,393
1985	27,332	75,754,529	56,505	71,339,025	83,837	147,093,554	1,755
1986	27,854	75,192,023	56,546	68,124,740	84,400	143,316,763	1,698
1987	28,529	78,875,202	56,891	78,932,597	85,420	155,807,800	1,824
1988	29,049	79,337,869	57,694	84,692,559	86,743	164,030,428	1,891
1989	29,540	80,033,333	57,934	100,567,147	87,474	180,600,480	2,065
1990	29,539	87,088,577	66,981	109,996,712	96,520	197,088,289	2,041
*1991	30,300	90,900,000	67,700	112,700,000	98,000	203,595,000	2,077

* Provisional

Source: Kenya Tea Development Authority, Annual Reports (various)

These destructive struggles have become intertwined with another involving producers, the state and the World Bank over the coffee payment system. The Coffee Board pays small producers through KPCU, who make deductions for their services. This process has been associated with low and delayed payments to the primary co-ops (although not to estates). The World Bank has insisted that payments be henceforth channelled through the Cooperative Bank of Kenya, with the result that KPCU would become substantially redundant. This issue will be returned to.

Unlike coffee, tea production experienced a steady growth in the 1980s. In 1980 there were approximately 76,500 ha. under tea, from which 90 mn. kg. were produced. Smallholdings accounted for 66 per cent of tea's total area, and 38 per cent of total output (Table 3). By 1990 the area under tea had increased to 96,520 ha. with a total production of 197 mn. kg. Yields meanwhile rose from 1,174 kg./ha. to 2,065 kg. By now smallholdings accounted for 69 per cent of crop area and 55 per cent of output.

The success of the tea industry is the result of a combination of factors including a steady increase in increased acreages under tea, relatively effective extension services, falling supply from some competitor countries and relatively buoyant demand on the world market. There are, however, emerging constraints to the industry's growth, including limited quantities of suitable land and falling prices, increasing interference by the government, and rising costs of inputs. Furthermore many farmers, especially in Central Province, are approaching a critical level in terms of areas left for food crops and dairy. In the foreseeable future, unless yields in food crops are increased significantly, there are only very limited opportunities to increase the amount of tea grown by smallholders, especially in view of increasing population pressure and consequent sub-division (World Bank, 1987b). After a record harvest in 1991, production fell by 17 per cent in the first quarter of 1992 (*Financial Times*, 10 June 1992). Complaining of low prices and high taxation on tea earnings, farmers in Central Province boycotted tea picking in July–August 1992, causing further losses.

Although cotton is a relatively minor cash crop, it is important in areas where the traditional ones cannot be grown and is theoretically also crucial in the supply of raw materials to the domestic textile in-

dustry. In the 1960s cotton growing was extended from its traditional sites in western Kenya to medium- and lower-potential agro-ecological zones in Central and Eastern Provinces. As a result, the nation was temporarily able to meet its domestic demand needs from local production (Karanja, 1992). Cotton output nearly tripled from 10,000 tonnes in 1964 to 28,000 tonnes in 1979 (Table 1). Since 1980, however, there has been a sharp decline, necessitating large imports for local textile industries. Since 1987 production has dropped to below 20,000 tonnes, despite government efforts to promote output, especially through extension.

Underlying this decline are a number of factors. One of these is poor incentives (Ruigu, 1988). Returns to labour on cotton are lower than for food crops and in consequence there have been severe constraints on labour supply. Levels of husbandry are poor, especially in rain-fed areas. Farmers have also complained of delays in payment for the produce delivered to the primary societies and the Cotton Lint and Seed Marketing Board (CLSMB), and mismanagement of cotton co-operatives. CLSMB has the responsibility of marketing cotton and is currently being re-structured to make it more responsive to the needs of the farmers.

Pyrethrum is mainly grown in central and western Kenya, predominantly on smallholdings. Kenya accounts for nearly 70 per cent of world pyrethrum production and export. The Pyrethrum Board of Kenya, a parastatal, is the sole buyer, processor and exporter of the commodity. Pyrethrum production reached its peak in the 1982–83 season with about 258 tonnes of extract equivalent. Subsequently, the increasing use of cheaper synthetic-based insecticides resulted in a slump in the world pyrethrum market and in crop prices. Consequently, by 1983 the country was holding three years' stock of the product. The industry remained in the doldrums through most of the 1980s. Faced with poor world market conditions the Board delayed payments to farmers, in some cases up to eighteen months, and at times failed to pay farmers for all that had been delivered. Some growers subsequently either uprooted or neglected the crop (*Kenya Times*, 20 July, 1992).

Although a recovery began from around 1987, which still continues, a major threat looms large over the industry. If successful, current biotechnological research into genetically engineered insecticides – closer

in character to natural pyrethrum — may result in a total collapse in demand, with immense negative repercussions on thousands of small farmers, in addition to significant losses of foreign exchange (currently equivalent to KSh. 3.2 billion annually).

Up to 1980, the sugar industry experienced fairly rapid growth in cultivated area, production and cane crushing capacity. Production tripled to 400,000 tonnes between 1970 and 1980, enabling the country to become self-sufficient for the first time. In 1980, nearly 100,000 tonnes were exported. Fortunes soon changed, however, and for the remainder of the 1980s there was an annual sugar deficit ranging between 20,000 and 40,000 tonnes. While demand for sugar rose throughout the decade, production was unstable and dropped from 400,000 tonnes in 1980 to 346,000 tonnes by 1985, before recovering to 426,000 tonnes in 1991. The area harvested did not significantly change between 1981 and 1987, and yields declined from 10.8 tonnes/ha. in 1980 to 8.2 tonnes/ha. in 1987. Government retains majority control over sugar marketing and processing. The latter's costs are high and pricing structures penalise farmers in favour of millers. The Sugar Board has also been guilty of financial mismanagement and delayed payments to farmers.

The horticultural industry in Kenya has grown significantly in the last two decades and has gradually emerged as a major component of agricultural production. In terms of land use, horticulture is now ranked third, occupying over 11 per cent of arable land. The value of production increased from KSh. 2,250 mn. in 1980 to KSh. 4,026 mn. in 1987. During the same period exports of fresh produce also rose steadily, from approximately 8,000 tonnes (worth KSh. 6.8 mn.) to 36,500 tonnes (worth KSh. 90 mn.). The success of horticultural production is mainly attributable to high levels of investment by both producers and the state. State support for it rose to about 25 per cent of the entire agricultural budget allocation during the 1970s, where it has remained.

While relatively successful, this industry faces at least some problems, mainly concerning product quality. Seeds are not tested to meet standards before being marketed and in most cases are not of high yielding varieties. There is no institution or body to monitor this aspect of the industry. Secondly, little scientific research is being supported to develop new and improved varieties to counter the stiff competition Kenya

currently encounters in the European market. Third, the majority of production is rain-fed, leading to considerable seasonal fluctuations in supply and price, and shortage of air freight space at peak times. High jet fuel prices compared to those of neighbouring countries have also been a source of concern to exporters. In 1992 jet fuel cost USD 1.45/litre in Kenya, compared to USD 0.95/litre in Tanzania. This difference in fuel costs is passed on to Kenyan exporters in the form of higher freight rates (Karanja, 1992).

During the period 1986–91 Kenyan agricultural performance has therefore proved particularly problematic. The growth rate, which was 3.9 per cent per annum at the beginning of the period, fell to -1.1 per cent in 1991. Problems have been particularly acute with respect to food crops and coffee and preliminary indications for 1992 are bleak. With regard to food crop production, a deficit of over 500,000 tonnes of maize, 78,000 tonnes of wheat and 68,000 tonnes of rice is anticipated. Many parts of Kenya are currently suffering serious famine and starvation. The country has had to appeal internationally for food relief as imports are severely constrained by lack of foreign exchange and a decline in donor support, especially since the November 1991 Paris donor meeting suspended pledges of new donor assistance. As in 1979–80 and 1984–85, serious doubts exist concerning the management of the national strategic maize reserves, with recent reports indicating that 900,000 tonnes were exported between 1986 and 1991, including about 100,000 tonnes or 1.2 mn. bags of maize in 1991 alone. Retaining this maize would have saved Kenya KSh. 1.1 billion, the cost of importing 1.4 mn. bags via Mombasa between April and July 1992. Those involved in the external maize trade include not only businessmen but prominent politicians holding ministerial positions and senior civil servants (*The Standard*, 27 July 1992).

FACTORS BEHIND THE CRISIS

The impressive agricultural growth experienced in the country in the 1960s and 1970s was based largely on a significant redistribution of land of high agricultural potential from extensive use by large-scale farmers to intensive use by small-holders. This growth was further stimulated by the lifting of restrictions on production of high value crops by small-

holders and by the latter's acquisition of private property rights. The slow-down in growth experienced during the 1980s is partly attributable to the tapering off of land redistribution and the once-and-for-all nature of the other reforms. By 1974, the land transfer programme, in which nearly 2 mn. ha. of European land were transferred to Kenyans, had been nearly completed. Further expansion of smallholder production was seriously constrained by an absolute shortage of high/medium potential land and by the unequal nature of the post-independence land transfer process.

Based on rainfall patterns, approximately 9.3 per cent of Kenya's land is normally classified as of high potential (Zone II) and a further 9.3 per cent as of medium potential (Zone III). Out of the total land area of 57 mn. ha., however, only about seven per cent can be really described as good agricultural land in the sense of having both adequate rainfall and good soils. An additional 4.5 per cent is suitable for crops but is subject to periodic drought. Productive agricultural activity in much of the remainder of the country is restricted to livestock grazing of varying degrees of intensity. Land in Zone III has only about 40 per cent of the livestock carrying capacity of land in Zone II (Ruigu, 1988). The carrying capacity in Zones IV, V and VI are fourteen, four and one per cent respectively of that of Zone II. Most agricultural activities are, therefore, concentrated in the high and medium potential areas. With the country's rapid population growth, arable land per capita has declined from 0.2 ha. in 1965 to 0.1 ha. in 1987. At the present rate of population growth, it will decline even further to 0.07 ha. by the year 2000 (McNamara, 1990).

Kenyan agriculture's dualistic ownership pattern emerged during the colonial era. Two distinct forms of property are still evident, namely large farms and smallholdings. Large-scale property comprises mixed farms, plantations and ranches that were formerly European-owned. Farms of 20 ha. or more are considered large-scale farms and in the 1970s comprised some 3.7 mn. ha. or close to 51 per cent of the country's arable land. At the same time smallholder farms accounted for only 3 mn. ha. Due to the sub-division of some large-scale property, small-scale farms now probably cover about 3.5 mn. ha. Only three per cent of all smallholdings exceed eight hectares (Table 4).

While a major process of transfer and subdivision of large farms oc-

Table 4. *Kenyan land use*

Type of land	Area (million ha)	Share (%)
Recorded small-scale farms	3.5	6.2
Recorded large-scale farm	2.7	4.7
Gap farms	1.0	1.8
Forest, rangeland and other unsuited to agriculture	46.0	80.8
Other	1.9	3.3
TOTAL	56.9	100.0

Source: Ruigu, 1988

curred during the 1960s (e.g. the "Million Acre Scheme" of 1961–71) these sub-division-cum-settlement programmes affected only about a quarter of the country's best land, only three per cent of total agricultural land in Kenya and only about a twentieth of the country's total population (Hebinck, 1990, 102). The benefits of the land tenure reforms were thus not spread widely. The schemes also favoured specific ethnic groups at the expense of others.

Activities on the large-scale farms, plantations and ranches have not changed significantly since independence. A large proportion of food production for the internal market originates from these large farms in the former White Highlands. These account for virtually all wheat production and probably around 70 per cent of maize production (Hebinck, 1990). Plantations and estates have also maintained their economic significance. These enterprises accounted throughout the 1980s for all sisal and virtually all pineapple production, a little less than 40 per cent of coffee, slightly more than 50 per cent of tea, about 40 per cent of sugar cane, 30 per cent of pyrethrum and 20 per cent of marketed milk.

Ownership of large-scale property not subject to sub-division has passed almost entirely to the post-independence elite (by 1978 less than six per cent of former settler land remained in non-African hands). This elite consists of businessmen, high-ranking politicians and civil servants. Often the same individuals straddle more than one of these roles and their accumulation activities cut across all sectors of the economy. But for all its owners' importance, much of this land remains under-capitalised and under-utilised. The question of land reform was dis-

Table 5. *Government expenditure on agriculture and forestry 1978-79 to 1990-91*

Year	Recurrent exp.	% of all rec. exp.	Development exp.	% of all dev. exp.	Total dev. + rec.	% of all dev. + rec. to total
1978/79	20,845	4.4	37,314	16.9	58,159	8.3
1979/80	22,269	4.0	36,990	15.9	59,259	7.6
1980/81	45,193	6.5	52,066	18.4	97,257	10.0
1981/82	38,992	4.7	54,207	18.5	92,861	8.3
1982/83	52,398	5.4	44,274	19.8	96,672	8.1
1983/84	58,260	6.0	14,733	5.5	72,993	5.9
1984/85	90,369	7.5	39,043	12.1	129,412	8.5
1985/86	60,948	4.6	76,367	24.7	137,313	8.4
1986/87	122,655	7.7	99,673	21.6	222,328	10.8
1987/88	168,105	9.4	67,741	16.6	235,846	10.7
1988/89	309,923	12.5	91,611	14.6	401,534	12.9
1989/90	96,091	3.8	72,840	11.1	168,931	5.3
1990/91	90,210	2.8	103,600	12.6	193,810	4.7

Note: Kenyan Pounds '000, current prices

Source: Kenya Government Economic Survey (various)

cussed frequently (including by donors) until the early 1980s, but has since fallen off the political agenda completely. At best, it has tended to be replaced by suggestions that taxes on under-utilised land should be introduced and/or incentives found to encourage its sub-letting.

Besides the material realities of Kenya's agro-ecological and property distribution structures, several other factors lay behind its agricultural stagnation. These include poor project identification, design, implementation and management but probably more significantly, government policy and other influences on agricultural pricing, marketing and state expenditure.

Some Asian countries (e.g. Malaysia) allocate nearly 25 per cent of their total budget outlays to agriculture. In comparison with this, Kenya's sectoral investment pattern is disappointing. Agriculture's share of government expenditure over the period 1978–79 to 1990–91 ranged from 4.7 per cent to 12.9 per cent of the total, with an average figure of just over eight per cent (Table 5). Since 1989 agriculture's share of expenditure has been particularly low.

The issue of government price policy has been extensively ventilated in the international (particularly donor) literature on agricultural stagnation in Africa in the 1980s (cf. World Bank, 1981). It is generally agreed that "confiscatory" price policies (producer prices being set at levels below the world price) have proved a major disincentive to producers. The evidence shows that in the case of Kenya the problem of prices appears in an indirect rather than direct form. Export crop producer prices have been set at levels traditionally higher than in neighbouring countries and using world prices as a reference point. However, various cesses, levies and taxes are deducted from the producer price or are raised directly, cancelling some of the resulting benefits. Furthermore, there is some evidence that a relative increase in input prices has caused problems in recent years. This issue forms part of the more general question of Kenya's and Kenyan agriculture's terms of trade.

Agricultural price controls and market regulation in Kenya go back to the colonial period when the government supported the white settlers with a variety of policy measures, especially during the difficult years of the 1930s. Domestic marketing boards were set up with the aim of operating a monopolistic pricing policy in favour of large farmers. In the 1930s the Wheat Board was created, followed by the Kenya Meat

Table 6. *Gross producer prices for major agricultural commodities, 1978-90*
(KSh. per 100 kg. current prices)

	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990
Coffee	2,818	2,815	2,634	2,258	2,780	3,488	3,488	3,972	5,020	3,662	4,465	4,312	3,636
Tea	1,583	1,357	1,591	1,774	1,941	2,184	5,184	3,366	3,382	2,500	2,037	2,717	3,521
Sisal	282	373	423	411	503	625	674	707	743	705	745	892	1,178
Sugar cane (per tonne)	133	133	133	145	170	227	227	270	297	300	358	368	447
Pyrethrum (per kg)	720	1,006	1,200	1,150	1,150	1,150	1,150	1,150	1,210	1,210	1,250	1,675	1,800
Seed													
Cotton	315	328	331	341	352	369	448	480	470	482	586	570	981
Maize	77	89	95	100	107	154	175	187	198	209	214	223	262
Wheat	133	144	164	167	188	222	269	271	293	295	340	343	475
Rice													
Paddy	145	151	151	150	150	178	178	342	348	372	388	388	-
Beef (3rd grade)	676	689	795	960	1,100	1,138	1,101	1,990	1,857	2,115	2,300	2,380	2,600
Bacon pigs	764	778	859	975	1,373	1,459	1,482	1,330	2,057	2,432	2,200	2,275	2,345
Milk (per 100 litres)	132	132	146	186	215	240	240	285	325	325	340	375	435

Commission, the Maize Board and the Kenya Dairy Board. As will be shown, marketing boards vary in functions, depending on government objectives with regard to the crop concerned. The most critical interventions have been in prices, however. Government has fixed these for producers and consumers as well as providing input subsidies and/or imposing export levies (Meilink, 1985, 20).

Producer prices are set for a range of "scheduled crops and animal products", especially maize, wheat, milk, cotton, beef, sugar-cane, paddy, beans, cashews and pyrethrum. However, since the advent of structural adjustment in the 1980s, some of these prices have been de-controlled. By contrast, producer prices for fruit and vegetables have been generally determined by supply and demand. Tea, coffee, and sisal prices follow international ones less marketing costs, taxes and levies. Barley and tobacco prices are set by the manufacturing enterprises using them as inputs, i.e. Kenya Breweries and British American Tobacco.

Consumer price recommendations for a range of food commodities are formulated inter-ministerially and subsequently gazetted by the price control division of the Ministry of Finance and Planning. The number of controlled items has fallen in the last three years, mostly as part of the adjustment reforms.

Taking 1978 as a base year, producer prices of all the major crops except coffee have been rising steadily (Table 6), largely as a result of regular reviews. The nominal prices of maize and milk, for example, have risen more than 200 per cent since this time. Coffee by contrast rose in nominal terms only by 30 per cent to 1987, since when it has actually fallen.

Producer prices were similar to world prices during most of the 1970s, slipped to around 76 per cent of import parity in the early 1980s but were restored to around import parity in 1986 (Bigsten and N'dungu, 1992). There are exceptions to this rule — the most important of which is wheat, whose price is around 75 per cent higher than the world price (*Financial Times*, 8 January 1992). But as already indicated, export crop farmers have frequently complained of deductions from these prices.

Another problem is that the world prices of certain key agricultural commodities has fallen rapidly. When combined with exchange rate policy this has led to a downward trend in Kenya's international terms

of trade, which fell by 20 per cent during 1981–88 (*UN Statistical Year-book*, various; *UN Year-book of International Trade*, various). The principal factor has been a dramatic fall in coffee prices at a time when import prices have climbed steeply.

Related to this decline in international terms of trade has been one in agriculture's inter-sectoral terms of trade. These fell by almost 14 per cent from 108.4 in 1980 to 93.4 in 1991 (1982 = 100) (*Kenya Government Economic Survey*, 1992). This trend was strongly influenced by rising (non-labour) input prices, whose real cost rose by over 60 per cent between 1987 and 1991 alone (*ibid*).

The input cost situation has reflected the removal of many subsidies, coupled with the maintenance of a highly imperfect, politicised market. Restrictions exist on the number of importers, improprieties abound in licence allocation, licensed dealers experience delays obtaining letters of credit, while middlemen levy high mark-ups. Besides this there have been considerable problems with donor-financed input supplies. Donor supply of fertiliser was linked in the 1980s to subsidy removal and market liberalisation. Familiar problems of variations in quality and inappropriateness to local conditions were thus often compounded by politically-determined delivery times. More recently, fertiliser consumption has shown a declining trend. Having risen from between 130–200,000 tonnes per annum during 1980–84 to between 227–285,000 tonnes in 1985–88, it fell back to 220,000 tonnes in 1990.

The significance of negative trends in agricultural terms of trade is particularly sharp in Kenya, as agricultural producers of all strata are also heavily involved in other economic activities. Sensitivity to changes in returns to labour between branches of production is therefore high.

A final major cause of poor agricultural performance in Kenya has been economic and political mismanagement of parastatal marketing enterprises, albeit in the face of increasingly adverse external conditions. This has led to inefficiency, low farmer morale, low productivity and a major drain on the state exchequer. There are currently about forty parastatal boards and agencies in the agricultural sector. Virtually all major crops have a board responsible for overall crop development and/or marketing and industry regulation and in addition there are specific and general development and credit agencies. Regulatory boards in-

clude the Kenya Sisal Board, the Kenya Dairy Board, the Pyrethrum Board, the Pig Industry Board, the Tea Board of Kenya and the Kenya Horticultural Development Board. Commercial boards include the Coffee Board, Kenya Meat Commission, the National Cereals and Produce Board (NCPB), the Pyrethrum Marketing Board, and the Cotton Lint and Seed Marketing Board (CLSMB). Examples of development boards include the Kenya Tea Development Authority and the Agricultural Development Corporation. A brief discussion of two of these parastatals will be used to give a flavour of the general character of their operations.

The Agricultural Finance Corporation (AFC)

The AFC was established as a statutory body in 1963 to provide credit facilities to both large- and small-scale farmers. It is today the largest single agricultural credit institution in the country, making soft loans for both short and long term farm improvements from its thirty-six branch network. AFC makes loans under five main schemes: Seasonal Crop Loans, which are available to cultivators of maize, wheat, barley, vegetables, beans and cotton; general farm development loans, which are available for farm mechanisation, small scale irrigation works, etc; ranch development loans; group farm rehabilitation loans; and land purchase loans.

The effectiveness of AFC as an agricultural lending institution has been adversely affected by politicisation of credit provision. Large loans have been advanced to senior politicians who have used their political connections to refuse to repay them. Recent reports from the Auditor General (Corporations) reveal that large loans advanced to senior politicians were never adequately secured and have not been serviced. There have also been occasional district-wide write-offs of debt in some parts of the country, largely politically motivated. Such write-offs have tended to discourage farmers in other parts of the country from repaying in anticipation that their loans would also be written off.

The use of AFC as a political instrument was graphically demonstrated just before the 1988 (single-party) elections when a number of well-known politicians were asked to pay off their loans before they were cleared to vie for nomination to parliamentary seats by the then sole political party, KANU. The names of the loan defaulters released

to the public were interestingly people who were known to have fallen out of favour with the regime. Between them they owed millions of Kenya shillings. The appointment of AFC managers has also reflected the desire by the political elite to keep the institution in the hands of people related to or closely associated with the top political leadership. Politicisation of this vital agricultural credit institution has deprived deserving farmers of credit facilities, with adverse effects on agricultural production.

The Agricultural Development Corporation (ADC)

The ADC was established in 1965 and charged with promoting and executing schemes for agricultural development and reconstruction in the country, through providing assistance to agricultural projects and enterprises. Initially ADC's primary preoccupation was the implementation of the Land Transfer Programme (LTP), which entailed assisting individual or groups of indigenous Kenyans to buy former settler farms through a Tenant Purchase Scheme, leasing farms to prospective farmers, and rehabilitating run-down farms left behind by the white settler farmers. In the decade after its establishment, ADC made considerable progress in the implementation of the LTP.

When the LTP came to an end, it became necessary to redefine ADC's objectives within the framework of its broad terms of reference. Due to its experience and successful record, the corporation was considered a suitable institution to manage selected farms in the national interest. By the 1970s ADC was maintaining many farming units, especially in the Rift Valley and subsequently became an important and profitable producer of commercial cereals.

ADC has also been the largest producer of hybrid and improved seeds for important crops including maize, wheat, various vegetable and horticultural crops, sugar cane, and pasture grass seeds, and is the main custodian of National Breeding Studs for different types of livestock. Government investments in some agro-industries of strategic importance to the development of the sector are also channelled through ADC which has the responsibility to ensure sound investment and management policies by the companies concerned. In this connection, ADC holds shares in a number of agro-industrial parastatals and jointly-owned enterprises.

Recent measures taken by the authorities threaten the future of ADC. In the last decade many of the ADC farms in Rift Valley, Eastern Province and some other parts of the country have been sold at throw-away prices or even distributed free of charge to politicians, senior civil servants and senior military officers. This is rapidly reducing the income of ADC and hence its ability to produce hybrid and improved seeds and livestock breeds.

This review of factors involved in Kenya's agricultural decline has identified ecological constraints, the prevailing pattern of ownership, price and taxation issues, changes in terms of trade and the politicised role of parastatals as central problems. The last of these issues primarily involves small groups of politicians, state officials and private businessmen reaping major gains at the expense both of the broader farming population and the efficient functioning of the state itself. Some of the individuals involved are also beneficiaries of the skewed pattern of land ownership. However, the dualistic land ownership structure also benefits a broader group, some of whom have been penalised via decisions by or involving particular parastatals. These last observations raise the more general issues of interest groups in Kenyan agriculture.

INTEREST GROUPS AND KENYAN AGRICULTURE

Agricultural policies and the policy reform processes in Kenya have been significantly influenced by the competing interests of various groups. The main groups involved include small- and large-scale farmers, politicians, bureaucrats in the marketing boards, manufacturers, consumers and others. Discussion here will be confined to the first five of these groups. Though analytically distinct their interests often overlap. Moreover, their interests are subject to redefinition over time.

The power of small-scale farmers to influence policy formulation and implementation is based on their numerical strength and dominance in the production of certain crops, while that of the large-scale farmers is derived from the fact that they are better organised, more cohesive and partially overlap with the political elite or have easy access to the levers of national political power.

Large-scale farmers have had traditionally more say in the country's major agricultural organisations such as KPCU, the Kenya Farmers'

Association (KFA), Kenya Cooperative Creameries and the Kenya National Farmers Union (KNFU), despite the fact that small-scale farmers comprise the majority of members of most of these organisations. Further, more often than not, leadership and management positions in these organisations have been held by large-scale farmers with particularly close relationships with the political elite. Conversely, when articulating critical positions, leaders of these bodies have often been directly co-opted into government. For instance, one of the most vocal leaders of the Kenya Coffee Growers Association (KCGA) in the 1980s, Mr. Zakaria Gakunju was adopted by KANU as a member of parliament for Gatundu constituency in the 1988 general election and later appointed as an Assistant Minister. Similarly, Mr. Reuben Chesire, former Managing Director of KFA before it was abolished and replaced by the Kenya Grain Growers' Cooperative Union (KGGCU), became a member of parliament for Eldoret South and is also an Assistant Minister.¹

Such people have been absorbed into government as a way of weakening the power of the organisations they led. The departure of Gakunju from KCGA led to the decline of the once powerful coffee lobby and paved the way for its later proscription by the government. This illustrates that interest group influence is not simply a matter of the economic weight enjoyed by a specific economic sub-sector or status group, but also reflects whether groups are collectively represented in the political elite itself. This in turn depends on the outcome of intra-elite struggles. The coffee lobby's original influence was based, for example, not only on the crop's importance for Kenya but on the large number of coffee farmers in the government of President Jomo Kenyatta. During the 1980s government has been increasingly dominated by private economic interests of a different sort — including businessmen/farmers west of the Rift Valley involved in commercial grain farming.

Kenya governments in all periods have extensively used agricultural

1. Mr. Gakunju resigned from KANU in 1992 and contested Gatundu constituency in the December 1992 multi-party elections as a candidate of FORD-Kenya. He finished in third place behind FORD-Asili and Democratic Party of Kenya candidates. Mr Chesire, whose relations with other members of the elite seem to have remained strained, did not receive the KANU nomination in the 1992 elections and was therefore unable to defend his parliamentary seat. (Editor)

marketing boards and other parastatals as an instrument of patronage with respect to important personalities, socio-economic constituencies and regions. Reduction of the number of these bodies is thus resisted as it would reduce the ability of government to grant favours in exchange for political support. For example, the promise of lucrative appointments as managing directors and chairmen of agricultural boards has been one of the most utilised methods of acquiring support or neutralising opposition from key groups like academics, as well as various ethnic communities, especially in the 1980s.

The Kenya government has particularly used one of the country's major agricultural parastatals, the NCPB, to achieve political goals. As a result of the monopoly enjoyed by NCPB in the domestic buying and distribution of maize and other grains, the allocation of the highly coveted licences for inter-district movements of maize became an important source of new political clients during the decade (Toye, 1992, 117). As Bates (1989) has shown, this is nevertheless only part of a wider political role played by NCPB. The droughts of 1979–80 and 1984–5 enabled the government to extend patronage in the form of employment and transport contracts as well as to execute a major shift of economic resources to the Rift Valley, under the guise of attaining food security. All functions related to storage and distribution of grains were brought under the control of the Office of the President, before being transferred to NCPB. Not only did local politicians use their influence to open buying centres, they also gained control over who staffed them and who received contracts for transporting produce from them (Bates, *ibid*). The Rift Valley is of course the President's political base.

More recently there have been complaints that government has used marketing boards to manipulate agricultural prices in order to achieve similar regionalist political goals. The recent controversy over the payment of tea farmers has brought this issue into the open. The rate of payment for green leaf has traditionally varied from factory to factory, depending on the quality of tea delivered. In the latter part of the 1980s, certain farmers and politicians began complaining about the fact that farmers in Central and Eastern Provinces were receiving higher rates of payment for green leaf delivered than their counterparts in western Kenya. Politicians representing the latter attributed the discrepancy to favouritism, since the Chief Administrator of KTDA was from east of

the Rift Valley. On the other hand, farmers and politicians from Central and Eastern Provinces argued that their higher prices reflected higher qualities of leaf, better husbandry and the fact that the moisture content of fresh green tea leaves was lower to the east of the Rift Valley.

The government's subsequent attempt to introduce a uniform rate of payment all over the country led to strong resistance, with farmers in Central and Eastern Provinces threatening to uproot their bushes, arguing that a uniform rate of payment would amount to farmers in the east subsidising those in the west. This dispute continued in the early 1990s with tea farmers in Murang'a, Kirinyaga and Nyeri boycotting picking in July 1992 and staging demonstrations. Government attempts to interfere with the activities of KPCU in the late 1980s have been viewed by some local observers as part of this same strategy, as well as an effort to weaken an organisation whose political power had risen tremendously. Besides this, they have been seen as an effort to foment small-farmer opposition to the large-scale coffee farmers who have traditionally dominated the management of KPCU. The Government had for some time felt uncomfortable with this group, who were proving an organised and articulate force with regard to agricultural policy generally.

Because politicians in all Kenyan governments have normally been large farmers of one kind or another, they have usually pursued specific economic interests with respect to agricultural policy, as well as purely political ones. This is nowhere clearer than in relation to the issue of input subsidies. Subsidies on land, water, fertiliser, pesticides and mechanised inputs have all benefited politician-farmers (Bates, 1983, 115), for these are all, in effect, subsidies targeted at large farmers. Hence their removal has met stiff resistance.

The bureaucracy employed by the various agricultural parastatals is another distinct agrarian interest group. The management of various marketing boards, accustomed to extracting surplus from farmers in various ways, have resisted reform measures which threatened their position. The fight put up by the KPCU management to continue acting as the Commission Agent for payment to coffee farmers instead of relinquishing the function to the Co-operative Bank of Kenya (CBK) as donors were demanding, demonstrates this tendency. This reform, financed by the World Bank under the Smallholder Coffee Improvement Programme II, was meant to improve the speed of coffee payments in

order to encourage farmers to increase production. However, because of the politics of the coffee industry, KPCU management's resistance on this occasion received only lukewarm elite support (see below).

A similar struggle was waged by the management of the Kenya Co-operative Creameries (KCC), which has more or less enjoyed a monopoly in milk processing and marketing. During this struggle the Chairman of KCC described the behaviour of farmers, who started selling milk directly to the private buyers following the decontrol of milk prices in early 1992, as displaying a "...mercenary attitude which could lead to the disintegration of the KCC" (*The Standard*, 17 June, 1992).

Manufacturers constitute the final interest group in relation to the agricultural sector which will be discussed here. Their interests have generally differed from those of agricultural producers. Manufacturers involved in agro-processing — at least of non-grains — have been generally satisfied with the role of marketing boards, who have normally used their powers to maintain low prices of raw materials. Like the government, these manufacturers have justified these prices by arguing that availability of cheap domestic raw materials encourages foreign investment and enables the use of the labour-intensive technologies necessary for employment security and creation.

However, manufacturers have also favoured an over-valued currency which enabled them to import raw materials and equipment cheaply. This has also worked against the interests of producers of export crops. The government has generally tended to adopt policies favoured by the industrialists due to the latter's lobbying through organisations such as the Kenya Association of Manufacturers and the National Chamber of Commerce and Industry — and because members of the ruling elite have themselves frequently had interests in this sector too.

STRUCTURAL ADJUSTMENT AND KENYAN AGRICULTURE

Until 1980 the World Bank's involvement in Kenya was mainly in the form of direct project lending. Most finance to the agricultural sector prior to this was not pegged to the adoption of specific macro- or micro-economic policies. Although the Kenyan economy was not as highly distorted as that of many other African countries (Lele and Meyers, 1989, 6) the World Bank then became concerned with the need

for reform in a number of areas, some of which have already been indicated in passing.

Differences of emphasis and some strain in relations between the Kenya government and the World Bank began to emerge during the second Structural Adjustment loan (SAL II), whose disbursement began in 1982. Within the agricultural sector (and more generally too) these differences were to revolve around reform of the grain marketing system. Initially emphasis was also placed on pricing policies but here agreement proved far easier to reach. The Kenya government readily agreed to the realignment of export crop prices with world market prices in the early 1980s, and parities have been maintained ever since. Later too, as already indicated, smallholder export crop payment systems fell under scrutiny.

The argument for grain marketing reform was that a gradual transfer of marketing and distribution to private traders would serve more efficiently the goal of balancing supply and demand, as well as easing the financial problems arising from the chronic deficits of this and other marketing boards. World Bank proposals to restructure NCPB were initially focussed on removing restrictions on inter-district movement of maize and other cereals, with a longer-term goal that the organisation occupy only the roles of buyer and seller of last resort and custodian of national strategic reserves. This would have required the development of integrated stock and financial management systems, particularly for maize, wheat and rice. These reforms are still on the agenda a decade later, despite various donor conditionalities. As the years passed, similar reforms were proposed with regard to the cotton board, CLSMB.

Distribution, marketing and pricing of agricultural inputs was another area given attention in agricultural sector reform proposals. The main focus here was the removal of price distortions and obstacles in fertiliser marketing distribution through price decontrol and a relaxation of the import licensing system.

Efforts were also made to redefine credit policy and restructure AFC, in order to make the credit system more efficient and reduce the level of bad debts which characterised the institution.

Finally, land tenure has been given some emphasis at certain stages of the reform programme. As far back as 1974 the World Bank had urged the government to facilitate the sub-division of more large farms

into smallholdings and to speed up the issuing of title deeds as a way of promoting a competitive land market (Lele and Meyers, *ibid*). The idea of introducing a land tax to encourage intensive and efficient land use was mentioned in the third Five Year Development Plan (Kenya Government, 1974) but was never pursued due to opposition from powerful groups. Attention subsequently focussed on the narrower issue of accelerating the process of titling. This had been under way since the 1950s, but had been proceeding rather slowly since the late 1960s. Resource constraints on its progress remain.

Up to November 1991 the process of implementing structural adjustment in Kenya was not characterised by public controversy, as had been the case in some African countries. Nevertheless, the implementation record has not been impressive. Adjustment-related agricultural reform in the country has been characterised by considerable official ambiguity and covert and overt resistance. While the government has given the general impression that it was not opposed to the proposed agricultural and other economic reforms, only half-hearted efforts were made to implement them. In certain cases, the government openly resisted reforms, especially with regard to grain and cotton marketing and fertiliser pricing and distribution, in spite of apparent agreement on their desirability between the World Bank's staff and ministry technical staff. As Toye (1992, 118) has argued, this reflects the fact that the President and many of his closest allies have strong personal stakes in agribusiness and that "...distortions objected to by the Bank formed an important part of the mechanism for ensuring political support for the president's party". Hence, while, for example, the World Bank has put emphasis on the restructuring of the NCPB to confine its role to being the buyer and seller of last resort, the Kenyan government has maintained the somewhat oblique counter-argument that there was no serious distortion in the maize producer price and that the threat of food shortages necessitated central regulation. The government was only prepared to implement relatively less important measures such as allowing inter-district movement of larger amounts of maize, although even this did not proceed without local impediment. The creation of the government-controlled Kenya Grain Growers' Co-operative Union in 1984 to replace the more forceful and independent KFA, meanwhile not only served to quiet the voice of an important oppositional constituency, but enabled

the state to give the impression that a degree of competition had been introduced.

Although cereals continued to attract great attention from the World Bank in the Agricultural Sector Adjustment Operation of the period 1985–88, few changes were achieved by the donors except the reduction of the number of maize buying centres which had proliferated in certain areas, largely to serve political interests, during the drought of 1984. Even by 1992 only a few reforms had been implemented with regard to grain marketing. One of these is a relaxation of restrictions on inter-district movement of grains, which now makes it possible for private traders to transport a maximum of 88 (90 kg.) bags without requiring a permit.² Others include a relaxation of the rules to allow grain millers to purchase some limited amount of maize directly in the market and the licensing of private wheat importers. Attempts to restructure NCPB and have its functions limited to maintenance of strategic reserves and to serve as the buyer of last resort have got nowhere.

Of the other proposed changes, headway was made only with reforms to price policy, CLSMB and fertilisers. As indicated, in the case of price policy it seems the donors were pushing on an open door. However, agricultural taxation remains a serious issue, since extraction of surplus from Kenyan peasants has historically taken the form not of setting official prices at confiscatory levels but of various deductions from the official producer price.

Reform of CLSMB, hastened by an extremely serious cash crisis and the Board's relative political marginality, involved divesting it of its buying and ginning functions and restricting its sales to those of cotton lint through an auction system. Meanwhile fertiliser policy has been modified by the removal of subsidies and price controls, by liberalisation of access to import licenses, by increasing the availability of credit to importers and by privatisation of retail fertiliser distribution.

The World Bank's other objectives have been wholly or partly stalled. KPCU organised to resist being deprived of its function of distributing coffee payments, arguing that this was a political move with – by implication – regionalist implications. The government intervened

2. Evidence shows that this was not implemented on the ground. Late in 1992 it was in any case officially revoked (see Ikiara, Jama and Amadi, 1992). (Editor)

and eventually in 1992 a compromise was reached whereby CBK would handle payments to smallholders while KPCU would be responsible for payments to large-scale farmers and estates.³ Efforts to reform AFC have apparently been successfully resisted. Nor have there been any significant developments with regard to land tenure in spite of the fact that a review of land use policies was undertaken by a Special Task Force established by the Government in mid 1980s, which came to broadly similar suggestions to those in the 1974–78 Development Plan.

So little of the adjustment package has been implemented – and that generally for only a short time – that any assessment of its impact is difficult. Only in the case of fertiliser consumption has any clear new trend emerged (a negative one), but even here it is probably too soon to say with confidence that this will be long-term. What is clearer is that adjustment's implementation has been generally blocked by a political elite, who have a wide range of well entrenched state-protected interests. Membership of the elite and the nature of these interests underwent a certain degree of change after the death of President Kenyatta, and this led to an intensification of political intervention in agricultural institutions. It is these interventions, and not those of the World Bank, which have so far been the decisive factor in determining the fate of Kenyan agriculture.

3. In October 1992 President Moi announced that KPCU would be allowed to resume control over smallholder payments as part of a complete restructuring of the industry. This plan, however, appears to have been put on ice indefinitely. (Editor)

Urban Women Workers in the Informal Sector and Economic Change in Kenya in the 1980s

Agnes Musyoki and John Aluko Orodho

Increased unemployment, rising prices and falling wages are some of the most negative effects of economic crisis and recession, and to a lesser extent structural adjustment policies, in Kenya. High inflation, a consequence of devaluation, has reduced real wages. Food prices have increased as a result of a stagnation in agricultural production and government's withdrawal of subsidies and price decontrols. This has meant a lowering of the living conditions of the majority of people. The worst affected, however, have been the urban poor. There have been substantial cuts in public spending, which have meant higher levels of cost-sharing in health, water and education. The poor depend on these services a great deal and their removal has been a major economic blow to these vulnerable groups (UNICEF, 1989). However, other groups have been badly effected also.

Women constitute some of the poorest members of society and therefore bear the brunt of the short term costs of the adjustment process. They also play a key role in maintenance of households of all strata. These changes have reduced the resources they depend on to fulfil these roles and have forced women in consequence to stretch their unpaid labour to cover the shortfall. Women now spend more time and money obtaining food, water and health services. More time, for example, is spent on buying cheaper foods that take longer to cook, and in making and repairing clothes. In the rural areas women grow food crops on increasingly marginal land as production of export crops has been stepped up to service debt. Meanwhile, women's unpaid labour is still expended to service male access to income-earning crops. In the formal sector women are the most affected by lay-offs, since they are usually employed in low status and expendable jobs. As a result, women have had to search for new survival strategies. As a rule this means participating in the informal sector where they may be exploited, oppressed and har-

assed and where poor incomes and poor working conditions are common.

The aim of this paper is to review the situation of urban women in the informal sector in Kenya during the 1980s. It begins by discussing the economic participation and status of women in urban areas. A discussion of the informal sector, its development and women's role in it forms the next part of the paper. Kenya government and World Bank policies towards the sector are then described. The impact on urban society of economic crisis, recession and stabilization and adjustment is then reviewed. Finally, the response of urban women to these changes is indicated.

URBAN WOMEN WORKERS IN KENYA

The overall rate of population growth in Kenya increased rapidly from 1962 to sometime during the 1980s. Since 1979 it has been around 3.4 per cent per annum. Throughout the independence period, urban population has grown at a much faster rate. Urban areas' share of Kenya's total population grew from 7.8 per cent in 1962 to 14 per cent in 1979 and to 19 per cent in 1989 (*Kenya Government Economic Survey*, 1991, 33). This trend is likely to continue and by 2025 it is estimated that about 45 per cent of Kenyans will live in urban areas (UNICEF, 1989, 13). In absolute terms the urban population rose from 2.4 mn. to 3.8 mn. in the decade to 1989. Kenya now has six cities with populations exceeding 100,000, the most rapidly growing of which are Machakos and Nakuru.

During the colonial period, very few African women came to live in urban areas, which were mainly the preserves of Europeans, Asians and African male migrants. When women moved to town in the colonial period it was usually after being displaced from their husband's land after his death. According to 'Stitcher (1977) the earliest form of African women's participation in urban income-generating activity was through prostitution. Later, women also generated income through beer brewing, employment as maids and renting out rooms to men.

After independence, women began to move into towns in larger numbers. At first, most of these women were semi-educated and mainly seeking to escape from lives of hard labour and patriarchal obedience,

and/or to find husbands, but later more educated women came to town and competed for jobs with men. Women's wage employment grew rapidly, to constitute around 14 per cent of total formal employment in 1970 and 18 per cent in 1980 (Mbugua, 1989, 97).

From the outset, most female migration in Kenya has been of single women. While it is acceptable for women to migrate to the city to earn money for marriage, for education of children, for the purchase of land or for accumulation of capital, it is far from acceptable for women to come from rural areas to the city if they are married. Most women today, particularly those of low economic status, find that if they move to town to join their husbands their family in the rural areas may be displaced. Most Kenyans therefore retain two homes, often referring to the one in town as the "house" while the term "home" is reserved for their rural dwelling — where they usually own a little land. However, Ross (1975) found that among the better educated and high income groups, there was a greater likelihood of wives living with their husbands in towns.

In the 1980s and 1990s, while the migration rate for women has been almost equal to that of men, the rapid increases in female employment of the 1970s have not been sustained. The latter has continued to grow faster than men's employment (rising to 21.3 per cent of total employment in 1990: *Kenya Government Economic Survey*, 1991, 40), but the number of new women's jobs had declined to around 15,000 per annum. For women who migrate now from rural to urban centres, the prospect of unemployment has become a normal one and informal sector entry is the most realistic option.

THE NATURE OF THE INFORMAL SECTOR

Since Hart's (1973) study of the informal sector in Ghana, much energy has gone into defining the sector or disputing whether it is a sector at all, given that it is regarded as covering everything from small-scale manufacture to prostitution and drug peddling. One definitional trend has been to identify the sector with enterprises operating outside of government regulation (ILO, 1972; Mazumder, 1976) a line of argument which in some respect borrows from Hart's emphasis on the centrality of crime and prostitution. However, it is clear that most enterpri-

ses obey *some* laws and regulations and pay some forms of tax. Others have questioned the numerical significance of "outlaw" groups within the sector as well as pointing to the over-categorical character of Mazumder's approach. This questioning has led to a growing tendency to identify informality simply with small-scale enterprises (small-scale with respect to numbers employed) (Livingstone, 1991; Kinyanjui, 1992). This definition has problems too since it can lead to some extremely highly capitalised organisations (including for example, property development companies, stockbrokers, legal practices, etc) being counted together with street vendors.

Recent efforts by Kinyanjui (*ibid*) to conceptualize what she refers to as "small scale and medium sized enterprises" (SSME) in central Kenya reflect this difficulty. She rejects the use of the term informal sector and argues that in order for so-called informal activities to receive the political and statistical recognition they deserve there is a need to separately identify different activity branches — whether trade, manufacturing or services — and treat them as independent entities. Her study then examines small manufacturing enterprises in relation to issues of size, sub-sectoral specialisation and location. Her major findings are that a majority of these enterprises are viable and dynamic, and that their operators are in most cases aware of all the risks and decide to participate in the activity not because of a lack of other opportunities but because of a recognition of their profit potential. However, in this process of "conceptual clarification", Kinyanjui has actually shifted imperceptibly into the study of a group of small capitalists who, moreover, receive some help from the state. Her findings have therefore probably become inapplicable to small-scale trading enterprises, which for the most part are more legally marginal and lack the government support which male-dominated manufacturing receives.

A similar identification of informality with SSME, albeit from a quite different theoretical viewpoint, is found in the work of Castells and Portes (1989), for whom informality represents a politically generated category of small-scale enterprises deliberately detached from large-scale enterprises with the intention of avoiding labour and other regulations. In this conception the sector serves as a cheap sub-contractor to the formal sector, reducing its costs and softening up its workforce.

More generally, contemporary discussion of the informal sector has

been dominated by the Peruvian economist, Hernando de Soto (1989), who sees the growth of the informal sector as a response on the one hand to vastly accelerated rural-urban migration and on the other to what he calls "mercantilism". The latter is the system whereby one section of private capital in Third World countries is given a privileged and protected relation to the state, in the form of legal monopoly or semi-monopoly, in return for which it pays hefty bribes and cuts politicians into its operations. Those lacking connections or the resources to buy them must operate in a legally grey area, i.e. the informal sector. The principles governing business here are the opposite of the formal sector. Competition is fierce and the state is hostile. De Soto therefore sees the informal sector as separate from and in at least "philosophical" conflict with the formal one. The issue of linkages between sectors (e.g. via sub-contracting) is played down by his concentrating mainly on informal trade and transport.

De Soto also emphasises that the informal sector is internally highly stratified. However, this stratification is optimistically viewed as a reflection of the life-cycle of enterprises. For example, the two clearly defined categories of informal trading — street vending and informal markets — are viewed not as rigidly compartmentalised activities but rather as different stages of development of the same businesses. Those who start out as street vendors do not do so with the idea of remaining on the street forever, but with the intention of moving at some point to markets away from the public thoroughfare in order to conduct their activities under better conditions. Moreover, there are intermediate stages in this process, for example the selling of merchandise or provision of services from fixed points on the public thoroughfare.

On the other hand, there are unavoidable costs and difficulties which the enterprise life-cycle cannot overcome. The informal sector's dynamism is inhibited by the general increase in transaction costs which legally grey status implies. To avoid detection, informals avoid entering markets or using capital goods which would make them more noticeable to the authorities. They are further deterred from other long-term investments due to the high levels of risk. There is a corresponding tendency to rely on threats and violence to enforce contracts, and/or to incorporate and/or restrict economic networks to within the family.

De Soto's emphasis on the origins of contemporary informality in

popular survival strategies is carried forward in the "multiple modes of livelihood" (MML) approach advanced by Mustapha (1992) and others. MMLs refer to diversified means of raising extra income via acquiring additional jobs — not only on the part of the unemployed but by those sections of the population dependent on fixed salaries. In the Third World, like the former the latter have been faced by massively falling levels of real wages and increased costs of goods and services. Initially confined to the working, and artisanal classes, MMLs are now engaged in by wide groups of the middle class and professions.

MML strategies are related to two other phenomena. The first of these is the increased differentiation in consumption patterns which has emerged during Third World recession and adjustment, whereby salaried and wage employees have to find new, cheaper substitutes for formal (western) goods and services. The second is the increased level of differentiation of informal producers and service providers, as a section of the middle class moves part of its resources into capitalising its "sideline" operators. Of course many of these operations are not so sideline, although a feature of multiple modes of livelihood is that formal sector employment continues to be used as a source of revenue and as a source of other resources (political and business connections, etc) even if it only supplies a fraction of household income.

The discussion which follows will be informed by a perspective borrowing certain elements from more than one of these approaches. The authors feel that the informal sector is indeed characterised by legal marginality, as emphasised in the classical studies as well as those of de Soto and Mustapha, although not necessarily by *economic* marginality. However, the category ceases to demarcate much at all if it is reduced to small-scale manufacturing or sub-contracting. The defining characteristic of the sector is chiefly its link with the survival and income-maintenance strategies of the urban masses, in the absence of other clear legal alternatives.

The involvement of the non-poor in the sector, as emphasised particularly by Mustapha, implies a certain lack of social homogeneity. There seems, though, to be little evidence to attribute this to the rotation of an enterprise life-cycle. Its precise forms and causes remain to be investigated.

THE DEVELOPMENT OF THE INFORMAL SECTOR IN INDEPENDENT KENYA

In the Kenyan context, analysis of the informal sector dates from the ILO's famous (1972) study. This was one of the first comprehensive studies on the sector to have been undertaken anywhere. The report traced the development of the sector in post-colonial Kenya to a combination of increased rural-urban migration and the emergence of barriers to the expansion of formal employment. With the rapid increase in urban population, the trend of absorbing workers in government departments, parastatals and formal sector private companies could not expand indefinitely. Many of the resulting under- or unemployed started *ad hoc* businesses to eke out a livelihood. Most of these businesses involved petty trade in basic household items like charcoal, kerosene, salt, and foodstuffs. At the time these activities mainly attracted women since men still found obtaining formal sector employment relatively easy. However, unemployed youth were also entering the sector in large numbers, a matter attracting the attention of both the Kenya government and the ILO. The latter estimated that in 1969, informal employment was 25–30 per cent of total urban employment and 28–33 per cent of African urban employment in Kenya (ILO, 1972, 255).

In the 1980s, estimates of informal sector size have diverged sharply. Government statistics, which equate the sector with "small-scale enterprises" record it as accounting for 0.25 mn. workers or 17.4 per cent of all recorded employment in 1985, 0.35 million workers or 20.4 per cent in 1988 and 0.44 million or 23.3 per cent in 1990. According to these estimates, informal sector employment was growing by around 13 per cent per annum in the late 1980s. In Central Province and Nairobi, the rate of growth was around 19 per cent per annum (*Kenya Government Economic Survey*, 1991, 46).

The World Bank (1988b) has meanwhile made a calculation which arrived at quite different conclusions. Defining the informal sector labour as a residual category obtained by subtracting modern wage employment and unemployment from the recorded labour force, it computed a figure of 0.72 million, or 30 per cent of all employment outside agriculture.

Livingstone (1991) has argued that these differences reflect a tend-

Table 1. *Persons engaged in urban small-scale enterprise, by sub-sector, 1988*

Urban centre	Manu- facturing	Trade	Restaurants & hotels	Transport & community services	Community & personal services	Total	%
Nairobi	15,054	45,136	8,370	1,114	13,575	83,279	37.3
Mombasa	1,772	11,542	3,570	783	2,415	20,082	9.0
Kisumu/Nakuru/Thika/Nyeri/Eldoret	7,070	23,837	2,979	470	6,326	40,682	18.2
11 next largest* towns	5,603	16,444	1,784	474	5,428	29,733	13.3
Other towns	8,481	23,729	2,284	768	6,491	41,753	18.7
Trading centres	1,019	4,626	839	107	896	7,487	3.4
TOTAL	38,999	125,314	19,826	3,746	35,131	223,016	100.0

	percentage						
Nairobi/Mombasa	16.2	54.8	11.6	1.9	15.4	100.0	—
Kisumu/Nakuru/Thika/Nyeri/Eldoret	17.4	58.6	7.3	1.2	15.5	100.0	—
11 next largest* towns	18.8	55.3	6.0	1.6	18.3	100.0	—
Other towns	20.3	56.8	5.5	1.8	15.5	100.0	—
Trading centres	13.6	61.8	11.2	1.4	12.0	100.0	—
TOTAL	17.5	56.2	8.9	1.7	15.8	100.0	—

* Largest in terms of reported SSE employment.

Source: Livingstone, 1991, 655, based on unpublished Central Bureau of Statistics data

ency on the part of Kenya government statisticians to identify and enumerate only visible small-scale enterprises, particularly those found in trading centres and other urban areas. Artificially excluded are mobile activities such as transport, seasonal activities such as market vending in periodic markets, and dispersed ones such as construction and those which are household-based (Livingstone, 1991). Table 1 shows the number of persons engaged in urban small-scale enterprise by sector in 1988.

Informal construction activity is not explicitly included in Table 1, and there is no obvious heading under which it could be subsumed. The suspicion that it has been missed out almost entirely is confirmed by a glance at the numbers attributed to it in the annual Kenya Government Economic Survey – only thirty-eight persons in 1987, rising to 172 in 1990! (*Kenya Government Economic Survey*, 1991, 47)

According to Table 1, the urban informal transport sector comprised only 3,746 persons in 1988, including 1,114 in Nairobi. However, Kapila et al (1982) for example, estimated that approximately 1,000 matatus (informal sector passenger vehicles) operated in Nairobi on a full-time basis and a further 1,000 operated part-time, constituting 40 per cent of the city's urban transport and making over 200,000 passenger trips each day. The number of matatus in the transport enterprise in the entire country was estimated to have been between 8–10,000 in 1980 and to have reached 20,000 by 1990 (Coopers and Lybrand, 1980; Livingstone, 1991, 653).

There is furthermore good reason to believe that the size of the rural informal sector has been systematically underestimated both in government and World Bank figures. Although these differ wildly in their estimates of the absolute size of the sector in the countryside, both put rural areas' relative share of all informal employment at around one-third of the total. On the other hand, a survey of rural household incomes by the Central Bureau of Statistics (Kenya Government Central Bureau of Statistics, 1977) found that in these areas up to 50 per cent of households were engaged in some form of off-farm enterprise. If this were true, the rural informal sector would dwarf the urban one.

Livingstone (1991) goes on to observe that the importance of non-farm enterprises may be best illustrated by looking at recently published household survey data. For 6,000 rural households sampled in

Table 2. *Persons engaged in the urban small-scale enterprises sector, 1988*

Enterprise	Male Total no.	Female Total no.	%	Total no.	%	% of manufact.
Total small scale enterprise	143,841	79,175	100.0	223,016	100.0	—
Manufacturing	31,543	7,751	9.8	39,294	17.6	—
Grain mill products	673	148	—	821	0.4	2.1
Weaving and finishing textiles	11	1,360	1.7	1,371	0.6	3.5
Wearing apparel	8,552	5,911	7.5	14,463	6.5	36.8
Footwear—not plastic	3,111	21	—	3,132	1.4	8.0
Furniture, except metal	9,403	51	—	9,454	4.2	24.1
Structural metal products	2,672	116	—	2,788	1.2	7.1
Fabricated metal products except machinery	6,385	119	—	6,504	2.9	16.6
Other	736	25	—	761	0.3	1.9
Wholesale/retail trade	66,096	59,248	74.8	125,344	56.2	
Restaurants, cafés, other eating and drinking places	11,748	7,687	9.7	19,430	8.7	
Supporting services to land transport	3,746	—	—	3,746	1.7	
Community, social and personal service	31,023	4,179	5.3	35,202	15.8	
Repair of foot-wear	5,895	59	—	5,954	2.7	
Repair of motor vehicles/cycles	7,891	7	—	7,898	3.5	
Watch, jewellery repair	2,492	9	—	2,501	1.1	
Other repairs	4,817	186	—	5,003	2.2	
Barber & Beauty	2,361	3,547	4.5	5,908	2.6	
Other Services	8,968	371	—	9,339	4.2	

Source: Livingstone, 1991, 656.

1981–82, household non-farm, non-wage and non-remittance income represented 16.9 per cent and farm income 48.1 per cent of total income.

Returning to the question of the sub-sectoral composition of the informal sector, and assuming that the Kenya government is at least record-

ing urban informal manufacturing, trade and personal services in a roughly accurate way, it would appear that the broad category of whole-sale and retail trade easily accounts for the largest number of operators – regularly comprising over 60 per cent of the total (Kenya Government Economic Survey, *ibid*).

Despite the probable unreliability of the figures, they still demonstrate that limiting attention to small scale manufacturing will not capture the situation of the overwhelming majority of participants. For this to be achieved it is necessary to concentrate on petty trade.

WOMEN'S URBAN INFORMAL SECTOR ACTIVITIES

Mbugua (1989) states that women comprised only 17.1 per cent of informal sector workers in 1970, rising to 32.1 per cent by 1982. Livingstone (1991) gives a figure of 35.5 per cent for 1988. These figures all apparently refer to employment in the Central Bureau of Statistics' small scale enterprise (SSE) category only.

Table 2 shows urban women's participation in this SSE category in 1988 to have been overwhelmingly concentrated in the wholesale and retail trades (equivalent to around three quarters of total female participation). Women were relatively over-represented in this area, in textiles and clothing, in restaurant work and in the "barber and beauty" category.

Women's participation in the wholesale and retail trades translates in practice as involvement in the marketing of food, clothing and artefacts. Women are only rarely present in other informal retailing branches such as newspaper vending. In practice, much of women's marketing activity involves "straddling" between trade and productive occupations. For example, some Nairobi food traders own small farms, either outside the city or within it. The latter, "urban farms" have been developed from waste or unutilised land and are used to grow vegetables, potatoes, arrowroot, maize, carrots, beans and flowers. Besides selling direct to customers, women farmers also sell to other vendors on a wholesale basis. Women earn a substantial income from such production, especially during the dry season when they are able to take advantage of piped water from the City Commission. The areas most commonly used for urban farming are Zimmerman, Korogocho, Soko-Mjinga mar-

ket periphery and Githurai (for an extended discussion see Freeman, 1991).

Tailoring and dress-making is another production activity in which women urban informal operators participate. However, it can require a substantial sum of money to enter. Types of dress making/tailoring engaged in therefore depend on the capital available to the entrant. Those with meagre resources concentrate on repairs while those with some capital can win tenders for making uniforms for institutions (e.g. hotels, schools and churches). In some cases, particularly those where women are well established in the business, informal apprenticeships are offered to young unskilled entrants. Fees range from KSh. 250–400 per month, depending on the total number of hours taught. Such informal apprenticeships are increasingly popular as most girls/women can no longer afford the fees or meet the conditions of entry at institutions such as Youth Polytechnics or the Singer Tailoring Schools (Orodho, 1992, 114).

Costs of making up a dress depend on the style and type of material chosen by the customer. Those supplying materials are charged KSh. 100–750 and those who do not are charged KSh. 300–1,500 per piece. Tailoring and dress-making have experienced a boom in the past few years as women's fashions continue changing fast, while demand for ready-made clothing is weakened by its high cost. Tailoring is also increasingly dominated by new entrants of middle class origin, who have capital to invest in several sewing machines, proper premises and good quality materials.

A third production activity undertaken in tandem with retailing by women of all social strata in Nairobi is handicraft production, including knitting, tie and dye, basket-weaving and mat making. Such activities may be carried out individually but the current trend is toward group work. The *kiondo* (basket) business is now of international repute and colourful and intricate Kenyan sisal baskets and bags are found in craft shops the world over.

Petty trade carried out by Nairobi women involves small-scale sale of foodstuffs (vegetables, fish, fruits, etc), household utensils, *mitumbas* (second hand clothes) and kerosene. It is carried out in open-air markets such as Ngara, Soko-Mjinga, Jericho, City Park, etc. and in the city centre in the busy streets around River Road. Other operators hawk

from house to house in the residential areas or sell from temporary structures or kiosks.

This activity is heavily over-subscribed in Nairobi for obvious reasons. In the first place it requires little capital to enter. Secondly, because women can carry it out near to where they reside, it can be combined with household duties. Selling near to one's place of residence also reduces transport costs. Most of the commodities described are bought either from Wakulima market near Kenya Railways headquarters or from Gikomba market and are transported to local markets for re-sale. Some *mitumbas*, bedding, shoes and watches are acquired from neighbouring countries or at border towns such as Busia, Namanga and Isiolo. Kerosine is also occasionally bought on the black market from road tankers operating from Mombasa to neighbouring countries, before being resold at exorbitant prices.

Despite the fact that most vegetables and fruits sold in Nairobi originate from nearby districts such as Kiambu, Machakos and Muranga, where prices are low, the cost of transporting them to the main wholesale markets in town is high. At Wakulima and Gikomba they are first sold to middle-men (and women) before resale to market women. The latter often face transport difficulties as they own no vehicles and public transport operators prefer not to carry heavy luggage, especially in rush hours.

According to female vegetable traders interviewed informally at Githurai, Zimmerman and Kahawa West markets, receipts vary sharply according to the progress of the month, i.e. whether customers have been recently paid, or are half-way between pay-days (*mwezi*-corner) or are in the month's last days ("passion week" — i.e. the week of suffering and anticipation). Receipts also varied with the agricultural seasons, i.e. according to the supply situation. From the middle of the month until "passion week", customers were given goods on credit. In some cases, they default or are only able to pay by instalment. As a result, the situation of women petty traders is often precarious and there is some turnover in participants. Average monthly profits range from KSh. 300–2,500, depending on a number of factors including location.

Hawking comprises not only selling vegetables from door to door but also selling cooked maize, oranges and soft drinks at roadsides and to travellers at bus stops and on public transport vehicles. Hawkers enter

buses with their goods, sell them to passengers and alight at the next step. They are usually not charged for these short trips and enjoy cordial working relations with bus conductors and drivers — generally the result of occasional gifts of foodstuffs, etc.

There are also women who prepare inexpensive meals and sell them to casual workers at building sites. Most casual labourers are served food on credit and pay each Friday. The food is usually *githeri* (a mixture of maize and beans, served with porridge) and modestly priced at KSh. 5 per day. If such a woman, assisted by her eldest daughter(s) or relatives, can sell to about 50 labourers each day, she will earn KSh. 1,500 over six working days, or KSh. 6,000 over a month. Subtracting the costs of buying vegetables and cooking oil, of transport and hired labour for cooking, most women interviewed confirmed they usually had a net income of KSh. 3,000–4,200 per month (depending on their number of customers). This is equivalent to the income of many middle-grade workers in the public sector, except that it is untaxed.

Turning to the personal services sub-sector, a few words will be said about hairdressing and prostitution. African women hairdressers and especially hair-salon owners are rare in Nairobi, mainly because entry costs are high. Many salons are male-owned and women only work there. Furthermore, hairdressing is relatively skilled. Thus, like dress-makers, women salon owners tend to be of relatively high status. Nevertheless, most of those observed were using second-hand equipment.

Some informal hairdressing cooperatives or companies exist, combining plaiting with more specialised styling. Plaiting can be done by any woman, requires no equipment and can be performed at open air salons, at market stalls or in private houses. Other styles need more specialised training to execute and it is usually difficult to find women who are conversant with all current styles. Therefore groups of women are formed who individually specialise in particular styles. Some women acting as small employers also hire specialised labour on a commission basis. Hired hairdressers are paid between KSh. 150–500 per day according to the number of customers.

At Kahawa West market hair salon in April 1992, the most popular style was called “artificial hair weave”. Customers were charged KSh. 200–500 for an “artificial” styling, depending on whether the customer

supplied their own synthetic or "artificial" hair. Plaiting was considerably cheaper. Children were charged KSh. 15–45 while adults paid KSh. 30–50, depending on the time taken to unplat the previous style. As of April 1992 the most expensive styling technique was "weaving", which cost KSh. 500–1,000. Price levels depended on salon location and season (prices rose at Christmas, Easter and Idd el Fitr).

According to Stitcher (1975), the earliest female participation in income-generating activities in urban centres was in prostitution, for a ready market of (temporarily) unattached Europeans, Asians and the growing number of African urban males. Throughout the colonial period, it was one of the few urban occupations (along with beer brewing), which provided an income enabling women to live independently, buy clothes and lodging and support their children either in town or their rural homes. A good portion of income from it was used in buying or building houses in which lodging spaces were rented to men. Stitcher gives an example of Nairobi's African sections of Pumwani and Pangani which had a total of 510 houses built of wattle and daub, of which about 134 were owned by women, many of whom had purchased them with funds from prostitution.

According to Nelson (1979), the "entertainment industry" in Nairobi now mainly consists of the provision of alcohol and commercial sex. In the evenings, on their days off, or at the weekend, men from the neighbourhoods surrounding Mathare Valley and elsewhere in Nairobi flood into the Valley looking for beer and companionship. They stay till late at night, roaming the alleyways looking for prettier faces, fresher beer, more lively talk or entertainment, or a woman willing to let them stay overnight. At present, there are various forms of commercial sex or prostitution, from hard cash transactions to male supplementation of girlfriend's incomes through rent, clothing, hairdressing etc "allowances". These may differ in scale, and in form and degree of exploitativeness, but they have a common monetary content. AIDS does not seem to discourage this enterprise to any significant degree.

The informal sector is undergoing noticeable changes in terms of the characteristics of the participants and their activities. A single urban working or middle class wage is no longer adequate to support the average family (let alone extended family dependants), and not even the trading activities of wives or their salaries can guarantee continued ac-

cess to minimum levels of subsistence. For a majority of Kenyan employees, the answer is to engage in multiple economic activities. For example, teachers/lecturers are preoccupied with commercial tuition (or better, coaching), while doctors/nurses/clinical officers are busy attending to private patients after working hours (Orodho, 1992, 40–41). “Traditional” informal operators are also increasingly straddling formerly separate specialisations. In the case of street vendors for example, one common observation in the streets of Nairobi is of individuals operating simultaneously as cobblers, shoe-shines, cigarette and sweet sellers as well as newspaper vendors.

KENYA GOVERNMENT AND WORLD BANK ADJUSTMENT-RELATED INFORMAL SECTOR POLICIES

Since the ILO employment mission to Kenya in 1972, there has been a growing interest in the capacity of the informal sector to provide employment for a sizeable proportion of the urban labour force in Kenya. Consequently, the Government of Kenya has become increasingly interested in assessing the role the informal sector might play in employment promotion and subsequent income generation.

The 1983 Presidential Committee on Unemployment, usually known as the Wanjigi committee (Kenya Government, 1983), highlighted the role of the sector in Kenya’s economy and suggested that the Kenya government should establish an inter-ministerial body charged with the responsibility of organising and developing the informal sector. It was envisaged that this body would undertake feasibility studies to help in identifying the various informal sector activities that have high employment creation capacity.

Three years later Sessional Paper No. 1 (Kenya Government, 1986) advanced certain specific proposals geared towards formalising some informal sector businesses.¹ One of these was that the government should make credit accessible to informal sector operators, provide appropriate information on market opportunities and encourage appropriate methods for small-scale production. It further proposed the introduction of incentives for operators to form co-operatives — through which they could obtain information and assistance on technology, access to credit, the purchase of inputs and the marketing of outputs. Thirdly, the

Sessional Paper suggested that a special task force should be established to review existing government policies relevant to the sector. This involved examining current local authority by-laws and other regulations in order to eliminate unnecessary constraints on operators. In effect, the task force would be expected to recommend an appropriate scale of licence fees and charges, and measures to protect street hawkers and other self-employed people from over-zealous policing.

The 1989–93 Development Plan accepted the Sessional Paper proposals and admitted that

...though there had been previous attempts to develop the small-scale and *jua kali* (hot sun) enterprises, resulting in the identification of the needs of the sector and the problems encountered in solving them, firm measures had not been taken towards directly assisting this sector as a matter of strategy in the past. (Kenya Government, 1989, 163)

It went on to underline the importance of promoting such enterprises in the context of economic liberalisation, and the immediate priority of amending rules and regulations inhibiting the development of informal sector enterprises — such as time-consuming administrative procedures in obtaining licences. Throughout, however, the translation of such fine sentiments into action has been painfully slow.

Over the last decade the Kenya government's statements on economic issues generally and on the informal sector in particular have been strongly influenced by thinking at the World Bank. Particularly influential were the arguments advanced in the World Bank (1989) report *Sub-Saharan Africa — From Crisis to Sustainable Growth*. In this document, the informal sector is viewed as a "seed bed of African entrepreneurship" and as a competitive business environment free from regulatory constraint and well adapted to local resource endowments and demand. Furthermore, it is described as possessing a set of grass-root institutions such as on-the-job apprenticeship and small associations for providing access to group credit and promoting group interests. To develop the sector further, the World Bank proposed the removal of restrictions, regularisation of legal status, the protection of small private property, the legal provision of mechanisms for settlement of small business disputes, an expansion of access to credit and the encouragement of self-sustaining services to the sector. All these policies are in-

tended to operate within the climate of structural and sectoral economic adjustment. Even without such a context, some of the broader analysis may be over-optimistic.

It is worth noting that a later World Bank report, *Making Adjustment Work for the Poor in Sub-Saharan Africa* (1990d) takes a rather more pessimistic view of the urban informal sector and argues that it cannot be expected to solve the employment problems of entire countries. According to this document, in urban areas of Africa the sector was expanding too fast relative to demand and markets for its products and services were becoming saturated. Potential entrants were therefore advised to return to rural areas where conditions might be more favourable (ibid, 114–15).

Following the adoption of its 1989–93 Development Plan, the Kenya government eventually embarked on the implementation of some of its earlier proposals to enhance informal sector development. In some urban centres such as Nairobi and Mombasa, it — in conjunction with some NGOs — constructed “*Jua kali* sheds” to give some operators a central, organised and protected area to conduct their businesses. In Nairobi, the Kariokor *Jua kali* sheds cater mainly for motor-vehicle mechanics while the City Park market caters mainly for women hawkers and petty traders. In Mombasa the huge and congested Mwembe Tayari hawkers’ market has been moved to Kisauni, where conditions are cleaner and the infrastructure more adequate (Orodho, 1992, 77).

The Kenya media, particularly the radio and television, have also attempted to popularize informal sector activities through specific TV programmes like “Rural Development”. In this way, information is made available to the public through the media on types of activities being undertaken by others and on extension and training opportunities where these exist.

In August 1991, the Kenya government also announced a Rural Enterprise Fund to release KShs. 400 mn. expressly to promote small-scale rural and urban enterprises. The main innovation within this initiative was the low emphasis placed on collateral or security before money was released to the applicants. This requirement previously has been cited as a serious obstacle in the path of poor people with bright investment ideas. According to the Government, the regional allocation of the fund was determined on the basis of such criteria as population, share of arid

Table 3. *Rural enterprise fund allocation by province (KSh.)*

Province	Amount	Percentage
Nairobi	24,058,521	6.01
Central	54,977,696	13.7
Coast	36,198,734	9.05
Eastern	71,869,389	17.97
North-Eastern	7,569,256	1.89
Nyanza	66,223,313	16.56
Rift Valley	94,491,451	23.63
Western	44,585,613	11.5
TOTAL	399,973,973	100.0

Source: Based on *Daily Nation*, 27 August 1991

to semi-arid areas and identified needs for increasing employment opportunities.

Table 3 show this regional allocation. Given the Fund's explicitly rural focus, it is not surprising that Nairobi only attracted 6 per cent of the allocation, although it accounted for 25 per cent of officially recorded informal sector employment (*Kenya Government Economic Survey*, 1991, 46). Central Province also received a considerably smaller proportion of the fund (13.7 per cent) than its share of recorded operators (17.8 per cent), while Nyanza, Western, Rift Valley and Eastern Provinces all received considerably more.

The Fund was supposed to be allocated to individuals on the basis of their reputation and character. Individuals could request a maximum of KShs. 50,000, while a group of individuals with common interests who identified a viable enterprise could apply for a maximum of KSh. 100,000. The prospective entrepreneur was supposed to obtain a loan application form from the area chief at a non-refundable application fee of about KSh. 50. The application was then to be passed through various stages starting with the Area Assistant Chief up to the District Development Committee (DDC) before the applicant could be considered for funds. Most illiterate citizens, a majority of whom are women, would probably be unable to follow this tedious procedure.

The government also projected that if the KSh. 400 mn. allocated was distributed to individuals in parcels of KSh. 50,000 each, it would

initially benefit 8,000 people. If these loans were repaid after a period of four years, the initial KSh. 400 million would be capable of creating 2,000 jobs annually.

The local management of the Rural Enterprise Fund was already causing controversy by 1992. In April four councillors and four KANU officials in Yatta Division of Machakos District appealed to the Government to nullify the allocation of the Rural Enterprise Fund Loans in the area, claiming it had been carried out unfairly (*Daily Nation*, 21 April 1992). In an earlier statement they had cited a case where a District Officer had allocated KSh. 17,000 to a civil servant friend rather than "needy local businessmen" (*Daily Nation*, 17 April 1992).

In another district, an Assistant Minister and Member of Parliament (MP) for Kitui South, charged that the local administration lacked transparency and fairness. The MP justified his allegation by claiming that he knew cases where District Officers gave the successful applicants drafted notes to take to the local Kenya Commercial Bank branch, without indicating the amount of money they had been allocated. Since the intended beneficiaries did not know the amount they were to get from the bank, there was a possibility of conspiracy between the administration and the bank authorities to deprive the applicants of substantial amounts (*Daily Nation*, 17 April 1992).

In any event, it should be realised that providing sheds, popularising informal sector activities through the media and making credit available is only one aspect of the complicated business of promoting the sector's development. Besides this there is obviously the issue of appropriate training. As de Soto (1989) emphasises though, probably the major obstacle confronting actual and potential operators is that of entering the market legally in the first place. Governments ostensibly promoting the informal sector also obstruct its development through a myriad of executive decrees hindering its free operation. Government (including local government) in Kenya has been no exception.

In the case of women operators and potential operators there is, in the first place, the obstacle of certain customary-cum-legal restrictions on economic activity. Women are legally banned from most types of economic activity carried out between 6.30 pm and 6.30 am, for example, a law which has traditionally been used to give police authority to question women on the street after dark, reflecting customary imputations

that such women are prostitutes (cf. Pala, 1979, 14–29).

More generally, most informal sector operators have at best only quasi-legal status, since they are ineligible to be licensed or registered under legislation such as the Registration of Business Names Act (Cap 497, Laws of Kenya), the Partnership Act (Cap 29 and 30, Laws of Kenya), the Companies Act (Cap 486, Laws of Kenya), the Cooperative Societies Act (Cap 487, Laws of Kenya) and the Trade Licensing Act (Cap 499, Laws of Kenya) (Orodho, 1992, 88).

The only legal document which informal sector workers can obtain is the Hawker's Certificate. But the procedure of obtaining this certificate is laborious and the implications of obtaining it are unclear. For example, to obtain a certificate to carry out a business involving the sale of foodstuffs involves agreeing to meet certain unspecified health standards. Nor is it clear who actually qualifies as a "hawker", since it is variously implied that a hawker is a person who walks in the streets and stops only long enough to make a sale, or again, one who sells certain specific commodities within restricted areas. The absence of legal status has several serious consequences for informal operators. Firstly, law enforcers do not recognise many informal sector operations as legitimate business enterprises. As a result of this, operators are subjected to harassment by both central and civic authority officials on grounds such as environmental pollution, endangering public health and hygiene, etc (Orodho, 1992, 89). Indeed, the view that the informal sector is a health hazard and dangerous is often used by bureaucrats to justify the demolition of informal sector premises.

When combined with the presence of obscure local authority by-laws and low levels of education on the part of operators, this absence may lead to a cycle of conflict between the latter and the authorities. Women informal operators tend to set up kiosks before getting the relevant trading certificates or begin business before getting local authorities to inspect their business premises. Since most of these premises are located in slum areas where basic infrastructural facilities are lacking, they fail to meet health requirements. The result is that that most kiosks end up either being demolished or have their wares confiscated. Women have incurred colossal losses in the process.

ECONOMIC STABILISATION AND STRUCTURAL ADJUSTMENT (ESSA) AND URBAN HOUSEHOLDS

While since the mid-1980s the Kenya government has had long-running disputes with many donors on questions concerning the implementation of agricultural marketing reforms, other aspects of the stabilisation and adjustment programmes promoted by the World Bank and the IMF have been followed more faithfully. In particular, for most of the period the Kenyan currency has been allowed to float and public expenditure has been kept on a tight reign. In a context of agricultural stagnation and world recession, this has impacted sharply on ordinary Kenyan men and women.

The cost of living for most of the Kenyan population has been going up steadily since the government embarked on the ESSA policies. A 76 per cent nominal devaluation since 1980, trade liberalisation, subsidy withdrawal and decontrol of prices all contributed to high inflation. The latter began steadily rising after 1980, reaching an official annual level of 12.6 per cent by 1990. By March 1991, the official level was 17.2 per cent (Kenya Government Economic Survey, 1991, 47). These figures are regarded by independent observers as underestimates. In October 1991, the *Daily Nation's* economic staff estimated year-on-year inflation at 21 per cent.

Prices

Price decontrol was introduced as an incentive to the manufacturing sector, and followed on the heels of the withdrawal of subsidies for basic necessities. Overall, the two policies have sparked off price increases of basic necessities and other consumer items. Meat, milk, wheat and wheat products, sugar and most products of the East African Industries have more than doubled in nominal terms since 1986. Low-income groups have suffered most from these changes but middle-income groups have been effected to a considerable extent too.

Wages

Kenyans suffered a decline in average real wages (public and private sectors combined) of 2.3 per cent between 1987 and 1990. This followed a fall of 17 per cent between 1980 and 1985 (Economic Intelligence Unit, Kenya Country Profile, 1988), and a slight increase in

1986. In sectors where women workers predominated, such as private sector, community, social and personal services the fall between 1987 and 1990 was 13.7 per cent.

Unemployment

ILO estimates show overall open and hidden unemployment to have risen since 1980. Kenya government statistics indirectly confirm this by showing a sharp slow-down in the growth of employment, while the number of new labour market entrants continues to rise.

Over the period 1987–88 to 1989–90, private sector employment grew annually by 2.8 per cent, i.e. at below the level of population growth. In the same period public sector employment grew by 3.4 per cent. However, in 1989–90 (the last year for which figures are available) public sector employment grew only by 1.2 per cent. 1992 saw the first significant public sector lay-offs of workers, from Nyayo Tea Zones Authority and Kenya Airways. Rationalisation, a process which is certain to continue, has not been accompanied by social support activities such as reintegration programmes, adequate compensation or re-training.

Availability of social services

With the exception of the education sector, the share of government expenditure going to basic services has dropped considerably, particularly in relation to defence and “other services” (mainly public administration).

Although education’s share of central government spending has broadly been maintained, expenditure per capita has declined sharply. As a result, most schools are underfunded and lack facilities, hence lowering the quality of education in Kenyan schools.

In an effort to maintain quality, schools have been encouraged to raise user charges, disadvantaging those from vulnerable backgrounds. More recently, parents have had to shoulder new costs including textbooks and other incidental expenses. While the burden of increased educational costs bears heavily on the poor, it also however effects less poor groups. In 1991, the Kenyan government, through the Ministry of Education, standardised school fees. In the secondary school category, “high cost schools” were set a fee ceiling of KSh. 7,300, while “low

Table 4. *Inter-sectoral shares of total central government expenditure, Kenya*

	1972	1981	1982	1983	1985	1986	1987	1988
Defence	6.0	10.7	13.2	13.8	12.9	8.7	9.1	12.2
Education	21.9	20.6	19.6	20.6	19.8	19.7	23.1	22.1
Health	7.9	7.8	7.3	7.0	6.7	6.4	6.6	5.9
Housing, Social security, Welfare	3.9	0.8	0.8	0.7	0.6	0.5	1.7	2.6
Economic services	30.1	30.0	26.9	24.6	24.9	27.6	22.8	17.9
Other	30.2	30.1	32.2	33.3	35.1	37.1	36.7	39.2

Source: World Bank, *World Development Report* (various)

cost schools" were to charge a maximum of KSh. 4,450 annually. These ceilings were raised in January 1992. Most low-cost boarding schools in practice now charge fees ranging between KSh. 7–10,000 annually (*Daily Nation*, 18 April, 1992). Alliance Girls' High School, one of the so called low-cost schools, charges as much as KSh. 15,000 per year (*ibid*). As a result, secondary education has not only gone out of reach to the poor but also to sections of the middle class. Furthermore, a large number of high school students are dropping out of school because they cannot afford to pay fees and other expenses. A survey by Waweru (quoted in *ibid*) shows that almost 20 per cent of students in high cost schools who enrol in Form One never reach Form Four due to this problem.

Cost-sharing has also been (re-) introduced in most hospitals in Kenya. Cost-sharing started at the Kenyatta National Referral Hospital in April 1992, apparently to help end the hospital's chronic drug shortages and improve services (*Daily Nation*, 15 April 1992). According to the schedule, Kenyan outpatients must now pay KSh. 10 for drugs, injections or dressings, KSh. 30 for lab tests, KSh. 60 for simple X-Rays and KSh. 200 for special ones. Charges are effective irrespective of the patient's economic situation.

The existence of increased burdens associated with a decline in the quality of publicly provided services should also be recorded. This decline has been particularly severe in the cases of health services and water supply. In the case of water, the service in Nairobi has deteriorated to the point where women and female children have to spend con-

siderable periods queueing to obtain water and carrying it from the decreasing number of functioning outlets.

Declines in public expenditure on, and the declining quality of, social services rebound primarily on women. When health services are cut the extra burden of child care falls on the woman — at a time when services to protect their own health are also curtailed.

Other changes

Besides the problems noted above, it is important to record the emergence of severe shortages of basic commodities in Kenya since the beginning of the 1990s. Whereas in the past it has sometimes been difficult to obtain one or two items for temporary periods, a shortage of several commodities, as in 1991–92, has been unusual. Shortages of maize meal, cooking oil, rice and sugar in Nairobi and other centres were reported in October 1991 (*Weekly Review*, 20 October, 1991); shortages of cooking gas and petrol were reported in December 1991 (*Daily Nation*, 3 December, 1991). The burden of obtaining such commodities falls of course on women, an increasing proportion of whose time is spent on queueing, bartering, etc. On the other hand, these shortages open up possibilities for some informal operators to supplement their incomes by supplying less costly alternatives (see below) or by black market operations.

UNICEF's study on Kenya (Odada and Ayako, 1989) indicated that up to 40 per cent of Nairobi households could be living below the poverty line. Between 1969 and 1985, the share of total income going to this 40 per cent fell from 17.2 per cent to 14.3 per cent. It was further noted that the share going to the best-off 30 per cent rose correspondingly. ESSA policies seem likely to have contributed to this development. Within the poor, some groups are likely to have been particularly adversely affected. Poor women are the single largest multiply deprived group.

A final problem associated with structural adjustment is environmental deterioration in areas where the urban poor live and informal sector workers operate. As foreign exchange earning Export Processing Zones have sprung up in Nairobi, most of their waste has been discharged into Nairobi river, along which are to be found the dilapidated homes and the business premises of the urban poor.

Consumption responses by urban households

As a result of increasing prices within a context of declining formal sector employment and declining or stagnant wages, most urban households are faced with a situation of hunger or relative hunger. Women are the home managers and in order to compensate for increasing prices and declining incomes, they have to adopt coping mechanisms such as replacing customary foods by cheaper and less nutritious ones. Meat, for instance, has become a rare commodity in many households and has been replaced with maize and beans, whose preparation takes longer. This intensifies the problem of time allocation for women.

The working poor as well as the middle class have had to alter their consumption patterns due to mounting financial problems. Both now resort to eating one meal per day — usually supper. The lunch-eating habits of most urban dwellers, particularly in Nairobi, vary with the progress of the month. Middle class workers can afford to eat lunch in reasonable “hotels” for the first week after being paid. From the second week, most of them shift to cheaper kiosks. The few who still frequent the meat roasting venues pool their resources so as to eat communally. Alternatively, in a group of two or more, one individual buys meat on alternate days as a form of cost-sharing. During “passion week” the working and middle classes do completely without lunch and roam the streets window shopping or listening to street preachers. Obviously, the effects of this cycle on lactating mothers is particularly adverse.

The pattern of buying food for domestic use also follows a monthly cycle for most middle-income Nairobi residents. After pay-day, supermarkets are flooded with customers trying to buy food stocks for as long as possible. The stock runs out at mid-month and important items are replaced only piecemeal. Other items are subject to substitution, for example washing powder by bar soap. For some families, tree tooth brushes permanently substitute for plastic ones as this eliminates the cost of tooth paste.

For some time most urban poor families have switched over to recycled clothes — as the growth of the *mitumba* industry in the urban centres attests. Other items which are now also bought mainly second hand (if at all) include shoes and watches.

Survival responses by urban women

The responses of most women to these difficulties is to adopt or expand their informal income-generating operations. In the process, the sector becomes characterised by internal competition and increased self- and family- exploitation. Female children may be removed from school to assist their mother's work, or to cover for mother's lost time. Odada and Ayako (1989, 194–5) show a high incidence of female child entry into the labour market in Nairobi. Little public attention is given to these girls as they do domestic chores which are traditionally considered as women's work and therefore acceptable. By general assent, prostitution is also growing. Meanwhile, better-off women are opening beauty parlours and hair salons (and employing other women in the process), while other working and middle class women augment their wages or salaries by supplementary activities. Some secretaries and office workers undertake private typing, while others try to hawk *mitumbas* or shoes around their workplaces. Inevitably, these activities encroach increasingly on formal employment duties.

CONCLUSION

ESSA policies in the context of general recession appear to have had far-reaching consequences across Kenyan society. The continuous depreciation of the Kenya shilling, subsidy withdrawal and decontrol of prices have generated persistent inflationary pressures. This has happened at a time when incomes have been declining or stagnant, thereby eroding real wages. Formal sector employment is stagnant or may be starting to fall. These worsening living conditions of the urban household have coincided with a decline in social services and increasing levels of cost-sharing. The urban poor have been hit hard, because they are most dependent on such services and may be unable to replace them "privately". But middle-income households who wish to do so are also hit by soaring costs.

One consequence has been to push many women into the urban informal sector where incomes may be low and working conditions may be harsh. Their ability to participate is however hindered in so far as the roles of reproduction and maintenance of human resources fall on their shoulders. Kenyan women home managers must now also keep informal

sector businesses thriving in their daily quest for survival. Existing legislation does not do much to support women informal sector workers, while some local government by-laws and actions continue to disrupt and penalise their activities.

Increasingly, participation in the informal sector seems to be occurring on the parts both of the poor and of those already in working- and middle class employment. The survival of many even middle class households under stabilisation and adjustment depends on their ability to augment their formal sector wages. Partly, this growth has been made possible by changes in middle class consumption patterns. In the process, a release of the "creative imagination" of Kenyan middle class women has occurred — alongside the increasing marginalization of many poor women and their families.

Towards a Political Economy of Adjustment in a Labour Reserve Economy: The Case of Lesotho

Michael Neocosmos

In 1991 Lesotho completed a three year structural adjustment programme (SAP) under the auspices of the IMF. At the end of this period, the IMF approved an "enhanced" structural adjustment programme for the country, intended to cover the next three years. The implementation and renewal of such programmes are somewhat paradoxical, for as Petersson (1991, 4) notes, the country's membership of the Southern African Customs Union (SACU) and the Rand Monetary Area means that "...the current account deficit cannot be reduced by policies such as increased tariffs, import controls or devaluation". Moreover, and this is the main point, the economy of Lesotho is so integrated with that of South Africa that the possibilities of any adjustment, structural or otherwise, are bound to be greatly reduced.

According to Petersson, it is planned to lower Lesotho's fiscal deficit by reducing policy expenditure and increasing government revenue. Presumably fearing that too great a squeeze of the economy might be counter-productive, such measures are to be complemented by other stimulative ones, chiefly

...fiscal reforms through improved tax structure and expenditure policies, financial reforms to mobilise private domestic savings, changes in the structure of incentives in the private and public sector, land reforms, improvements in the management of public enterprises and parastatals to promote efficiency and reduce government intervention and subsidies. (Moreover) a number of structural bench-marks have been introduced, such as completion of the national livestock inventory and amendment to the Land Tenure Act to give legal recognition to informal leasing arrangements. In many cases the time frame is, however, not specified. (ibid, 5)

Clearly the restrictions on government spending and the increases in taxation are likely to affect principally the poorer sectors of the population, but, given that the majority of the population (around 80 per cent in 1987) is rural based and 66 per cent of the currently "employed"

population is similarly to be found in agriculture (*ibid*, 12), then people in the rural/agricultural sector are likely to be the most affected.

This paper is concerned with providing an initial assessment of socio-economic and political relations, especially in the rural areas of Lesotho, where the agrarian reforms associated with SAP are planned to occur. Obviously, the extent and form of SAP as well as its effects are largely determined by the context within which it is operating. In particular, this context involves relations between the national state and foreign interests/donor agencies, social, economic and political relations pertaining within the economy, the relations between the state and the people, as well as the more obvious and often cited macro-economic characteristics of the economy itself.

Unfortunately, it is not the case that the available literature on the political economy of Lesotho is sufficiently comprehensive to provide ready-made analyses of such relations in the country which could then simply be outlined. This literature has been basically of two kinds. The "official" literature, which is to be found squarely within the problematic of dualism and modernisation, sees rural producers in Lesotho as small or incipient "farmers" who only need to be helped to become productive. At the same time, the historical process of labour migration and its centrality to rural life is substantially ignored (Ferguson, 1990). On the other hand, the "radical" nationalist alternative to this literature places labour migration at the centre of its analysis. It sees "...the population (n.b.) of Lesotho today...as a rural proletariat which scratches about on the land" (Murray, 1981, 19) and the country as simply a labour reserve bereft of production relations.

While the former position is not concerned with an analysis of social relations (rural or otherwise), an analysis of rural ones is also precluded by the latter. This is because, in the view of the "radical" alternative, the population is overwhelmingly and homogeneously proletarianised — thus precluding any fundamental social differentiation. When such differentiation is recognised, it is attributed solely to the Chayanovian biological forces of the "life cycle" (Murray, *op. cit.*; Spiegel, 1981). This paper therefore will have to propose, however briefly, an alternative conceptual approach for the analysis of the context of SAP which will attempt to place social, economic and political relations (mainly production relations) at the centre of the debate.

Table 1. *Sectoral distribution of GNP at market prices, Lesotho (1971–1988)*

Sector	1971	1980	1988
	%	%	%
Remittances and mine wages	20.8	36.2	42.0
Agriculture	22.4	16.3	11.2
Manufacturing	2.8	2.8	6.7
Trade, mining & construction	16.7	13.3	11.1
Services	22.2	18.1	20.3
Other	15.1	14.0	8.7
Total	100.0	100.0	100.0

Source: Lesotho Government, 1990: 2

THE ECONOMY OF LESOTHO

Despite the problematic nature of local official statistics they do provide some important indications of the character of Lesotho's economy, and in particular of the role of migrant labour and agriculture, which are of greatest concern here.

Table 1 outlines the evolution of the sectoral division of GNP since 1971. In particular it shows the declining role of agriculture since independence. While in 1971, five years after independence, agricultural production in Lesotho still accounted for the largest share of GNP, by 1988 its position was joint third. The growing importance of migrant earnings to the economy is also clearly visible. By 1988, this amounted to the single most important sector (if it can be labelled as such) and determined to a large extent the nature of the economy.

While no direct relation between the relative decline in agricultural production and the relative increase in migrant earnings is implied by the figures, the literature is divided between those who see migrant earnings in a causal role (e.g. Low, 1986) and those who see the failure of agriculture as the main reason for migration (e.g. Murray, 1981; Spiegel, 1981). I shall return to these two positions below.

A second important feature of the Lesotho economy, already alluded to, is the dependence of state revenues on receipts from the SACU (see Table 2).

Table 2. *Central government revenue, Lesotho 1972 and 1987*
(% shares of total revenue)

Types of revenue	1972	1987
Taxes on income, profit & capital gain	10.2	11.1
Domestic taxes on goods & services	2.3	10.3
SACU receipts	73.7	67.8
Other taxes	5.9	0.2
Non-tax revenue	7.8	10.5

Source: World Bank 1989a: 264-7

Table 3. *Lesotho population censuses, 1911-1986*

Year	<i>De jure</i> population (^{'000}) A	Absentees (^{'000}) B	Absentees as a % of <i>de jure</i> population B/A x 100
1911	427.5	24.6	5.8
1921	544.1	47.1	8.7
1936	661.8	101.3	15.3
1946	689.9	128.0	18.6
1956	794.3	154.8	19.5
1966	965.9	115.9	12.0
1976	1216.8	152.7	12.5
1986	1577.0	130.0	8.2

Note: The *de jure* population is equal to the de facto resident population, plus absentees.
Source: Lesotho Government, 1988

This implies not only a heavy dependence on the South African state which administers SACU and transfers the funds, but even more importantly, that there is virtually no way in which the state can restrict South African imports (subsidised agricultural imports in particular) in order to encourage its own producers. This has arguably had a major effect on the agricultural sector in particular, as it is impossible for Basotho producers to compete with cheap agricultural imports (see Lundahl and Petersson, 1991). In recent years state revenue from SACU has in-

Table 4. *Mine migrant labour statistics, Lesotho 1970–1990*

Year	Average number employed ('000)	Total SA mine labour* (%)	Total earnings (millions of Maloti)	Deferred plus remittance payments (millions of Maloti)
1970	87.4	n/a	11.9	4.4
1975	112.5	20.6 ¹	60.4	20.0
1980	120.7	22.9 ²	185.4	42.1
1985	116.5	21.3 ³	572.3	235.4
1987	100.3	n/a	719.3	321.7
1990	77.5	n/a	1029.4	482.1

Key: 1=1973, 2=1978, 3=1983

* Employment by affiliates of the SA Chamber of Mines.

Source: Lesotho Government, 1990: 4

creased even further due to imports connected with the Lesotho Highlands Water Project (Petersson, 1991, 25).

An examination of population and labour statistics makes more apparent the labour-reserve nature of the economy. Table 3 shows that the number of absentees working in South Africa has been gradually increasing, although not as a proportion of the total population and not between the last two censuses. According to World Bank figures the working population amounted to 54 per cent of the total population in 1980 (53 per cent in 1986). 86 per cent of this working population is to be found in agriculture, including the migrant labour force (World Bank, Lesotho Policy Framework Paper, 1989, 1990). The last three population censuses (1966, 1976, 1986) indicate that migrant labourers constitute between 40 and 45 per cent approximately of the total male labour force.

While these figures demonstrate the importance of migrant workers in the economy of Lesotho, those cited in Table 4 attest to the vulnerability of Lesotho miners to changes in recruitment policy by the South African gold mines. In the 1980s Lesotho has become the dominant foreign exporter of labour to South Africa. The increasing tendency for South African mines to substitute their "own" citizens for foreign labour, which only really accelerated after the 1987 miners' strike, is also apparent, although full statistics are not available.

Table 5. Maize: area planted, area harvested, output, yields and prices, Lesotho 1973-1990

Year	Planted area (000' ha)	Planted area of cultivated area (%)	Harvested area (000' ha)	Output (000 tonnes)	Yield (kg/ha planted)	Lesotho gazetted price (Maloti/ton)	RSA gazetted price (Rands/ton)
1973-74	140.9	49	130.0	122.5	869	49.33	57.00
1974-75	126.4	42	108.0	70.3	556	49.00	62.00
1975-76	116.0	40	85.0	49.1	425	55.00	65.00
1976-77	93.0	46	80.3	126.0	1359	64.50	65.00
1977-78	112.0	49	102.0	143.2	1284	72.00	73.60
1978-79	122.3	54	112.3	125.0	1021	106.00	79.95
1979-80	118.5	53	110.4	106.0	892	109.00	100.15
1980-81	137.0	55	125.0	106.0	774	133.00	118.25
1981-82	137.0	54	114.3	83.0	608	175.79	118.25
1982-83	127.0	57	104.0	76.2	601	175.79	134.05
1983-84	139.0	56	117.0	79.4	573	191.00	167.55
1984-85	145.0	55	118.0	92.4	637	229.00	218.55
1985-86	141.4	63	122.0	86.5	611	256.85	218.60
1986-87	161.5	56	142.4	95.0	587	279.86	240.35
1987-88	190.0	55	173.2	160.0	842	343.60	215.00
1988-89	186.2	62	122.5	137.2	737	356.01	268.00
1989-90	146.1	59	133.1	172.0	1180	385.00	212.00

Source: Lesotho Government 1990, 1991

The average annual number of workers employed in South Africa increased until 1980, especially as wages increased dramatically in the mid 1970s. Numbers have declined since then due to a contraction in recruitment, especially after 1987. Since 1975 miners have been forced to defer part of their pay which is then deposited in the nationalised Lesotho Bank from which it can be withdrawn when miners return to Lesotho. This form of enforced saving provides funds for the bank to invest in Lesotho's economy. Unfortunately, however, all three commercial banks combined (of which Lesotho Bank is the largest) have invested over half of their loans (consistently between 1981 and 1987) in commercial activity (wholesale, retail, hotels and restaurants) (Lesotho Government, 1988, 181). The second most important area of investment in 1987 was construction with 14 per cent of all commercial bank investment. This implies that these compulsory savings are not currently being productively invested.

The Lesotho state has so far been unable to tax migrants to South Africa, mainly due to resistance from the mining companies. Since 1991 however, it has imposed a levy of Maloti 100 (= Rand 100) per contract for Basotho miners which represents about 1 per cent of an annual average wage (Petersson, *op. cit.*, 20). The revenue acquired in this manner is far below the expectations of the World Bank (*ibid*).

Despite the declining significance of agriculture in the GDP, it appears that maize production has held up relatively well over the years. Apart from a drop in 1976–77, (usually interpreted as being a result of substitution of mine wages for farming), the area planted in maize has not varied drastically and if anything has slightly increased in recent years. Output of maize has varied quite dramatically, collapsing by half between 1977–78 and 1982–83 (see Table 5). However, informal discussions with statisticians at the Bureau of Statistics reveal that data from the early 1980s are problematic and could be revised by as much as 20 per cent upwards. In any case the late 1980s seem to have witnessed an increase in output beyond the pre-1980 position.

The gradual increase in the planted maize area broadly parallels a similar trend in producer prices, which from 1978–79 overtook those in South Africa. However, these prices arguably reflect government response to restrictions on production/sale by Basotho peasants, rather than the presence of a set of genuine incentives (see below).

Table 6. *Cultivated land and landlessness, Lesotho 1960–1989*

Year	Cultivated land as a % of arable land	% of house- holds without land
1960	42.23	—
1970	34.50	12.68
1977–78	27.09	—
1980	27.93	21.92
1984–85	28.48	—
1985–86	23.32	—
1986	—	25.43
1986–87	30.56	—
1987	—	38.26
1987–88	30.59	—
1988–89	28.23	—

Source: Lesotho Government, 1990

While there is no doubt that the percentage of landless households has been increasing, this is probably due to the monopolisation of land and reduction of land available for young families, rather than to a shortage of land in absolute terms. This presumably also implies an increased differentiation in landownership which is not reflected in official statistics. At the same time landlessness does not necessarily imply poverty for all in Lesotho. A proportion of the landless (a minority to be sure) have access to cattle and other means of production with which they engage in sharecropping arrangements with landed but implement-poor peasants.

I shall return to this point below, but for the present it is also worth noting that only a minority (less than a third between 1977 and 1989) of all arable land is cultivated (see Table 6). This point alone implies that the agricultural crisis in Lesotho has its origins elsewhere than in land shortage. The radical nationalist position which, as we shall see, suggests that land shortage is one, if not the main, cause of agricultural stagnation does not seem to be vindicated by the evidence.

Finally, Table 7 presents data collected by the nationwide household budget survey. It indicates the responses of households to a question regarding their principal source of income. Interestingly 38 per cent of

Table 7. *Households by main source of income (%) 1986-87*

Income source	Lesotho	All urban	Urban Maseru	Urban other	All rural	Rural lowland	Rural foothill	Rural mountain	Rural Senqua river
Subsistence farming	22.2	1.0	0.9	1.2	25.7	21.7	30.9	29.1	23.5
Cash cropping & livestock	11.5	4.2	6.0	3.9	12.6	7.2	13.1	20.6	17.3
[All agriculture]	[33.7]	5.8	[6.9]	[5.1]	[38.3]	[28.9]	[44.0]	[49.7]	[40.8]
Business income	3.4	7.3	6.4	8.4	21.7	2.5	2.6	3.2	2.9
Wages & salaries	17.0	49.0	63.8	39.2	11.1	12.7	8.9	11.6	8.9
Migrant cash remittances	35.0	20.1	15.3	26.9	37.4	45.4	34.2	24.3	37.7
Other sources	10.0	12.6	7.5	20.4	10.5	10.5	10.3	11.2	9.7
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: Lesotho Government, BOS 1988

all rural households indicated agriculture as their main source of income, a proportion very similar to those indicating reliance on migrant earnings. Moreover, it is also important to note that in rural areas the lowlands are more highly dependent on migrant earnings than agriculture while the opposite is true of the mountains. The lowlands are the areas of greatest land shortage and highest incidence of migration. Murray's (1981) famous work was mainly concerned with the lowlands. In the mountains, while the soil is of lower quality, pasture is abundant and livestock rearing of greater importance. Livestock rearing is an important source of accumulation in Lesotho.

Poverty in Lesotho is nonetheless widespread. Principally a rural phenomenon, it particularly affects those households listing "subsistence farming" and "other sources" as their major sources of income. However, poverty extends well beyond these groups — according to one source affecting about 66 per cent of all households in the country (Gustafsson and Makonnen, 1991, 17).

ANALYSING SOCIAL RELATIONS IN THE LABOUR RESERVE

There are basically two perspectives on the political economy of Lesotho which dominate various sections of the literature. The first amounts to a version of dualism where Lesotho is seen as a "traditional" peasant economy which, due to over-population, traditional cultivation methods, over-grazing, and so on has been forced into relying more and more on migrant labour. While this conception has been effectively superseded in academic discourse by the radical nationalist position, it has retained much of its domination within the discourse of the "development industry" (Ferguson, 1990, chapter 2).

It should be quite obvious that the view of Basotho society as somehow isolated from capitalist development quite simply flies in the face of historical fact. If it were not for the imperialist interests which this ideology represents, it would have disappeared in discourse long ago. I do not intend to discuss this conception here, since I have provided a critique of a similar conception in relation to Swaziland (Neocosmos, 1987a). Rather, the only point worth noting in this context is that such conceptions systematically homogenise rural inhabitants. I do not mean to imply that social differences are altogether ignored, but rather that

when these are recognised, they are treated as the result of ecological or biological differences or differences in income (relations of distribution). They are thus seen as asocial or even superficial and not fundamental. There is very little attempt at, or for that matter little possibility of, conceiving of class relations or struggles as basic to an understanding of political economy from this perspective (*ibid*). I make this rather obvious point here simply in order to be able to argue below that the radical nationalist critique of this traditional dualism has, on the whole, not provided an alternative on this score, but has retained the fundamental argument of homogeneity from its protagonist, as we shall see.

The main theoretical influence on the radical nationalist alternative is the alternative South African economic history of the 1970s and particularly the work of Colin Bundy (1979) on the South African peasantry. In fact this "radical" perspective on Lesotho was very much part of (and a variant of) the whole trend of "radical political economy" writing in Southern Africa which I have discussed in detail elsewhere (Neocosmos, *ibid*, 1987b, 1993). There is therefore little need to go into details here apart from noting the peculiarities of the Lesotho literature.

It is a version of Bundy's "rise and fall" thesis which Murray (1981) draws on as an organising principle of Lesotho's economic history, and like Bundy, it is economic dualism which is his main target. Clearly the underdevelopment of Lesotho was founded on the integration of that country in the South African economy. The conditions of this integration were to initially provide a period of boom as Lesotho, adapting from losses of land to the Orange Free State, responded in the 1870s to the discovery of diamonds in Kimberley by increasing commodity production and migrant labour for export (Murray, 1981, 10ff; Bardill and Cobbe, 1985, 20–21). In particular the export of grain increased four-fold during this period and the introduction of the plough helped to increase productivity (Bardill and Cobbe, 1985, 20).

Without going into detail, this boom period was short lived, and grain from Lesotho was soon to be out-competed by cheap grain from America and Australia (Murray, *op. cit.*, 12). At the same time, prohibition of imports from Lesotho by the Transvaal, increases in population, cattle diseases, the Anglo-Boer war, depression and drought undermined agricultural production so that greater and greater numbers of Basotho started relying on migrant labour for their economic repro-

duction. From the 1880s to independence in 1966, Basutoland gradually declined from a prosperous granary to an impoverished labour reserve. During the 1920s, Lesotho changed from a net maize exporter to an importer and has remained so ever since (*ibid*, 18).

The major historical causes of this decline, according to Murray, were the South African Land Act of 1913 which forced ethnic Basotho back into Lesotho and reduced the level of farm wages in South Africa, the colonial policy of the British which encouraged migration, the greed of chiefs whose arbitrary powers accelerated proletarianisation, the infamous "influx control" policies of the racist South Africa regime and so on (*ibid*, 22–28). What comes across from Murray's overview is that it was largely state-directed extra-economic coercion which, at least from the 1890s onwards, was to be responsible for the undermining of competitive peasant-based accumulation in Lesotho. As such this account corresponds exactly with that of Bundy and other radical South African historians. Its end-point is also made abundantly clear: "the population of Lesotho today is aptly described as a rural proletariat which scratches about on the land" (*ibid*, 19).

The literature from a radical nationalist perspective provided an important corrective to crass forms of dualism especially in its insistence on the integration of Lesotho in the developing commodity production of the region. Much of the historical literature from this perspective is of considerable interest, although it tends to homogenise the population in all its fundamentals. Thus it is obviously unlikely that all Basotho uniformly benefited from grain sales in the 1870s or that ploughs were bought uniformly by the rural population. Neither is a country's ability to export grains an indication of its ability to feed its population as is implied in Murray's and Bardill and Cobbe's arguments.

Conversely the proletarianisation of the peasantry after the 1880s is also unlikely to have affected everyone uniformly as has been clearly shown for other parts of the region (see e.g. Phimister, 1986). While attention is drawn by these authors to the class differences between chiefs and commoners during the colonial period especially, the point is not pursued other than to note its acceleration of the proletarianisation process. Nor is the issue of differentiation among commoners themselves addressed.

At the same time the important role of white traders, who enjoyed

monopolies in the rural areas during the colonial period and the early part of the post-colonial period is surprisingly ignored. After all, the two main forms of accumulation from above (i.e. accumulation which mobilises a privileged connection with the state and depends on state coercion and plunder from peasants established during the colonial period), were undertaken by the chieftaincy and traders as in much of the rest of Africa. Neither the transformation of the chieftaincy as a state form during the colonial period (from a power based on control of cattle in the lineage mode of production, to one vested in control over land under commodity production) nor the parallel peasantisation process are systematically addressed even by the best historians of the country. Thus transformations in production relations as well as state forms during the early colonial period are ignored (e.g. Kimble, 1985).

While class relations are treated as a complicating factor between imperialism and proletarianisation during the colonial period, after independence the object of study becomes inequality. Again no attempt is made to study differing production relations but rather — following Chayanov — inequality is ascribed to the biological forces of the life cycle. Rural differentiation thus becomes a temporary and superficial phenomenon (Murray, ch 4) — temporary because working age is the main determinant of wealth, superficial because the differences thus elucidated are not fundamental and play no role within the social structure.

“The capacity of particular households to invest in the domestic economy is...largely determined by their wage-earning capacity in the South African industrial sector” (ibid, 88). Because of the absence of other sources of investment this remark is fundamentally true. But we are not really told why (rural) “proletarian” households should invest in the domestic economy anyway, apart from in some way preparing for their old age. One would have thought that a proletarian class would have not wasted its hard earned cash on such unproductive ventures. Maintaining that agricultural production in Lesotho should be understood within the context of Southern African political economy is one thing. It is quite another to assert that “...wage earning capacity...must be viewed as the independent variable in assessing the manner in which individual households dispose their resources” (ibid, 89).

Surely the point is that wage earning capacity is not an independent

variable precisely because it is conditions in agriculture which determine in the first place whether migration takes place for reproduction as a worker/poor peasant, to provide the funds which keep household commodity production going, or to reproduce some form of accumulation. An account of differentiation based on the life cycle presupposes, as Chayanov understood quite well, an equitable distribution not only of land but also of other means of production. Of course no fundamental structural class differences are ever attributed to a proletariat, rural or otherwise, so one should not be surprised to see that none are addressed in Lesotho. Social relations presumably consist purely of distribution relations. Production relations are to be found in South Africa only. How Lesotho could possibly have classes and therefore a state is anyone's guess.

By way of exception, Bardill and Cobbe (113–20) do attempt to tackle the issue of class formation in Lesotho, and apart from the rural proletariat and the small urban working class they identify a petty bourgeoisie composed of several "fractions". They comprise urban (traders, shopkeepers and businessmen), rural ("...prosperous farmers and rural contractors of the Kulak variety" (ibid, 115)) and bureaucratic (civil servants, teachers and professionals) petty bourgeoisies. They also mention the possible existence of a national bourgeoisie and the fact that chiefs do not constitute a homogeneous class (ibid, 116–117). This outline is of little other than sociological interest, as the *effects* of the class structure on the political economy are not pursued. It is interesting though to note that they do recognise the existence of accumulation in rural areas (as does Spiegel to some extent – Spiegel, op. cit., 9) although this is never explained.

In sum the most important texts of radical political economy fail to account for class formation and the differentiation of petty-commodity producers in rural production in Lesotho. When heterogeneity is alluded to, this does not refer to fundamental structural differences based on production relations but only to distribution relations. Under such conditions it becomes impossible to explain the state's existence and character from an analysis of class and class struggle in the country. Rather the state ends up being the result of the country's location at the periphery of the world economy and more or less an outside imposition (Neocosmos, 1987a, b, 1993). I have explained in detail elsewhere

(Neocosmos, 1993) how such a view ends up being unable to explain the importance of democracy as the relations between the state and the worker-peasantry are nowhere analysed (they are not considered necessary for the existence or reproduction of state power as the latter is an external imposition). A thorough analysis of the class structure and class formation in Lesotho as elsewhere in Southern Africa is necessary not only for an understanding of differentiation in rural areas, but also for an understanding of the political economy of the country as a whole, and for situating the transformations associated with adjustment within that political economy.

TOWARDS AN ALTERNATIVE ANALYSIS OF THE AGRARIAN QUESTION IN LESOTHO

Any proper analysis of the agrarian question in Lesotho would have to start from the nature of structural differentiation among rural petty-commodity producing households, whether these be engaged in wage-labour, agricultural production or whatever combination of activities. This kind of research has yet to be undertaken in Lesotho. Instead, two main explanations are available for the low level of agricultural production. The first maintains that it is fundamentally land shortage, lack of funds, lack of cattle or lack of labour that is responsible (Murray, *op. cit.*, 77, 89). We have seen already (Table 6) that landlessness is increasing in Lesotho although, at the same time, less than a third of the arable land has (on average nationwide) been utilised since the 1970s. It is difficult therefore to see land shortage as the main cause of the agrarian crisis.

Low (1986) on the other hand puts the low levels of production and/or decrease in planted area down to the fact that greater returns can be had from wage-labour in South Africa than from agricultural production. He points to the stagnant crop yields for maize and other crops in Lesotho during the 1960s and 1970s as evidence of the fact that fewer lands were cultivated intensively and that labour was allocated to wage earning during a period of wage increases.

Thus for Low, it is not a question of land shortage, but available alternatives in wage labour, the returns to which can be greater, which accounts for the lack of effort put into agricultural production. He seems

to advocate the payment of low wages, like in Malawi, in order to force peasants to stay on the farm (op. cit., 161). Naturally, it is difficult to take such an argument with a great deal of seriousness. In addition it should be noted that during the early 1980s maize yields fell during a period when wages were still rising on the mines, a fact which somewhat undermines Low's generalisations.

Of course it could be that rural producers are implement-poor, which makes wage labour worthwhile either as an alternative to, or as a source of funds for, the purchase of agricultural implements (on this point see Pae, 1992). The shortage of implements is particularly important in those countries which are SACU members because all producers would have to compete with (until recently highly) subsidised white South African farmers. Even the notorious peasant self-exploitation seems insufficient to overcome this kind of competition. Arguably Basotho producers can only penetrate the maize market if they are capitalised enough. Naturally it is uneconomic to produce maize if it cannot be sold or if the costs of producing cannot be recouped. The fact that worker-peasants do not produce enough for their subsistence does not necessarily mean that they cannot.

Advancing analysis further depends on assuming that land-poor, cattle-poor, implement-poor or other groupings of producers or potential producers will face different problems in agricultural production. Those who cannot reproduce themselves in terms of their productive activities even with inputs from remittances will tend to use wage labour for simple consumption purposes, but there may be others who can combine wage remittances and agricultural production to retain independence as rural petty-commodity producers. It is to this middle group, of course, that the household development cycle seems to be the most applicable. There may also be a small group who are able to use the funds from wage labour for accumulation purposes (whether in agriculture or other forms of activity).

The fact that this is less of a rarity than might be supposed, as well as a clear indication that lack of implements rather than land is the fundamental problem faced by the rural poor in Lesotho, is provided by the incidence of so-called sharecropping. This is an arrangement whereby a household contributes fields to which it has usufruct rights and others contribute draft power, seed or other forms of capital in exchange for a

share of the crop (a multitude of variations exists, see Robertson, 1987). The incidence of such arrangements varies. Nchabeleng (1987) in a study of 303 households in the Thaba-Tseka area, found that over 30 per cent of households were sharecropping some or all of their own fields (while another 4.3 loaned them out). A recent nationwide sample survey of livestock owning households (55 per cent of all households in 1986, Lesotho, 1990, 7) found that 23 per cent sharecropped on others' fields while 11 per cent participated in some sharecropping arrangements on their own fields (Swallow et al, 1987, 27). Cattle owners of course are more likely to have access to the spans necessary for ploughing and planting so that the incidence of their sharecropping other people's land is bound to be higher.

Moreover recent data from the returns of the 1989–90 agricultural census show, that at a nationwide level 55 per cent of all fields were ploughed by hired oxen. In the mountain areas, this percentage increased to 67.5 per cent. The percentage of fields ploughed with households' own oxen was 24.4 per cent nationwide and 25.8 per cent in the mountain areas (Lesotho Government, 1992a). This is not only evidence of unequal distribution of cattle (on which see Murray, *op. cit.*, 92), but also attests to the fact that ownership of cattle gives owners the ability to accumulate as well as to mobilise labour for agricultural production. The same data also shows the very interesting, and perhaps rather surprising, point that 41 per cent of all fields were currently hoed with hired labour, while only a third of all fields were hoed with household labour. Clearly while the category "hired labour" includes "traditional" work parties' which as elsewhere in Africa are unlikely to be simply reciprocal, this is still indicative of a process of differentiation.

These data also imply that it is possible for even the landless to use sharecropping arrangements as part of a process of accumulation, if they have access to the appropriate means of production (cattle or tractor power). It also implies that there is a large proportion of implement poor (but not necessarily land-poor) households who enter into such sharecropping relations in order to produce a harvest.

Evidence of developing differential production relations on the land is also to be found in connection with the *mafisa* system. This system, prevalent throughout Africa under different names, evolved from a "traditional" equalising system whereby livestock was lent (usually to

family members). The borrowers spend their labour on livestock reproduction in exchange for access to the cattle's produce. Arrangements may vary of course, but the earlier mentioned livestock survey found that a larger number of households (around 30 per cent) borrowed cattle under *mafisa* arrangements than loaned them out (13 per cent). It also found that the most frequently cited reasons for lending cattle was to gain access to labour. On the other hand the most important reasons for borrowing cattle were to gain access to draught power and the produce of the animals (Swallow et al, 1987, 214–215). What this implies is a clear development of class relations from a traditional "equalising practice".

These examples thus imply a development of differential production relations between rural households and therefore the possibilities of accumulation as well as proletarianisation. The differentiation process is however clearly restricted in Lesotho, of this there is little doubt. Many of the reasons for this have been spelt out in considerable detail by radical nationalist commentators. The state, the chieftaincy, traders and representatives of mining capital combined to extract resources from rural producers and force them to the mines. During the colonial period the chiefs lost most of their powers of collecting tribute labour and became paid government officials charged with collecting taxes from the peasantry. Later their rights to hold courts were largely transferred to magistrates and in the post-colonial period their land allocation powers were also vested in development committees (later development councils). Development committees were to become party political organs and vehicles for party patronage under the Jonathan regime (Murray, op. cit., 71).

The land tenure system was changed somewhat by the Land Act of 1979. This transferred legal title of land to the state, but also gave *de facto* recognition to inheritance by the eldest son and sub-leasing (Spiegel). While it has not been possible for all the provisions of the Act to be implemented so far (largely due to inertia, the most effective form of resistance so far in rural areas), the historical trend has been towards a loss of power by chiefs and a move towards land privatisation. In this case the SAP, as we shall see below, seems to be concerned with ensuring that the existing land act is fully implemented.

While the powers of the chieftaincy have been substantially reduced

and are far less extreme than those in Swaziland for example, the overall power of local state agencies over rural producers seems little reduced. It may no longer necessarily be simply a question of bribing chiefs to obtain land. Nevertheless bribing (of development committees) remains. As in other rural parts of the region, economic and social infrastructure (water points, roads, schools, clinics etc) are usually built by mobilising unpaid (or little paid) labour and funds from local households. Development agency projects – e.g. food for work, where (usually) women from poor households build roads in exchange for grain – are run in the same way. The churches and political parties also regularly make demands for contributions.

This process is not unique to Lesotho and it has two main consequences. First it extracts labour from, and hence regularly exploits, rural households. Second, and perhaps even more importantly, it contributes to the reproduction of state power in the rural areas. It is principally these exploitative practices that a genuine democratic transformation would have to curb. Nevertheless the combination of these state practices and rural “development” agency activity have not only visibly contributed towards a restriction of accumulation from below, i.e. peasant-based accumulation, but in the process has restricted impoverishment and eventual proletarianisation. Arguably, the single most important “achievement” of rural developmentalism in the region is thus to have kept large sections of the semi-proletariat attached to the land. In this way it has contributed to the process initiated by classical apartheid, that of restricting total proletarianisation and reproducing super-exploited labour through a tying of that labour to the land (Ferguson, 1990).

This oppression and exploitation affects the worker-peasantry as a whole, but of course differentially. While, unlike in many other African countries, rural production in Lesotho, has not been a major source of state revenue (as the agricultural sector is weak), the state has attempted to run a monopoly marketing board (Coop Lesotho) which is responsible for supplying farm inputs and is the sole purchaser of maize, wheat, sorghum, peas and beans (FAO, 1983). It seems however, that this venture may have had limited success, not only because of the relatively small amount of agricultural commodities marketed, but because of the presence of other actors from South Africa. Hence, in turn, dom-

estic chances for private accumulation through state contracts have been relatively limited in Lesotho. The state has so far been unsuccessful at taxing miners directly and it is only really since 1975 (after a decade of independence) that state access to miners' deferred payments was obtained. The possibilities of accumulation "from above" have thus been relatively restricted. The recent Lesotho Highlands Water Project does seem to partly overcome this problem by providing the need for construction and transport facilities, contracts for which can easily be allocated to the business ventures of state functionaries.

Another possible source of accumulation from above is the recent development of grazing associations which restrict *de facto* access to (communal) grazing land to their association members. Although contacts in the state or among senior chiefs are probably necessary for association members to succeed in accumulating, this still amounts to a form of privatisation (enclosure) of common pasture. Given the relatively high level of inequality in the ownership of livestock (e.g. Murray, 91–92) such a process would not be exceptional.

STRUCTURAL ADJUSTMENT AND AGRICULTURE IN LESOTHO

SAP in Lesotho dates back only to 1988, or two years after a military coup which overthrew the regime of Jonathan, Prime Minister since independence. The latter had by then alienated his foreign support through increasingly strident nationalistic (anti-South African, pro-Third World and seemingly pro-Eastern Block) utterances and actions on the world scene. On the other hand he had also alienated much of his domestic support through increasingly repressive and largely arbitrary measures. The military regime which replaced him has been closer to both the South African state and to Western interests.

This brief background is important to the introduction of SAP, because Lesotho's macro-economic performance had not been particularly disastrous through the 1970s and 1980s. According to the World Bank's own account, it was only in 1986–87 that the government's budgetary situation declined, when the overall deficit amounted to 9 per cent of GNP (or 17 per cent of GDP) (World Bank, Lesotho Policy Framework Paper, 1988, 5). During the same year, the balance of payments moved

into deficit (USD 13 mn.) for the first time since 1981–82.

The most evident features of the macro-economy of Lesotho are its fragility and utter dependence on events in South Africa, especially regarding SACU receipts, increases/decreases in mine employment, levels of mine wages, or even weather conditions. Such a picture is more illuminating than one explaining Lesotho's economic difficulties in terms of the incompetence and oppressive nature of state intervention, restrictions on entrepreneurship and markets etc, so beloved of World Bank accounts. Indeed the fact that the economy is so much part of the South African one largely precludes the possibility of its genuine regulation by the local state. The World Bank itself has to acknowledge that

In general the authorities operate a system of economic management that involves relatively few administrative interventions. Key price variables such as interest rates and minimum prices of agricultural products are adjusted appropriately in response to price developments in South Africa. (1988, 3)

By and large, for all practical purposes, all pricing, taxation and income levels are fundamentally determined in South Africa.

An interesting aspect of SAP in Lesotho, especially in relation to the agricultural sector, is that the central policies of the programme basically continue ones already in existence before its introduction. There is no question here of a radical transformation of the economy in defence of "small farmers" interests vis-a-vis a "predatory state" as SAP is often justified in Africa. What seems to be the case instead is that given the "internationally favourable environment" in Lesotho after the coup, the major impetus towards introducing SAP was provided by the Lesotho Highlands Water Project (LHWP). This is a spectacular multi-billion dollar project (estimated to cost USD 2.3 billion at 1990 prices), involving the construction of 260 kilometres of tunnel (some of it as much as 1,200 meters underground), 4 to 7 dams and access roads in the mountains of Lesotho. The main purpose is to provide 70 cubic metres per second of water to the industrial heart of South Africa. There is also a smaller hydroelectric component to the project estimated at USD 0.24 billion. The government of Lesotho is solely responsible for repaying the loans (see Tsikoane, 1991).

This massive investment is jointly financed by the Lesotho government, the World Bank, the Development Bank of Southern Africa, the

EC, South Africa, France, UNDP, the British ODA and the German CIM. It makes sense to see the introduction of SAP in Lesotho as "linked" to the establishment of the LHWP as this huge investment necessitates an economic and political environment which is stable, coherent and predictable enough for donors to have confidence that the country will be able to sustain its commitments and repay its loans. In the World Bank's own words: "...as the LHWP nears its construction phase, the need for strengthening the overall planning mechanism becomes increasingly important" (1988, 4).

SAP in Lesotho is thus arguably also an effect of the country's integration into the South African economy, along with the other economic aspects mentioned above. Given this integration, the usual monetary policies such as currency devaluation are impossible to enact in the country. At the same time, and for similar reasons, the ability of the state to control prices through the use of marketing boards has not met with the kind of "effectiveness" experienced elsewhere in Africa.

If prices offered by state agencies were too low it was not too difficult for producers to sell to South African private traders in Lesotho or in South Africa itself. Evidence suggests that the unofficial market for maize is much larger than the official one and that prices in it can be twice the official rate (UNDP/FAO 1992, 4). Since its "monopoly" purchasing powers were never effective, the main function of Coop Lesotho (the main agricultural parastatal) was therefore to supply subsidised inputs. Nevertheless struggles continue between the peasantry and the state on the issue of prices, with the state attempting to control purchases and sales in South Africa through the issuing of import or export permits. One cannot help but surmise that this is a struggle which the state cannot win, although it can thereby create unnecessary financial problems for rural producers.

The lack of effective monopoly state control, in combination with the relatively low production levels of the peasantry, has meant that it has not been the peasantry (as least as peasants) who have been the source of "surplus" extraction by the developmentalist state. Rather, and in addition to relying on SACU receipts for its revenue, the state has attempted to extract resources from miners (or peasants as miners). In this it has been also unsuccessful, as noted above. Most recently, it seems to be wagering that royalties from the utilisation of water resources will

massively increase its revenue (Petersson), although it seems doubtful whether these will ever be comparable to the Botswana government's receipts from diamond production, for example. Anyhow, the specific conditions of the political economy of Lesotho make the country an exception in Africa and as a result SAP has had a significantly different emphasis.

As in all SAPs however, the agricultural sector in particular — or at least the relations between that sector and the state — are subject to modification. In Lesotho, the two main prongs of agricultural adjustment seem to be a move towards the privatisation of parastatals and an attempt to systematically transform traditional tenure in the general direction of private property, both in relation to arable and grazing land. It should be borne in mind that, as in other countries, SAP is also intended to provide a general framework within which other state policies, and also the projects and programmes of other donor agencies (i.e. the whole "development industry") can systematically fit.

Insofar as arable agriculture is concerned, Coop Lesotho is supposed to be in the process of being dismantled, commercialised and sold (World Bank, Lesotho Policy Framework Paper, 1992, 4). Its main function of providing subsidised inputs has been terminated. While this policy is largely predictable, what is perhaps less so is the promotion of an increased role for commercial banks in rural development. For example, the World Bank lauds the introduction of a revolving fund financed by the UN Capital Development Fund in which short- and long-term credit is being provided to "farmers" through commercial banks. While it is not clear whether these loans are to be provided at commercial rates of interest, what seems to be implied is that commercial banks now appear to take a more central role in administering and managing rural development with the consequence that a stronger emphasis than hitherto is likely to be put on more directly commercial criteria.

Another important change being pushed through SAP is the promotion of land leasing in rural areas. The Land Act of 1979 already gave legal recognition to some changes to traditional tenure, such as primogeniture and land leasing. While the latter practice in particular has been prevalent in urban or residential areas, there has so far been little evidence of formal land leases in rural areas. What has been more prevalent, as already described, is the practice of so-called sharecrop-

ping. This is not usually a monetary transaction, but a form of (unequal) exchange whereby the land holder usually ends up labouring for someone else on his or her own field(s). As already mentioned, this practice is indicative of class formation.

SAP seems to be attempting to promote the charging of rent for land leases in rural areas, so that traditional allottees can become "landlords", receiving rent for their smallholdings while working for wages on larger farms (World Bank, Lesotho Policy Framework Paper, 1992, 10). The World Bank argues that such a measure will benefit the rural poor, but a more obvious interpretation is that this move towards privatisation will be a first step towards the poor losing their land altogether. New land lease regulations were gazetted in May 1992 and even rates of ground rent have been stipulated. The latter vary between 1 and 100 Maloti per hectare, depending on the quality of land (Lesotho Government, 1992b, 95).

With respect to livestock, SAP is again concerned with the privatisation of parastatals in the name of efficiency. To this end the abattoir and feed-lot complex have been privatised and the idea is seemingly to transform the latter into a commercially viable fattening ranch. More interesting and much more controversial, is the manner in which livestock numbers are to be reduced and grazing rationalised and controlled. This has potentially far-reaching implications for class differentiation and power relations in rural areas and it systematically undermines traditional tenure. The basic idea here is to extract a tax from grazing herd owners and to issue grazing permits, both notions alien to "traditional" tenure. The tax is called a grazing fee and its objective is to reduce the size of herds as well as to encourage stock owners to replace larger numbers of poor quality animals by fewer high quality specimens. The fee is unitary and amounts to 3 Maloti per head of cattle, 5 Maloti per equine and 0.50 Maloti per small stock (sheep and goats) (Lesotho Government, 1992c, 328). In addition it is proposed to establish more Grazing Associations (of which there are at present only four in the country) to control and regulate the activity. Originally it was the intention that these associations would collect the grazing fees (World Bank, Lesotho Policy Framework Paper, 1988, 8), but this has now been entrusted to the village development councils. In addition, the intention is to stop transhumance altogether, i.e. to stop the practice

whereby lowland livestock owners take their stock up the mountains to communal grazing lands every summer. The strategy rather is to place emphasis on "...intensive livestock development in the lowlands and extensive livestock development in the highlands" (ibid).

These policies are far from novel. Most of the ideas in them were originally hatched in the Ministry of Agriculture before SAP was implemented (according to ministry officials) and the idea of grazing fees goes back as far as the colonial period. Equally traditional is widespread opposition to them from all sections of the rural population. Formal and informal interviews conducted in the lowlands as well as in the highlands, indicate widespread hostility to the grazing fees on a variety of grounds which need not be repeated here. This opposition is expressed even from within the ranks of the institutions which are charged with collecting the fees and administering the land leases, namely the village development councils (VDCs).

The proposed changes will fundamentally affect not only economic relations, but also political ones in the rural areas. VDCs comprise eight local citizens and are chaired by the chief. They can keep part of the grazing fees and utilise them for local development purposes. In law the powers of the VDC have been increased to enable them to collect funds, punish deviants and so on. In practice however, not all VDCs are functioning and even where they are, their powers are often subordinated to the traditional authority of chiefs. They have lost much of their authority since they were so obviously associated with the BNP government of Jonathan. As a result, they have very little power to do anything the chief does not agree with. Only if the committees can acquire an independent authority from their link to a new civilian government is such a situation likely to change. Under such conditions though, the tendency would be for corrupt practices and patronage relations to proliferate, as access to funds will be diverted towards supporters and clients.

The new offences created by the new grazing regulation are awesome. They include fines of up to 500 Maloti or up to six months imprisonment for not producing a grazing permit to an "authorised person". The VDCs are expected to open bank accounts, keep records and engage in general administration all in conditions of poverty where only attendance fees are provided for members. The conditions are therefore

ripe for the prevalence of arbitrariness and corruption. Despite the effort and expense of organising training workshops for VDC members, it seems likely that the regulations will be resisted, not in any spectacular way but in the way rural people the world over have always resisted — by ignoring state directives.

CONCLUSION

Social relations in rural Lesotho are obviously complex. They involve various tendencies towards forms of accumulation which require state contacts “from above” and forms of accumulation which are based on competition “from below”. There are also different limitations to these forms of accumulation. Some of these derived from forms of state intervention associated with developmentalism have also tended to limit the process of impoverishment as well. Particularly obvious examples here are “traditional” land tenure systems and rural development projects, input subsidies and so on.

Clearly, the effects of SAP on these forms of accumulation and impoverishment cannot be predicted, yet possible tendencies can be surmised. While statist developmentalism never quite succeeded in promoting accumulation from below, it was reasonably successful in restricting total proletarianisation. It is the latter process which seems the more likely outcome of privatisation in rural areas, while accumulation “from above” is meanwhile likely to continue unabated. There is little prospect of democratisation either, in a context where no popular forms of organisation exist and where the only current sources of power at the grass-roots level are “traditional” authorities and clientage politics. SAP policies will tend to reinforce these practices rather than undermine them, precisely because additional powers have been channelled to the organisations which embody such practices.

In sum, the “traditional” land tenure systems of Southern Africa and state developmentalism have tended to restrict differentiation at both “ends” of the spectrum (see also Neocosmos, 1987a, 1993). In this way they have contributed to the reproduction of the apartheid state, one of whose central features was the tying of labour to the land. As a result of the transformation of the neo-colonial relation between imperialist interests and states in Africa, a replacement of these tenure systems and

statist interventions by private property (or forms close to it) and private interests is on the agenda. This is likely to increase impoverishment and thereby differentiation (see e.g. Spiegel, 1981). The fact that this privatisation is taking place within a context of repressive rural social relations between the state and its agents on the one hand and the worker-peasantry on the other, compounds the problem.

These latter relations, as in most of Africa, have been fundamentally based on extra-economic coercion. Historically they have involved forced plunder of resources from rural producers by the state (including the churches, the chieftaincy, political parties and "development programmes") as well as by labour recruiters and traders. This extra-economic coercion may or may not have led directly to a process of accumulation "from above" (Mamdani, 1987a, 1987b; Neocosmos, 1993), but invariably it contributed to the reproduction of local state power and the political economy of imperialism.

The importance of these observations for our present purposes is related to the question of democracy. As is known, structural adjustment is (indirectly) linked to issues of multipartyism and democracy in Africa (Gibbon, 1992). The Lesotho state, presently controlled by the military, is supposed to be holding multi-party elections soon (although these have been postponed twice already). The point, however, is that the mere introduction of multi-partyism is unlikely to affect the majority of rural producers unless state/worker-peasant relations are systematically democratised. This means in particular that the relations of unequal exchange based on extra-economic coercion must be radically transformed (Mamdani, 1987b). These relations not only restrict democracy in rural areas, but also any possibility of dynamic agriculturally-based accumulation — even of the variety which SAP professes to promote.

Structural Adjustment and Non-Governmental Organisations in Tanzania: A Case Study

Andrew S. Z. Kiondo

One of the most spectacular phenomena of our times is the growth and increasing importance attached to Non-Governmental Organisations (NGOs) and their activities. It has been estimated that about 2,000 NGOs based in industrial countries operate in collaboration with at least 6,000–8,000 local NGOs in 110 developing countries. In 1988, together with their counterparts in the South, Northern NGOs (NNGOs) operated an annual budget of well over USD 5.2 billion, an increase of 53 per cent in a decade. Out of this budget, USD 3.4 billion constituted funds mobilised from private sources while over USD 1.8 billion came from government funds, all from industrial countries (Minear 1987, 213–4; Clark 1991, 46).

Tanzania is not left behind in the spectacular growth of the NGO sector. Of the most conservative estimate of 10,000 NGOs operating in the 110 developing countries, around 163 are registered in Tanzania. Of these, 15 are NNGOs based in the country while the rest are local NGOs. Many others are not registered with the NGO umbrella organisation, TANGO, but with other bodies – or are not registered at all. Their activities range from environmental issues to charity work to the provision of essential social services. The people that they work with include professionals, peasants, women and children, youths and the homeless.

The difficulty in arriving at precise estimates of the number of NGOs in Tanzania or elsewhere is closely connected with the problem of trying to specify what constitutes an NGO. The academic literature presents us less with a clear cut and commonly agreed definition than with the conclusion that the diversity of NGOs strains any simple definition. Frantz (1987, 122) distinguishes NGOs from other organisations by their "...relationship to the problems of development" while possessing different objectives, forms of action and results from government, for example – a definition so broad as to be almost meaningless. As good

as any contemporary definition is probably that of the World Bank, which states that NGOs are distinguished from other organisations at least in their autonomy or independence from government, their possession of humanitarian or cooperative rather than commercial objectives, in having a development, advocacy, networking or lobbying intention and in being member-run and grass-roots based (World Bank, 1990a, 7–8).

Of course, not all organisations registering themselves as NGOs have these characteristics and not all organisations with these characteristics register themselves as NGOs. In particular, in Tanzania at least, looser, more informal and smaller self-help groups tend not to register (Mushi, 1992, 36), while on the other hand one finds certain “one person” or “brief-case” NGOs which are merely registered to attract funds from NGOs.

Notwithstanding these problems, this paper will examine the growth of mainly registered NGOs in Tanzania during the 1980s — a period which since 1984–86 has been characterised by “homegrown” and later IMF and World Bank supported structural adjustment reforms. Knowing the weakness of the official data-base it will be used cautiously, identifying those organisations which do not deserve to pass for NGOs despite their registration and supplementing the list with other organisations which we think are genuine NGOs even if they are not registered as such.

THE INTERNATIONAL POLITICS OF NGOS

Over the last decade, development-oriented NGOs in the North have increased in importance. Two main factors combine to explain this increase. First of all, the early 1980s saw the rise in Northern countries of general popular concern with issues of Third World poverty and the international environment. The concern was accompanied by a disillusion, particularly among younger people, about Northern governmental and party political commitment to pursuing these issues. Secondly, among Northern societies, there grew a declining confidence in Southern governments as appropriate channels for meeting the challenges of the above issues.

The above developments resulted in a rapid growth of organisations

trying to by-pass governments and go directly to the poor (e.g. "Live Aid") and a heightening of the political profile of well-established Northern NGOs such as OXFAM, World Food Vision and War on Want. A major reason behind the Northern NGO community's increased support for Southern NGOs was their (and the general public's) identification of donor and Southern government development efforts with large scale "developmentalism", i.e. spectacular aid projects which have been of little or no benefit to the poor. In comparison, NGOs were generally associated with small-scale grass-roots and people-oriented development activity — or to quote the technical literature, they were said to have comparative advantages including more cost effectiveness in service delivery, greater ability to target the poor and vulnerable in societies, demonstrated capacity to develop community-based institutions and greater capability to promote the popular participation needed for sustainability of benefits to the poor (Cernia, 1987 and Fowler 1988).

For quite different reasons, the International Financial Institutions (IFIs) and donor governments in general, have also contributed to the increased role of NGOs and their activities in the South. Over the last decade, the IFIs and donor governments have registered an increasing dissatisfaction with the state, including the African state, as a social and economic actor on the development stage. This dissatisfaction derives from a quite different ideological agenda than that inspiring the growth of Northern NGOs. While the latter is mainly based on opposition to a large-scale "developmentalism" that fails to benefit the poor, IFIs' and donor governments' agendas have rather been ones of trying to expand the role of the market. According to this agenda, NGOs are of interest not simply because they are pro-poor but rather because as non-state actors they supposedly help in rolling back state involvement in social and economic activities. Despite their different orientations, these two sources of support for Southern NGO growth have managed to work together apparently amiably. As indicated in the introduction, popularly raised NGO money has been generously supplemented by government money and channelled through Northern NGOs to institutions in the less developed countries.

THE HISTORICAL DEVELOPMENT OF THE NGO SECTOR IN TANZANIA

During the colonial period, very few NGOs operated in Tanzania. Of the 163 NGOs registered with the Tanzania Non-Governmental Organisation (TANGO) in Tanzania today, only eleven are known to have been founded during this period. Out of the eleven one can be classified as a local professional association. This is the Tanganyika Farmers' Association (TFA) formed in 1935 as a local branch of the Kenya Farmers' Association (KFA). In 1955, it separated from the KFA and was established as a separate entity. The remainder comprised three religious NGOs, six social service NGOs and one international NGO.

It is not difficult to understand why very few NGOs operated during most of the colonial period. The latter was mainly characterized by an extremely weak "modern" civil society and a colonial government that gave almost no room for the development of such a civil society. Such as it was, the local NGO scene was dominated by local (mainly European) chapters of established British NGOs such as Tanzania Society for the Blind (an affiliate of the Royal Commonwealth Society for the Blind), the Tanzania Society for the Preservation and Care of Animals (an affiliate of the Royal Society for the Preservation and Care of Animals of Britain), the Tanzania Girl Guides Association (affiliate of the World Association of Girls Scouts Association), the Tanzania Legion and Club (affiliate of the British Commonwealth Ex-Services League). In addition, prominent roles were played by organisations of the local propertied classes, such as the TFA (whose requirements for membership included ownership of at least five acres of developed land and/or a sizeable number of livestock) and the Dar es Salaam Chamber of Commerce and the Dar es Salaam Round Table, both of which were initiated by Dar es Salaam commercial interests – mostly Asian. The extremely low levels of economic development among the majority of Africans (both poor peasants and workers) and the very small professional class within the same section of the society meant that the development of "modern" NGOs was racially restricted. On the other hand, in urban centres, proto-NGOs could be detected in the form of ethnic associations created to help new migrants adjust to urban life as well as to provide for essential social needs to the poor workers. In Dar

es Salaam city fifty-one such ethnic associations were registered by 1954. Services provided by these groups included helping with burials, provision of loans, information on job opportunities and recreational services such as sports and dances (Tripp, 1991, 224).

Nationalist struggles for independence forced the colonial government to give room for civil associations. Trade unions, parents' associations, youth leagues and the cooperative movement began to form from 1940s onwards. These movements and associations were very much a part of the independence struggles though they maintained their autonomy from political parties. It could therefore be said that the period of the nationalist struggles for independence created conditions for the emergence of a stronger civil society and the establishment of more local NGOs. Unfortunately, however, the post-colonial state in Tanzania failed to reproduce these conditions.

According to Clark (1991, 78), in single party states, the government or the Party assumes a vanguard role and it tends to see "...no need for autonomous, independent structures such as NGOs". Tanzania embarked on the road toward single-partyism following several clashes between the new government and the trade union movement from 1962 to 1963. The Tanganyika Federation of Labour (TFL) was then formally banned and replaced by NUTA (National Union of Tanganyika Workers), an affiliated organisation of the ruling party, the Tanganyika African National Union (TANU). Following the 1965 constitutional amendments the country became a *de jure* single-party state.

The period that followed the Arusha Declaration in 1967 saw the strengthening of single-party rule and subsequently the further erosion of conditions for the growth of a strong civil society. For example in 1972 the policy of decentralisation ushered in the abolition of district councils and city councils. This was followed by a complete ban on the cooperative movement in 1976. By 1978 most popular movements like the student movement (Dar es Salaam University Student Organisation or DUSO), the womens' movement (UWT), the parents' association (Tanzania Parents' Association or Wazazi) the national youth organisation and the national trade union (JUWATA), had been firmly brought under the hegemony of the (also renamed) ruling party, Chama Cha Mapinduzi (CCM).

While the eradication or abolition of mass popular organisations and

the promulgation of single-partyism occurred in many African countries, not everywhere were development NGOs discouraged, as Clark suggests. In fact in Kenya, single-partyism went hand-in-hand with a development arena in which NGOs played a prominent role. But in Tanzania single-partyism was part of a more general phenomenon of statism, i.e. a system or phenomena whereby state intervention comes to embrace all elements of social, political and economic life. In Tanzania, probably more than anywhere else in Africa, the state successfully attempted to monopolise developmentalist claims, at least for most of the 1970s. In doing so, all those organisations which attempted to compete with the state in claiming developmental credit found no space. This partly explains why independent organisations such as the Ruvuma Development Association and cooperative unions had to give way to government controlled or based institutions such as *Ujamaa* villages and crop authorities respectively.

To the above main factor we could add others such as the ability of the state throughout the 1970s to mobilize very high levels of foreign resources to support the extension of state provision and reduce demand for non-state provision of socio-economic needs. For example, Tanzania received net overseas development assistance averaging USD 448 mn. in the three years 1977 to 1979, of which 90 per cent was in grant form. This was the highest in Africa during the period and compared with an annual average of USD 252 mn. for Kenya in the same period (Economist Intelligence Unit, *Tanzania Country Profile*, 1979). Moreover, the centrally available and controlled resources seemed to have been distributed on a fairly equitable basis regionally, so as to sustain the legitimacy of statism at least in the 1970s. Statism and high levels of foreign aid went hand-in-hand of course, since the former enabled Tanzania to maintain an international profile attractive to social-democratic international donors and to international agencies like the World Bank anxious to endorse progressive non-communist development models. It is little wonder in this context that the period from 1961 to 1978 saw the registration of only 17 new NGOs — seven during the 1960s and ten during the 1970s.

NGO FORMATION UNDER STRUCTURAL ADJUSTMENT: THE NATURE AND STRUCTURE OF THE NGO SECTOR IN TANZANIA DURING THE 1980s

As suggested, the growing statism in Tanzania was not without popular gains. It was, for instance, accompanied by numerous government-provided social welfare programmes. These included massive adult education campaigns, the Universal Primary Education Programme (UPE), free education from primary to university levels, "free clean water for all" campaigns, free health care and medical services, etc. The maintenance of such numerous free social services for the majority of Tanzanians obviously needed the support of a strong economy. Unfortunately, Tanzania's economy began to deteriorate from the mid 1970s as a sharp decline in agricultural performance was registered. Towards the end of the 1970s a failure to correct these problems, together with the war with Uganda and certain external shocks led to a more or less complete economic stagnation. The government's dependence on foreign assistance for its public expenditures was to prove a doubled-edged sword as donors shifted from supporting to opposing the high level of state economic intervention, and to perceiving the latter as one of the root causes of Tanzania's economic crisis.

The growth of statism in Tanzania had also meant the development of a large non-accountable public bureaucracy. Partly as a result of the growing economic crisis and accompanying expenditure reductions and shortages of essential inputs, and partly as a result of rapid inflation and the plummeting value of public sector wages, the public service became increasingly inefficient and corrupt.

Health indicators suggest a negative trend initiated around 1980. Life expectancy, which had risen from forty-two to fifty-two years in the 1970s, dropped to fifty years in 1985. The infant mortality rate (under one year) fell from 155 to 103 per thousand before increasing to 110 during the early 1980s, while the child death rate (one to four years) showed a decline from thirty-two to twenty before rising to twenty-two in 1985. Population per physician fell from 21,000 to 18,500 in 1977 before rising to 26,200 in 1984, while population per nursing person declined from 8,300 to 3,300 (1977) before rising to 8,100 in 1984. In the middle of the 1970s about 40 per cent of the population had access

to improved water, by 1984 this had declined to 20 per cent (Havnevik 1991, 22–23; Therkildsen 1986, 293). Similar trends in education are described in Lugalla (this volume). In this context, the crisis became one not of the economy alone but of the state as well, especially in the form of state incapacity to maintain and properly administer social services.

Structural adjustment programmes (SAPs) came to Tanzania through a process which was both slow and tortuous, indeed the story is too complex for it to be adequately discussed here.¹ Suffice it to say that the introduction of SAPs in Tanzania was initially bitterly contested by the government under the former President *Mwalimu* J. K. Nyerere. From 1979 when Tanzania first approached the IMF for a stand-by credit to 1986 when an agreement between the two parties was eventually signed, there were numerous on-and-off consultations accompanied by complete disagreements and at times bouts of mutual recriminations and denunciation. In the meantime, there was one short-lived agreement in 1980 which was cancelled in the same year due to Tanzania's failure to comply with certain of its conditions. This was followed in 1981 by a "home grown" economic rehabilitation programme, the National Economic Survival Programme (NESP), which failed miserably mainly due to over-ambitious targets, lack of attention to structural deficiencies and a partly consequent lack of support both local and international. The "homegrown" Structural Adjustment Programme (SAP) took effect from 1982 to 1985. From the time of the 1984 budget it was heavily and obviously influenced by World Bank thinking, thus paving the way for an Economic Reform Programme (ERP I) that won the IMF support in 1986. ERP I, which ended in 1989 was followed by ERP II in 1989 and an "Economic and Social Action Plan" in 1992.

Despite this profusion of titles, structural adjustment programmes in Tanzania have gone through two basic phases, which both have implications for the role of NGOs in the development space. The first period was heavily influenced by the IMF's belief that Tanzania's economic crisis was essentially one of internal and external balances, which called for a fairly sizeable devaluation of the country's currency and restric-

1. For a comprehensive account of the 1979–86 prelude to Tanzanian adjustment see, in particular, Kiondo (1989).

Classification of registered NGOs in Tanzania by type and period of formation

Type of NGO	Period of formation									Total
	Year not known	1919-1930	1931-1940	1941-1950	1951-1960	1961-1970	1971-1980	1981-1985	1986-1990	
Environmental NGOs	0	0	0	0	0	0	1	5	—	6
Professional NGOs	6	0	1 ¹	—	—	—	5	11 ³	—	23
Quasi govt. NGOs	1	0	0	0	0	0	4	—	—	5
Religious NGOs	14	0	0	0	3	—	2	1	1	21
Social services NGOs	18	2	1	1	2	6	8	4	9	51
Women & youth NGOs	3	0	0	0	0	0	1	1	3	8
International NGOs	10	—	—	—	1	1	0	0	3	15
Others ²	34	0	0	0	0	0	0	0	0	34
Total	86	2	2	1	6	7	18	41 ³		163

Notes: 1. Tanganyika Farmers' Association (TFA) was registered as a branch of Kenya Farmers' Association in 1935. In 1955 it was created as a separate entity

2. These are NGOs with no detailed information

3. Refers to 1980s as a whole

Source: Compiled by author from TANGO (1990)

tions on government expenditure. This involved a withdrawal of subsidies, the introduction of certain user charges and also real cutbacks in allocations to spending ministries. The second phase reflected the adoption of a more comprehensive neo-classical approach to structural issues in the macro- and micro-economies. Put very simply, this involved policies aimed at restricting state economic involvement and giving room for the operation of market forces. As for the inefficient and corrupt bureaucracy, the donor community has throughout pursued a policy of by-passing state structures and its bureaucracy whenever possible. To do this it either used its own administration to administer aid-funded projects or resorted to NGOs which were seen as less bureaucratic, non-corrupt and more efficient.

The table shows the composition of registered NGOs in Tanzania by type of NGO and year of registration, from 1919 to the present. Unfortunately, no data is available on the date of registration of a majority of NGOs. However, data is available on enough of them for some generalisations to be made. In the 1980s, (the decade of structural adjustment), we can note the following trends. Firstly, the process of NGO registration in this period was greatly intensified. Compared to the other decades, forty-one NGOs registered in the 1980s alone. In the 1970s only eighteen NGOs are known to have been registered and these included four quasi-governmental NGOs. In the 1960s seven NGOs only are known to have been registered. In other words, out of the sixty-six TANGO-registered NGOs known to have been formed during the three post-colonial decades, 62 per cent have been formed in the last ten years.²

Secondly, if the structure of the NGO sector in the country during the 1980s is examined it is evident that compared to the 1970s, NGOs of almost all categories increased in number in this period. The exception was explicitly quasi-governmental NGOs, which recorded no growth. This is presumably because structural adjustment had the effect of discouraging further state expansion in this form. Having recorded only one NGO registration in the whole of the 1970s, the environmental category recorded five new ones in the 1980s. This may be taken as indicating an increased awareness of environmental issues on the part of at least certain sections of Tanzanian society, as well as, of course, on the part of donors (but see below).

Professional associations, which are registered as NGOs in Tanzania, also more than doubled their number during this period. That is, eleven of them were formed in the 1980s compared to only five in the previous decade. While this growth obviously has considerable significance, the inclusion of professional associations in the category of NGO is something of an anomaly. Most literature on NGOs would not classify professional associations as NGOs because, unlike proper NGOs, professional associations' concerns are not with development in general, but rather with maintaining professional autonomy, defending pro-

2. By May 1993 the number of registered national and international NGOs in Tanzania had dramatically increased further to 224 (*Business Times*, May 14 1993). (Editor)

fessional interests and maintaining acceptable standards of the particular professions.

Probably more than any other social categories, women and youths comprise the sections of society most adversely affected by economic crises and SAPs. At least partly in response there seems to have been a substantial increase in groups representing their interests. For example, while no NGO representing the interests of women or youths was registered in the 1970s, five NGOs describing themselves in this way emerged in the 1980s. Similarly fourteen new social service sector NGOs were registered in the 1980s compared to only seven in the 1970s, again presumably reflecting in part the tremendous erosion of government capacity in social service provision during the last decade.

A whole section of NGOs that do not appear in the TANGO directory are the District Development Trusts (DDTs). The emergence of DDTs, which began towards the end of the 1970s, seems to have been similarly motivated by the country's economic crisis and subsequent government incapacity to expand or even sustain the country's social sector. On a conservative estimate, in the more than eighty districts of Tanzania Mainland, there can be found at least three DDTs per district. Most, but not all, of these organisations are concerned with education. For example, in Karuta sub-district, Arusha, Qorro (1991) lists the presence of the Sahatta Education Trust Fund, Karatu Farmers and Allied Investments Limited and the Karatu Development Association. On this basis there are probably well over 200 DDTs in Tanzania.

Another indicator of the growth of DDTs is the increasing numbers of private secondary schools, many of which are run by this type of NGO. Lugalla (this volume) has noted the major increase in private secondary schools in the 1980s, compared both to earlier periods and to public secondary schools. Between 1980 and 1992, the number of private secondary schools in the country rose from 71 to 227, while public secondary schools increased from 83 to 158. As a result, the share of total secondary schools provided by non-state organisations increased from 46 to about 60 per cent. This expansion of private secondary schools in the 1980s again reflects the incapacity of the government to expand the education sector in line with demand under the economic conditions and policies which prevailed.

The most comprehensive attempt to track the growth of DDTs has

been carried out by Therkildsen (unpublished data, no date). According to him, around 850 DDTs were formed between 1960 and 1991. This figure includes some which later went out of existence. Based on a 33 per cent sample of these organisations' records, he estimates that well over half were formed during the 1980s, and up to 40 per cent in the period 1986–91 alone.

Some writers have tried to explain why DDTs, or self-help NGOs as they are sometimes referred to, began to emerge in Tanzania from late 1970s onwards. Qorro (1991, 2–4) argues that this expansion primarily reflected a failure of the government (both local and central) to “deliver” services especially social ones, even when funds had been allocated for them. DDTs were then a legal device to enable those engaged in self-help work to qualify to own and manage certain institutions such as secondary schools which could not be legally placed under the ownership of district councils or village governments. DDTs thus partly shared a background with other NGOs in the crisis of service delivery, but also seem to have represented a popular response to the political weakness and unresponsiveness of local government.

NGO-GOVERNMENT RELATIONS IN THE 1980s AND 1990s

Two contending paradigms are currently in use when trying to analyse NGO-government relations generally. The first paradigm envisages a convergence of NGO and government interests “...on the basis of a shared interests between the two parties for poverty alleviation and the freeing of productive activities from the influence of parasitic classes” (Holloway, 1989). This paradigm assumes collaboration between NGOs and the government. The second paradigm runs in the opposite direction. It envisages clashes or at least tensions between NGOs and governments because the activities of the former seek to empower the poor and powerless who eventually in the process become organised to challenge the latter. Alternatively, by performing duties that used to be in the domain of the government, NGOs tend to acquire credit which would otherwise belong to governments and hence themselves pose as threats to the latter. Consequently, this paradigm predicts relationships between NGOs and governments will be characterised not by collaboration but conflict (Clark, 1991, 74).

Baldwin (1990) takes a middle course between the two contending paradigms. He begins by arguing that local factors influencing NGO-government relations can and do change. For example, he argues, insecurity can make a government ban NGO activities but as the security situation returns to normal so may NGO-government relations. Likewise, deterioration of fiscal resources can make a government more receptive to NGO activities. Based on this argument, Baldwin (*ibid*, 97) identifies a continuum of stances by African states toward NGOs. The first of these is monitoring, whereby governments register NGOs but keep watch on their activities. The second is coordination, whereby they actively intervene in the activities of particular NGOs in order to prevent them from becoming "unguided missiles". The third is co-optation, whereby governments seek to convert NGOs into quasi-governmental organisations. Finally there is active discouragement whereby NGOs are deterred from launching or maintaining activities or are outlawed altogether.

Tanzania's experience shows that a clear understanding of the NGO-government relations needs an approach somewhat similar to the one applied by Baldwin. However, this requires elaboration not just in terms of the variety of general political and economic situations which may influence government stances regarding NGOs as a totality, but also to acknowledge that governments may take up more than one of these stances simultaneously, depending on the nature of the NGOs in question. Hence it is necessary to identify different types of NGOs in any given country, and examine the broad socio-political context of each.

The government of Tanzania itself employs certain categories to distinguish groups of NGOs. These comprise religious organisations, professional societies, development societies (including friendship associations) and social clubs (see *TANGO Newsletter*, Issue No. 1:1). Unfortunately this purely nominal classification tells us little or nothing about the nature of Tanzanian NGOs. Perhaps a better way to understand the different forms of NGOs would be to use the classification system suggested by Shivji (1991). This identifies four different types of NGOs distinguished by their *socio-political alignment*. Since this may be to the local state, Northern voluntary organisations (directly or indirectly) or to the people, we will find in Tanzania government organised NGOs (GONGOs), foreign NGOs (FONGOs), local NGOs (LONGOs) which

are mostly foreign funded NGOs (FFUNGOS), and People's Organisations (POs). To Shivji's classification could be added a fifth category, corresponding to the fact that a section of the local elite operates at least partly and/or at certain times outside the state. These NGOs, which basically serve the interests of the "privatised" elite, will be called elite centred NGOs (ECENGOS).

The above classification not only allows us to critically examine the contact and function of Tanzania, but also can be used to explain the particular distribution of stances by the state toward different types of NGOs at different times. Of course it is not implied that either the alignments of specific NGOs or government stances toward them at any particular time are fixed or immutable. Nor, as will be seen, are they always unambiguous.

Turning first to the category of GONGOS, it may be observed that in recent years Third World countries have discovered the financial importance that NGOs wield in the field of development. In real terms by 1988 funds committed to NGOs had doubled from those contributed in 1970. But what is more important is the fact that Northern NGOs collectively contribute more to developing countries in terms of net transfers than does the World Bank (Clark, 1991, 47).³ Aware of this growing financial importance of NGOs, governments have sought both to encourage the formation of certain NGOs and to coordinate existing ones in order to gain access to the funds channelled through them. Two important areas where this tendency is glaringly evident are those of the environment and "women in development". Both of these areas are known to be attracting a lot of attention and funds from the donor community and Northern NGOs. In the area of the environment, the Tanzanian government coordinates and monitors the activities of NGOs either through its newly formed National Environmental Management Council or through the Forestry Division in the Ministry of Tourism, Lands and Natural Resources. In some cases the government has directly formed its own environmental "NGOs" such as the Hai Afforestation Scheme organised by a government Forest Extension Officer in

3. The World Bank gives more new money to developing countries each year, but after deducting debt service on past loans from the gross figure, the resulting net transfer is smaller than the NGO contribution.

Kilimanjaro Region. The scheme passes as an NGO because it has no official ties with the government but in reality the government employs civil servants in the scheme to monitor and coordinate its activities.

As for the women's groups, the government has appointed – and employs – coordinators for “Women in Agriculture and Livestock Development” projects for each administrative region in the country. These officials have on their establishments representatives downwards to every district. According to the Regional Coordinator for Arusha, the officials “...are responsible for planning, implementing, monitoring and evaluating women's activities as far as agriculture and livestock is concerned” (Umbulla, 1992, 1). The officials are also responsible for establishing women's groups. Possibly, their central role is however mobilising funds. As the Arusha Coordinator went on

We have made several negotiations with Global 2000 to assist women's groups as far as women's crop production is concerned. We also normally do some write ups for the proposed women's projects and forward them to donors (NGOs) for funding. (ibid, 3)

Most women's groups in Arusha now work closely under the Regional Coordinator.

The bulk of both “coordinated” environmental and women's group NGO activity clearly reveals the socio-political project and the financial base of GONGOs. Financially they depend almost wholly on foreign assistance while politically they serve the state by reproducing essentially governmental relations with the people. Hence while the government is enabled to monitor and coordinate the activities of organisations operating in potentially sensitive fields or with potentially sensitive constituencies, it simultaneously gains access to the funds involved, creates a relation of patronage to project beneficiaries and reaps political credit from any success the project may achieve. In relation to local politics, GONGOs can also act as local bases for individual politicians. A member of parliament who gets a GONGO-run project started in his/her constituency claims credit for its performance both with constituents and possibly government ministers. It is clear therefore that the relationship between the government, both at the local and national levels, and GONGOs is not only collaborative, but quite intimate.

Tanzania government organised NGOs (GONGOs) also technically

include quasi-governmental "mass organisations". These include the Youth Movement (*Umoja wa Vijana Tanzania*), the Women's Movement (*Umoja wa Wanawake Tanzania*), the cooperative movement (Co-operative Union of Tanzania) and the Trade Union Federation (the former JUWATA or *Jumuia ya Wafanyakazi Tanzania*). The last two have recently ceased to be official party and/or government organisations and are now "autonomous" — although this autonomy is highly questionable.⁴ It is important to note that these quasi-governmental NGOs were originally brought into the party-government structures for purposes of co-optation rather than coordination and monitoring as was the case for the women's and environmental NGOs above.

The next two categories, that is FONGOs and LONGOs, are better discussed together as they correspond to socio-political alignments and also usually funding sources which are basically similar. All FONGOs are NGOs which are not locally initiated and formed, but which are based and or operate within the country. In other words these are branches of international NGOs. Currently there are 15 such NGOs whose details are registered with the TANGO Directory. Four others also appear in the directory but without detailed information. These NGOs act as conduits for channeling funds from Northern countries to operate local projects or to support local NGOs and their projects in the country.

LONGOs which are also mostly foreign funded are counterparts to FONGOs. They include all NGOs founded within the country either at the direct initiative of Northern NGOs or FONGOs or at least partly on the basis of local initiative but, all the same, with financial assistance from Northern NGOs or FONGOs. Certain POs and ECENGOS, which will be discussed later, could be included within the general category of LONGOs from the funding viewpoint, but occupy a different socio-political alignment. The common socio-political alignment of FONGOs and LONGOs is typically that of the Northern NGOs. This is not entirely homogeneous and there are naturally some major exceptions, but generally this corresponds to the tradition of philanthropic voluntary in-

4. The nature of this autonomy is neatly summed up by a statement of the President to the May 1991 National Executive Committee of CCM: "The Party is satisfied that any child who is being brought up will reach the stage of being fully grown and mature...These organisations now have freedom of choice as to what sort of relations they would like to have with their parent, CCM" (*Daily News*, 6 May 1991).

initiative. Classically this took the form of relief or other charitable work or was targetted at assisting social groups identified as being more or less incapable of helping themselves. As such, they typically have an ideology of supplementing the efforts of government. One good example of a Tanzanian-based LONGO is hence Friends in Development (FIDA) which describes itself as a local agent of the German Burgerpartnerschaft dritte Welt (BdW). BdW is an international charity organisation whose projects in Tanzania include supplying school fees for students who are unable to pay (*Daily News*, 15 July 1992).

LONGOs may also include organisations with local funding bases but which occupy a similar alignment. These are locally funded NGOs, usually engaged in different forms of social service-cum-charity work. Two good examples are the Dar es Salaam based National Child Survival Committee and the Human Welfare Trust. The Committee, formed in 1987, comprises artists, writers and intellectuals who felt the need to supplement government and UNICEF efforts to check the currently high infant mortality in the country. On the other hand, the Human Welfare Trust is a purely charitable NGO formed in 1986 to discharge community services to the public in general and to promote the social welfare of the disabled in particular (Kiondo 1989, 461).

Government relations with FONGOs and LONGOs, especially during this period of structural adjustment, tend to be collaborative. The government has every reason to collaborate with FONGOs which command a reasonable amount of funds as well as respect among the donor community. As for the LONGOs, the government is currently encouraging the formation of more of them since most of them receive direct assistance from FONGOs and other donors such as the World Bank, in order to provide social services where the government is incapable of doing so. Like most of their counterparts from the North, LONGOs present themselves as technical and apolitical organisations. This orientation suits the government very well since it poses no threat – or at least no explicit one – to government legitimacy.

People's organisations (POs) are mainly grass-roots organisations which may be distinguished from others by their people-centred orientation with regard to organisational structures, articulation of goals and forms of practical implementation. They originate from peoples' needs and they depend on the people themselves for the success of their activi-

ties. Further still, POs distinguish themselves from LONGOs by their essentially self-reliant nature. Unlike LONGOs which are mostly foreign funded, POs depend on local resources, especially those of their own membership. For POs, foreign funding comes as at most a supplement to members' efforts and resources, not a replacement.

There are large numbers of POs in Tanzania. Their members are basically activists who normally stand for suppressed interests – either their own or the oppressed in society at large. POs may be formed in most arenas of Tanzania social and economic life, including those which GONGOs have sought to monopolise. For example, some POs agitate for environmental causes normally in direct opposition to the socially and economically powerful in society. In 1986, the Tanzania Environmental Society (TESO) took up a campaign against government officials who were confiscating public land in Arusha in order to convert it into private housing estates. Likewise, some professionally based associations agitate for the democratic rights of women. The Tanzania Media Women's Association (TAMWA) has consistently taken up this cause since its formation in 1987 and really operates as a women's grass-roots NGO.

A slightly different type of PO is comprised of the previously discussed District Development Trusts (DDTs), sometimes simply referred to as self-help or voluntary organisations. With the exception of the Mufindi Education Trust (MET), most of these NGOs have not bothered to register themselves with TANGO and presumably do not see themselves as having much in common with charities or GONGOs. The DDTs are a very interesting type of PO because they combine the genuine interests of the masses with self-serving elite initiatives and involvement. For example, most DDTs are initiated in urban centres by elites who mobilise funds from amongst themselves and the government, in order to initiate and run self-help activities based in their rural areas.

Though initiated by elites from urban centres, the social base of DDTs remains rural and ethnic oriented. This means that they are inclined to influence local more than national politics. However, this general observation has to be qualified. For one thing, almost all DDTs are patronised by an influential figure from either the state or the private bourgeoisie. Therefore, by maintaining a mass social base, DDTs can be used to influence local politics. At the same time, by having a

national figure as their patron the same DDTs use his or her influence in national politics. Noting this double role of the DDTs (or "home-oriented" associations as he calls them), Mushi (1992, 36) observes that most of them maintain politician patrons who assist in fund-raising in return for "...political capital" in their home constituencies. Of course some patrons are not politicians but wealthy people who wield influence in high places.

As the above discussion suggests, the relationship between the government and POs is somewhat complex. Government feels, to say the least, rather uncomfortable or uneasy when faced with POs that are grass-roots initiated and based. This is because POs of this type serve to conscientise and empower the people against a range of social evils and forms of oppression, including those perpetuated by and through government structures. Moreover, these organisations have explicitly challenged earlier government efforts to monopolise the development space. But this antagonistic relationship is not a stable one, because despite all its suspicions against such POs, it is increasingly in government interest that they be harnessed into a role of supplementing state provision. State accommodation to POs thus involves efforts to ease them into a safer role. This in turn may endanger POs' autonomy, i.e. their status as genuine POs.

With the DDTs, the relationship is rather different. Here the connection is typically mediated through a politician or other influential figure. Through this figure the government may patronize the PO. Hence, the POs receive resources through the government or through its influences in return for certain forms of political loyalty. There is a mutual relationship here that renders this type of PO politically harmless despite its generally pro-people alignment.

The final category of NGOs which will be discussed is that of ECENGOs. As their name indicates, these are aligned to the promotion of the interests of the elite. As a sub-category of LONGOs, they normally present themselves as geared to serving the interests of the most disadvantaged in society but in reality are simply new vehicles for accumulation. One candidate for inclusion in this category is arguably the Mission to the Needy (MTTN) founded in Dar es Salaam in 1986. Its target group was registered as "...those in need of help, grass-root (sic) women and youth" (TANGO, 1990, 29). In 1991, MTTN was hit by a

series of scandals when a founder member alleged the misuse of the NGO's funds by one of its highest officials. It was further alleged that this official went about mobilising funds for the NGO but deposited most of the money in personal accounts abroad. At home it was also alleged that the NGO gave funds not to the needy but to selected friends and family members of the accused official. The organisation immediately became popularly dubbed not "Mission to the Needy" but "Mission to the Greedy".

Unlike POs that mainly mobilize funds locally to benefit rural self-help activities, ECENGOS mobilize foreign funds to mainly benefit elites and their immediate kith and kin. Mission to the Needy claims for example to have received funding from, amongst others, NORAD, UNIFEM, DANIDA, World Vision and UNDP. Since there is an extremely close relation between "private" and state elites in Tanzania, and since extraction of funds from international organisations implies at least knowledge by the state, it is clear that ECENGOS' socio-political alignment is also with the state — whatever its "private" form. In the case of MTTN, the alleged scandals went hand in hand with allegations that the MTTN official at the centre of the problem was being protected by high ranking politicians. MTTN was later officially cleared of any wrong-doing, although public opinion remained unconvinced.

Discussion of the different relationships between the state and NGOs with different socio-political orientations and alignments requires supplementation by an examination of the law and regulations under which NGOs are registered in Tanzania, for this is where government intervention in NGO operations is rationalised and legitimised. The government of Tanzania provides for registration of NGOs under the Societies Ordinance (cap. 337) of the legal code. But before granting registration to an NGO, the Registrar of Societies is supposed to be satisfied that the intended society/NGO really exists, that it has followed the correct (application) procedures in seeking registration and that the NGO is not in any way contravening other existing laws. In effect the latter means that the policies of both the party and government are being adhered to, that it will not endanger the security of the nation, that the society/NGO is not a branch of or otherwise connected with any political organisation or group established outside Tanzania, and that the society/NGO is "...not likely to be used for unlawful purposes or for any purpose preju-

dicial to or incompatible with the maintenance of peace, order and good government”.

The already highly discretionary powers of interpretation which this ordinance appear to vest in the Registrar are strengthened even further by a note at the end of the regulations, which reads

It should be noted that the registration and cancellation of societies under this ordinance is solely at the Registrar's discretion. Much depends on how the Registrar views the mode of application and how such (society) violates the provisions under this ordinance or any other law. (quoted in *TANGO Newsletter*, No. 1)

In 1991 one James Mapalala made an application to register a human rights NGO. Despite the fact that Mr Mapalala was very careful to present the NGO through its constitution as a non-political organisation, the Registrar refused its registration on the ground that it was a political party presenting itself as an NGO. In the same year, a registered NGO by the name of Legal Education Trust (LET) was threatened with the cancellation of its registration. The reason given for the threat by the Registrar was that LET was engaging in political activities contrary to its registered constitution. This was because it had agreed to sponsor a workshop to be run by the self-proclaimed National Council for Constitutional Reform (NCCR). These examples indicate the specific forms of intervention which government employs in relationship to NGOs or would-be NGOs whose socio-political alignment question state authority in relatively unambiguous ways.

CONCLUSION

This paper has given a brief overview of the NGO sector in Tanzania and of the development of its relations with government. It has revealed several important trends. To begin with it has shown that under its statist model of social, economic and political development the Tanzanian government discouraged the growth of the NGO sector in the country. This trend prevailed during the first two decades of independence, that is from the 1960s to the 1970s. At the heart of this discouragement of a healthy growth of the NGO sector at this time was a monopolistic tendency in its developmental claims. This interacted with a relatively weak civil society and also with a donor propensity to promote a specifi-

cally "Tanzanian" development model.

It was never clear whether the Tanzanian government had the capacity to manage the totality of the country's development efforts, particularly in the absence of democratic forms of accountability. But, in any case, towards the end of the 1970s the country was hit by an economic crisis which still continues. This crisis had the effect of eroding the already doubtful capacity of government to provide and manage social services for the majority of Tanzanians. The situation was made worse by structural adjustment programmes adopted by the government in the 1980s. The programmes together with "advice" and overt or covert pressures from the donor community led the government to further reduce its already decreasing social budget. Structural adjustment programmes also had the impact of shrinking state frontiers socially and economically thereby creating space for an increase in private and autonomous initiatives.

The above developments led to an upsurge of NGOs in Tanzania beginning from the late 1970s, but more so during the 1980s. Other related conditions that contributed to this upsurge include encouragement by donors and Northern NGOs which decided to by-pass the government and give direct financial assistance to NGOs. The agendas which lay behind this encouragement were quite diverse, but had similar results.

The Tanzanian government attempts to control the formation and development of NGOs through a process of registration. This is done through selective registration regulations which are intended to eliminate NGOs suspected of deviation from government policies and state interests in general. Those which are registered are subjected to monitoring and coordination of their activities by the government. Others have been co-opted into the party/government structures in order to direct their activities. The nature of the relationship between NGOs and the government differs from NGO to NGO and reflects their different socio-political alignments. People's organisations have been tolerated by the state either inside or outside this framework of regulation, although the interests they serve are in at least partial conflict with the state. On the other hand, some of these organisations have informal patronage-type relations to the state. But people's organisations directly questioning state authority still find themselves in difficulty.

Noting the above trends, a series of questions for further and closer investigation may be formulated. If the statist model of socio-economic and political development in Tanzania hindered the development of a healthy civil society in the country, to what extent does the growth of NGOs signal the presence of a genuinely new institutional order in the country? If one can speak of such an order, what will be the relative roles and interrelations within it between NGOs and the promised array of political parties? What are the implications of such an order for the domination of the social elite whose formation and hegemony was so closely tied to the phenomenon of statism? And what are the implications for the mass of the population to whom statism promised so much and delivered so little? The clarification and answering of these and other questions requires concrete and detailed investigation at the local and national level.

Structural Adjustment Policies and Education in Tanzania

Joe L. P. Lugalla

Tanzania has since the late 1970s been experiencing a severe economic crisis characterised by a number of phenomena. These include falling GDP per capita and declining agricultural performance (especially in the export sector). These in turn have been largely responsible for shortages of foreign exchange, deteriorating internal and external accounts and increased international borrowing. Two important results have been the erosion of the living standards of the mass of the population and of the level of social provision achieved during the first one and a half decades of independence. The crisis continues to threaten the remaining but dilapidated social, economic and physical infrastructure.

In attempting to deal with the crisis, the government of Tanzania has since 1981 reacted in a number of ways, including introducing a variety of adjustment measures namely the National Economic Survival Plan (NESP), Structural Adjustment Programme (SAP), Economic Recovery Programme I (in 1986) and II (in 1989) and more recently the Economic and Social Action Plan (ESAP) and Priority Social Action Plan (PSAP). From 1986 onwards these measures had the support of the IMF and the World Bank.

The principal objective of these adjustment measures has been to substantially increase production in the agricultural sector, attain macro-economic balance by bringing national expenditures into line with national income, reduce inflation and relieve foreign exchange constraints by increasing exports and encouraging the use of locally available raw materials. Initially an emphasis was placed on accomplishing this within the context of mobilisation of internal resources and the maintenance of an "egalitarian" income distribution. These emphases disappeared after 1986.

In order to realize these objectives, the government has been tightening control of credit, removing subsidies on certain food items and agricultural inputs, introducing progressive devaluations and liberalising trade. It has also been trying to reduce government expenditure by intro-

ducing cost-sharing measures in social services like education.

At present, Tanzania is in the third year of the second phase of IMF supported adjustment (ERP/ESAP). It is argued that the first phase of ERP recorded some improvements in the performance of the economy as reflected in GDP growth rates (Tibaijuka, 1991). Subsequently, macro-economic trends are less certain. However, it is clear that in neither period has there been registered an improved provision of social services, rising standard of living and improved social welfare of the majority of the Tanzanian people. The governmental infrastructure which provides such services has continued to deteriorate both in quality and quantity. What has gone wrong?

The objective of this paper is to examine the effect of the economic crisis and the accompanying SAPs on education in Tanzania. In order to situate the discussion in its proper historical context it is first necessary to briefly review post-colonial educational objectives and policies. In this process an attempt will be made to identify both the achievements, inadequacies and problems experienced on the education front from independence to 1980. I see this period as essentially one of great positive achievements. A second section covers the period between 1980 to 1992. Here I discuss the impact of the crisis and macro-economic adjustment on education. This period can only be described as one of crisis and severe set-backs. The third part of the paper discusses recent sector-level adjustment policies for Tanzanian education and some of their consequences.

TANZANIAN EDUCATION FROM INDEPENDENCE TO CRISIS

In order to understand the logic behind the early post-colonial education policies, it is important to discuss briefly what Tanzania inherited from the colonial system of education.

From independence to the Arusha Declaration

Tanzania took over a three tier system of education with separate provision for Europeans, Asians and Africans. European and Asian schools were privileged and far superior to those of Africans in terms of facilities, teaching staff, buildings and enrolment levels (Campbell-Roy, 1991). Africans accounted for a majority as far as enrolment was concerned, but in comparison with their share of total population they were

under-represented. In 1960 a majority of Asian and European children aged six to eleven years attended school as did a majority of Asians aged twelve to seventeen years (Europeans sent their children abroad for secondary education). The proportion of African children of the eligible age groups attending was 16.5 per cent and 14.1 per cent respectively (*ibid*, 202).

The content of colonial education functioned to reinforce the racially based colonial structure. The highest trained Africans were supposed to work in the lower levels of the colonial bureaucracy as clerks, messengers and interpreters. Meanwhile, the majority of them got rudimentary training in agriculture, simple mechanics and carpentry under the guise of "education for adaptation". This system relegated Africans, especially those in the rural areas, to the lowest rank of the education ladder.

The colonial system of education also enhanced regional differentiation. Because most schools were built by missionaries they tended to be located in places where missionaries and European settlers were dominant. Hence areas of Kilimanjaro, Bukoba, and the Southern Highlands had more schools than other regions due to the role they played in the colonial economy. According to 1965 figures, 85 per cent of the school-going age population in Kilimanjaro and 57 per cent in West Lake region attended government primary schools while only 25 per cent in Shinyanga were so enrolled. This system laid the foundations of some of the class and regional inequalities seen in Tanzania today.

The majority of Africans received education to a very low level. Thus the first manpower survey conducted in 1962–63 revealed that over 86 per cent of all jobs that required university education were in the hands of non-Africans. Out of a population of over 10 million there were no African architects, mechanical engineers or geologists and only a total of around 30 other professionals (Pratt 1976, 92).

As a result of the virtual absence of Tanzanians who could take over the positions held by non-Tanzanians, the question of training a cadre to manage the post-colonial state and economy became agenda item number one in post-colonial educational policy. This was in turn part and parcel of the broader issue of "Africanisation". By 1962, the ruling Tanganyika African National Union (TANU) party had formulated a clear policy on the latter, and two principles were established.

It was decided that every government employment vacancy was to be filled by a local appointee, and resort should only be made to recruitment outside if no suitable citizen of any race could be found locally. In the case of new appointments to the service, African candidates from Tanganyika were to be considered first, and only if no suitable qualified Tanganyikan African candidate were available should other candidates be considered.

The TANU approach to Africanisation stood in contrast to that of the Tanganyika Federation of Labour (TFL), the umbrella organisation of the independent Trade Unions. While TANU was in favour of a gradual and partial transformation of the dominant colonial socio-economic relations, TFL on the other hand supported a rapid Africanisation of the government bureaucracy and transformation of colonial socio-economic relations. Contradictions between TANU and TFL were intensified by TANU's adoption of these principles, which contributed to the collapse of their "marriage of convenience" and eventually also to the banning of TFL in 1964 and its replacement by NUTA, a trade union federation which became an affiliate of the ruling party. The banning of TFL made TANU the only organ in post-independent Tanzania contributing to educational policy making. Debate was henceforth submerged.

Educational reforms in line with the policy of gradual Africanisation were spelt out in the first Three Year Plan for Economic Development (1961–1964), later extended into a First Five Year Development Plan (to 1966). These reforms comprised the abolition of the segregated school system and rather later, the abolition of secondary school fees. Enrolments especially at primary level increased significantly and a European-style university was created.

The legislation on racial integration of schools was enacted in 1961 and enforced in 1962. The act aimed at changing the education system from a loose, racially based one to a unified national system for pupils of all races and religious denominations (Maliyamkono and Msekwa, 1979, 12). Accompanying this was an upgrading of local government power and responsibilities over primary education. Private schools were actively discouraged and new private schools not allowed to open. In 1964 fees were abolished in secondary schools opening up opportunities for European-style secondary education to children of all backgrounds (*ibid.*).

As a result of these measures the total number of primary education leavers from both public and private schools increased from 17,042 in 1963 to 47,981 pupils in 1967. (Secondary) Form One selection from public schools increased from 4,972 to 6,635 during the same period. Admission to the University of Dar es Salaam rose from fourteen students in 1961–62 to 778 in the 1966–67 intake (Admission Office data, University of Dar es Salaam). (All these figures and those reported subsequently should be taken as approximations rather than precise records. Original data in Tanzania especially on pupil enrolments and government educational expenditure tends to be unreliable and inconsistent).

During this phase, the inherently elitist assumptions of the inherited education system remained largely unchallenged. Indeed, to some extent they were extended with the foundation of the University of Dar es Salaam. As time passed it perhaps became clear that a continuing emphasis on training administrative personnel to service the bureaucracy at the expense of training for agricultural and rural development had built-in limits. Problems crystallised in 1966 when students demonstrated against aspects of the new system of compulsory National Service, a protest construed by government and the head of state as exhibiting an attitude of arrogance and superiority, and by the University's own Academic Board as demonstrating "...a profound alienation of the students and (of) college life from the needs of the nation" (quoted in Peter and Mvungi, 1986, 169–71).

The Arusha Declaration and education for self-reliance 1967–80

The most dynamic phase of Tanzanian educational development was ushered in with the Arusha Declaration (AD) of 1967, which identified Tanzania with the path of "African Socialism", elaborated by Nyerere in terms of "...equality, respect for human dignity, democracy, work by all and exploitation by none" (quoted in Mosha, 1988, 60).

The origins of the AD are closely bound up with the development of educational policy. In the first place, as already noted, aspects of the existing education system had in 1966–67 become officially discredited as "neo-colonial", basically as a result of its "responsibility" for a challenge to an apparently nationalist scheme of the party and the head of state. In the second place, ironically, the original rationale for the stra-

tegy of gradualist educational transformation disappeared. Rapid Africanisation as advocated by the TFL (and the mutinous Tanganyika Rifles in 1964) — and with it a genuine transformation of the colonial education system — had been rejected in 1961–62 by TANU precisely because it was seen as compromising the maintenance of foreign assistance, on which all initial economic and social development plans were premised. However, for various reasons the anticipated inflow of foreign assistance never materialised and both the First Three Year and the First Five Year Development Plans remained grounded. In this context, “Africanisation” and “Socialist Self-Reliance” could emerge as state responses to a combination of student protest and increasingly strained relations with the main western capitalist powers.

After 1967 the education sector was subject to a regular barrage of new policy statements and directives. The first and most far-reaching of these was Education for Self-Reliance (ESR) in 1967. ESR called for change to the nature of education inherited from colonialism, and was directed at remoulding around Tanzania’s needs and objectives both all aspects of the system and the attitudes which pupils developed as a result. This meant a type of education which would nurture self-responsibility and collective self-help (Mosha, *ibid*).

Hence ESR’s main objectives were to change the mental values and attitudes inherited from colonialism, to transmit from one generation to the next the accumulated wisdom and knowledge of the society, to inculcate scientific and technological skills and to prepare people for future membership of a socialist society embodying the precepts of equality, human dignity and the value of work, and to integrate school and community by making schools an integral part of the communities which practised the concept of self reliance. Further, education was to promote a sense of belonging together and enhance the spirit of cooperation by making pupils value work, practise their democratic rights, but also be accountable for their responsibilities. Corresponding to these objectives was an emphasis on mass education at both primary and adult levels and the integration of education with manual work and production. Primary education was to be universal but also self-contained, rather than selective and preparatory for secondary education. Its length was changed from a maximum of eight years to a minimum of seven. In line with the objective of permitting an uninterrupted full seven years

of primary education to every child, the Standard IV examination was also abolished.

Reflecting these objectives, the period spanning the last two years of the First Five Year Development Plan (1967–69) and the whole of the Second Five Year Development Plan (1969–74) was characterised by efforts to implement ESR. During the villagisation programme a policy of building a primary school in every village was instituted. Indeed, at present every village has at least one primary school. Primary school enrolments grew rapidly during the 1967–1975 period. Universal Primary Education (UPE), which was originally scheduled for 1989, was brought forward to 1977. As a result of UPE, enrolment in Standard 1 nearly doubled from 247,627 pupils in 1974 to 433,210 in 1975, while total primary school enrolment increased by 31 per cent (Bikas et al, 83). In order to widen chances for children from poor families, primary school fees were abolished in 1973. In order to redress regional inequality, backward areas with higher population growth were given higher priority in the school building programme. Such a policy also contributed to the relative increase of intake from these backward areas into secondary schools and post-secondary institutions.

In quantitative terms, particularly with regard to enrolment figures, the success of UPE is impressive. Primary school enrolment rose from 0.47 mn. at the time of independence (1961) to 1.2 mn. in 1974, 2.2 mn. in 1976, 3.37 mn. in 1980, and 3.54 mn. in 1981. Between 1974 and 1980 the increase was over 180 per cent (ILO, 1981, 110; Tanzania Government Ministry of Education (TGME), 1987, 6). Also transformed was the balance between public and private primary education. While in 1981 enrolment in public schools was 3.53 mn., in non-aided primary schools it was only 7,561 (there had been 80,000 non-aided primary school pupils as recently as 1976).

Since each of the 8,000 plus villages had a primary school most pupils' travelling time was drastically reduced, with 90 per cent of all children living within 4 km of a school in 1983 (Carr-Hill, 1984). Permanent classrooms increased from 29,448 in 1978 to 48,496 in 1982 and the building of teachers' houses rose by almost 60 per cent during the same period.

The introduction of UPE necessitated a new programme for training teachers, namely training of teachers outside college (UPE Teachers). A

total of 45,534 UPE Teachers were enrolled for training in the years 1976–78. Out of 37,414 who sat for the qualifying examination 35,028 or 93.6 per cent passed and were employed as Teachers Grade C (TGME, 1989, 73). In 1974 a college-based one year crash programme was introduced for Grade A Teacher Training, along with a double intake (per year) system in all Colleges of National Education. This programme was designed for Form Four Secondary School leavers. Enrolment of Grade A Teacher trainees increased from 846 in 1975 to 3,071 in 1976 (ibid).

Since the period following the Arusha Declaration put such emphasis on primary education, recurrent expenditure on primary education as a proportion of total recurrent expenditure on education increased from 40 per cent to over 50 per cent before levelling out (ibid). Even so, this increase was insufficient to meet all the new recurrent costs being incurred. As a result the government made a special grant of TSh. 20 per year per child enrolled for primary education in order to alleviate shortages of educational materials (TGME, 1987, 9). Through the campaign *Elimu ni Kazi* (Education is work), parents were also urged to play an important role by providing labour or materials in building classrooms, offices, latrines and teachers' houses. The government augmented parents' and students' efforts by contributing TSh. 5,000 per classroom and TSh. 7,000 per completed teacher's house. Later these amounts were raised to TSh. 10,000 and TSh. 12,000 respectively (ibid, 6).

The building of classrooms was successfully accomplished. However, the building of pit latrines was unsatisfactory since by 1980 one pit was being used by 100 pupils instead of the twenty-five to thirty pupils as recommended by health regulations (ibid). Moreover instructional materials, classroom furniture and teachers' houses were still in critically short supply. Furthermore, while impressive advances were made in the preparation of primary school teachers, their quality remained questionable. People joked in Swahili that UPE actually stood for "*Ualimu Pasipo Elimu*", meaning a teaching profession without education.

The massive expansion of primary education was unfortunately not reflected in much expansion of state secondary education opportunities. In fact, while pupil numbers at secondary level expanded, the proportion of those completing primary school who entered secondary edu-

cation steadily fell. This reflected a stagnation in the numbers of public secondary schools (around 80 for most of the 1970s) and the sub-sector's attraction of a declining share of state expenditure.

Despite its declining share of public resources in the period, efforts were made to reform the curriculum of secondary schools in line with ESR, to train students in practical skills and to help them respect manual work. The vocationalisation of the secondary school curriculum and involvement of schools in productive and cost-saving activities was reflected in their administrative grouping into four biases, namely, Agriculture, Commercial, Technical and Home Economics.

Because of the manner in which Tanzania chose to use its education resources, the government secondary school system had become one of the smallest in the world by 1980, serving only 2.4 per cent of the 14–17 year age group. Enrolment in private secondary schools brought this figure to 5.2 per cent. By 1980 only 4.7 per cent of primary school leavers were able to find Form One places in public secondary schools with another 4.6 per cent entering private schools. The growth of private secondary schools was perhaps the central anomaly of ESR. Private education had begun to wither in the first phase of the post-independence period but actually revived in 1968 when, in response to popular discontent about a lack of secondary school places, opposition to it was quietly abandoned. As a result, private schools increased rapidly from seven in 1965 to twenty-seven in 1969 (Hazlewood, A. 1989, 26) and to seventy-one in 1980 (TGME, nd). On the other hand, in the early 1970s the government nationalised all primary and secondary schools which were owned or controlled by voluntary agencies, and more particularly those belonging to church organisations (except for a few seminaries offering religious education). Until the 1980s the result was a private secondary sub-sector dominated by for-profit institutions.

Government continued to place a strong emphasis on university education during the post-Arusha Declaration period, although adjustments were made to curriculum content with the introduction of compulsory courses in Development Studies run by the TANU/CCM dominated Institute of Development Studies. Student autonomy and academic freedom was kept on a short leash or not tolerated at all (see Peter and Mvungi, 1986, 173–91).

In 1970 Dar es Salaam University College became the independent

Table 1. *Enrolment figure for various levels of public education, Tanzania, 1961–90*

	Level	1961	1967	1975	1980	1990
Standard	I	121,386	157,196	433,210		
Standard	V	19,721	60,956	165,253		
Standard	I–VIII	486,470				
	I–VII		753,114	1,532,953	3,361,568	3,097,170
Form	I	4,196	6,635	8,586		
Form	IV	1,603	5,004	8,183		
Form	V	236	895	1,865		
Form	I–IV	11,832	25,551	38,327	38,820	61,928
University of Dar es Salaam		178	1,658	2,218	2,750	

Source: Bikes and Kinunda, 1977, 81; TGME, 1991

University of Dar es Salaam (UDSM). The 1974 Musoma Resolution exempted girls from a new policy which required Form Six students to work in civilian employment for at least two years before joining the University. The proportion of female graduates as a result reached 11.5 per cent in the 1970s before rising to about 15 per cent by the end of the decade. This level of participation can still be regarded as marginal. Also in 1974, UDSM opened a new Faculty of Engineering. Enrolment at UDSM as a whole rose from 778 in 1966–67 to 1,894 in 1974. By 1979–80 UDSM had over 5,000 graduates and national self-sufficiency in high level posts had been more or less attained (Maliyamkono, Ishumi and Wells, 1982, 186).

By the time Tanzania's economic crisis of the 1980s was beginning, a number of achievements in the sector of education were evident. Expenditure on education as a proportion of GNP rose from 5.2 per cent in 1972–73 to 6.6 per cent in 1979–80 (over the same period it fluctuated at between 14 and 18 per cent of total government expenditure) (ibid). Enrolment figures for all levels of education had increased tremendously (Table 1). The main achievement of course was in primary education.

Nonetheless, the extent to which the education system had been transformed in a socialist direction remained questionable. It proved particularly difficult to eradicate socio-economic biases at post-primary levels of education because of the superior early preparation and higher aspirations likely to characterise students from middle and upper class homes. There is also some evidence that high ranking individuals successfully circumvent the system to assure educational opportunities for their children. As Maliyamkono et al (*ibid*) observed, in certain years up to one-third of Form III students were transferees from private into public secondary schools, with public school headmasters and mistresses being obliged to make places available for these students because of their parents' influence. A study conducted in 1974 in seven secondary schools found that only 38.2 per cent of students were from the families of full-time peasants, whereas according to the 1967 census, 90.2 per cent of the total labour force were peasants. Meanwhile, while only 1.5 per cent of the total labour force were in the "professional and administrative work" category, 12 per cent of the surveyed students came from such families (Amri, *nd*). A 1982 study of University graduates found similar socio-economic trends: 51 per cent of the sample had urban backgrounds, relative to only 10 per cent for Tanzania's population as a whole, 44 per cent came from families of high or middle incomes and 11 per cent had fathers in professional or managerial occupations (Maliyamkano et al *ibid*).

Regional inequalities were also of concern with regard to educational opportunity. As I pointed out earlier, the distribution of schools across regions was unequal during colonial times with wealthier regions predictably better endowed. Despite efforts to the contrary regional imbalances persisted. In 1977 adult literary rates were twice as high in some districts than others (*ibid*) while in 1978 there was still substantial inter-regional variation in the ratios of population per primary school. Secondary schools were also distributed unequally. In most cases these inequalities were exacerbated by the locational choices of private secondary schools, which were less subject to government influence. For example in 1980, Coast and Mtwara Region had five public secondary schools each and no private secondary schools, but Kilimanjaro had nine public secondary schools and 24 private ones (TGME, *nd*). Today Dar es Salaam has only eight public secondary schools and 14 private

or voluntary organisation owned schools, but Kilimanjaro region has 12 public secondary schools and 44 private- and voluntary-owned ones (Ministry of Education Headquarters, interview).

In an attempt to redress regional inequality a quota system was introduced in the late 1970s to guide Form One selection by public owned schools. But with 60 per cent of the country's secondary schools being private or owned by voluntary and other non-governmental organisations the quota system alone has failed to redress regional inequality.

Greater progress was made in redressing gender differences in education, at least at primary level — although it is not clear that this was the result of policy-based efforts. Girl: Boy ratios in Standard VII (final year of primary school) were only 37: 63 in 1974, but rose to 45: 55 in 1982. They were to continue to rise to 50: 50 by 1986, where they have remained ever since (calculations from TGME 1991). Figures for public secondary schools are rather more depressing. In 1976 girls comprised only 27 per cent of pupils in Form 4 and 14 per cent in Form 6. By 1980 there had been a limited improvement to 30 per cent and 25 per cent respectively. The position in 1990 had improved for Form 4 (to 35 per cent) but had stayed the same in Form 6 (*ibid*). In 1990 women students moreover made up only 43 per cent of those in teacher education, 19 per cent of university undergraduates and 7 per cent of those in technical education (*ibid*).

THE IMPACT OF THE CRISIS AND MACRO-ECONOMIC ADJUSTMENT ON EDUCATION

The economic crisis described in the introduction to this paper has had a severe impact on the education sector, most obviously through government expenditure reductions. The effects have been far-reaching. As Tungaraza (1990) has noted, the period has been one of declining educational quality (as reflected in severe shortages of staff, buildings, equipment and learning materials), declining per capita student enrolments at all levels of education and also a rapid growth of private schools — especially self-help built secondary schools.

The decision to cut expenditure in education and other social services was a bitter pill for the government to swallow. From 1979 discussion emerged in government as to whether the economy was capable of

Table 2. *Structure of social sector expenditure, Tanzania, 1978-88 in TShs. mn. (and percentage of GDP), 1976 prices*

Year	GDP	Soc. Sector spending	Education	Health	Housing	Social welfare	Social Security
1978	22,202	1,803 (8.0)	1,144 (5.2)	534 (2.4)	20 (0.1)	61 (0.3)	44 (0.2)
1979	22,849	1,793 (7.8)	1,140 (5.0)	509 (2.2)	28 (0.1)	75 (0.3)	41 (0.2)
1980	23,419	1,738 (7.4)	1,087 (4.6)	492 (2.1)	35 (0.1)	84 (0.4)	39 (0.2)
1981	23,301	1,893 (8.1)	1,220 (5.2)	527 (2.3)	34 (0.1)	66 (0.3)	47 (0.2)
1982	23,439	1,703 (7.3)	1,134 (4.8)	438 (1.9)	25 (0.1)	65 (0.3)	41 (0.2)
1983	22,882	1,458 (6.4)	915 (4.0)	428 (1.9)	24 (0.1)	42 (0.2)	50 (0.2)
1984	23,656	1,051 (4.4)	543 (2.3)	402 (1.7)	24 (0.1)	27 (0.1)	54 (0.2)
1985	24,278	960 (4.0)	517 (2.1)	335 (1.4)	8 (0.03)	24 (0.1)	76 (0.3)
1986	25,008	1,059 (4.2)	567 (2.3)	401 (1.6)	7 (0.03)	45 (0.2)	40 (0.2)
1987	25,972	1,129 (4.4)	585 (2.3)	441 (1.7)	7 (0.03)	57 (0.2)	40 (0.2)
1988	27,039	1,219 (4.5)	602 (2.2)	521 (1.9)	9 (0.03)	51 (0.2)	35 (0.1)

Source: Tanzania Government Economic Survey (Hali ya Uchumi wa Taifa Katika Mwaka), various years, cited in Musoke, 1990

maintaining social expenditures at the levels of the 1960s and 1970s. The IMF and others inside and outside Tanzania recognised that this was not practically feasible in the long term, but Nyerere remained confident that it was. Not until 1982–83 therefore were significant cuts registered.

There were several reasons for Nyerere's resistance. One seems to have been a general optimism that economic conditions would in any event improve in due course without a change in policy direction. More significant was the intimate relation already indicated between education on the one hand and *Ujamaa* on the other. It was the transformations in the social sector which were the most successful elements of *Ujamaa* and probably the ones which earned Nyerere and TANU/CCM its breadth of support and degree of credibility both at home and amongst donors. Cut backs in educational expenditure therefore represented not simply budgetary adjustments but also a potential threat to government, party and presidential political reputations and ideological coherence.

For a time, Nyerere believed that the maintenance of expenditures in these areas would guarantee the support of "softer" donors such as the so called "like-minded countries" and even the World Bank. It was not until it became completely clear that the former were lining up behind the IMF rather than Tanzania, a process which took until 1982–83, that internal supporters of macro-economic adjustment were able to exercise influence on government expenditure questions. In the meantime, foreign financial assistance had dropped dramatically and the crisis worsened to the extent that budgetary cuts had anyway become inevitable.

The actual magnitudes of the cuts which followed in 1982 and 1983 may be expressed in different ways, but all show a common trend.

Table 2, derived from Tanzania's annual *Economic Surveys* shows real expenditure on social services as a proportion of GDP slightly falling in 1981–83, and falling very sharply thereafter. A similar pattern held for social welfare, housing and health. Education experienced a real fall of approximately half its share of GDP.

Maganya and Othman (1989) also describe a halving of education's share of total government expenditure from 13.7 per cent to 6.5 per cent but over a much longer period (1970–71 to 1986–87). It appears that military expenditure's share of expenditure rose almost directly pro-

Table 3. *Tanzania central government recurrent budget allocation to the Ministry of Education and Culture (recurrent) 1980–81 to 1990–91 (TSh. mn.)*

Year	Total budget	Ministry of Education allocation	%
1980/81	14,895.0	1,737.7	11.7
1981/82	18,316.1	2,258.6	12.3
1982/83	18,993.0	2,524.0	13.2
1983/84	21,460.9	2,502.6	11.7
1984/85	27,438.4	1,795.1	6.5
1985/86	39,764.4	2,321.2	5.8
1986/87	53,300.6	4,227.1	7.9
1987/88	77,667.9	4,168.2	5.4
1988/89	118,672.9	5,659.3	4.8
1989/90	141,610.2	8,322.0	5.9
1990/91	161,169.8	10,153.7	6.3

Source: Tanzania Economic Trends (various), corrected

portionately over the same period, from 7 per cent to 14.6 per cent (Galabawa, 1991, 52–3).

Table 3 shows education's share of total recurrent expenditure following a similar trajectory, compressed into the period 1980–83 to 1984–87. In the first of these periods, education's allocation of recurrent expenditure averaged 12.2 per cent, in the latter it averaged 6.4 per cent. However, all these figures may overstate the relative decline of educational expenditure, as since the mid 1980s some of the capital and development budget and part of the recurrent budget for primary education has been under the control of local authorities whose contribution is not reflected in these figures since it comes largely through the central government allocation to local government. On the other hand this overstatement may not be great. For example in 1990–91 the Local Government Development Budget for education was TSh. 271 mn. or only 8 per cent of the total education development budget of TSh. 3,238 mn. (World Bank, 1991b, 57). It may be also that a proportion of external support to the education sector is not reflected fully in the figures, along with non-governmental contributions. That there is a significant decline is nonetheless incontrovertible.

Table 4a. *Relative shares of recurrent expenditure on education by sub-sector, Tanzania 1987–88 to 1990–91 (percentage)*

Sub-sector	1987–88	1988–89	1989–90	1990–91
Administration	7.93	7.39	7.33	7.71
Primary	50.27	49.24	46.00	45.95
Secondary	7.20	8.49	8.05	7.49
Teacher education	6.47	6.89	7.28	7.16
Technical education	6.66	8.53	11.95	13.21
University	15.70	14.44	14.50	15.25
Adult education	5.78	5.03	4.80	3.27
Total	100.00	100.00	100.00	100.00

Source: World Bank, 1991, 47

Table 4b. *Relative shares of development expenditure on education by sub-sector, Tanzania, 1987–88 to 1990–91 (percentage)*

Sub-sector	1987–88	1988–89	1989–90	1990–91
Administration	11.87	9.67	24.43	22.69
Primary	28.32	21.42	26.28	8.99
Secondary	8.37	13.46	13.58	7.70
Teacher education	9.15	6.76	2.76	7.88
Technical education	13.28	15.16	8.92	10.00
University	20.62	28.43	15.40	27.02
Adult education	8.38	5.18	8.64	15.71
Total	100.00	100.00	100.00	100.00

Source: World Bank, 1991, 48

Of the different educational sub-sectors, at first sight it seems that higher education survived the 1980s crisis best. Despite its small student numbers, it ranked constantly second to primary education in relative share of recurrent expenditure throughout the decade (Galabawa, 1991, 32, and Table 4 below). In terms of relative shares of development expenditure it improved its position considerably, mainly at the expense of secondary education. Even so, in real terms higher education's budget has declined progressively – according to the staff union UDASA

by 35 per cent between 1978–79 and 1989–90 (UDASA, 1990). At UDSM the budgetary allocation in relation to what was requested by the University Council has also fallen quite sharply. In the three years 1984–87 the allocation was on average 20 per cent below that requested while in the two years 1988–90 it was on average 49 per cent below (Musoke, *ibid*).

The declining real level of higher education financing has necessitated increased foreign dependency, since the funding of higher education involves the use of foreign exchange. Foreign assistance to higher education comes not only in monetary terms but also in the form of “experts”, equipment, buildings and staff development. At UDSM external support accounted for over 70 per cent of all development expenditure between 1986–87 and 1990–91 (*ibid*). However, foreign donors are now re-evaluating their support since they believe that this is being poured into a bottomless pit of inefficiency and mismanagement of funds.

Bearing in mind the qualifications indicated earlier concerning the transfer of some of the costs of primary education to local government, the most striking feature of the general relative sub-sectoral distribution of government educational expenditure since 1987 is still the apparent decline in the share of both recurrent and development expenditure attracted by primary education. Primary education’s share of recurrent expenditure fell from 50.3 per cent to 46 per cent to 1990, while its share of development expenditure fell from 28.3 per cent to 9 per cent (see Tables 4a and 4b). In view of the government’s stated commitment to the priority of providing basic education, this is of considerable concern.

What then has been the impact of diminishing resource financing in the education sector? As far as primary and secondary education is concerned, declining resource financing has led to a situation where buildings are either unbuilt or in disrepair, and where pupils and students lack basic text books, instructional equipment and desks. For example in 1990–91 there was a shortage of 6 million exercise books, which necessitated a ratio of eight exercise books per student per annum as opposed to the normal 12. At 30 June 1989 there was a shortage of 741,537 desks, 160,175 chairs and 120,177 tables in primary schools, relative to around 3 million pupils. This means that sitting on the floor

has of late become a common phenomena in most primary schools. There was also a shortage of 56,574 classrooms and 169,052 toilets. Availability of fewer classrooms means that classes are overcrowded or congested.

For primary schools the Ministry of Education currently recommends a total of 14 classes, each with 45 pupils, comprising a school population of 630 pupils. In Dar es Salaam more than 50 per cent of all primary schools have a total of more than 1,500 pupils each, and a majority of these sit on the floor. In 1986 the city had 136,593 primary pupils and an official shortage of 50,519 desks (all data from Lugalla, 1990). In essays which I administered to Class Seven pupils in 16 schools in Dar es Salaam in 1987–88, 422 pupils out of 605 (70 per cent) stated that their schools did not have enough desks. The majority stated that they had been sitting on the floor for a period of five years out of the seven years of schooling (ibid). No comprehensive figures have been released since 1983 on the general availability and condition of school furniture and buildings. However, in late 1992 the *Daily News* and *Sunday News* published up-to-date figures for Coast Region which enable some comparison over the intervening nine years of stabilisation and adjustment measures. They show that in 1983 there were 1,884 (permanent and temporary) classrooms and 26,868 desks in the region, with estimated deficits from need of 31.3 and 35.2 per cent respectively. In late 1992 there were only 1,271 classrooms and 9,026 desks, with estimated deficiencies from need of 49 per cent and 77 per cent respectively (TGME, 1991; *Daily News*, 3 October 1992; *Sunday News*, 4 October 1992). Interestingly, the Region's total desk requirement was over 2,000 less in 1992 than in 1983, indicating a decline in enrolments of around 5.7 per cent, despite a substantial increase in the size of the eligible age group. It is difficult to imagine how any transfer of knowledge can take place under such conditions. Since the quality of education institutions has gone down, there is no doubt that the quality of education is also declining.

The poor quality of education even at the outset of this period can be substantiated by various facts including the level of examination performance of pupils in schools. Standard IV examination results in 1986 showed that of the 395,700 pupils who attempted the examination, 141,200 or 35.5 per cent failed to achieve a pass mark level. 47,484 or

Table 5. *Outside activities of teachers by other source of income and earnings, Tanzania*

Activity	Primary			Secondary		
	All	Urban	Rural	All	Govt.	Private
Outside activity	77.0	64.0	82.8	76.4	72.6	85.3
One activity	33.1	31.4	39.8	40.6	37.7	46.5
Grow food for own consumption	88.8	74.9	93.6	78.1	80.8	72.6
Grow commercial crops	23.9	14.1	27.2	20.8	19.3	23.7
Raise livestock	18.7	19.7	18.4	19.9	23.2	13.0
Petty business	17.8	25.2	15.2	18.6	19.2	17.0
Private tutoring	8.8	17.9	5.7	35.3	28.9	47.4
Other	1.6	17.3	9.7	10.0	12.2	6.4
Earnings relative to salary:						
Lower	50.5	49.7	50.7	—	—	—
Equal	4.4	5.0	4.1	—	—	—
Higher	45.1	45.3	45.1	—	—	—
Would quit if possible	38.2	36.9	38.5	53.2	53.6	52.5

Source: *Teacher Survey Data*, 1990, quoted in World Bank, 1991, 18

12 per cent of the total pupils never attempted to answer the questions at all (Omari and Moshi, 1987, cited in Tunganaza, 1990). Some studies have shown that the majority of Standard VII are not able to read and understand a simple text. In addition only 5 per cent of primary school pupils are able to master English despite their five years of exposure to this subject in school (ibid). The situation is more or less the same in secondary schools. Another study on the teaching and learning of English carried out in 1985 showed that about two-thirds of Form I students were able to read only 500 word picture books and that less than 10 per cent of Form IV students were able to read easy unsimplified texts (ibid).

The deterioration of the quality of education does not only stop at primary and secondary school level. Teachers' Colleges and other institutions of higher learning have also been affected. Hence the quality and competence of new teachers has also declined. In 1989, only 29 per

Table 6. *Aspects of teachers' jobs found to be discouraging by teachers (percentage registering dissatisfaction)*

Primary		Secondary	
School facilities	81.9	Training and promotion opportunities	73.4
Class size	55.7	Facilities	68.8
Student achievement	32.7	Salary	58.8
Relation with community	30.3	Student achievement	58.3
Student discipline	29.8	Class size	52.7
Training and promotion opportunities	29.2	Student discipline	50.1
Salary	25.6	School administration	38.5
School administration	15.4	Relations with community	29.6

Source: *Teacher survey data*, 1990, cited in World Bank, 1991, 20

cent of the 3,000 secondary school teachers were university graduates.

The meagre salaries which teachers receive have forced them to either quit their jobs, or invest much of their time in sideline activities like selling *vitumbua*, *chapati*, ice-creams and cold drinks. Many participate in private teaching and tuition activities. In urban areas some teachers' houses have been turned into classrooms for evening tuition. The fees charged range from TSh. 300 to TSh. 500 per pupil per month. Worse, some of the teachers have fallen into corrupt practices and as a result examination paper leakages and tendencies toward favouritism are increasing.

Table 5 shows that 77 per cent of primary teachers and 76 per cent of secondary school teachers interviewed earned additional income from other work. More than half said they held two or more outside jobs.¹

Correspondingly, the morale of those who are supposed to transfer knowledge to others has gone down considerably. Table 6 shows that out of eight characteristics of teachers' work, primary teachers are not

1. The figures given in Table 5 for involvement in private tutoring are almost certainly an underestimate. Interviews with teachers carried out at three secondary schools in Dar es Salaam in October 1992 indicated that all teachers without exception participated in this activity, although they were reluctant to divulge this information through questionnaires (Lugalla, 1992).

happy with inadequate facilities, large class size and low student achievement. Secondary teachers are more likely to be discouraged by inadequate training and promotion opportunities (73 per cent) and lower quality school facilities (69 per cent) than by their salaries (59 per cent). These responses suggest that even if salaries are increased, the motivation of teachers and the quality of education are unlikely to improve substantially without better school facilities and greater professional development and promotion opportunities, especially for secondary teachers.

Not only has the morale of teachers gone down, but also that of learners too. The dropout rates in primary schools is presently officially around 20 per cent (Tungaraza, *ibid*) but must in reality be considerably higher. Primary school enrolments began to decline from 1983 (3.55 mn.). By 1986 they had fallen to 3.15 mn., before rising slightly to 3.38 mn. in 1990 (TGME, 1991). Per capita enrolment has been consistently declining since 1983 or earlier. Assuming a school age (7–13 year old) population of 4.24 mn. in 1984 and 4.97 mn. in 1990, gross enrolment (total enrolment divided by the total population of 7–13 year olds) in these years represented 82.5 and 62 per cent of the age group respectively. These population figures are based on extrapolations from the 1978 census.² The number of Standard Seven leavers has correspondingly fallen since 1982–84, from around 400,000–450,000 to 270,000 in 1989, before again rising slightly to 306,656 in 1990 (TGME, 1991, 10). There are a number of factors responsible for this trend. They include lack of interest in formal education by parents and inability to meet school financial requirements. More significant is the fact that parents prefer to use the labour of their children in sideline income-generating activities. Children themselves no longer put much

2. Recently published research carried out in 1991–2 (TADREG, 1992a) may give a more accurate picture than this. According to this net primary enrollments (the proportion of the 7–13 year old age group attending school out of the total population of 7–13 year olds) fell from 60 per cent in 1978 to 47 per cent in 1988. Net enrollment levels by Region ranged from 64 per cent (Kilimanjaro) to 36 per cent (Singida). Gross enrollment levels meanwhile fell from 95 per cent to 73 per cent. Gross enrollments are higher than net ones because they include children from outside the 7–13 year old age group attending primary school, usually due to late starting. These were around a quarter of all pupils in 1988. In any event, all the figures indicate a fall in attendance of around 20 per cent over the last decade. (Editor)

value on formal education since they observe the socio-economic hardships which their friends or neighbours who went through the formal system experienced. Hardships experienced at school, e.g. sitting on the floor for years have also intensified negative parental attitudes towards schooling.³

At higher education level institutions like the University of Dar es Salaam inadequate salaries for the academic member of staff have forced some to look for greener pastures elsewhere. Between 1977 and the mid-1980s alone about 100 members of staff left the University for alternative employment either within or outside the country (Musoke, 1990). Later figures are not available but the reality is that the number has increased tremendously.

Those who have remained invest increasing amounts of time and effort in consultancy work, and in informal sector activities like rearing chickens, running piggeries and dairy cattle units, driving taxis and pick-ups or supervising their *dalla-dalla* buses.

Since the crisis is affecting everybody, it can be observed that not only teachers but also parents and students have also adopted certain survival tactics in response. While some parents have now intensified their participation in the informal sector in order to earn more and thus be able to finance education of their children, some who are unable to do this or are unsuccessful in doing it are withdrawing their children (especially girls) from schools. Since private secondary schools are expensive, and bearing in mind the fact that government secondary schools are few, some parents have initiated community-based efforts to build their own cheap day secondary schools (see below).

In order to make ends meet students in secondary schools and institutes of higher learning struggle to secure temporary employment during their vacations. In some institutions students have successfully demanded cash allowances for their meals, books and stationery. Others have resorted to residing off-campus so that they can save cash for their

3. Preliminary results from an attitude survey of around 700 parents in seventeen villages in 1992 indicated that 66 per cent agreed that "primary school boys drop out to earn money" and 59 per cent that "the poor can't afford educational costs". However, over 60 per cent also agreed that "schools don't teach useful skills" and that "children learn bad behaviour at school". Fully 74 per cent agreed that "children don't learn much in primary schools" (TADREG, 1992b).

own use and that of their families also. Students share in buying books and paying for photo-copying. Others go to the extent of corrupting teachers in order to obtain examination papers, since they do not invest much time in reading because they are busy hunting and gathering for their daily bread and that of their families.

Both parents and students have been vocal, albeit usually in sporadic and episodic ways, in articulating their grievances about poor standards of educational facilities, lack of teachers, buildings and equipment, high failure rates and the lack of expansion of government secondary schools. In some situations — particularly in higher education — students have created independent mass organisations and boycotted classes in protest against the deteriorating learning environment. The University of Dar es Salaam crisis of 1990–91 was a case in point. Student (and teaching staff) action here was initially quite effective. During the subsequent closure of the University for eight months, the government allocated substantial additional funds for renovation purposes. (Since then the President of Tanzania, who is also the Chancellor of the University, has been visiting the University more frequently than had been the case in order to inspect the progress of renovation.)

Financial problems experienced by the University were the major factor behind this boycott. The students complained about inadequate personal allowances, diminishing allocation of funds to universities, low salaries paid to lecturers and lack of employment guarantees after completion of their studies (*Daily News*, 16 April 1990). However, besides complaints concerning their general social welfare and that of their lecturers, students' actions in 1990 were also set against the background of the increasing salience of the issue of corruption. Students demanded detailed explanation of the costs involved in rebuilding the Central Bank, of the Kivukoni ferry scandal and several other *causes célèbres*. While political corruption was of course not new, it had apparently become a more sensitive issue for the students in the light of the deterioration of public sector educational facilities. The protest, which was the largest and most spectacular in the history of UDSM, also reflected a growing general assertiveness on the part of students and academic staff in higher education. The latter has also been expressed in a widening assertion of academic freedom over the past decade.

An interesting observation in this connection concerns the increasing

parallel role of UDASA (University of Dar es Salaam Academic Staff Assembly) as an organ representing interests of academic members of staff at "the hill". As the welfare of its members has been declining progressively due to inflation and the declining financial resources made available to the University, UDASA has since the early 1980s played an increasingly public role in defending the interests of its members. After the 1990–91 crisis, salaries of academic staff were increased and a variety of topping-up allowances and other fringe benefits introduced.

In the period up to 1991 student and staff organisations exhibited considerable unity in struggles concerned with the general welfare of the University community as a whole. In 1992 a new crisis emerged, emanating from the introduction of cost-sharing for students — a policy which did not directly affect the academic members of staff. As a result, the "marriage of convenience" between UDASA and the students' organisation DARUSO, which characterised much of the previous decade, was weakened. This issue of cost-sharing will be returned to below.

EDUCATION SECTOR ADJUSTMENT POLICIES

From the mid-1980s onward the World Bank moved from support of macro-economic adjustment to supporting detailed policy reforms in specific sectors within a general context of macro-economic adjustment. From 1988–89 onwards suggested reforms specific to the education sector began to be promulgated. Like other sector-level policies these are basically designed to re-allocate government spending and intervention around investments with the highest economic and social return.

The World Bank has itself spelt out its education sector policies for Sub-Saharan Africa in the following terms:

1. *"Adjustment" of educational provision:*

This involves the diversification of sources of finance. In practical terms this means the adoption and implementation of cost-sharing measures in public education, that is, the introduction of school fees and other user charges at various levels of education. Alongside this is advocated liberalisation of education provision. This means that government should tolerate and encourage non-governmental and

other voluntary organisations to participate in supplying education services. Also advocated under this heading is unit cost containment. This may include, for example, increasing the level of teacher utilisation and reducing construction standards.

2. *Revitalisation/rehabilitation:*

The World Bank supports the design and implementation of national plans for the rehabilitation of basic educational facilities. These are intended to involve a strengthening of the sector's capacity to plan and implement policies and programmes, improvement in the quality of instruction at various levels of education, and strengthening the mobilisation and effective utilisation of community resources for the upgrading and selective expansion of educational facilities.

3. *Selective expansion:*

The World Bank argues that selective expansion of educational services can successfully take place after measures of adjustment and revitalisation have begun to take hold. The World Bank identifies four main areas. One is renewed progress toward the long-term goal of universal primary education. Secondly, distance education programmes could be introduced to expand enrolment in selected subjects, but in a manner which shifts more of the burden for learning to students themselves. Thirdly the design of training programmes for those already in the labour market is suggested. This training should serve school leavers and those who have had no exposure to formal schooling. A fourth area where selective expansion is recommended is that of research and post graduate education. The World Bank here argues that policies which aim at expanding the country's capacity to produce its own intellectuals to fill the higher scientific and technical jobs be given priority (see e.g. World Bank, 1988b).

Specifically in relation to Tanzania, a recent World Bank publication has coupled these recommendations with a critique of many of the policies followed after 1967. These policies have in general, it is argued, led to an excessive reliance of education on government resources, to an inefficient use of those resources, to a bloated and unproductive edu-

cational bureaucracy and to low learning achievements. Particularly singled out for criticism were rationalisation of primary schools and teachers' colleges, restriction on entry to secondary and higher education, quota systems, "inappropriate" curricula and the policy of bringing forward the implementation of UPE from 1989 as originally planned to 1977 (World Bank, 1991b).

From 1984–85, even before these sector-specific policies were explicitly adumbrated by the World Bank, the Tanzanian government began adopting policies similar to these and reversing many of its earlier stances. Some of these changes seem to have been spontaneous, but others are probably the result of conditionalities. Certainly it is known that World Bank loans elsewhere for rehabilitation of education have been conditional on the adoption of cost-sharing, whereby parents and the community are supposed to shoulder (at least) part of the financial costs of educating children. The government re-introduced school fees in public secondary schools following the Finance Minister's Budget Speech for 1984–85. Parents were initially required to pay TSh. 1,500 per student as contribution for a day secondary school and TSh. 4,000 for a boarding school. The latter sum was later increased to TSh. 8,000. In 1992 the standard day private secondary school fee in Dar es Salaam was TSh. 12,000. At the three Dar es Salaam private secondary schools surveyed in October 1992, "registration costs" over and above the cost of fees varied between TSh. 6,000 and TSh. 50,000–100,000 (Lugalla, 1992).

For primary schools each parent is theoretically obliged to pay TSh. 200 per pupil. Experience of the past five years reveals that actual amounts required are high and unaffordable to the poor majority. In fact primary school registration in Dar es Salaam costs between TSh. 2,000 and 3,000. Furthermore, parents also contribute labour in building schools and teachers' houses.

In the early 1990s, Tanzania managed to secure a World Bank loan of USD 38.2 mn. for an education planning and rehabilitation project. It is likely that conditions for this included the introduction of cost-sharing in higher education. In November 1991 the Minister of Higher Education, Science and Technology announced that students in the latter would have to bear the burden of transport costs by themselves with effect from January 1992. Further cost-sharing measures were also

promised namely, the abolition of allowances for private needs, caution money and student union membership fees, together worth about TSh. 800 per month to each student (*Daily News*, 5 February 1992).

The same month a meeting organised by the students of UDSM in order to discuss cost-sharing was prevented from taking place after both the government and the University administration declared it illegal. The presence of heavily armed police from the Field Force Unit who were called in by the University administration on the pretext of maintaining law and order intimidated the students. Students at Sokoine University of Agriculture (Morogoro) at the same time installed an anti-cost-sharing leadership on the grounds that the incumbent one had betrayed it by not opposing cost-sharing with sufficient vigour (*Daily News*, 20 January 1992).

Early in February 1992 students from UDSM, the Institute of Development Management (Mzumbe) and six other institutions issued a statement giving the government a three day deadline to withdraw the proposals. The government promised "stern steps" against those protesting about the measures. On Saturday 8 February the Field Force Unit was again deployed on campus at UDSM and disturbances occurred in which a number of students and one member of staff were injured. On 10 February it was announced that ten students had been expelled.

On 11 February the students held a meeting and decided to boycott classes until their colleagues were reinstated. The academic members of staff (UDASA) on the same day discussed the tense situation at the campus, and decided not to teach unless peace and security at the hill was guaranteed. On the 18 February ten more students were expelled on charges of intimidating those wanting to end the boycott (*Daily News*, 19 February 1992). Similar numbers were expelled from other institutions, and hundreds were suspended. The higher education authorities succeeded in containing the resulting protests but later, somewhat surprisingly, suspended or found ways around some of the fees.

In addition to raising secondary schools fees, and introducing primary school contributions and cost-sharing in higher education, the government is also beginning to attempt to address the problems of book production and distribution, and deficiencies in management planning and research capacities within the Ministry of Education. Despite its limited

Table 7. *Pupil/teacher ratios, class size, teachers per class and teacher qualifications in secondary schools, Tanzania*

	Public	Private	All
<i>Ratios:</i>			
Pupil/teacher	15.0	23.0	18.0
Pupil/stream	36.0	38.0	37.0
Teacher/stream	2.4	1.7	2.0
<i>Teachers:</i>			
Percentage Science Degree	11.3	9.4	10.5
Percentage Arts Degree	11.6	14.0	12.7
Percentage Science Diploma	40.7	18.4	30.8
Percentage Arts Diploma	33.5	18.2	26.7
Grade A	2.4	4.1	3.1
Other	0.5	35.8	16.1
<i>Median class size</i>	37.0	44.0	39.0

Source: *Teacher survey data*, 1990, cited in World Bank, 1991, 10

resource base, the government has also recently increased salaries of all public servants, giving teachers an extra teaching allowance.

The government has finally declared its intention to further encourage community and non-government (NGO) participation in the provision of secondary schools, and the development of community secondary schools. Of course, the failure of the government to build more public secondary schools and the acute shortage of these facilities at community level had already led to the rapid construction of many self help secondary schools. Between 1980 and 1990 the total number of public secondary schools increased only from 83 to 135, while the number of private secondary schools rose from 71 to around 195. The number of streams increased by 4.8 per cent in existing public schools and by 9.9 per cent in private schools. To date (1992) there are 158 public schools as opposed to 227 private ones. A majority of the latter are probably community day schools.

An interesting side-effect of the expansion of private schools, which have rather higher female participation rates than public ones, has been a slight overall reduction in gender inequalities in secondary education

in the period 1986–90. This was, however, mainly a phenomenon of Form 4 education and below. Whereas in 1990 the girl: boy ratio for Form 4 in non-state schools was 44: 56 (public 35: 65), for Form Six it was 22: 78 (public 24: 76) (calculations based on TGME, 1991, *ibid*).

The question of the quality of education provided by the mushrooming private schools relative to public ones is an issue of great concern. To date there is no study which has examined this issue, although data presented in Table 7 assists us in reaching a judgement.

The student-teacher ratio is 15 for public schools and 23 for private ones. More teachers in public schools have higher qualifications than their counterparts in private schools while over a third of the latter appear to have no teaching qualification of any kind. This would appear to indicate that the growing weight of private provision is associated with a dilution in quality.⁴ Nevertheless, to further encourage the development of private schools, the Prime Minister recently announced the government was intending to amend the 1978 Education Act in order to include a clause guaranteeing private schools against nationalisation.⁵

If secondary school enrolment has experienced something of a boom under adjustment (even if the percentage of the age group attending all secondary schools is still extremely low by international standards), as already noted the reverse has occurred with regard to primary school enrolments. Despite the World Bank policy of “renewing commitment to UPE”, UPE in Tanzania is further off than ever. It is evident that the increases in private secondary school attendances described above, though significant in themselves, are statistically almost an irrelevance when compared to this decline in total government school enrolments. Further analysis of the latter indicates that the decline in government school enrolments has occurred wholly in children in Standard V–VII *i.e.* in effect it represents a phenomenally increased and apparently un-

4. Lugalla (1992) indicates that even in Dar es Salaam variations within the non-state secondary sector in quality of provision, from teacher qualification to physical infrastructure, is extreme. This fact relates to the equally extreme variation in levels of registration fee.

5. Later in 1992 it was announced that secondary schools owned by religious organisations prior to their nationalisation in the 1970s would be returned to these organisations. This led to an outcry from Muslim religious leaders, who argued that this was discriminatory since Muslims had owned no schools in the 1970s. The government retreated before these protests. (Editor)

registered dropout rate (calculated from TGME, 1991). As noted above, the reasons for this are probably declining parental esteem for the services offered, growing inability to meet educational costs and need for children's labour for other purposes.

CONCLUSION

If it is too early to come to firm conclusions about the relation of adjustment to changes in educational provision in Tanzania, it is indisputable that adjustment has seen this provision continue to deteriorate. In the case of government school enrolments, which were (officially at least) keeping pace with population growth until about 1984, there has been a very serious subsequent decline. An expansion has meanwhile occurred in secondary education (especially private secondary education), but the numbers involved are a drop in the ocean compared with the decline at the later stages of primary education. Although World Bank policy is theoretically pro-UPE, there has been a deafening silence from both the World Bank and the government on this question.

Popular reaction by parents, teachers and pupils has been fourfold. The dominant trend is probably one of the adoption of individual or household survival strategies, for example withdrawal, avoidance or supplementation of official by non-official activities. A second trend is collective attempts to address the deficiencies of the system via voluntary action similar to that which has characterised the Kenyan education system since independence. This reaction attempts to provide workable collective solutions to the disintegration of state education without confronting the state, and as indicated lies behind much of the expansion of private secondary education. A third trend, so far confined to higher education — but nevertheless now characterising higher education generally and not merely UDSM — has been one of mass organisation for educational reform, involving various degrees of militancy. The state has reacted in inconsistent ways in relation to this organisation, including repression and granting selective concessions. The absence of such mass organisation outside the higher education sector reflects the tying of parents' organisations to the ruling party and certain features of Tanzanian political culture. Nevertheless, a fourth and rising trend is sporadic and episodically organised calls for reform by students and/or

parents in particular schools or groups of schools. It remains to be seen whether the political liberalisation in Tanzania will stimulate a significant change in the balance of these reactions, and what effects the latter might have on the education system.

Forms of Accumulation, Agriculture and Structural Adjustment in Tanzania

C. S. L. Chachage

The last 15 years or so have been dominated by two major themes in theory and practice in Africa and Tanzania in particular: Structural Adjustment Programmes (SAPs) and an insistence on the primacy of market forces on the one hand, and the "rediscovery of civil society as an autonomous expression of human social will" on the other (Kothari, 1984, 14). Both themes have developed as a critique of the post-independence models of development, and are seen as a means of overcoming the socio-economic crisis which has been facing most African states since the mid-1970s.¹

The World Bank and the International Monetary Fund (IMF) who are the main sponsors of SAPs, have insisted that liberalisation and further reliance on market forces with less state intervention can stimulate production of traditional export crops and thereby overcome the crisis. In this way, these institutions have resurrected the classic Adam Smithian assumption of assigning to the sovereign the tasks of law, order, defence and provision of public goods, while leaving all other functions to market forces (Pickett, 1989, 59). More recently, political reforms from above have also been seen as a precondition of such changes.

The "rediscovery of the civil society", on the other hand, has entailed a redefinition of contemporary society. Civil society as a concept has been transformed from the Marxian/Hegelian formulation which simply denoted bourgeois society, to embrace social and political movements and the whole question of empowering people. This has also implied a redefinition of the content of politics. The direction has been towards viewing society as a self-creative entity. This redefinition has accompanied democratic protests which have entailed the creation of a social capacity to challenge state monopolisation of politics and decision making.

1. The chapter refers to mainland Tanzania only. The author wishes to acknowledge the contribution to an earlier draft of this paper of A. A. K. Mvungi.

Tanzania has been implementing the SAPs since around 1983, and World Bank and IMF support has been extended to the country since 1986. Economists and planners inform us that Tanzania has registered some economic improvement, especially in the last three years, as a result of the implementation of SAPs. This is premised on the fact that Gross National Product (GDP) growth has been slightly higher than the population growth rate. Any claims to this effect are implicitly problematical, since pre-SAP GDP figures (especially agricultural GDP) are totally unreliable. A more rewarding line of investigation is to trace developments from the viewpoint of political economy. Here what appears to have happened is that the private and public sector networks which benefited from the "closed" economic system of the 1960s and 1970s have been restructured around certain of the newly deregulated branches of the economy (especially commercial import-export activities and some services). SAPs have also encouraged a boom in speculative activities and the plunder of natural resources. The main beneficiaries of SAPs have thus been the traditional private bourgeoisie and party, government and parastatal officials, rather than the general rural population — the manifest focus of SAPs.

THE ECONOMICS AND POLITICS OF THE POST-INDEPENDENCE DEVELOPMENT MODEL

The Three Year Plan for the Development of Tanganyika (1961–64) drawn up by the World Bank (Little, 1966) for implementation after independence recommended that the country embark on import substitution industrialisation (ISI) and industrialisation for processing raw materials for export. Since the government had limited resources, private investors (local — mainly Asian — and foreign) were encouraged to bear the lion's share of investment. The government was advised to offer inducements and also head off political pressures which "may develop against profits". Tanganyika was also advised to sell its non-industrial products at a competitive price in the world market if capital was to be attracted (*ibid*, 270–71). In fact, the augmentation of export agriculture and also production of foodstuffs (the principal wage goods) was proposed as the basis for the "modernisation" of the country.

Basically, all subsequent development plans displayed the same

development goals — a drive for industrialisation based on accumulation from agriculture. Policies between 1961 and 1966 were characterised by unambiguous government support for private capital. Given the popular demands for Africanisation and removal of racial imbalances, this attracted open hostility from party activists within TANU, the opposition parties, trade unions, the cooperative movement and some of the sections of the youth movement. They saw these policies as openly favouring privileged Europeans and Asians. Their demands were for a redistribution of wealth and more control by the state as a means of checking increasing inequality and consolidating political independence.

Given the goal of modernisation and the extent of opposition to its chosen instruments, the first task of the state was to consolidate its own position *vis à vis* civil society. From 1962, bills were promulgated which increased control over the autonomous organisations of the working people (trade unions, cooperatives, etc). In the name of "nation building", the government also introduced legislation which curtailed civil and individual rights (e.g. the Preventive Detention Act, 1962). As Nyerere was to state in the parliament: "The government is prepared to take the risk of locking up innocent people in order to prevent harm to the state" (*Hansard*, 1962, column 1088). The Republican Constitution of 1962 concentrated all the powers in the the executive arm of the state and within the executive in the Office of the President. Despite the curtailment of civil and individual rights, opposition continued unabated. As a result the opposition parties were banned and a one-party system instituted in 1965.

Meanwhile, economic "modernisation" was pursued by the state requiring compulsory cultivation of certain crops, seizing control of agricultural marketing, and encouraging private investment by promulgating bills to protect it. However, non-African capitalists in Tanganyika did not necessarily share the investment priorities of the state and either left the country or sent their capital outside. The government was therefore compelled to intervene in the financial institutions. Many potential investors became frightened by this and also by the increased frequency of "socialistic" pronouncements by 1966. Nyerere sought to play this down, however.

The word itself may have frightened off certain specifically sensitive investors, but most who are really seriously considering investing look at the investment guarantees legislation and institutions which have been established to help them. There is no evidence of what this commitment to human equality really cost in the way of outside private investments but it may have discouraged some wealthy businessmen and may have affected the interested institutions like the World Bank which put a very heavy priority on private as distinct from public investment. (*The Nationalist*, 11 June 1966)

Private industrial capital continued to be officially seen as having a key role to play in Tanzanian development even after the Arusha Declaration (AD) of 1967. The initial aim of the AD was to deal with aspects of leadership conduct and it represented a response to the discontent being voiced all over the country to the effect that leaders were using positions for amassing wealth. According to Nyerere, the Declaration took its final form only as a means to get the Party National Executive to accept personal restraint. It was felt that rather than merely talk about houses and property, "...the best way was to argue socialism....So it struck me: instead of a pamphlet I issue out of the blue, this should be the theme of the meeting, and this is how it came about" (quoted in Smith, 1973, 175).

On the other hand, the popularity of the Arusha Declaration made it possible for the state to make further inroads into civil society in the name of socialism and to achieve a monolithic status in the process. People's "common interests" — expressed to this point in voluntary efforts — were detached from civil society and subjected to government management, from building schools and dispensaries to communal property and popular movements. At the same time the nationalisations that were to be made after 1967, were an expression of what Nyerere himself termed "economic nationalism" (Nyerere, 1976, 262) and mainly affected certain sections of foreign capital. In the same year as they occurred the government issued two manuals which were categorical in affirming the role of non-agricultural private capital and underlined the role of the government in assisting and protecting it (Tanzania Government (TG), 1967 a; 1967 b).

Despite the lack of support from foreign capital, basic consumer goods import substituting industrialisation was more or less accomplished by 1967. In the opening speech to introduce the Second Five Year

Development Plan (1969–1974) Nyerere opined that the country had reached a stage where it was possible to embark on the production of “...capital goods which are used only in the production of other things” (TG, 1969, xiii). While in fact few capital goods were ever produced, some intermediate ones were. The following years were indeed the high point of the industrialisation process. The 1978 ILO Report on Tanzania noted that a growth of value added of more than 13 per cent annually occurred in manufacturing from 1965 to 1974, while over the same period output grew by 7.5 per cent annually. Between 1965 and 1975, agriculture’s share of GDP fell from 56 per cent to 42 per cent, and manufacturing’s rose from 4 to 11 per cent between 1961 and 1975 (ILO, 1978, 84–85).

While there was only one financial institution which assisted the agricultural sector in the country by the 1980s (the Credit and Rural Development Bank), there were three big institutions which promoted large or medium scale industrial investments, backed or established by the state. These were the Tanganyika Development Finance Company Limited, Industrial Promotion Services (Tanzania Ltd), and the Tanzania Investment Bank. Despite the nationalisations after 1967, private industries remained dominant numerically. Of the 524 recorded large-scale manufacturing enterprises in 1976, only forty-seven were state owned while the rest were in private hands.

By the 1980s, a number of large private capitals and monopolies had developed in Tanzania, some of them operated in partnership with foreign capital. Among the local monopolies and large capitalists were Industrial Management Services (the famous Karmali Juma Group, which had forty-two manufacturing establishments by 1978, eight of which were in Kenya and one in Zambia) and the JV group with about twenty. Others included the Sachak Group of Tanga, the Somaia Group, the House of Manji, the Amboni Group, the Karimjee Jivanjee Group, Mansoor Daya, the Chandaria Group, the IPP Group of Companies, the Madhvani Group, etc.

Agricultural policies and performance

As already indicated, the government conceived the role of agriculture prior to 1983 as one of supporting industrialisation. In fact agriculture was never able to play this role for more than a brief period and resour-

ces for industrialisation came from overseas development assistance instead. However, considerable and continuous efforts were made to wring a surplus from the peasantry. These were associated with increasingly broad and intensive forms of economic and social control.

Agriculture's most successful period of development occurred in the first five years of independence, when African petty capitalist cash crop farmers responded to the removal of colonial restrictions on their production by rapid increases in the cotton, coffee and cashew crops (all growing at 9–13 per cent annually (Coulson, 1982, 146)). Simultaneously, an independent class of fully fledged capitalist African farmers was emerging spontaneously in a number of areas including Mbulu (Arusha), Ismani (Iringa), Maswa (Shinyanga), Urambo (Tabora) and elsewhere – often through migration to virgin lands.

Rather than devote its resources to supporting these developments, government instead concentrated its efforts upon compelling peasants country-wide to grow fixed proportions of (quite often unsuitable) cash crops. Bienen (1967, 347) reports the use of force to promote increases in sisal production as early as 1965.

Partly in order to support these initiatives and partly in order to push Asian traders into the industrial sector, the independent Tanganyikan government also embarked on the introduction of government-controlled cooperatives even where there was no demand for them (popularly-controlled ones had already been flourishing autonomously since the 1950s). The cooperatives' role was to act as agents of the newly formed (1962–63) agricultural marketing boards. Both enjoyed a legal monopoly and had powers to determine producer prices. The number of cooperatives rose from 857 in 1961 to 1,533 in 1966. By 1965, complaints about their inefficiency, corruption and lack of democracy were already common (TG, 1965; Fimbo, 1974)

In essence the boards were set by the government as a means to siphon surplus from the producers and also, in accordance with the Three Year Development Plan, to ensure availability of cheap food and raw materials. For a brief period they became important sources of funds for the state. The Lint and Seed Board Report of 1967 (cited in Fimbo, 159) disclosed Board investments of TSh. 7.4 mn. in government stock and TSh. 11.35 mn. in cooperative societies, as well as a TSh. 20 mn. loan to the government.

The state also attempted to generate an agricultural surplus by engaging in production on its own account. With the 1967 Arusha Declaration, the state nationalised some of the large farms and also began to open new ones. By 1976 there were 108 parastatal enterprises in farming. Many of them were making huge losses, but they were supported by donors in terms of capital and personnel. Holland and Denmark supported state sugar production, Canada state wheat production, North Korea state rice production, the World Bank state ranching, etc (McCall and Skutch, 1984, 260–1). Some of these farming projects involved the displacement of indigenous communities, as was the case of the Barbaig in Hanang (Arusha), where the Canadians assisted in the establishment of wheat farms.

The 1970s were marked by the dissolution of local councils (1972) in favour of so-called decentralisation, which in essence meant the government reaching the village, and the abolition of the cooperatives in 1976 in favour of the village governments. These moves were meant to effectively integrate the administration and management of village affairs within district and regional structures. Alongside these moves the continuing dominance of the crop authorities in marketing and provision of inputs completed the process of the total control and bureaucratisation of the conditions of peasant production. With the villagisation programme of 1973–74 and the changes in the administration and marketing structures, production targets were imposed on peasants and type of crops to be farmed were administratively specified.

But in the 1970s the ones who gained from the enhanced role of marketing boards were no longer the state exchequer, as in the 1960s. During the 1970s the volume handled by agricultural parastatals rose by 18 per cent, whereas employment rose by 37 per cent (Lele and Christiansen, 1989, 15). Because of this tendency to expand in size to control production faster than it was rising, the boards consumed an increasing take of the producer price themselves. On the other hand they also became an increasing drain on central government finances as their distribution and buying programmes consumed large amounts of official credit. By 1981–82 some nine agricultural parastatals had combined losses of TSh. 692 (USD 84 mn.). The National Milling Corporation alone was responsible for two-thirds of these losses (Lele and Christiansen, *ibid*). Overdrafts held by parastatals stood at TSh. 5,127 mn. and

accounted for 80 per cent of loans outstanding to the National Bank of Commerce.

Tanzanian producer prices for most export crops in Tanzania rose very moderately compared to world market prices in this period. The 1978 ILO report recorded that the barter terms of trade for peasants fell by 22.5 per cent between 1965 and 1973 (ILO, 1978, 188–90). Other studies demonstrated that terms of trade for agricultural products fell by 23.2 per cent between 1969–70 and 1978–79 (Ellis, 1980; Hanak, 1981). For the period 1980–81 to 1985–86 and after see Table 1 below.

Under such circumstances, from the mid-1970s onwards peasants began to withdraw into production systems which they were capable of controlling themselves. Particularly favoured were production systems requiring less labour and material inputs and with buoyant prices. This was the case, for example, with the Kilimanjaro coffee growers who started cutting down coffee bushes in favour of tomatoes and onions and the coastal cashew nut growers who abandoned weeding the cashew groves in favour of charcoal burning.

The 1970s also witnessed a decrease in marketed food crop production. In the cases of both some food and export crops, however, these were merely withdrawn from official markets and sold in unofficial ones as well as being smuggled to neighbouring countries – Kenya, Zambia, Malawi, Zaire, Burundi, Ruanda and Uganda. To date, rice from Rukwa and Kigoma is smuggled to Zambia, Zaire, Ruanda and Burundi and coffee is smuggled to Kenya. In these countries' markets, prices higher than the official ones could be obtained, and essential goods purchased which were unavailable via official channels. In this way organic links developed between dealers in the parallel markets and relatively well-off farmers, who also acted as brokers for the poor peasants.

In the early 1980s parallel markets became the dominant ones in certain crops and in certain entire geographical areas. Officially marketed output correspondingly declined very rapidly. By 1984–85 the marketed output of maize and paddy had dropped to 89,996 tonnes and 18,716 tonnes – from record levels of 222,500 tonnes (1978–79) and 60,800 tonnes (1979–80) (TG, 1987; 1990a). Some policy revisions followed, such as the re-introduction of centrally controlled cooperatives, but with more or less modified objectives.

THE SOCIO-ECONOMIC CRISIS AND THE SAPs

The last years of the 1970s and first years of the 1980s witnessed three simultaneous inter-related trends. Agriculture was generally characterised by stagnation, particularly with regard to those crops which had been the basis of the boom of the 1960s. Correspondingly, an increasing number of peasants became engaged in non-agricultural income-generating activities. By 1976–77, according to a sample survey, 25 per cent of smallholder incomes were derived off-farm (Sahn and Harris, 1991, 265; see also, e.g. Boesen and Mohele, 1979, 41). Moreover, differentiation within agriculture remained low. In 1980, small-scale agriculture occupied 85 per cent of the total area under crops (in the case of Kenya it is 50 per cent) and only 31 per cent of holdings were devoted to the main export crops. Only 17 per cent of all holdings exceeded 3 ha. and hand-held farm implements predominated on most farms (TISCO, 1981, 7.6).

Secondly, agriculture's declining export earnings – combined with higher import bills – began to generate persistent and growing balance of payments and budgetary crises. By 1980 the value of exports was equivalent to only 43 per cent of imports and the trade gap was over TSh. 6 billion. Foreign reserves peaked at USD 281.8 mn. in 1977, fell to USD 99.9 mn. in 1978 and finally to USD 20.3 mn. in 1980. The latter was less than one week's equivalent of foreign exchange needed to cover the average import bill (Stein, 1991). By 1980–81 there was a deficit on recurrent expenditure of TSh. 772 mn.

Thirdly, the industrial sector underwent an internal adjustment, still directly supported by the state. This consisted in a curious combination of reduced levels of production, increased levels of investment and increased levels of profit. Industrial capacity utilisation fell to between 30 and 50 per cent on average during the early 1980s, while the manufacturing sector now accounted for only 5.8 per cent of a smaller GDP, as compared to 1977 when it accounted for 10.4 per cent. The result of this was an acute shortage of most basic consumer goods, and the shops becoming virtually empty by 1982. Such goods were mostly available in the parallel markets but at a very high price (ILO, 1981, 15–19). Yet despite the fact that agriculture could not sustain the massive importations, and the fact that capacity utilization in industries had fallen

tremendously by the mid-1970s, there were more investments coming on-stream (capital goods' share of the total import bill rose from 20.2 per cent in 1967 to 37.2 per cent in 1979). As indicated, there were also more profits.

Industrial capital – both private and public – prospered through artificial raising of prices. It was reported in the parliament in 1984 that, "...frequent price increases are...caused by underutilisation of industrial capacity" (*Daily News*, 29 October 1984). President Nyerere meanwhile informed peasants that "...higher prices for clothes were unavoidable as most textile mills were producing under capacity and costs of running them had to be met from the same shortfall in production" (*Sunday News*, 7 October 1984).

It was within this context that Tanzania entered negotiations with the IMF. Although a small devaluation of the Tanzanian shilling was carried out in 1979, negotiations with the IMF broke down as Tanzania rejected conditions which required her to devalue significantly, freeze wages, increase interest rates, decontrol prices, relax import controls, and reduce government expenditure by cutting spending on social services (Stein, op. cit.). In July 1980, when the IMF slightly eased its conditions, Tanzania negotiated a three year standby facility. This agreement collapsed after four months as Tanzania exceeded the domestic budgetary ceiling imposed by IMF (Bryceson, 1990, 218). Renewed negotiations with the IMF in early 1981 revealed strengthened conditionalities. This led to a break with the IMF which was to last until 1986.

With the failure to come to terms with the IMF in 1979–80, Tanzania formulated her own programmes to deal with the crisis. The first was the 1981–82 National Economic Survival Programme (NESP) whose stated objective was mobilization of domestic resources so as to increase exports, careful use of the export earnings, and raising productivity through incentive schemes to the workers and peasants (TG, 1982a). This programme was barely implemented and was soon replaced by a three year home-grown Structural Adjustment Programme (SAP) which was more in conformity with the IMF prescriptions (TG, 1982b). The latter emphasised budgetary reductions, incentives to increase exports so as to increase local industrial capacity utilisation, improvement in public sector management and maintenance of the pro-

vision of basic needs. In fact its most important legacy was probably budgetary reductions, which came to affect basic needs also. From 1982–83 the government initiated cost-cutting exercises in budget allocations, and started removing food subsidies, while 15,000 government employees were axed as a retrenchment measure (Mukurasi, 1991, 9). Accompanying SAP was the introduction of the 1982 National Agricultural Policy (NAP) (TG, 1982c). This policy recommended liberalisation in the countryside, including encouragement of private ownership of land. Emphasis was put on increased producer prices, maintenance of producer subsidies and partial liberalisation of food marketing.

Generally, the implementation of the 1982 SAP proposals assumed increased levels of foreign exchange, which were not made available by donors, as they believed the programme still envisaged too strong an economic role for the state. The period 1982–86 was one of gradual recognition of this by the government. SAP therefore underwent several important modifications, especially in the 1984 Budget, marking the start of a convergence between government and donor economic policies.

In 1986 the government replaced SAP by the Economic Recovery Programme (ERP). This was prepared in close cooperation with the World Bank and led to the finalisation of the negotiations with the IMF in August 1986. It more or less intensified the emphasis of the later stages of SAP, aiming at widening market structures and providing greater incentives for production of food and especially export crops. The main difference between ERP and earlier programmes was initially that it had World Bank and IMF support. External assistance increased from USD 287 mn. (1985) to USD 680 mn. (1986), later (1989) rising to USD 935 mn. (around half of which came in the form of import support).²

Under ERP the pace of reform was to accelerate. The Tanzanian currency was drastically devalued over a period of four to five years. Between 1985 and 1990 the real exchange rate depreciated by more than 80 per cent and the ratio between the parallel and official exchange rate

2. The figure for 1990 was USD 1,219 mn.. This represented 48.1 per cent of GDP, as opposed to less than 10 per cent in the period before agreement with the IMF was reached. (Editor)

dropped from 9:1 to 1.5:1 (World Bank, 1991b, 7). At the same time, there were attempts to raise the prices of agricultural goods. It was envisaged that there would be a 5 per cent price rise per year or to the level of 60 to 70 per cent of world market prices, whichever was higher. The government also took measures to decontrol prices of consumer and agricultural input goods and deconfined their import. As a result of this, only ten manufactured items were still under price control by 1990–91. Later, measures were to be taken to further liberalise crop marketing and the distribution of most inputs.

In 1989, the government introduced a successor three year programme called the Economic and Social Action Programme (ESAP). This carried over all the policies introduced by ERP and SAP and added (at least verbally) the dimension of improving the quality and quantity of social services, which had deteriorated badly in earlier phases, and for which in some cases user fees had been introduced. ESAP also signalled liberalisation of the financial sector, in the form of policies to allow private banking, free transactions in foreign exchange via *Bureaux d'Exchange* and restructuring of parastatal statutes to allow private shareholders or private ownership. Under ESAP it is envisaged that crop marketing liberalisation will be completed. Accompanying it, the leadership code accompanying the Arusha Declaration was dropped.³ The major area where reforms are still awaited is the parastatals.

From the implementation of ERP in 1986 until 1991 it was reported by economists, planners and the government that there had been a significant improvement in the economy. Agricultural GDP had grown on average by 4 per cent annually, inflation (officially) had fallen to 20 per cent by 1990 from 30 per cent (although it shot back to 27 per cent in 1991), there had been a slight increase in foreign exchange earnings and reserves, in industrial capacity utilisation and in exports (especially non-traditional ones).⁴ However, dependence on external assistance had

3. In the *Daily News*, 24 January 1992, the Prime Minister stated that action in all these areas was underway.

4. At the Seventh National Economic Policy Workshop (2–4 December 1991), the participants (government functionaries and economists from the University of Dar es Salaam): "...unanimously lauded the reforms and were of the view that (their) initial impact on agricultural output...had been quite remarkable" (Executive Summary of the Deliberations, Economic Research Bureau, 1992).

Table 1. *Real producer prices for export crops, Tanzania, 1980-81 to 1991-92*
(TSh. per kg. Constant 1988/89 prices)

Crops	NCP1 (1977=100)										
	1980-81	1981-82	1982-83	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90	1990-91
Mild Arabica											
Parch											
Advance	90.2	72.3	71.9	83.1	83.6	78.1	106.2	105.7	112.5	125.0	115.9
Final	123.8	111.7	90.9	113.2	105.5	125.9	130.6				*148.3
Robusta Dry											
Cherry											
Advance	35.1	28.1	37.8	41.5	45.9	44.5	50.7	60.4	63.8	55.0	45.3
Final	45.1	44.7	63.2	80.9	53.6	50.7	74.7				*45.1
Cashew nuts											
SG	30.1	40.2	30.0	34.6	34.8	32.6	38.1	48.0	50.0	34.0	82.3
UG	20.0	28.1	21.0	22.8	24.5	23.0	26.9	32.0	33.8	56.0	54.6
Tea Green Leaf	15.0	12.0	12.0	13.9	14.6	13.6	15.9	15.9	16.8	17.0	20.0
Cocoa	110.2	88.4	71.9	83.1	83.6	78.1	94.4	100.9	102.4	90.0	25.8
Pyrethrum Gr. IV	75.2	80.3	59.9	69.3	69.7	65.1	68.6	63.1	56.5	50.0	71.8
Cardamom	450.9	361.5	269.7	311.7	284.4	266.0	324.4	296.2	300.0	240.0	148.3
Cotton											
AR	32.1	29.7	28.2	29.7	29.9	36.0	35.4	31.1	29.7	28.0	30.7
BR	15.0	13.7	15.0	15.8	16.0	19.4	19.0	14.6	12.5	11.0	10.9
Tobacco Flue											
Flue	105.2	101.2	107.9	89.1	89.6	105.0	103.1	100.9	94.5	20.0	87.5
Fire	62.6	61.8	68.9	56.9	57.2	64.8	63.4	62.5	60.9	70.0	68.1
Castor Seed	12.0	13.7	10.2	9.9	12.4	13.6	12.3	11.8	10.2	20.0	21.2

* Later adjusted downwards (see text)

Source: *Tanzania Economic Trends*, Vol. 4, No. 2, 1991

NCP 1 = National Consumer Price Index

actually increased. By 1991, 95 per cent of the development and 45 per cent of the recurrent budgets depended on foreign assistance. At the same time, there had been a massive increase of direct assistance to so-called Non-Governmental Organisations.

AGRICULTURAL SECTOR ADJUSTMENT: CLAIMS AND EVIDENCE

The liberalisation of the marketing system and the corresponding reduction of the role of the state in the management of agricultural production are both widely presented as pro-smallholder policies. Indeed, a decade of implementation of these policies is viewed by some as amounting to a revolution in Tanzanian politics. For this reason alone, a more detailed examination of the period since 1986 is merited.

Most of the overall economic growth which Tanzania has apparently experienced in the adjustment period has been the result of agricultural growth. This represents a significant turn-round from the period of crisis, when both agriculture and general economic performance were apparently in serious decline. The World Bank and its supporters within Tanzania attribute this change to the effects of adjustment reforms, although as will be seen its argument is advanced in a rather different way to usual explanations of how adjustment helps economic performance. Before critically examining the World Bank argument an indication will be provided of the main areas within the sector in which reforms have occurred.

With regard to agricultural marketing, the main reforms have been a gradual removal of restrictions on individual/private trading in grains, commencing in 1984 and concluding in 1992. Correspondingly, the National Milling Corporation has been reduced to a buyer of last resort and in 1990–91 was eliminated from crop financing. The result of this, according to the World Bank, has been an increase in the share of open market grain sales (in Dar es Salaam rising from 6 per cent of all sales in 1980 to over 52 per cent in 1987–88). “In Dar es Salaam wholesale markets, a new class of indigenous traders has emerged that provides short-term financing for crop purchasing, and who, in addition to trading on their own account, act as brokers and provide buying and selling services to others for a fee” (*ibid*, 61). The number of these traders in

the same city grew from fifteen in the early 1980s to about 100 by the end of the decade (*ibid*). Moreover, liberalisation of the distribution of inputs is also said to have had a positive effect, since even private firms are said to be importing and stocking agro-chemicals and fertilisers.

As far as export crops are concerned, very substantial increases in official real producer prices occurred in the second half of the 1980s. Between 1985–86 and 1991–92 there were increases in the prices of cashews (171 per cent), Arabica coffee (89.9 per cent), tea (89.7 per cent) and tobacco (50 per cent).

Marketing of these crops meanwhile remained in the hands of parastatals and the 1982-vintage state-controlled cooperatives, at least until 1990. In July 1990 trading in cotton and cashews was officially liberalised, followed by trading in other crops in July 1992.⁵ The Cooperative Societies Act, 1982, which re-introduced cooperative societies controlled by the state through the Party was in essence repealed under donor pressure in April 1991. A new act was gazetted aiming to separate the cooperatives from the state, redefine their role as a purely profit-making one and allow internal democratisation to occur. It was also hoped that this would allow them to compete with other marketing channels, and hence, enhance market efficiency.

Alongside these developments, there has been a renewed emphasis on encouraging private ownership of land. This was originally proposed in NAP (1982) but has been strongly revived. It is envisaged that using land as collateral would enable peasants to get credit and encourage them to invest in agriculture.

The outcome of some of these changes is discussed at length in the major 1991 World Bank report on the Tanzanian economy. Throughout the section on agriculture, this has a slightly ambivalent feel. On the one hand, a generally rosy picture is presented of "...improvement in the economy, both in the environment facing the Tanzanian agricultural producer" (*ibid*, 60), in his or her welfare (*ibid*, 25) and in production levels – especially of non-traditional crops. On the other hand it is acknowledged that "...farmers' real cash incomes have (only) slightly increased" (*ibid*, iii) and that price changes do not account for increases in supply response and welfare.

5. In late 1992 coffee trading was still officially monopolised. (Editor)

It is certainly true that *official* agricultural growth rates in Tanzania since the reform process started have been generally good. Production rose by 4 per cent in 1984, 6 per cent in 1985, 5.7 per cent in 1986, 4.4 per cent in 1987, 4.5 per cent in 1988, 4.6 per cent in 1989 and 2.9 per cent in 1990 (ibid, 141). Table 2 shows that except in the case of cotton, this was not a result of improved production of the traditional export crops, where real prices were rising. Paradoxically (within the World Bank philosophy) the rise was almost wholly due to an expansion of food crop production, where prices were actually falling. Maize sales in 1988–89 were 80 per cent higher than in 1981–82 and 25 per cent higher than in 1984–85. Maize imports, running at over 200,000 tons a year in 1981–82 have been replaced by the commencement of exports. Other substantial rises have occurred in the production of sorghum, millet, paddy and wheat. On the other hand wheat and rice imports in the second half of the 1980s have also been high – amounting to 50 and 20 per cent respectively of all consumption (TG, 1988, 3).

The World Bank's (and its Tanzanian supporters') explanation of this neo-classical paradox is two-fold. In the first place the good performance in food crops is attributed to market liberalisation. The editors of *Tanzania Economic Trends (TET)* for example write that "...maize and other staples are efficiently cleared... to the delight of many producers in the country" (*TET*, Vol. 3, No. 1, 1991, 9). Therefore, production is simply responding to the increased efficiency of the market system. Secondly, they invoke the argument that production variations have followed changes in the availability of consumption goods. Until 1984 consumer goods were in effect "rationed". Since then, their availability has increased substantially, releasing the pent-up demand of the period 1978–84 and leading to a rise in marketed production irrespective of producer price levels. Production response was in food rather than traditional export crops, since this was the sub-sector where "market clearance" was achieved first.

By contrast, the absence of market liberalisation in export crops (until 1991–92) meant that producers in this sub-sector could actually find themselves facing increased production disincentives, despite rising prices. This is because the unreformed cooperatives and parastatals used their monopoly position to further increase their "take" from official sales prices at the expense of producers. The producer share of these

Table 2. *Production estimates (officially marketed production) for principal food (export) crops, Tanzania, 1981-82 to 1990-91*
(*'000 metric tonnes*)

Foodcrops	1981-82	1982-83	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90	1990-91
Maize	1402	1740	1712	2013	2671	2787	2429	2527	2445	2332
Sorghum	233	254	301	442	384	367	424	405	n/a	n/a
Millet	155	149	168	272	301	259	198	219	n/a	n/a
Paddy	309	255	328	276	418	566	782	768	740	625
Wheat	59	59	72	67	98	72	75	81	106t	84
Export crops										
Coffee			50	49	55.0	54.0	49.3	49.5	37.1	55.9
Cotton			47	52	32.5	56.0	66.3	63.3	42.1	50.0
Tea			12	17	20.5	14.1	13.8	15.6	20.1	18.1
Cashews			47	52	12.5	17.6	24.2	18.9	16.5	30.2
Tobacco			11	13	33	14.0	7.4	10.7	11.0	11.9
Sisal			46	39		30.2	33.2	33.3	32.2	33.5

Table 3. *Real producer prices for food crops, Tanzania 1980-81 to 1990-91*
(TSh. per kg. Constant 1988/89 prices)

	1980-81	1981-82	1982-83	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92
NCPI (1977=100)	198	247	331	401	538	716	948	1239	1587	1896	1896	2940
Crops												
Preferred staples												
Maize	10.02	12.05	10.49	10.88	14.22	14.55	13.18	13.13	11.25	11.00	9.72	9.9/19.4
Paddy	17.54	18.47	17.98	19.79	21.33	22.17	20.09	23.06	21.63	19.00	23.03	20.25
Wheat	16.53	17.67	14.98	14.84	16.00	16.63	15.07	14.41	12.94	13.00	27.12	24.77
Drought staples												
Sorghum/millet	10.02	8.03	9.59	9.90	10.67	11.08	10.05	9.61	8.25	7.25	6.78	
Cassava gr. 1	6.51	5.62	5.39	5.94	7.11	8.31	7.53	7.21	6.19	5.45	5.08	
Oil Seeds												
Sunflower: black	18.04	16.06	17.38	19.79	21.33	23.28	21.14	20.26	17.38			
Jupiter	16.03	14.46	15.58	17.32	18.67	20.51	18.53	17.85	15.31			
Mixed	15.03	13.66	14.98	15.83	17.07	18.57	16.74	16.01	13.75			
Sesame	40.08	36.15	34.17	34.63	37.33	40.73	36.94	35.39	30.38			
Groundnuts	42.08	35.18	34.76	39.58	45.51	49.60	45.00	43.07	37.00			
Copra	25.05	24.10	25.17	29.69	32.00	34.91	31.60	30.25	26.00			
Soya	22.55	18.07	17.98	22.26	24.00	26.05	23.65	22.65	21.25			
Other crops												
Beans gr. 1	35.07	28.11	230.98	24.74	28.44	33.25	30.14	34.59	31.07	27.30	29.66	
Sugarcane	1.06	1.10	1.02	1.18	1.15	0.99	0.97	0.96	0.94	0.92		
Grapes gr. A	40.08	40.16	35.96	44.53	53.33	45.72	45.00	43.07	43.76	38.50		
gr. B			29.97	44.53	46.22	39.62	38.93	37.23	37.75	33.20		
gr. C				29.69	35.56	30.48	29.93	28.66	29.07	25.55		

Source: *Tanzania Economic Trends*, Vol. 4, No. 2

NCPI = National Consumer Price Index

prices is said to have dropped by 60 per cent between 1986 and 1989 (although it recovered somewhat in 1990) (World Bank, 1991b, 64–65).

The “rationing” aspect of this argument is questionable on a number of grounds. The statistical evidence which the World Bank produces to show the correlation between local production levels and local availability/non-availability of consumer goods is confined to the pre-1984 period and is partly based on arbitrary and artificially low estimates of parallel market sales. Secondly, falls in official agricultural production started before 1978, when shortages of consumer goods were not yet acute. Thirdly, even during the worst shortages of consumer goods, such goods were still available – albeit at extremely high prices in the unofficial markets. If availability of goods alone is a production incentive, then there should have been higher production at this period, given the high prices of goods in the unofficial markets.

The question of the increased “take” of the cooperatives and the parastatals under adjustment is only part of the more general question of the real nature of improvements in producer incentives since 1984–86. Such improvements have, along with market liberalisation, been one of the the two main emphases of government agricultural policies since 1982. Certainly, nominal prices have been raised regularly since this time. However, only in the case of the traditional export crops described above did real prices rise. Prices of basic food crops fell. The fall was sharpest in maize (33.8 per cent) and sorghum/millet (38.7 per cent); only wheat experienced a price increase (49.4 per cent) (see Table 3). Essentially the massive devaluations of the Tanzanian currency in these years and the inflation associated with it more or less cancelled out the nominal price increases.

Of interest to note here is the fact that real price increases (even if they were not passed on) took place mostly in crops which were not liberalised *while real prices fell in all those crops which were liberalised* (at least until 1990–91). The exception of wheat is due to the fact that most wheat is produced by parastatals and the single biggest buyer of the product still remains the NMC. In the case of maize for example, while the official price was at TSh. 30 per kg. in 1991, private traders were paying peasants only between TSh. 15–20. The “incentives” for food crop production provided by market liberalisation have therefore

Table 4. *Official purchases of main staples, 1989–90 and 1990–91 marketing seasons, Tanzania (in tonnes)*

Year	Maize	Paddy	Wheat	Beans	Cassava
1989–90	287,219	105,966	48,000	13,400	–
1990–91					
Target	120,000	85,000	52,000	22,900	42,000
Actual	55,000	32,500	45,000	5,780	11,000

Source: Tanzania Economic Trends, Vol. 3, No. 4, 1991

certainly not been greater for food crop producers than for export crop producers. Both have enjoyed some increases in incentive goods, and both in practice have faced stagnant or falling prices. This suggests that a more convincing explanation of the “miracle” of Tanzania’s food crop “boom” is simply that levels of parallel market production prior to liberalisation were underestimated. Hence the unification of parallel and official markets has generated statistical increases which probably have little basis in reality.

The extent of the parallel grain market prior to liberalisation appears to have been systematically underplayed in the literature. While there might have been only a handful of private grain traders in Dar es Salaam in the early 1980s this tells us nothing about the quantities of grain which they were handling. According to one source, the private market accounted for a majority of maize sales in the Southern Highlands by 1982–83 (Rasmussen, 1986, 203). According to another, unofficially marketed maize comprised fully 75–80 per cent of marketed maize by the time the “reform” commenced. As far as rice is concerned, the unofficial markets handled 80 per cent of the marketed produce (TG, 1988; Bagachwa, 1990).

As far as the superior “efficiency” of the private sector in collection and distribution is concerned, this seems to have been confined to the period of food shortages of 1981–82 to 1984–85. In this phase the parallel market’s share of total marketed production rose considerably due to parallel market prices increasing above official price levels. Once national food shortages became less intense (in 1985–86) the parallel market price seems to have fallen below the official one. NMC maize

purchases increased by almost a third in the following two years, from 170,000 tonnes to 227,000 tonnes. By 1989–90 they had risen to 287,000 tonnes (see Table 4 below). This level of purchase at official prices became unsustainable for government and in 1990–91 it virtually stopped buying maize (and other staples).

By the 1990s, there were not many large private traders who were still interested in the purchase of agricultural goods. Interviews by the author in various regions (Rukwa, Kigoma, Mwanza, Shinyanga, Mbeya, etc) have shown that most businessmen considered profits had become higher in other sectors. In any case, they did not have storage facilities and transport costs were a stumbling block due to the inflation rates. Likewise, it has been recently noted that in Iringa, "...for farmers and the closely connected transport sector, structural adjustment seems to mean nothing more in practice than a steep rise in the cost of everything..." (Booth, 1992, 264).

In fact, by this time it was mostly bus and truck drivers on their own private account who were purchasing staples for the urban areas to top-up their own incomes and those of their crew. The profitability of their operations was based on the fact that they were not incurring any transport costs. Still, they and the petty traders from the regions who were working alongside them were buying the crops at prices lower than those officially gazetted, despite the fact that prices had been liberalised. In February 1992, the government was looking for businessmen to buy and haul maize from Rukwa where more than 35,000 tonnes were still in the hands of the villagers. No businessmen were forthcoming to do the job. The government announced that it was capable of purchasing 5,000 tonnes only (*Uhuru*, 5 February 1992).

At present (mid-1992), villagers' crops in many parts of the country are being bought on a loan basis by cooperatives and the agricultural boards because private businessmen have become less interested in the agricultural sector as it has become less profitable than in the years of scarcity. Claims that the private grain market is continuing to expand (Amani and Maro, 1991) are probably fallacious. The figures produced in fact mainly show an increase in the number of petty (bicycle) traders in the open market, most likely due to its *officialisation* rather than the fact that they were non-existent before.

While this shows that the freeing of the private sector and market lib-

eralisation cannot on their own provide the basis for agricultural development in Tanzania, it is not intended to constitute a defence in any form of the state-controlled cooperatives which have been the main *de facto* alternative over the last few years. These institutions emulated the tradition which was set by the parastatals: namely, delayed purchases and payments, embezzlement and fraud and what has become famous now as "ghost" or fictitious purchases (i.e. disappearance of funds from the purchasing organisations under the pretext that they have been used to purchase crops). Cases of fraud and embezzlement involving cooperatives which each exceeded TSh. 10 mn. reported in the newspapers from January 1989 to 22 July 1991 involved a total of almost TSh. 750 mn. (Tanzania NBAA, 1991).

The cooperatives also have continued the drain on the country's financial system through incurring huge overdrafts. The cooperatives' total overdraft in 1990 stood at TSh. 25 billion, as against an annual crop input requirement of TSh. 15 billion. According to a 1991 study, the government responded by increasing money supply. This is said to have been largely responsible for the failure of inflation to stabilize at 20 per cent in 1990–91. (*TET*, Vol. 3, No. 4:3) In 1991, the unreformed cooperatives received a further nearly TSh. 30 billion as loans for crop purchases (TADREG, 1991, v).

The result of the new legislation on cooperatives, already described has so far at least not been formation of new voluntary cooperatives but total confusion. Part of the problem is that the apex – the Cooperative Union of Tanzania (CUT) – still remains intact and that the old cooperatives have not been dissolved. It is almost impossible for new voluntary cooperatives to emerge because of lack of credit and working capital. As a result, in some areas (for example Karatu, in Arusha) popular attempts are being made to form credit societies as a basis for future cooperatives.

An initiative by the government to allow businessmen to purchase the major part of the cotton crop in July 1992 was heavily resisted by the Members of Parliament and cotton growers of Mwanza and Shinyanga. They wanted support for cooperatives, as experience had shown that private traders' performance over the two years of liberalisation of cotton had been poor. While the government had set an official price for the crop at TSh. 96 per kg., private traders were offering only TSh. 40

per kg. The government finally adjusted the official price to TSh. 56 per kg. — much lower than the level of 1991.⁶

Successful liberalisation of crop purchasing, it seems, has nonetheless taken place in cashew nut production. The simple reason is, unlike in the case of cotton and other crops, the export market for this product is buoyant — especially in India. But at the same time cotton and coffee is piling up in villages because there are no buyers (*Daily News*, 3 July 1992) and while some areas have food shortages, in others food is rotting for lack of a market.

Probably the most conspicuous aspect of private market failure has been in input supply. Stein (1991) cites increases of 150–170 per cent in cotton insecticide prices between 1987 and 1988, while the producer price increased by only 15 per cent over the same period (the real producer price fell quite sharply, see Table 1 above). Such a pattern is general for all crops. The price of sulphur, the chemical used to spray cashew nut trees, almost doubled between 1991 and 1992 while spray pump prices increased by 31 per cent over the same period (*Daily News*, 4 September 1992). In Njombe, meanwhile, some peasants are returning to the use of indigenous maize seeds in order to decrease their dependence on costly industrial inputs, while others are hiring themselves out in order to raise cash for input purchases. Both Booth (1992) and Kjaerby (1989) report processes of detractorization/demechanization in some areas as capitalist farmers are unable to purchase new machinery due to devaluation and high inflation rates.

In a nutshell, and despite apparent agricultural marketed produce growth, most rural households are actually increasingly unable to reproduce themselves through agriculture only. They also have to engage in non-farm activities to supplement their incomes. The most hit hard are women and children who are compelled to become wage labourers to pay for most of the household expenses. In the Coast Region, for example, as in many others, the number of children going to school is falling dramatically because of inability to meet the expenses and the fact that

6. At the same time, a similar downward adjustment occurred in the official price for mild Arabica coffee, from TSh. 320/kg. to TSh. 250/kg., in the absence of private traders. As a result over half the primary coffee societies in Bukoba were refusing to sell to the Kagera Cooperative Union (Economist Intelligence Unit, *Tanzania Country Report*, No. 4, 1992). (Editor)

they are also involved in production or petty trade (*Uhuru*, 7 July 1992). The situation is being made worse by the fact that most of the nucleated villages are producing people, especially school leavers, who are landless.

In a 1988 survey (Chachage and Mvungi, 1988) of ten regions 80.8 per cent of villagers reported that they were constantly faced with food shortages. The percentages were high in every region. Remarkably, in most regions, there was no strong correlation between drought occurrences and food shortage. The problem was rather related to income insecurity and poverty, understood in terms of lack of resources to obtain the types of diet, participate in activities and have the living conditions and amenities which are customarily, or at least widely, encouraged or approved.⁷

Peasant "welfare" is also being affected adversely, rather than improved, as a result of SAP's (and before it, NAP's) land privatisation provisions. Differentiation in land distribution has always been a characteristic of some areas in Tanzania (van Hekken and van Velsen, 1970; Friis-Hansen, 1986) but there is some evidence of it becoming more general since the early to mid-1980s. Sendaro (1991), writing about Kibaha in Coast Region reported that a spate of land disputes began arising in the district after the enactment of legislation regularising some forms of land privatisation. Eleven cases were examined covering the period 1984–87, all involving transformation of customary tenure to leasehold. In around half of them rich peasants acquired land formerly occupied by poor or middle peasants. Other cases involved acquisition by government officials, a businessman and a government institution. Half of the acquisitions occurred by direct cash transaction and the other half by processes of allocation by various legal authorities.

On the basis of constant public complaints arising from similar cases up and down the country, President Mwinyi was in 1990–91 compelled to form a commission to investigate land problems in the country. If anything however, cases of land appropriation have become even more brazen. Many non-agricultural capitalists are acquiring large tracts of

7. Towards the end of 1992 the Regional Medical Officer for Rukwa (a grain surplus region, see above) reported that approximately half of all children in the region were suffering from malnourishment (Economist Intelligence Unit, *ibid*). (Editor)

land for non-agricultural activities or in order to obtain collateral for credit in expanding their activities. Possibly the most startling occurred in August 1992, when the *Daily News* reported that the Investment Promotion Centre had given a certificate to a foreign investor to establish a game farm in Kiteto District, Arusha Region in an area currently occupied by 25 villages (*Daily News*, 5 August 1992).

Agriculture has been presented as the motor of increased levels of economic growth in Tanzania during the adjustment period. The foregoing analysis shows that it is difficult to sustain this impression. In fact, it seems unlikely that adjustment has fundamentally transformed agriculture from being a source of accumulation by other sectors and interests to one where internal accumulation is occurring. Whether this means that industrial production has remained the main focus of private profit making remains to be seen.

NEW FORMS OF ACCUMULATION

Even if agricultural growth under structural adjustment has probably been exaggerated, there is no doubt that growth of some kind has occurred, and that certain areas of the economy have witnessed spectacular changes. A growth in GDP associated with a very strong pattern of import growth suggests that a great part of Tanzania's economic "recovery" has been the product of the famous "own account" import liberalisation scheme along with increased donor support since 1986.

This scheme consisted in the Tanzanian government turning a blind eye to the use of overseas foreign exchange holdings to purchase goods for import. Since the industrial sector had been previously favoured by government foreign exchange allocation and since the most highly developed overseas networks were possessed by companies in this sector, it is logical to conclude that this scheme in effect allowed private industrial capitals to (re)convert themselves into a classically compradorial import-export role. In the process, their industrial interests were rapidly sacrificed. Some local industries, such as the textile industries, are facing major problems as a result of the importation of cheap second-hand clothes (*mitumba*) through the scheme. Industries which have fared well are cigarettes, auto tyres, cement, rolled steel and corrugated iron sheets. The rest, including the fertiliser industry and Ubungo Farm Im-

plements continue to experience problems (*TET*, Vol. 4, No. 2, 1991, 11). The industries whose capacity utilization has increased are mainly those which are urban oriented or simply luxury goods producers, but not basic consumer goods.

While traditional export (agricultural goods) production has not improved on the whole, it is in non-traditional goods that there have been major developments (Tibaijuka, 1991) and where the "export" activities of the reconstituted import-export elite have been concentrated. This is basically because they can provide – more readily than other alternatives – the chance to establish fresh and highly liquid overseas holdings of foreign exchange, which can then be used in a fresh cycle of imports.

Two closely related trends have therefore been increased total exports of non-traditional goods and services, and a shifting of part of their ongoing export into official circuits, as this whole process has been legalized and even given official support. Of course, this by no means implies an absence of "unofficial" practices (e.g. under-invoicing) even within official circuits.

Real (and probably ecologically irreversible) "growth" has been evident in wildlife products (traditionally ivory but now crocodile skins, ostrich and other birds), forest products (timber, black woods, mangrove, mahogany, medicinal plants, etc) and marine products (prawns, lobster, *bêche-de-mer* (sea slugs) etc). Wildlife trophy sales (almost wholly illegal) reached over USD 150 mn. in 1989 (Bagachwa, 1990, 29–30). In the case of forestry products an average of 60,000 rare *mpingo* black wood trees are being cut each year. A cubic metre fetches USD 11,000. A host of exporters have currently invaded the south-east of the country to clear the only remaining part of the world (other than Mozambique) of this species.

A shifting from illegal to legal circuits has meanwhile occurred in minerals, giving for the first time a semblance of an indication of the significant scale of activity in this sector. Despite the fact that the majority of gold and gemstones continue to be smuggled illegally, the mining sector's official growth was 18.7 per cent in 1990 with official gold sales of 1.65 tonnes. Cumulative sales between March 1990 and March 1993 were 9.2 tonnes (interview, Bank of Tanzania, April 1993). The expansion of this combined legal-illegal import-export trade creates conditions whereby previously mainly legally marketed commodities

can enter illegal circuits. According to Bagachwa (*ibid*), 90 per cent of cardamom, 12 per cent of coffee and 75 per cent of overseas tourism was passing through illegal channels, which had also expanded to include unregistered housing services to expatriates valued at USD 33 mn. annually in foreign exchange.

The conversion of the former private industrial bourgeoisie to what is popularly known locally as the "container bourgeoisie" has been further strengthened by the introduction of the Open General (import) Licence (OGL) scheme. Between 1984 and 1988 imports through the OGL grew to 35 per cent of the total (worth USD 638 mn. in the latter year). Own account imports by the 1990s account for around another 50 per cent.⁸

The question arises of the relation of these new forms of accumulation to the state. It has already been seen how the private sector's growth was from the beginning sanctioned and encouraged by the state, even if efforts were made to channel it sectorally. Pricing mechanisms were put in place which allowed it to flourish independently of any criteria of economic efficiency, and donor funding of state industries also increasingly benefited it. Close relations were naturally developed between leading figures in this sector, their counterparts in parastatals and government officials and politicians. As a commission dealing with leadership conduct made clear in 1984, many of the latter benefited from their contacts with the industrial bourgeoisie and used these benefits to establish businesses. Hence, despite "socialism" the number of private business companies rose from 880 in 1974 to 16,007 by 1984. Leaders had facilitated the expansion of the private sector by providing tenders to ex-leaders for the benefit of both parties (*Uhuru*, 31 July 1984). Besides this of course, the state and the parastatals were being directly used for private accumulation through corruption, fraud and embezzlement.

With liberalisation, mercantilist forms of accumulation have increasingly been replaced by parasitic forms based on plunder of natural resources and import/export activities. This has caused deep popular resentment and cynicism alongside a general welcoming of the principle

8. In 1991 imports through the OGL had fallen slightly to 27 per cent of all imports and were valued at USD 465 mn. Own account imports comprised another 25–35 per cent (Ofstad, 1992). (Editor)

of opening up. Booth (1992) shows that this resentment even extends to significant sections of small-scale indigenous capital outside the circuits described. His observations, made in Iringa, about the views on economic liberalisation of the local business community suggest that though it was welcomed, it tended to be perceived mainly as entailing either simply the relaxation of import restrictions, or (at best) as a light at the end of a very long tunnel. There was resentment about the difficulties created by devaluation. Several large African farmers were also sore about what they see as the ease with which urban business people, especially "Arabs" and others with access to "own forex" can accumulate and display wealth (Booth, 1992, 255).

Inversely, as far as the majority of the working people are concerned, those who were poor before SAPs have become poorer in relative and absolute terms; those who were relatively better off have also become poor and women and children have become more vulnerable because they now have to fend for themselves as far as social services (cost of medicine, school fees, etc) are concerned. In the meantime, while there are few signs of productive reinvestment of capital which has been recently accumulated in Tanzania there has been a mushrooming of spectacular buildings, commercial businesses, indulgence in untold luxuries and extravagant marriage ceremonies, etc by a handful of individuals.

If one is to look for an original cause of the process, it can arguably be found in the original decision to use the exploitation of agriculture to support the formation and growth of a small group of private capitalists outside the agricultural sector itself. Physiocratic assumptions (that land and its products are the only true source of wealth — *à la* Francois Quesnay), whether by the state which squeezes agriculture or the economists and planners who think it is possible to industrialise and transform agriculture through squeezing it, proved false. Nevertheless a parasitic class was established and eventually played a role in the partial revival of these assumptions under structural adjustment.

Agriculture is again being looked upon as an earner of foreign exchange and source of primitive accumulation. But the low value-added in its products and the high market inelasticities which they confront mean that it is actually minerals and other natural resources which are becoming the major foreign exchange earners in the hands of the import-export capitalists. In fact, many countries which have industrialised

in the world — whether Britain, USA, South Africa, Russia, etc — attest to the strategic value of minerals. Moreover, in all advanced countries where agriculture has been profitable, this has been the result of it enjoying certain forms of protection, given the need for food sufficiency and other considerations. Where agricultural growth has occurred, it has not been just a matter of market forces, instead, farmers have organised autonomously and have established strong lobbies within the state.

In the case of African countries, as far as agriculture is concerned, policy should not just be a matter of privatisation of parastatals or leaving agriculture to the private trader as the SAPs suggest, rather it is a question of finding ways in which social and political interventions from below can guide economic institutions. The paralysis of agriculture in Tanzania has been due to the fact that there has been too much state control of the peasants' conditions of production rather than too little private trade. Nor are peasants themselves intrinsically "pro private". It is interesting to note that despite increased local supply of consumer goods with liberalisation, a survey undertaken to establish the availability/scarcity of most sought incentive goods for the year 1986–89 and carried out in seven regions (Tanga, Arusha, Mwanza, Shinyanga, Kagera, Mara and Tabora) noted that 87 per cent of the villagers preferred making purchases through the cooperative distribution channels and only 4 per cent favoured private traders (Cooksey, 1989).

What is taking place in Tanzania is an intensification of certain parasitic forms of capitalist relations of production under the guise of SAPs within a reproduction of the international forms of division of labour. There is visible increase in corruption and plundering of natural resources from village level to the top levels of the state. The unsuccessful drive to increase export crop production has also meant intensification of some forms of state repression against the working people. Over the past years, rural and urban protests have been on the increase, and even when the government signed the IMF accord the President had to send top officials to all regions to convince the people that the accord was a "bitter pill" which had to be swallowed for the good of the country. It is within this context that the question of the civil society really needs to be posed. This in turn needs to be related to detailed analysis of economic and political differentiation in rural society, for it is this which will inform the trajectory and the nature of the civil society which emerges.

Structural Adjustment, State and Organised Labour in Zimbabwe

Lloyd M. Sachikonye

This paper assesses the implications of the implementation, begun in 1990, of an Economic Structural Adjustment Programme (ESAP) on relations between the Zimbabwe state and the organised labour movement. Amongst the questions it discusses are those of the changing nature of the Zimbabwean working class, the character of relations between organised sections of this class on the one hand and capital and the state on the other, the effects to date (1992) of ESAP on it and on these relations, and the likely interplay between labour politics and adjustment politics in the coming years.

Zimbabwe's ESAP began to be implemented in October 1990, although measures to liberalise the economy had begun one or two years earlier. It would be no exaggeration to state that the adjustment measures represent the most complex and far-reaching attempt to restructure Zimbabwe's economy in the post-independence period. However, there exist two different analytical assessments of the real condition of the Zimbabwean economy in the second half of the 1980s. These conflicting assessments have a bearing on the case for and against the adoption of liberalisation and SAP.

The first analytical position argues that overall economic growth, investment inflows and employment expansion were disappointing between 1980 and 1989. Specifically, growth in gross domestic product (GDP) somewhere between 2.7 and 3.7 per cent per annum may have lagged behind population growth. Export growth increased by only 3.4 per cent per annum in real terms between 1980 and 1988, while imports declined by 0.4 per cent annually in real terms (Zimbabwe Government, 1991a, 1–2 (this text, perhaps self-servingly, accepts estimates of GDP growth at the bottom of the range given here)). Unemployment had risen to 26 per cent in 1989. Only a fraction of the 200,000 plus school leavers entering the labour market each year were able to find employment in the formal sector. The fiscal deficit of the central government was in excess of 10 per cent of the GDP during much of the

1980s; by 1989, central government debt amounted to 71 per cent of the GDP (*ibid*). According to this analytical position, the principal cause of sluggish economic growth was the low investment levels in the productive sectors of the economy. In order to stimulate economic growth it was therefore necessary to create a "favourable" investment climate. Such an exercise would involve removing the risks associated with fiscal deficits, the uncertainties and high costs associated with the forex allocation system and the "relatively high cost" of doing business in Zimbabwe due to price controls, labour regulations and investment control procedures (*ibid*). This diagnosis of Zimbabwe's economic malaise underlines the case for a cure which entails replacing a regulated economy by one in which "market forces" play a more decisive role. Once this process is under way, faster economic growth and therefore higher employment levels and incomes are supposed to ensue.

The second analytical position observes that a package reminiscent of SAP was presented by the IMF to the Zimbabwe government in 1984. Because of unacceptable conditionalities which included drastic cuts on funding to basic social services such as education and health, an agreement could not be reached. Yet the Zimbabwean economy went on to grow at an average rate of 4.2 per cent from 1985 to 1990. At the same time, in a context of a balance of payments surplus, the debt servicing burden was reduced from 40 per cent to 25 per cent. More importantly, this respectable economic growth occurred against the background of a severe drought (in 1987), huge expenditure on military commitments in Mozambique and a shortage of foreign exchange (Moyo, 1991).

One of the principal objectives of ESAP is economic growth of five per cent per year between 1991 and 1995. However, the second analytical position observes that even before the implementation of SAP began, the economy was registering close to five per cent annual growth in period 1988–1990. Even a successful ESAP might not therefore imply higher growth rates. Furthermore, the argument for an unregulated opening up of the economy is contested. Complete import liberalisation, scheduled for 1995, is likely to open the sluice-gates to a flood of non-essential consumer goods over and above the intended inputs for industry. The resultant balance of payments deterioration could far outweigh any benefits to be derived from increased exports (Cliffe,

1991). Indeed, evidence from the first year of the implementation of ESAP suggested that speculative over-importation of goods under the Open General Import Licence (OGIL) system (*Financial Gazette*, 26 September 1991), coupled with a failure by key donors to release promised balance of payments support, was leading to exactly such a situation. More recent reports state that Zimbabwe's trade surplus of USD 203 mn. in 1989 turned into deficits of USD 398 mn. in 1990 and USD 560 mn. in 1991. To date, OGIL bills have turned out to be three times higher than initial estimates (*Financial Gazette*, 19 December 1991). The country's capacity to provide adequate forex allocations for imports, especially capital goods for the modernisation of industry, has therefore become questionable.

This second analytical position also questions the possibility of adjustment leading to a projected doubling in private investment flows to Zimbabwe, as its proponents claim. Such flows have been diminishing in Sub-Saharan Africa since the 1970s, particularly in the manufacturing sector. This has been a consequence not only of foreign exchange shortages and endemic economic crisis but also, according to a survey by Bennel (1990) because of adjustment-related devaluations which slash the value of invested assets and of profit remittances, and increase local costs while reducing demand.

The level of private investment flows into the productive sector is also linked to the question of foreign exchange availability already mentioned. If the latter is not available to private manufacturing industry because of its diversion to other sources, then there is little point in investment being undertaken. It is further also linked to the prices set by parastatal utilities for basic services. If price liberalisation forces these to rise substantially, particularly in a phase of trade liberalisation, then the private sector's profitability is threatened. Adjustment thus opens up a series of contradictory processes which are by no means unambiguously pro-productive for private capital. The anxieties which these create have been expressed recently as follows by the Director of the Confederation of Zimbabwean Industries (CZI), which represents large-scale manufacturing interests.

We are concerned about the government's apparent abandonment of the stated commitment to ensure that the manufacturing sector and other productive sectors would be given the resources to re-equip before they have

to face competing imports in their domestic markets....This could result in de-industrialisation, not development. (*Financial Gazette*, 16 April 1992)

THE ZIMBABWEAN WORKING CLASS

As a preliminary to the analysis of the impact of ESAP measures on the labour movement and the latter's response, some brief observations should be made about the composition and recent history of the working class.

The number of the formal sector workers is about 1.1 mn., which represents approximately 10 per cent of Zimbabwe's total population and around 19 per cent of the total labour force of about 5.92 mn. Thus despite the relatively advanced level of industrialisation (within the African context), Zimbabwe boasts a small working class, and one which, moreover, is shrinking as an element in the total labour force. Amongst the 1.1 mn. workers, those engaged in production-related processes have not increased significantly in the past 12 years. Indeed, especially in commercial agriculture, but also in mining, construction and private domestic service there have been falls from the employment peaks reached in 1975 (partly stabilised in 1984–88). Only in manufacturing was there a consistent rise in the numbers employed, but this increase amounted only to 36,000 new jobs between 1975 and 1988 (a rise of 25 per cent). In contrast, the public administration and social services sectors have expanded phenomenally over the same period, particularly from 1980 onwards. The state, parastatal and municipal bureaucracies nearly doubled in size from 48,900 to 91,400 between 1975 and 1988, (largely attributable to a doubling of numbers of those employed in education and health).

On average, around only 18,000 new formal sector jobs were created net each year during the 1980s, rising to 25,000 net during 1987–90 (Standard Chartered Bank, 1991). Unemployment stands at around 1.3 mn. (including 0.4 mn. in urban areas) and is calculated to double over the next seven years and reach 2.7 mn. by the late 1990s. It is clear that in this context the informal sector's role is expanding exponentially (see below).

The structure of the labour force and the unabated growth of unemployment have a direct bearing on the capacity of the labour movement

to mobilise the working class in its struggles with the bourgeoisie and the state. In both quantitative and qualitative terms, the labour movement faces a daunting challenge in organising workers to press not only for traditional demands relating to better wages and working conditions but also against adjustment measures premised on undercutting some of their erstwhile gains.

Also relevant in this context is the differentiated composition of the formally employed working class. Of the 1.1 mn. formal sector workers, approximately 800,000 are found in the urban areas. Half of the latter are made up of skilled and semi-skilled workers and the other half consist of unskilled workers (those with no formal educational qualification or certificate of experience in certain skills) (Zimbabwe Government, 1991a op.cit.). Skilled and semi-skilled workers are heavily represented in public administration, health, education, finance and commerce. Average earnings in these sectors are significantly higher than in agriculture, construction or domestic service and well above the country's average of ZWD 1,400 per annum. Wages in these sectors appear to have held up reasonably well in the 1980s. In contrast, between 1980 and 1990, unskilled workers have suffered a decline in real earnings thus placing a growing proportion of them below the poverty datum line (PDL) (see below).

The proportion of skilled to unskilled workers varies from industry to industry; the latter are particularly over-represented in commercial agriculture. In mining and the public utilities (railways, posts and telecommunications, etc) grading structures exist which directly translate differences in skills and qualifications into pay levels. In these industries, skilled grades constitute, moreover, a reservoir from which supervisors and in some cases managers are drawn. Nevertheless, until recently single industrial unions have represented workers of all grades in these fields.

The very recent past has seen pressure grow for the reorganisation or break up of these industrial unions. Much of this pressure comes from the Zimbabwe government itself, particularly in the context of the modification of the Labour Relations Act. Some of it however comes from groups of skilled workers themselves who, for example, have sought special representation rights on national union executives. In mining, posts and telecommunications, the industrial unions have so far man-

aged to prevent changes of this kind, but resistance has been less successful on railways. By contrast, a growing number of professionals — especially those represented in the associations of public servants, teachers, nurses and doctors — see their interests lying in a common front with other workers. Hence the recent affiliation of their associations to the Zimbabwe Congress of Trades Unions (ZCTU).

Along with low levels of formal employment and a certain degree of internal differentiation, the organisation of the Zimbabwean working class has been impeded by certain other factors. One has been the comparatively small number of workers in the historically better-organised heavier industrial sub-sectors. Secondly, although the expansion of public sector employment has been phenomenal since 1980, this has not been very significant in terms of the development of unionism. No unions are allowed in the public service. Moreover, in those parastatal enterprises where unions are permitted to function, almost the entire range of the operations are designated as “essential services” in which industrial action is prohibited.

Thirdly, it is sometimes overlooked that the process of proletarianisation is still partial in Zimbabwe. Besides the growing weight of the informal sector (see below) a considerable proportion of formal sector workers in the urban centres still have access to the communal lands. One survey of union members indicated that about 66 per cent of those interviewed maintained rural homesteads (Commercial Workers Union, 1990). Migration into towns for employment and retirement to the peasant sector at the end of one's working life-span is still a common experience amongst workers, especially lowly paid “unskilled” ones. The oscillation of these workers between the capitalist industrial sector and the underdeveloped peasant sector affects their capacity for effective unionism and their level of class consciousness. State agricultural and industrial policies have not sufficiently acknowledged this phenomenon of migrant workers whose reproduction is partly met within the peasant sector, but who also form a substantial fraction of the working class.

In analysing the role of the working class in national politics, or its opposition to ESAP measures, these specificities of its formation should be taken into consideration. The inextricable linkages between urban and rural sectors in terms of the reproduction and experience of the working class imply that far-reaching changes in the employment and

income structures have an immediate impact on the reproduction process (and accumulation patterns) in the peasant sector. Since the peasantry is not a homogeneous social force, restructuring processes such as those set in train by ESAP can further modify the process of rural differentiation, particularly by increasing immiseration and impacting on levels of marketed production. In turn, these may affect export earnings (as in the case of maize, cotton and tea). It follows that it is misleading to view the impact of ESAP measures as limited to those based in urban centres and to those dependent on wage earnings and wage foods.

Finally, we should briefly refer to the process of informalisation within and outside the working class. The substantial erosion of working class incomes particularly since the beginning of 1990, with devaluation and the reduction or removal of consumer subsidies and controls on prices on wage goods, has made it increasingly difficult for the lower-income strata to subsist on their formal incomes. Household-based strategies of these strata have included involvement in informal sector activities such as petty and cross-border trade, sewing, knitting and crocheting and so on. Engagement in the informal sector is likely to become more pronounced as the adjustment measures limit gains in income that could have been made through the collective bargaining process. The number of people engaged in these informal sector activities has already increased significantly since independence, according to one survey there are currently around estimated 1.6 mn. participants in the sector, equivalent to 27 per cent of the total labour force. Envisaged retrenchment in both the private and public sectors will throw more workers into the informal sector. The Zimbabwean adjustment programme assumes that the informal sector will absorb between 25,000 and 35,000 retrenched workers per annum. It is questionable whether the sector can offer sustainable incomes or ones that approximate former wages to these considerable numbers. Moreover, entry to already over-subscribed areas, stiff competition and poor working conditions are likely to erode the security of these workers (see Brand, Mupedziswa and Gumbo, this volume).

ACCUMULATION AND THE LABOUR PROCESS IN INDEPENDENT ZIMBABWE

In spite of the populist-laden socialist rhetoric which until recently characterised government statements on economic policy, it is generally accepted that the accumulation model since independence has been basically a capitalist one. However, this model has been subject to modifications and riddled by contradictions — some of them manifested in struggles over the control of the labour process. Others have been evident in the collision between those redistributivist measures implemented in the first phase of independence (minimum wages, employment security, universal education and health provision) and the pressing demands of the capitalist system for profitability and monopoly control, as well as with short-term sectoral interests.

The state and the economy

After independence, state economic policy was initially articulated in terms of several inter-related objectives. Firstly, the overall goal was said to be the establishment of a socialist and egalitarian society. This would be achieved through the attainment of a sustained rate of high economic growth to raise incomes and living standards of all the people. Balancing this was an emphasis on equity. This implied high levels of employment creation and redressing the historical racial imbalance in skilled employment. Furthermore, there would be an improvement of the rural economic infrastructure with particular emphasis on extension of marketing services, credit and agricultural input supply. A related objective was the provision and extension of social services (including housing, health and education) to lower income groups in both urban and rural areas and the devising of social security schemes where they did not exist. Finally, reforms of the fiscal system would be instituted in order to achieve greater equity (Zimbabwe Government, 1981a).

The translation of these objectives into feasible social and economic programmes proved problematic in a context of both domestic and external bourgeois opposition. On the face of things, this opposition was mainly agitated by the accompanying rhetoric of abolishing imperialist exploitation, achieving a more equitable distribution of national resources including land and promoting the ownership of a significant portion

of the economy by nationals and the state (*ibid*). However, it seems likely that even the basically social democratic thrust of the social policies adopted were perceived by capital as threatening. Meanwhile, the pressures emanating from the peasants, and urban working and petit bourgeois classes, which this thrust and the accompanying rhetoric expressed, were heavily counter-balanced by pressure on the state brought to bear by fractions of the national bourgeoisie and international capitalist interests. The sharp disagreement between the IMF and the Zimbabwe Government over a stabilisation programme which envisaged heavy cuts in the social services epitomised the polarisation of positions over aspects of the accumulation model's content.

While the IMF position was successfully resisted in the early 1980s, by 1986–87 (according to the Finance and Economic Minister, Bernard Chidzero, 1992) the government conceded that there were long-term problems in sustaining the initial development strategy against a background of world recession and falling prices. It was concluded that such perseverance with it would lead to rising levels of indebtedness without really making significant inroads into the rising level of unemployment. In this context of a crisis of accumulation, the argument gained ground that the central problem was “political” obstacles to private investment.

We had to do certain things to try to generate more wealth. We had to attract investment (including) domestic investment.... People feared nationalisation of everything, in the light of socialist ideology. Our policies were not conducive to profit making because...prices were very low and the profit margin was being eroded.... Looking at the budget, government was spending too much...43 per cent of the current expenditure was as salaries of government employers...patterns (of expenditure) between productive investment and services were frightening.... (Chidzero, *ibid*)

There are two broad interpretations of this change in trajectory of economic and social policy during the post-independence period, which is generally agreed to represent a transition from a more to a less independent capitalist development path within the context of a continuing dependence on IFIs and donors for investment flows. The first position emphasises the role of external forces and developments, particularly an adverse international political context, in the rejection of any project of structural transformation. According to this view the major Western

powers (principally the US and the UK) and the IFIs used the Lancaster House provisions to block attempts by the young state to radically redistribute land and to transform social service provision. The threat of destabilisation by South Africa — if radical social and economic change had been implemented — was another factor to be reckoned with. Hence it is observed that the Zimbabwe government found itself

...increasingly having to follow the broad guide-line of international finance capital, even when those directly responsible for economic policy may want to think that these policies are 'home-grown', independent of external influence. (Mandaza, 1986, 61)

According to this view, the combination of economic structural constraints, the West's and the IFIs' monopoly over supply of funds for investment and balance of payments support and geopolitical factors left no leeway for the post-colonial state to undertake any serious reforms, let alone to implement socialist policies.

The second position argues that there existed opportunities for much more substantive reform measures in spite of the constitutional and economic constraints which beset Zimbabwe at independence. For instance, land redistribution could have been speeded up soon after independence.

...in the two or three years after independence, legal means were demonstrated whereby substantial amounts of white farmland could have been obtained cheaply without contravening the Lancaster House agreement. During the drought, a high proportion of white farmers got seriously into debt, being unable to repay the Agricultural Finance Corporation (AFC) over ZWD 100 mn. The AFC could have been obliged to foreclose, forcing a high proportion of land on to the market at the same time; but the AFC (and thereby the farmers) was bailed out by the government. (Stoneman, 1988, 50)

According to this position, the momentum and political will for social mobilization for redistribution and socialist-oriented measures were lost quite early — if they were ever present at all (*ibid*). Furthermore, the Lancaster House protocols and other external constraints certainly did not dictate the authoritarianism of the Labour Relations Act. Nor could the levels of personal aggrandisement by the ruling elite evident in the second half of the 1980s, and the official renunciation of socialism in 1991 be derived from them. Other analysts have identified a conver-

gence of interests, after an initial period of mistrust, between the ruling elite and the domestic and international bourgeoisie (Makamure, 1991). According to this view, only such a convergence of interest can explain the adoption of ESAP measures, even though differences remain — and others might still emerge with the international financial institutions — over the details of its effects on different fractions of the bourgeoisie.

The state and organised labour

State policy towards labour has been as much the outcome of spirited struggles by a loosely organised working class (operating, as has been seen, in a context of partial industrialisation and high unemployment) as of state attempts to develop a framework to facilitate the co-option of the labour movement. As we have discussed in some detail elsewhere, the attainment of independence was celebrated by workers in a series of prolonged strikes in many sectors, expressing a pent-up opposition to the colonial capitalist labour regime (Sachikonye, 1986). Services, as well as agricultural, industrial and mining production were disrupted in 1980 and 1981 as a consequence of industrial action whose objective was to dismantle the traditional labour regime and attain immediate, substantial improvements in workers' material conditions. In the commercial, agricultural and agro-industrial sectors the strikes were only defused through personal intervention by the Minister of Labour and the ruling ZANU-PF party. State response to this "crisis of expectations" amongst workers at independence centred on the introduction of minimum wages for the different sectors in 1980. The latter, which was to form the centre-piece of a more general incomes policy which lasted till 1989, represented a historic departure from the colonial regime's wage policy since it covered all races and all sectors of the economy. A second element of the state response was to create industrial unions and workers' committees *ex nihilo* or by merger in each industry and workplace. A third was to introduce employment security for all workers.

The strength and disruptive potential of the strikes in the first post-independence accumulation phase, probably much more than the socially redistributive instincts of the post-independence state, was decisive in extracting the concessions made to the workers. This battery of labour reforms led to a temporary honeymoon between state and la-

bour during the early 1980s. Contestation between capital and the working class did not spill over into workers' hostility to the state. Rather, the state mediated in the conflict between the two forces, with the result that certain of the excesses in the exploitation of labour by some key fractions of capital (including agrarian capital) were regulated, if not assuaged. All this was very much assisted by a short-term economic boom, based on the lifting of sanctions.

It was against the background of assuming a benign paternal role that the state resolved to restructure the labour movement at its apex by sponsoring the creation of the Zimbabwe Congress of Trades Unions (ZCTU) as the single national centre. The political context in which this was attempted and the major trade union personalities involved have been examined in some detail elsewhere (Sachikonye, 1986; Wood, 1988). Though there was no long-term opposition to unity as such, suffice it to observe that the reaction of the labour movement to the state's project of co-optation was uncompromisingly critical. By the mid-1980s, it was clear that the labour movement would jealously guard its autonomy — particularly in a context in which economic austerity measures were undermining minimum wages and more generally, workers' living standards.

From 1982 onwards, strikes tended to be confined to specific industries and organised around single issues or grievances, such as the spate of strikes in the agro-industry in 1985. Indeed, in the context of a series of deflationary programmes, marked polarisation developed between state and unions. More or less static employment and wage levels, higher prices and tighter control over the labour process sharpened this contradiction. From around 1987–88, the unions also increasingly lambasted the terms on which the state sought to liberalise the economy (see below).

The limitations and contradictions inherent in the incomes policy and the growing assertiveness of the labour movement provided grounds for separate critiques by both unions and employers of the economic policy stance of the state. The latter was criticised by employees for interfering in the managerial prerogative of "hiring and firing" and in wage determination. The labour movement meanwhile grew increasingly restive at the state's failure to defend the minimum wage levels of the early 1980s. As the cost of living rose steeply in the late 1980s, and minimum

wages failed to keep pace with inflation, it became clear that the incomes policy was unsustainable. Hence the implementation of ESAP coincided with a developing impetus toward the establishment of a collective bargaining mechanism. Although the state indulged in delaying tactics, there was a bilateral consensus between the labour movement and employer federations that the state should withdraw from wage determination. However, the state was adamant that public service workers (except those in the parastatal sector) should be excluded from conventional collective bargaining. On the other hand, it was quite prepared to concede the relaxation of employment regulations in favour of employers.

STRUCTURAL ADJUSTMENT AND THE CONDITIONS OF THE WORKING CLASS

In spite of the assertion that ESAP is a "home-grown", independently designed reform programme, its measures — insofar as they affect labour at least — draw heavily on recommendations contained in earlier World Bank studies of Zimbabwe. For instance, in its study on the manufacturing sector, the World Bank (1987b) argued strongly against the prevailing levels of wages and employment security in Zimbabwe, on the grounds that

...relatively high labour costs...militate against exports. The current minimum wage, converted at the present exchange rate, is four times higher than in Sudan and Zaire, one and one-half times higher than in Brazil, and about the same as in Mexico. The average pay in manufacturing sector is about as high as in Chile and higher than in Korea, countries with almost three times Zimbabwe's per capita GDP. High labour costs contribute to making exports uncompetitive in world markets. (ibid. xviii)

As far as employment security was concerned, it was stated that the legislation decreased firms' flexibility and had a negative medium-term input on employment.

The arguments on both wages and employment security are highly questionable, even if it is conceded that the link between labour costs and export competitiveness is crucial. The basis of the comparative calculations for Zimbabwe, Chile and Korea is not explained. It seems

highly doubtful that wages in Zimbabwean manufacturing really exceeded those in these countries. The same study in any case concedes that while average real earnings in the period 1980–82 rose by about 20 per cent, they had subsequently almost continuously fallen. In both the period of improvement and that of decline they moreover followed the ups and downs of economic activity rather than legislative fiat. As for “employment security” it is clear that firms have invariably evaded government legislation, hiring new workers as and when required on a contract rather than permanent basis.

In any event, the Zimbabwe government committed itself under ESAP to the elimination of administered minimum wages in favour of negotiated agreements between workers and employers. It was stated that Employment Councils would be progressively established for all industries and would be independently responsible for resolving all disputes regarding wages, conditions of service, dismissal and retrenchment of workers (Zimbabwe Government, 1991a). Although there was an admission that half of all manufacturing workers (about 100,000) would probably suffer drops in real earnings, it was maintained that real wage levels of skilled and semi-skilled workers would be unaffected. For the latter, the combination of increased labour demand and their strong bargaining power was supposed to ensure that real wages kept pace with inflation (*ibid*). Indeed, it was contended that the real earnings of some of these workers would increase substantially.

To what extent were these expectations realised in the opening period of ESAP’s implementation? Trends in collective bargaining awards and continuing state intervention in wage-setting have not borne out these expectations. In fact, state interference in the 1991 collective bargaining process undermined the position of the unions, who in turn protested strongly (*The Herald*, 25 September 1991). The Employment Councils or Boards agreed to wage increases for 1991 of between 19 and 30 per cent. These were well below the inflation rate of around 35 per cent, but substantially better than the increases of 1990, which ranged between 14 and 20 per cent. The substantial improvement in the 1991 award increases reflected the sharper bargaining skills and cumulative experience of unions in negotiating not only for wages but also for related benefits. The increases agreed carefully took into account changes in productivity and escalating levels of commodity prices, rents,

rates, fares as well as the re-introduction of school and hospital fees. Reinforcing this observation was the sharp difference in the scales of awards between those sectors which engaged in collective bargaining and those which did not. In the public service, wage and salary increases were restricted to between 9 and 11 per cent.

The state directly opposed the higher pay awards of between 20 and 30 per cent agreed upon by workers and management in local government authorities as part of these negotiations, ostensibly because the latter came under the authority of the present Ministry of Local Government, Rural and Urban Development. With the exception of workers in parastatals which made substantial profits, awards for parastatal workers were also restricted to the civil service level of 9–11 per cent. Even in cases where pay awards ranging from 20 to 30 per cent had been the outcome of bargaining in the private sector, the state advocated staggering the payment of the increases over several months, supposedly in order to limit inflationary trends. The argument for such staggering of awards and for the moderation of wage demands might have been stronger if there had been similar proposals for the moderation of price increases by the government. As it was, most of its comments on holding back prices were more muted. From the point of view of the labour movement, the considerable costs of implementing ESAP were thus being borne by workers, rather than shared with other social groups.

Against this background the labour movement leadership criticised the state for double standards on collective bargaining.

We are in a free collective bargaining process but are surprised that in parastatals there are directives from certain ministries advising them not to honour agreements reached. The employers were not forced to pay what they agreed. (Mudzengerere, ZCTU leader, quoted in *The Herald*, 25 September 1991)

Dismissing the state's proposal to stagger wage increases as "...an insult to the intellect of the working class", the ZCTU stressed that the labour movement would "...not be used as a scapegoat of failures by other agencies in the management of the economy" (*ibid*).

The one element of government predictions which does seem to have been borne out is that lower-income workers' position would deteriorate further than higher income ones in the new situation. The Economist Intelligence Unit reported in July 1992 that during 1991 employers were

applying a lower level of pay increases of between 5 and 15 per cent to low-paid groups (EIU Zimbabwe Country Report, No. 3, 1992). At the same time, the cost of living for low-paid workers was rising much more steeply. In 1990 the consumer price index for lower-income urban families increased by 19.3 per cent, while that for higher-income families increased by 12.8 per cent (FMB, 1/1991). The corresponding figures for January 1991 to January 1992 were 34.6 per cent and 27.1 per cent respectively (EIU, *ibid*). This differential reflects very steep rises in foodstuffs, which account for approximately 55 per cent of lower-income expenditure as against 20 per cent of higher-income expenditure. Since February 1992 further substantial price increases for controlled products have been approved and many foodstuff prices relaxed. In view of this it is hardly surprising that in rural areas dominated by large-scale commercial agriculture and also increasingly in urban areas, evidence of difficulty in access to food and incidence of malnutrition amongst children is growing (cf. Loewenson, 1991; Unicef and Zimbabwe Government, 1991a).

Conflict over on-going state interference in collective bargaining reached a climax in April–June 1992 when the government tabled a new Labour Relations Amendment Bill, apparently without forewarning the unions. The Bill legally reversed the pledge made in 1990 that the state would withdraw from wage setting, and the emphasis now announced was on state powers to fix maximum wages. The ZCTU announced a day of protest against the legislation for 13 June. On 11 June its proposed rallies were banned and a heavy police presence prevented most workers from attending them.

A second aspect of ESAP of direct relevance to labour is that of retrenchments. Notwithstanding the burgeoning levels of unemployment and the fact that it is only public employment which hitherto has shown significant growth, the adjustment programme envisaged a substantial retrenchment of workers in the public service. An estimated 26,000 public service workers, 2,000 in the parastatals and a further 20,000 from the private sector will be laid off between 1991 and 1995. The objective of these retrenchments was to reduce net recurrent government expenditure in order to bring down the fiscal deficit. In addition, average salaries would be “allowed” to fall in real terms (see above), although the retention of highly qualified civil servants would be ensured

through differential wage increases. How the latter could result in a significantly lower total public service wage bill was not explained. The retrenchment process in the private sector would be the consequence of liberalisation's "thinning out" effect on inefficient and uncompetitive firms, and facilitated by the streamlining of labour regulations.

If the retrenchment exercise in the private and public sectors was implemented fully, it would mean that an equivalent of about 27 per cent of new employment created since independence would disappear. It is unclear, if not rather unlikely, whether there would be a compensatory increase in jobs as a result of ESAP-related growth. At the same time it is doubtful that the retrenchment exercises will significantly contribute to greater economic growth. Moreover, they are likely to sour labour relations. It is inevitable that the envisaged lay-offs will be contested at every level, particularly in the private sector. In the public sector the arbitrary figure of 26,000 retrenchments (or 25 per cent of the public service) was arrived at unilaterally without consultation with workers' representatives. However, the absence of union structures here undermines the possibility of resistance. An immediate result therefore has been demands for a stronger public service workers' organisation affiliated to ZCTU.¹

The introduction of cost-recovery measures in the education and health services is also of direct interest to labour, since it will remove important gains achieved in the short-lived phase of social redistribution after independence. Although school-children attending rural schools will be exempted from paying fees, those in urban schools will be required to pay. Because of the likely effect on school enrolments, even the organised industrialists' lobby denounced the re-introduction of primary school fees as regressive.

1. As of mid-1992 the number of retrenchments occurring under ESAP was not altogether clear. The Zimbabwe government claimed that over 4,000 private sector workers had been laid off between January 1991 and July 1992, while the Zimbabwean Manufacturing Council calculated over 4,000 jobs had been lost in the clothing sector alone from January to July 1992. Meanwhile, while it is clear that while some retrenchments have occurred in the public service (including education and health), the overall level of public sector employment may remain roughly the same. While the figures given by the Zimbabwe government are probably an underestimate, it is also true that some lay-offs are attributable to the on-going drought rather than to ESAP as such. (Editor)

It will result in an increased dropout rate due to unemployed and poor parents being unable to pay. For this to occur at this stage of SAP would be most unfortunate as its net effect will be to worsen the already serious unemployment problem and its attendant social problems.... The introduction of school-fees at this particular time will mean that an increasing number of workers from poor families will have left school too early to have attained a level of numeracy and literacy to enable them to be easily trained. This will perpetuate the poverty circle and present potentially serious problems for the economy in the medium term. (CZI statement quoted in *Financial Gazette*, 12 December 1991)

The lobby went on to argue that the ZWD 80 mn. per annum the government estimated it would save through the reintroduced school fees was too little to have any significant impact on the estimated budget deficit of ZWD 1.4 billion. Similarly, the levying of health fees is not likely to yield enormous amounts of revenue. If anything, the levying system has already begun to dissuade those patients unable to afford the fees from attending clinics (Sachikonye, 1991a). The consequences in terms of reduced attendances for ante-natal and post-natal care, the immunisation of children and health education will be severe even if the announced raising of the income level at which free health care is available to ZWD 400 is eventually implemented.

THE RESPONSE OF ORGANISED LABOUR TO SAP

It is too early to attempt a definitive assessment of the response of the labour movement to the adjustment programme, since ESAP has been in place for only about 18 months. However, it is possible to identify several tendencies in the response so far. There are political, ideological and economic elements in these tendencies.

The political and ideological dimensions of the labour movement's response relate not only to the specific details of ESAP measures but to the changing orientation of government policies. The latter became evident in 1986–87 in government rethinking of economic policy in a context of pressure from the IMF and WB for policy change. The subsequent drawing up of an Investment Code much more favourable to foreign investors, the signing of the Multilateral Investment Guarantee Agreement and the revision of the Labour Relations Act in order to relax conditions pertaining to employment security underlined this pro-

cess. The labour movement has viewed these developments with increasing alarm and articulated a view of them as a "capitulation" to international financial interests and an abandonment of commitments to socialism (ZCTU, 1989). The consistent position of the labour movement has been that national economic interests will as a result be subordinated to those of international capital. Consequently, workers as a social class will lose out as more concessions, revolving around ever-more flexible labour laws, are awarded to investors. From the perspective of the labour movement, foreign investment is not an unmitigated blessing.

The labour movement has not only criticised government economic policy but other aspects of its social policies and its stance on the question of democracy. It has attacked corruption in high government circles and supported student demonstrations against specific policies. In 1989, the ZCTU Secretary General was detained for making a solidarity statement in support of the students' critique of corruption and against the forced closure of the University of Zimbabwe. The labour movement was also the major civil institution which opposed the concept of a one-party state and the intention of the ZANU-PF government to institutionalise it in 1990 (Mandaza and Sachikonye, 1991). It also resisted pressure on it to declare partisan support for the ZANU-PF party in the run-up to the 1990 elections (Tsvangirai, 1990). In order to demonstrate its independence, it refused to declare in favour of the contesting parties. The labour movement further criticised the government for not consulting it in the drawing up of ESAP. More recently, it expressed grave disquiet at the 1991 salary increases for cabinet ministers, Vice Presidents and the President, who already receive substantial tax-free allowances. According to the ZCTU, this showed that the social pain induced by ESAP was not being shared equitably. Later, in May 1992, the ZCTU organised its first successful independent May Day rallies, which were attended by large numbers of workers and students, as well as the partly thwarted demonstrations against the Labour Relations Amendment Bill a month later.

However, working class responses to state economic policy and to ESAP have not been confined to their political and ideological dimensions. There is a discernible trend towards reductions in consumption because of the inability of workers' incomes to meet price increases. In

the second half of 1991 breweries, clothing manufacturers and supermarkets were recording significant drops (of up to 30 per cent) in consumer sales. One supermarket executive observed that "...the economic reform programme caught consumers off balance" (*Business Herald*, 19 December 1991). Reports revealed that 1991 Christmas season sales plummeted, as consumer resistance and sheer lack of purchasing power affected the retail trade.² There are growing worries amongst industrialists and retailers over the capacity of the domestic society to absorb commodities whose prices have shot up considerably.

Another form of response has been industrial action. In 1990 a series of prolonged strikes were organised by teachers and nurses. These drew attention to the slide in the standards of living of professional employees (Sachikonye, 1990). Labour legislation prohibiting strikes in essential services (including those mentioned) was flouted. Cabinet ministers were drawn into mediation of these prolonged strikes. Industrial action over pay by doctors and artisans in the railway and telecommunications services also demonstrated growing impatience by professional and skilled working class groups with the government's wage policy.

The ZCTU warned of more generalized industrial action if the government interfered in the payment of wage awards reached through collective bargaining during the 1991 round. Bus drivers in Harare staged industrial action in the form of a "go slow" over a delay in the payment of their negotiated wage increase (*The Herald*, 17 September 1991). Only when their 19 per cent increase was eventually implemented did they return to normal service. In November 1991, Posts and Telecommunications workers also went on strike over pay, so did artisans and semi-skilled workers in the National Railways of Zimbabwe in January 1992. As a result of this strike 4,000 workers were sacked and the state sought to reorganise Trade Union representation of the workforce. This spate of wage-related industrial action is set to continue as ESAP erodes the purchasing power and living standards of workers.

2. The decline in demand for many consumption items continued throughout 1992. In mid-1992 National Breweries suspended an expansion programme in the face of a 25 per cent decline in sales. The Capri Corporation recorded a 30–40 per cent drop in refrigerator sales and did the same. The furniture industry was also reporting a 40–50 per cent decline in sales (Economist Intelligence Unit, *Zimbabwe Country Report*, No. 4, 1992). (Editor)

An aspect of labour response to ESAP deserving further mention is that of its reception of the "Social Dimensions Fund", amounting to ZWD 20 mn., which it is planned to utilise to cushion some of the worst affected social groups as well as to retrain retrenched workers. It has still not been spelt out how and when this money will be disbursed. There are, however, obvious doubts with regard to its adequacy. The ZCTU Secretary General has asked: "...how many people can be assisted and for how long with (ZWD) 20 mn.?" (*Sunday Mail*, 28 April 1991). Apart from relegating equity from a central policy issue to an object of ad hoc and post hoc attention, the envisaged social dimension fund in effect proposes to leave intact the current social distribution of services (Loewenson, op. cit.). According to this critique, the elites that will in many respects profit from ESAP will also continue to profit from the current distribution of social services, while the economic and social burden on the poor will intensify since the resources which they use will continue to be underfunded.

ESAP AND RELATIONS BETWEEN STATE, CAPITAL AND LABOUR

Discussion of the relation between organised labour and the state under ESAP raises the general issue of the state's relation to different social forces in the current period. This issue will be examined here through a discussion of attempts to construct a tripartite social contract around ESAP, and of recent expressions of dissent about ESAP from social forces other than organised labour. At certain stages, government has appeared extremely anxious to establish a tripartite social contract to underwrite ESAP. The Zimbabwe Reserve Bank, for example, has emphasized the importance of restraint by all three parties in order to contain inflation. From its perspective, it was absolutely essential that wage and salary settlements did not undermine ESAP. It said that

...what is required is some social and moral contract on the part of labour and employers over the next two years for ESAP to succeed. (Reserve Bank, 1991)

Under such a contract, wage demands and profit dividends would have to be significantly scaled down while employers sustain ESAP through

reinvestment of profits and retention of dividends. This position has been recently underlined by the Bank's Governor who reiterated that the 1992 wage and salary negotiations should be conducted with a view to the containment of inflation since "...settlements at high levels directly influence the underlying rate of inflation" (*Business Herald*, 16 April 1992). The Reserve Bank's position seems to be shared with the Ministries of Finance and of Labour within the state apparatus. However, efforts by government to give more substance to such a contract have not been particularly evident. Indeed, private capital has itself criticised the lack of effort by government to reach a consensus before the implementation of ESAP. According to the CZI president, ESAP has hence provided

...(more opportunity) for division than unity and this is partly because the programme has not been explained adequately...I think this is something ZANU-PF itself should have understood very clearly from its own wartime experience — people had to be politicised before the war could be fought. (CZI, 1992)

On the other hand, this sharply critical tone on the part of business has only really emerged since ESAP got under way, or rather since it began to threaten to unravel in the wake of a spreading chorus of protest. Earlier bourgeois calls for a social contract were no more frequent than those from the state, while the ones issuing now are explicitly concerned with reviving ESAP's legitimacy (cf. statement by J. Deary in *Financial Gazette*, 23 April 1992).

We do not share the assumption that "adequate explanation" of ESAP would have sufficed to make it more palatable to labour, still less convinced the affected social groups that they should actively lend their support to it. Yet there is much to be said for the position that wider consultation and debate about the pros and cons of ESAP would have been a precondition for its legitimacy and "national" ownership — and therefore any subsequent successful implementation. As it was, there was no real debate nor consensus on the Zimbabwean version of structural adjustment.

Given this background it is slightly surprising to find that organised labour was still apparently enthusiastic about developing a social contract around a version of ESAP which only radically departs from the

original blueprint on the question of prices. This position has been articulated concisely by the ZCTU leadership by saying that

...the social contract would involve the three parties reaching a consensus where workers agree to restrain wage demands on the one hand and employers agree to control price increases for commodities, invest surpluses to create more jobs and train workers on the other. For Government, you would expect them to cut spending. (M. Tsvangirai, ZCTU leader, as quoted in the *Business Herald*, 16th April 1992)

The labour movement expressed the belief that after three years of this tight restraint, there could then be a relaxation in the form of a return to normal conditions of wage bargaining. However, the movement remained extremely wary of the capacity and readiness of the government to negotiate such a social contract: it had neither the "political will nor the culture" to do so as it was "used to dictating" (*ibid*). Finally, it was unrealistic to expect workers to restrain their wage demands "...when Government Ministers are increasing their salaries" and "...when employers are spending so much on fringe benefits, which are so glaringly out of proportion, for top management" (*ibid*).

Although these three positions on the content of a Zimbabwean social contract all accept the necessity for adjustment to one degree or another and are not irreconcilable, it is quite clear that the labour movement's proposal is more radical than those of the state and bourgeoisie, which tend to stress only wage restraint and the legitimization of ESAP.

Part of the unravelling of the ideological legitimacy of ESAP has been growing expressions of trepidation from certain of the groups who (perhaps surprisingly) were originally amongst its supporters. Sections of the manufacturing bourgeoisie, who previously benefited from a protected domestic market and near-monopoly conditions, have — as indicated — expressed alarm over the possibility of de-industrialisation if adequate foreign exchange is not available to import equipment and spare parts to enable them to retain some competitiveness in the context of trade liberalisation. The emergent black bourgeoisie has also expressed disquiet over the lack of adequate resources — investment, foreign exchange and equipment — to cushion them against competition from both transnational corporations operating within the domestic economy and those that could take advantage of trade liberalisation to flood the Zimbabwe market with their goods. Meanwhile a leading

commercial banker had observed that highly geared non-exporters were beginning to realise that "...they are about to lose the race and that import substitution is dead, at least on the basis of an entrepreneur's strategic thinking" (*Business Herald*, 16 April 1992). There are emerging potentially sharp conflicts between those fractions of the bourgeoisie with a traditional alignment to economic nationalism, or at least some version of protection of the domestic market and state assistance for export-oriented ventures, and those which stand to benefit substantially from trade liberalisation and who enjoy privileged access to export retention funds. By mid-1992, in the wake of the government's introduction of the Labour Relations Amendment Bill and the banning of ZCTU protests against it, tripartism appeared further away than ever. Indeed, the ZCTU announced its withdrawal from the 1992 ILO sponsored tripartite conference.

POLITICAL ALLIANCES AND ESAP

In concluding this paper, we need to broaden the previous section of this discussion and consider the potential formation of political alliances for and against ESAP in Zimbabwe. The formation of a coalition of social interests (including the labour movement) to mount explicit political opposition to ESAP can no longer be ruled out. Sections of the national bourgeoisie and petit bourgeoisie (including emergent bourgeois interests) which become undermined by or frustrated with ESAP may seek a coalition with the labour movement and groups within the intelligentsia including students (Masuko, 1991). Those small and medium-sized industrial and agrarian interests which do not benefit from the projected export-led growth may also find a common interest with these classes in the construction of a national economy less open to the dictates of international financial institutions. It is not unthinkable that a broad coalition of these forces might seek to develop some political muscle and that the 1995 elections may well offer an opportune moment to test their strength. In fact, any emergent political organisation which hoped to seriously contest the 1995 election would be obliged to address the future of ESAP and particularly its painful effects.

In the absence of a well-organised opposition movement with a co-

herent political programme, the labour movement is increasingly viewed as the social force around which any effective mobilisation against the incumbent Mugabe regime would probably occur. The recent Zambian model of political transition in which the labour movement played a prominent role in the toppling of UNIP and Kenneth Kaunda is frequently mentioned in this connection. Those who anticipate a replication of the Zambia model contend that the ZCTU in Zimbabwe is the only organisation which has voiced issue-by-issue alternatives to those of the incumbent government. There is thus scope for the labour movement to venture further afield and organise a political wing "...which will advance the interests of the workers" (Makamure, quoted in *The Herald*, 29 April 1992).

For its part, the ZCTU has stopped short of transforming itself into an opposition movement, preferring rather to build grass-roots committees at regional level, promoting women's issues and strengthening co-operation with other mass organisations and professional associations such as those representing students, small farmers and peasants, public servants and academics. The ZCTU's Secretary General has expressed its current orientation by saying that

...our policy is not to be linked to any political party. I think it is premature at this stage for unions to divert from their fundamental role of defending the interests of workers. But we have political concerns like any other organised grouping. The ZCTU should not be so myopic that it only deals with wages but should expand its horizon and agenda to include other political, economic and social problems that confront workers. (*The Herald*, *ibid*)

These comments seem extremely guarded and certainly camouflage the political agenda of the labour movement. But they also signal its organisational autonomy, rejection of economism and its striving for a hegemonic role in the leadership of other mass organisations.

Informed circles within the bourgeoisie now openly concede that ESAP will not meet its original targets. The first two years of the five year programme were effectively lost due to speculative over-importing, long-delayed donor disbursements and severe drought beginning in 1990 and still continuing in late 1992. The programme will therefore require prolongation beyond 1995 (*Financial Gazette*, 16 April 1992). In the context of drought, government has had no option but to loosen

purse strings to provide funding for imported maize and other food-stuffs. This in turn directly affected plans to reduce the budget deficit and release more resources to the productive sectors (*Business Herald*, 16 April 1992). The Finance Minister conceded that the drought has further resulted in a severe reduction in agricultural and agro-industrial exports, worsening the balance of payments position. The export performance of manufactured goods has continued to be uneven as companies have been affected by the high inflation rate which in turn undermined export competitiveness, and foreign exchange shortages have resulted in many companies operating below capacity (Chidzero, quoted in *Business Herald*, 7 May 1992). GDP in 1992 is likely to fall by seven to ten per cent, mainly reflecting a disastrous drop of around one-third in agricultural value-added, and food imports of at least USD 200 mn. will push the trade deficit to more than USD 1 billion. According to one commentary, retrenchments may well actually reach 75,000 in 1992–3 (*Financial Times*, 30 July 1992). Hence, Zimbabwe's adjustment is in the throes of a deep economic crisis as well as facing political difficulties. The severity of the measures required to put this imported programme back on track will undoubtedly further heighten the significance of domestic political factors in determining its future. In the relatively short term the government may be faced with the choice of abandoning the programme or facing electoral defeat. In the 1990 elections, 25 per cent of the urban population voted against the government. If ESAP remains in place, this could well more than double by 1995.

Women Informal Sector Workers and Structural Adjustment in Zimbabwe

V. Brand, R. Mupedziswa and P. Gumbo

All cultures include a traditional division of labour based on sex which distinguishes what is defined as men's work from what is defined as women's. The rigidity of these divisions and the consequences of crossing over them vary considerably. In the patrilineal cultures of Zimbabwe, women's work traditionally revolved around two major functions, namely reproduction of children and production of goods and services for the maintenance of the home. Learning the skills to be a "good wife" was considered essential for every girl. Such skills included making of baskets and mats, pottery, sewing and crocheting. Up to the present day, these skills have enabled women to survive in a changing world.

WOMEN IN ZIMBABWE

The pre-independence period

Although there is little written documentation about the situation of Zimbabwean women before the onset of colonisation in 1890, May (1979) states that it would seem that women's position was not as debased as earlier work had indicated. Women's position actually deteriorated under colonisation. One of the factors contributing to this debasement was the fact that as men were the first to be exposed to the hut tax and poll tax, men left their homes as early as 1912 to work in towns, on mines and farms as wage earners. This resulted in men also gaining access to education and to training for particular jobs. During much of the colonial period this trend was perceived as functional because of the belief that men were heads of households and therefore should be given first preference for employment.

Although men were the first to migrate to towns, the phenomenon eventually extended to women who, for a variety of reasons found themselves going to live in towns permanently or seasonally. Little

Table 1. *Female labour force participation, Zimbabwe*

Year	Labour participation rates, %		Source of information
	Females above 15 years	Males	
1969	5.0	52.5	1969 Census
1982	48.1	80.0	1982 Census
1986	70.4	83.1	1986 Labour Force Survey
1987	61.0	72.8	1987 ICDS*

* Inter Censal Demographic Survey

(1973) outlines some of the reasons as wanting to look for husbands, running away from accusations of witchcraft and looking for employment opportunities. All in all, the aim was to better their lives.

Nevertheless, those who migrated into towns did not find life easy. May (1979) asserts that education is a universally important factor in the entry of women into the labour force. In the then Rhodesia there was a definite bias in favour of education for boys rather than girls. Where resources were scarce, a family would rather educate boys than girls, since it was generally believed that educating a girl was a waste of time because she would get married and become a mother, raising children for her husband's lineage. Educating a boy, however, brought direct benefit to the family. In cases where girls did attend school, many dropped out before attaining a meaningful education that would make them employable.

Closely linked to the question of education is training. For anyone to be gainfully employed, some basic training is necessary. But training in turn presupposes a sound basic education. Training opportunities were very limited for women during the colonial period, with teaching and nursing being the traditional "female" professions open to those who were successful in climbing the educational ladder.

The invisibility of women's work

As is the case in many other Sub-Saharan African countries, women's overall contribution to the economy has been generally unrecognised and difficult to quantify with the result that much of it remains "invisible" in national accounts. Statistics on female labour force participation

rates reflect a significant shift in the definition of economic activity over the period 1969–1987 as well as an actual change in the economic behaviour of women.

By narrowly equating “economic activity” with work in the formal sector of the economy, the 1969 Census of Rhodesia officially obliterated the vast majority of women from those deemed to be economically active. Only from 1982 was the labour force definition broadened to include those engaged in communal farming. However, the Census was carried out in the month of August (a relatively slack agricultural season) when casual employment is likely to be minimal. Changes between the 1982 Census and the 1986 Labour Force Survey may be partially explained by the fact that the latter was carried out over a twelve month period, rather than reflecting economic activity during only one particular period of the year. Seasonal activities were thus more accurately reflected.

Economic activity rates derived from the ICDS reveal a narrower gap between men and women than at any other point over the last 25 years. This may partly reflect increasing economic activity on the part of women in response to the political, economic and social changes associated with independence. However, it is also likely to reflect some modification in the assumptions underlying basic definitions (subjective and objective) of work undertaken by women.

Urban women in independent Zimbabwe

Independence marked the beginning of a new era for women in Zimbabwe. One major milestone was the creation of the Ministry of Community Development and Women's Affairs. The Ministry was faced with the challenge of facilitating the integration of women into the development process as a whole. While it is not the intention of this paper to examine the achievements of the Department, special note should be made of a national Needs Assessment Survey of Women in 1982. This revealed that women were confined to a limited range of jobs and that they were more poorly remunerated than men. The National Manpower Survey of 1981 meanwhile indicated that women constituted only 22 per cent of all professional workers, 15 per cent of all skilled workers and 11 per cent of semi-skilled workers.

The findings of these surveys gave support to a series of new laws

Table 2. *Unemployment rates by sex, Zimbabwe*

Year	Labour force unemployed, %		Source
	Females	Males	
	above age 15		
1982	26.8	15.5	1982 Census
1986	26.2	11.1	1986 Labour Force Survey
1987	22.0	13.2	1987 ICDS

which were passed in order to improve the conditions of women in wage employment and in society as a whole. These have included the Legal Age of Majority Act (1982) whereby women and men were given full contractual capacity on attaining the age of 18, the Equal Pay Act (1980) which stipulated that men and women doing the same work would get equal remuneration and the Minimum Wages Act (1980) – by which a minimum wage was instituted for all unskilled workers in formal employment. Later, the Matrimonial Causes Act (1985) gave women the legal right to retain an equal part of household assets in case of divorce or death and the Labour Relations Act (1987) prohibited discrimination on any ground and entitled a woman to ninety days maternity leave as well as time to breast-feed her child at work for a stipulated period. Although these laws and regulations are to be commended, some only applied to the 200,000 or so women employed in the formal sector,¹ whereas the vast majority of women (including those in the informal sector, those employed on a part time basis and the unemployed) have not been covered by them.

Since 1980, the government has encouraged women to form groups and cooperatives so that assistance can benefit organised groups. The establishment of institutions such as the Community Development Fund and the Small Enterprise Development Corporation (SEDCO) have also been seen as a means of promoting women's small-scale enterprise. The extent to which these institutions are accessible to self-employed and informal sector women will be considered below.

1. Women's formal employment rose from 171,400 in 1980 to 214,500 in 1990. 75,700 of the 1990 figure were employed in agriculture (Zimbabwe Government, Central Statistical Office).

There are significant gender differentials in employment in Zimbabwe which warrant attention. Prior to the implementation of the Economic Structural Adjustment Program (ESAP), unemployment affected a greater share of women than of men as the following table indicates.

It is likely that the slight drop in recorded unemployment rates among women since independence corresponds to their increasing involvement in the informal sector and in communal farming. Increasing involvement of women in casual and seasonal agricultural employment has also been noted among rural women (Adams, 1991). Unlike their male counterparts, urban women become more economically active at older ages as their child care responsibilities lessen.

RECENT INTERPRETATIONS OF THE INFORMAL SECTOR

A plethora of terms has been used to describe those economic transactions which are not captured and/or are under-reported in official GNP statistics. These activities have been referred to by such names as the subterranean economy (Gutman), the hidden economy (Feige, 1987), the underground economy (Tanzi, 1982), the parallel economy (Del Boca, 1982), the bazaar economy (Geertz, 1963) and the second economy (Maliyamkono and Bagachwa, 1990). The popular name by which these activities are known is, however, the "informal sector" — a concept generally believed to have been coined by Hart (1973) to distinguish unregulated economic activities from those which conventional wisdom regards as "proper" or "normal" and which are institutionally regulated in the formal sector. Despite on-going debate regarding its usefulness, the term "informal sector" has gained currency over the last two decades.

Over the years, informal employment has been subject to conflicting interpretations. Some of the debate has focused on the importance of this sector, particularly in terms of employment creation. While some commentators (ILO, 1972) see nothing wrong with promoting the informal sector, others (e.g. Moser, 1979) adopting the "petty commodity production" view, see promotion of the informal sector as tantamount to simply encouraging intensified exploitation. These two views basically dominated debate on the informal sector for many years.

More recently, new interpretations of the informal sector and the informalisation process itself have been developed from a variety of quarters, including the USA, Latin America and West Africa, pointing to the significance of structural changes in the world economy. As will be seen, certain of them mirror the traditional literature in their conclusions.

One recent American contribution challenges the idea that there is a "core" of informal sector activities or occupations common to different societies at different times. The contours of the informal sector are viewed instead as products of a politico-economic process involving decisions about the boundaries of legal regulation (Castells and Portes, 1989). Recent growth in the informal sector in the Northern countries, as well as its continued significance in Latin America is seen as resulting from the deliberate de-institutionalisation of employment and economic activities to circumvent Northern trade unions and to overcome intensified competition.

Concentrating on the manufacturing segment of the informal sector, these authors argue that the nature and extent of informality is functionally complementary to the formal sector. Indeed it tends to serve the latter essentially as a sub-contractor. Labour in the informal sector is seen as comprising those expelled from the formal sector as a result of closures, as well as stigmatised sections of the population, including ethnic minorities. In the Third World context, labour includes "victims" of structural adjustment and stabilization policies — particularly where retrenchment features as part of the economic reform "package".

The state's relationship to the sector is portrayed by Castells and Portes as basically benign. Governments either tolerate the informal sector or stimulate it to resolve potential social conflicts or promote economic growth. The effect of this is to transform what were previously "horizontally organised" production systems into "networks" and in the process lower the costs and most probably the overall productivity of labour. The effects for class divisions and for labour are far-reaching. The latter becomes divided into smaller units, less clearly defined and less combative.

A contrasting view propounded by de Soto and others draws on the experience of Latin America. The growth of the informal sector is seen as a response to vastly accelerated rural-urban migration, as well as to

"mercantilism". While rural-urban migration emanates mainly from the neglect of the rural areas in the developing world, "mercantilism" refers to the phenomenon of certain private capitalists acquiring a specially privileged relations to the state or individual politicians which they then use to protect themselves against competition. Those without the resources to enter such relations must instead become informal operators.

Hence for de Soto informality is distinct from and in direct conflict with the formal sector. Growth of the informal sector is thus associated with heightened conflict with the formal sector. Both inter-sectoral and the branches of the informal sector where they are common (e.g. manufacturing), tend to be ignored.

Unlike Castells and Portes, for de Soto informal labour is highly stratified. The sector contains not only the destitute, but also small and not-so-small capitalists, via a series of gradations which in trade vary from itinerant vending through to joint ownership of an unofficial market. De Soto also emphasises the close relation between the household and all levels of the informal sector enterprise. Because of its exclusion from formal-legal types of regulation, informal sector enterprises tend to be based around the family and, more broadly, regional/ethnic associations. Business partners/associates are frequently incorporated into the family circle in order to formalise relationships with them that cannot be formalised through economic contracts.

According to de Soto, growth of the informal sector is associated with the development of a broader civil society incorporating a genuine popular culture, new forms of mass consumption, new religions and new organisations including episodic or permanent ones of informal workers themselves. Its growth is also associated with a loss of prestige and legitimacy on the part of the state and with the informalisation of some state activities such as provision of roads, water supply, sewerage, construction of markets etc. The state must relate to the informal sector both as a threat to the formal one and as a political constituency of increasing influence. This is normally expressed in repression toward the informal sector and efforts to co-opt some of its representatives.

As de Soto notes one main effect of large scale informalisation is that economic development is obstructed through the rise in transaction costs which semi-legality imposes on operators. Informal operators must invest heavily in avoiding prosecution, and avoid visible capital goods

expenditure which may be subject to confiscation. Thus the sector would benefit most from policies which would extend and regularise its legal status.

If these positions represent sophisticated and polemical restatements of the Moser position (Castells and Portes) and the ILO one (de Soto), a third strand in the literature represents a partial departure from both. This is the recent (re?) discovery of "household survival strategies" or "multiple modes of livelihood" (MML) by authors including Redclift (1986) on rural Europe and Mustapha (1991) on West Africa. The literature on MMLs argues that — in addition to the formation/growth of an informal sector — the present period is characterised by sections of the formal workforce seeking additional income by engaging in informal jobs. Hence, particularly in the less developed countries and regions, informalisation "invades" the formal sector and is combined with it in a rich variety of forms.

MMLs represent individual and household "survival strategies" in the face of falling levels of real wages, increased costs of goods and services and increased unemployment and semi-unemployment. Initially confined to the working and artisanal classes, MMLs are now widespread among members of the middle class and professionals. In the process they can be transformed into sources of accumulation, although this is rather rare.

MMLs are also accompanied by new forms of consumption on the part of salaried and wage employees. In Africa the latter must adopt alternatives to at least some formal (western) goods and services. Furthermore, informal producers are subject to division along class lines as a section of the middle class invests part of its resources as capital for informal operations. Mustapha notes that many of these activities in the process cease to be of sideline status. On the other hand, formal employment is retained both because it generates regular incomes and because it is useful for establishing and maintaining connections of various sorts.

Of these three view points above, it would appear that two, namely de Soto's (based on the Latin American experience) and the MML perspective of Mustapha, clarify aspects of the Zimbabwean experience. Before considering this in relation to the particular situation of women informal sector workers under adjustment, it is important to trace the

historical development of the informal sector in Zimbabwe, and to outline its prevailing characteristics.

THE DEVELOPMENT OF ZIMBABWE'S INFORMAL SECTOR IN THE PRE-INDEPENDENCE ERA

It has been argued (Kajubi, 1990; O'Donoghue, 1990) that the informal sector in Zimbabwe is rather less visible and diversified than in other developing countries. Their explanation relates to Zimbabwe's colonial legacy, which was characterised by a well-established manufacturing sector with numerous barriers that made competition from the informal sector extremely difficult. Government also actively regulated the sector's spread (Kajubi 1990, Mupedziswa 1991).

The colonial Rhodesian government attempted to control the spread of the informal sector in urban centres, making it largely a "hidden" feature of their economy. Amongst the legislation that militated against its expansion until the mid 1970s, the Town and Country Planning Act, (1946), the Vagrants Act (1960), the Urban Councils Act and the Vendors and Hawkers By-laws (1973) stand out. Urban residence was linked to formal employment while housing provision was largely basic hostel-type accommodation for single males. These factors led to an under-representation of women in urban areas until the mid-1970s. Consequently, the rate of female participation in both urban formal and informal employment was also low.

Informal activities were subject to an extensive network of regulations and by-laws enforced by local councils, which controlled types of goods and services which could be produced, and the conditions, places and localities of this production. Under the Factories and Works Act (1951), establishments which employed "mechanical power" required a licence irrespective of the number of persons employed, while certain zoning regulations and the complex requirements for the registration and licensing of small businesses, shops, hawkers and vendors further served to inhibit the sector's growth.

Despite the stringent regulatory environment in Zimbabwe which distinguished it from many other Sub-Saharan countries, the informal sector was still argued to have become the economy's "major employer" by the late seventies (Davies, 1978). Documentary evidence, however,

Table 3. *Studies of the Zimbabwean informal sector since 1980*

Author	Year	Location	Sample size	% Females in sample
Nangati	1981	Mbare	?	?
Brand	1982	Magaba, Harare	245	34.7
ILO/SATEP	1984	Country-wide	1017	9.5 ^a 25.8 ^b
Jassat & Jirira	1986	3 provinces	284	100.0
Horn	1986	Greater Harare	3491	96.6
Helmsing	1987		288	54.0
Mupedziswa	1990	Greater Harare	150	13.0
ENDA	1990	Harare/ Masvingo / Murehwa	225	100.0
McPherson (GEMINI)	1991	Country-wide	5575	66.6

a = long questionnaire, b = short questionnaire

SATEP = Southern Africa Team for Employment Promotion

ENDA = Environment and National Development in Africa

is limited. A review of studies on the informal sector in Zimbabwe reveals a dearth of systematic information prior to independence. With the exception of Cheater's (1979) work and Davies' (1974) study of Chegutu (then Hartley), most research has been carried out since 1981.

THE INFORMAL SECTOR IN THE 1980s

The report of the Riddell Commission (1981) highlighted the potential role of the informal sector in job creation in the new Zimbabwe, and the importance of an accurate appreciation of its significance.

The informal sector exists and it does provide gainful employment for a sizeable (but as yet unquantified) group of the population.... The Commission recommends that as soon as possible a comprehensive study of the informal sector be undertaken. (Zimbabwe Government, 1981b)

Even so, the expansion of the informal sector during the last decade has never been fully reflected in official statistics, which continue to seriously under-estimate its importance (Kajubi, 1990; Mupedziswa, 1991).

Fear of harassment for admitting to unregistered activities is one reason that only 41 per cent of Harare women in the 15+ age category show up as being "economically active" (Zimbabwe Government, 1986). There is strong evidence to support the assertion that a large number of the 340,000 women (*ibid*) that give household responsibilities as the main reason for *not* looking for work are actually dependent on income from informal sector activities, which they engage in on a *part time* basis.

In the years immediately following independence, a number of studies of the informal sector were carried out, including those cited in Table 3 below. Most looked at the sector as a whole, and were predominantly concerned with economic issues and the sector's employment creation potential.

Estimates of the absolute size of the informal sector in Zimbabwe differ radically. While there is general agreement that official statistics underestimate the number of people engaged in informal sector activities, the sector's estimated share of the labour force ranges from a low of 2.1 per cent (defined as a residual category in World Bank, 1990b) to a high of 27 per cent (McPherson/GEMINI). This recently published 1991 baseline survey found that there are 845,000 such "micro- and small-scale enterprises" (MSSEs) in Zimbabwe, providing regular employment to 1.6 mn. people (*ibid*, vii). The overwhelming majority (76 per cent) of micro-enterprises are located in the proprietor's home, thus contributing to their official "invisibility". Fully two-thirds of them are run by women (*ibid*).

FACTORS AFFECTING THE GROWTH OF THE INFORMAL SECTOR IN THE 1980s

The policy environment

As already indicated, for most of the colonial and "UDI" period in Zimbabwe, the government pursued policies which restricted the growth of both the urban black population and the informal sector. These policies began to be slightly eased during the war of liberation as wives and other family members from areas of political insecurity moved to town.

Changes in housing policy introduced in the early 1980s allowed a large number of people who previously rented their accommodation to

purchase their houses. Many single units of accommodation were re-classified/turned into family accommodation. Local Government turned a blind eye to the increasing phenomenon of illegal lodging. Unable to find jobs within the formal sector, a large number of other family members turned to informal trade to supplement meagre family incomes.

While the Zimbabwe Government's stance toward informality was more relaxed than that of the pre-independence regime, local Government has continued to require registration of hawkers, vendors and other informal operators such as emergency taxi owners, and to harass those that do not comply. However, some supportive measures have also been adopted. The establishment of "people's markets" within urban areas and the formalisation of emergency taxis are two such moves which suggest significant differences from the unidirectional informalisation trend noted by de Soto and Mustapha in relation to the Peruvian and Nigerian experiences.

Government promotion of cooperatives in the wake of independence was another factor associated with the expansion of the sector. Although the vast majority of people engaged in informal trade expressed their preference for working alone (e.g. in Brand's (1986a) Magaba study), marketing cooperatives have still assumed an important role for those in informal trade. Services associated with the promotion of cooperative enterprise have also provided assistance to some more formally organised groups (e.g. financial support through SEDCO, sponsored group training opportunities etc).

On the other hand, a number of policies can also be identified which, while not necessarily inhibiting the sector's growth have perpetuated its socio-legal marginality — most obviously, those on access to credit. While SEDCO has provided funding for certain small-scale enterprises, it has been out of the reach of many people involved in unregulated informal sector ventures. Among the requirements for prospective beneficiaries is the provision that they be operating from "proper" premises for which they hold title deeds or a formal lease. This factor alone has ruled out most enterprises which operate from backyard or open-air premises. Other requirements with similar effects include a formal project proposal, documentary proof of outstanding orders, a copy of the business registration certificate, proof of ownership of assets and a named guarantor.

This is one aspect of the more general issue of relationships between financial institutions and the informal sector. The Government has done little to encourage financial institutions to open up to unregulated informal sector operators. Financial institutions generally insist on collateral, without which an application will not be considered, and whose level determines the amount loaned. With many financial institutions, an applicant's activities will have to be recognised by the municipality for their application to be considered. Other requirements which may need to be met include production of evidence of project viability, potential market, number of outstanding orders (i.e. evidence of constant flow of orders) and the applicant's own potential contribution to the venture — which must be substantial.

Another area where policies have significantly affected the sector is in relation to the provision of work places. Local Authorities have been hesitant in providing land to informal sector operators, and where they have provided it have usually done so without consultation. For example, informal traders were not asked to participate in the siting of "people's markets", with the result that some of the premises were abandoned by the operators because they were not strategically located. Meanwhile, other traders continue to operate in preferred localities in the open air, facing consequent harassment by police and officials. Licensing requirements also continue to be a bone of contention. Local authorities permitted (through licensing) a limited number of operators in specified categories (e.g. vending and cottage industries). But the vast majority of operators have not benefited from this facility and have fallen victims of police harassment.

In the 1980s the general relationship of the sector to the state hence did not appear to "fit" either the benign view of Castells and Portes nor the openly conflictual one of de Soto. As will be seen, with the launching of the Economic Structural Adjustment Programme (ESAP) this ambiguity has continued.

The economic environment

The driving force behind informal sector growth in the 1980s has almost certainly been job scarcity in the formal sector. Despite the considerable injection of funds into the economy associated with the ZIMCORD Conference (1981), and the expansion of the public sector, the

initial upturn in employment immediately after independence was unable to keep pace with the growing numbers of school-leavers entering the job market each year. High costs of job creation have meant that formal sector employment grew by only 18 per cent during the 1980s, compared with a 32 per cent increase in the total labour force. This represents an additional 417,000 people that have had to be absorbed by the informal sector and communal agricultural sector (CSO statistics). In Zimbabwe, as elsewhere in Africa, the informal sector is therefore becoming the employer of last resort.

A second socio-economic factor influencing the development of the informal sector relates to wages and conditions of work in the formal sector. Studies of the informal sector undertaken in the early years of independence (Moyo et al, 1984; Brand, 1986a,b and Nangati, 1982) revealed that many operators had prior experience of work in the formal sector (usually in low-paying, unskilled jobs). Many had actually opted for informal sector involvement because of unfavourable wages and conditions of work in the formal sector. The intention to start and/or expand their own business was frequently stated as a goal (Brand, 1982). By the end of the 1980s, the small wage level gains of the early part of the decade had been eroded and even reversed. In addition to accelerating the pace of transfers to the informal sector, this impelled many formal sector workers to take up supplementary income-earning activities. Multiple modes of livelihood were hence increasingly becoming a feature of all strands of Zimbabwean society.

Access to education and training was severely limited by race and economic accessibility during the colonial and UDI period in Zimbabwe. Hence, it is hardly surprising that surveys carried out in the early 1980s show a large majority of informal sector respondents as having attained only primary levels of education. Despite the dramatic expansion in educational opportunities since independence, a large proportion of the urban labour force has still not received any formal "skills training". Lack of access to such training has led to growing demand for the informal apprenticeships which characterise so much of the urban "hidden" economy.

The gender environment

The fact that two-thirds of informal sector workers in Zimbabwe are

women reflects certain fundamental characteristics of gender and household relations. Chief amongst these are that women face the double problem of exclusion from the formal sector and increasing financial responsibilities in a situation of dwindling resources. On the one hand, though illegal, discrimination in the formal sector persists, as in the case of employers seeking to avoid statutory requirements for providing maternity benefits by employing men. On the other, according to the 1982 Census, one-third of all households in Zimbabwe are female-headed – a proportion which subsequently has probably increased. Moreover, even in households which are male-headed women bear the responsibility for major items of expenditure including payment of school fees and provision of accommodation for relatives. This supplies the context for observations from informal sector studies that widows and divorcees are over-represented amongst participants and that almost half of all female-run micro-enterprises supply a majority of household income (McPherson, 1991, 20).

High female participation rates in the sector are reinforced by socio-cultural perceptions of what constitutes acceptable activities for men and women, which affect educational and training opportunities and also employment both in the formal and informal sectors. Women are typically found in labour intensive activities traditionally associated with their domestic and reproductive roles. They tend to be predominantly found in the informal sector, where moreover restrictions on women's participation in work imposed by their child-caring responsibilities are considerably more flexible.

The factors which push women into the informal sector in the first place have also tended to mean that they enter its lowest-status areas and are at a systematic disadvantage to men in improving their position. Insofar as formal sector-provided training and experience is concerned, women will have less of it. Insofar as credit is available at all (see below) it will gravitate to men because of their greater access to collateral, their generally higher literacy levels and superior access to contacts and information. Women will be less likely to be able to afford the time and money which licensing costs. Both because of this and their concentration in petty trade they are also likely to face greater harassment. Insofar as land, tools, shelter and storage for income-generating activities is important, it will be more likely affordable by dual-income

rather than women-headed households (cf. Kajubi, 1990). Meanwhile, women operators working from home are forced to do so in overcrowded and disadvantageous circumstances. The low entry-requirement areas of activity to which women tend to gravitate, tend to be characterised by relatively intense competition and low returns to labour. And the "advantage" to women which the sector confers, in the form of flexible arrangements for combining child-rearing responsibilities with work, readily turns into a disadvantage when children fall sick and work must be suspended.

SOME SALIENT FEATURES OF THE INFORMAL SECTOR IN ZIMBABWE

Informal sector activities carried out in Zimbabwe can be divided into three basic areas, namely petty trading activities, small-scale productive enterprises and provision of selected services. Those who undertake them range from vegetable hawkers, curio makers, tailors, shoe-shine boys, cobblers, motor car and bicycle repairers, builders, tinsmiths and furniture makers to emergency taxi operators, herbalists, prostitutes and a host of others

In Zimbabwe as in Zambia and elsewhere in Africa, women predominate in the petty retail trade with a clustering in the least profitable trade, sale of fruit and vegetables (Hansen, 1989). In Zimbabwe, the sale of fruit, vegetables, firewood and traditional craft products is generally associated with vending in established "people's markets". A census of informal fruit and vegetable traders undertaken in 1986 revealed a total of 3,491 fruit and vegetable vendors selling their commodities at a total of 174 sites within the Greater Harare area (Horn, 1986). Of these, 96.6 per cent were female.

Female involvement in small-scale manufacturing activities is generally limited to four areas, namely the preparation of food and beverages, textiles (including crocheting, weaving, tailoring and knitting), traditional crafts (pots, basketry, mats and beadwork) and personal services (e.g. hairdressing, catering, beer brewing and prostitution). The significance of the informal textile sector in Zimbabwe is illustrated by the GEMINI study's (McPherson, 1991) finding that knitting and crocheting together constituted one-third of the micro-enterprises sampled.

These and other urban informal sector activities are typically located in high density areas (McPherson, *ibid*). However, in the last few years, petty trade has also spread to the low density areas of the city of Harare. Informal operators are to be seen here selling fruit and trading in crochet work and other craft products. Harare City Council appears to have bowed to popular pressure and proceeded to develop shelters in most residential areas, including low density ones (a small rental is levied on each stall holder). However, there are many unlicensed vendors who engage in petty trading in the open throughout Harare. Sometimes animosity brews between those who operate "legally" in the shelters provided by the authorities and those who operate "illegally" in the open.

Small scale manufacturing is usually household-based, with more than three quarters of the micro- and small-scale enterprises in the GEMINI survey being centred in the proprietor's home (McPherson, *ibid*). Many of those involved in small-scale informal manufacturing such as basketry, crochet work, welding, carpentry, sandal making etc, carry out their work in the open and the authorities usually turn a blind eye. Harare City Council is trying to come to terms with the situation by legalising what they term "cottage industries". In such situations, pieces of land — usually in the high density areas — are designated for micro-industrial use.

Selected informal services also proliferate. Hairdressing is carried out in hairdressing "shops" dotted across the city, mainly in the high density areas. Although they are usually run by unqualified workers, some of whom have little experience, they are popular because their charges are reasonable and because they are open outside "normal" hours.

Catering is very popular particularly in the industrial areas. The main customers are general workers in industry. There have been complaints that the preparation of the food does not follow hygienic standards. Consequently the caterers have often been harassed by Municipal Police. The industrial sites however cover such large areas that it has often proved difficult for the police to monitor the situation.

Informal brewing is of two types. One involves brewing ordinary opaque beer while the other involves making illicit brews such as *skokian* and *kachasu*. *Kachasu* is a foul-smelling liquor which normally contains about 70 per cent pure ethyl alcohol (clear beer or lagers contains only three to five per cent). Illicit brews are usually manufactured

by the river banks away from the suburbs or on peri-urban farms. Brewing of opaque beer is much less common in the city itself than in the surrounding communal areas, from where it is ferried in. Clear beer is meanwhile illicitly traded (with substantial mark-ups) in *shabini*. The operator purchases from licensed premises and then re-sells in her own house. Patrons are attracted by the fact that there is a comfortable and relaxed setting, with soft music and cooked meats. In Harare *shabinis* are very popular, particularly in the high density areas, but police often raid them. When patrons are caught they are fined (on admission of guilt), as is the host, and the beer and empty bottles are confiscated by the state.

Urban farming (better known as stream bank cultivation) is also very common, mostly in the high density areas. Vacant municipal or state land that is lying fallow is "raided" by cultivators who stake a claim, usually for one season at a time. Again, the City Council sometimes turn a blind eye to these activities for political reasons. However, in the last few years it has tried to uphold the by-laws on "misuse" of land and at times has slashed maize to discourage the activity. While maize slashing has occurred mainly on stream banks, there has been a tendency to ignore crops grown on other land.

Prostitution is carried out both by the poor and unsophisticated and the not-so-poor. Government regulations state that soliciting is an offence. Hence, every so often women believed to be prostitutes are rounded up with a view to rehabilitating them. The exercise has always failed dismally and the trade has continued unabated. Prostitutes normally solicit around public entertainment spots and hotels. The trade has been apparently unaffected by the AIDS pandemic. Charges vary with the time spent with clients. Some prostitutes own flats where they bring their clients.

With the current (1990–92) drought more and more women (including young girls) without other means of support, are joining the profession. Some of the girls are still at school and are looking for extra money, while many are school leavers with no steady source of income. Some younger girls are known to be used by more established "patrons" who provide accommodation from which they operate. The money that is earned belongs to the "landlord" from whom the girl only gets a small "wage". This is child abuse at its worst.

With most of the goods and services mentioned above, including the illicit ones, availability is strictly influenced by the forces of supply and demand. Goods are made available because there is a ready market for them. Petty trade has a huge market and as ESAP begins to bite, even middle class people who used to buy their foods in large supermarkets/department stores resort to utilising this sector. In some situations working class customers have suffered as middle class demand for certain informal sector services and goods forces up their price. A case in point is the recent increase in the price of potatoes, largely due to an unprecedented demand for this commodity from middle class people, particularly at Mbare Musika.

Repair and maintenance services also serve both lower and middle classes. These are popular partly because there is room to negotiate prices and partly because customers may pay by instalment. A problem is that work is often not guaranteed. This consideration does not make it any less popular, however. In Mbare a popular spot for repair and maintenance work is Suyaso or "the Durawall". Here can be found people with repair skills and others who simply masquerade as having them.

Data obtained from small-scale surveys of the informal sector in Zimbabwe (Brand, 1986a; Mupedziswa, 1990), as well as some major ones, point to a significant degree of differentiation within the informal sector. Differences between types of activity and levels of income distinguish middle class entrepreneurs, many of whom have multiple modes of livelihood, and the unskilled, lacking capital and resource networks. For the latter, petty trade offers the only realistic survival strategy in an urban setting. The importance of distinguishing between two strata of informal sector enterprises — those which are focused on income generation (the classic informal sector) and those which can best be regarded as small-scale capitalist enterprises was highlighted by the ILO/SATEP (1984) study. Differences in average weekly income cited by informal sector operators (Brand, 1986a,b) are of the order of 1:400. Unskilled women tend to be found in the bottom strata.

In Magaba, the form of tenure of work places was found to be a significant variable in relation to stratification (Brand, 1986a,b). Movement up the job hierarchy from "fringe"/itinerant activity to storefront worker to occupying stalls at fixed markets corresponded to pro-

gressively increased security of tenure and was associated with economic "progress" in much the same way as suggested by de Soto's analysis of the informal sector in Lima. Women were less likely to have the money or other assets to climb this ladder.

Very little evidence is available to suggest the magnitude and relative importance of informal sector credit. Credit from formal sources seems to be negligible, as is indicated by the finding reported by the GEMINI study that only 1.1 per cent of MSSEs studied had received a loan from a formal source (McPherson, *ibid*). Informal borrowing from parents, relatives and colleagues is more common as is use of funds from traditional rotating savings and credit associations (ROSCAs) used by women. Formal savings clubs and credit unions also provide credit under specified circumstances. Because women informal sector operators face more barriers in obtaining credit from formal sources than their male counterparts, they are also more vulnerable to exploitation by money lenders who charge exorbitant interest rates for quick credit (*Chimbadzwa*).

Informal sector activities in Zimbabwe are closely linked to formal sector ones both in the supply of resources and raw materials and in the supply of finished goods. Studies suggest that the bulk of raw materials and tradeable items are obtained from the formal sector. Certainly, very few have not passed through the formal sector at some stage, particularly in urban areas. Purchase of semi-processed inputs from the formal sector was cited by 82.5 per cent of the urban "proprietors" of small-scale micro-enterprises (McPherson, 1991).

A high percentage of informal sector operators have had experience in the formal sector (more than 50 per cent in the Magaba study), having left formal employment because of low wages and restrictive linkages between formal and informal arenas. There is some limited evidence of contracting and sub-contracting. Some small-scale manufacturers have signed contracts with big formal sector traders and supply the latter on a regular basis. The department stores in town repack these goods and add on a high mark-up. However, studies suggest that the primary customer in both urban and rural petty trade is the individual rather than the enterprise.

Apart from increased demand for certain scarce commodities there is little evidence to date of changes over time in the main areas of infor-

mal sector specialisation in petty trade and production. However, the growing significance of informal cross-border trade over the last 7–8 years (see below) has been accompanied by a diversification in the type of products traded and shifts in modes of conducting operations.

The informal sector in Zimbabwe is therefore large and diverse. While there seems to be little sign of the emergence from it of specific forms of popular culture, or of a new type of civil society (cf. de Soto), there is evidence of collective organization to defend the livelihood (or right to livelihood) of certain groups.

As already indicated, cooperatives have been formed by some groups of operators, primarily as a means of increasing their access to state resources. The latter have also occasionally served to defend mutual interests and serve as channels of communication with the authorities.

Informal interviews with vegetable vendors who operate from stalls in Harare indicate that they have sometimes succeeded in deterring the local authorities from installing markets in undesirable places. It is important to recognise that the City Council requires any group that is allocated a market to elect a committee with which it liaises when necessary. It seems that local authorities in Zimbabwe are making an effort to keep communication channels open so that confrontation can be avoided.

Emergency taxi operators in Zimbabwe are among those who have formed an association which assumes the role of a pressure group when necessary. For instance, when in April 1992 bus fares were increased for commuters in town, the association announced that it was not going to increase its fares. Although obviously intended to increase their share of the public transport market, this stance was greeted by the public as a blow against imposed increases in living costs. In addition, Bourdillon (1991) has documented the activities of the "Street People's Organisation" which in 1989–90 acted as a pressure group seeking to defend the rights of a group of Harare squatters, many of whom depended on informal sector activities. This group succeeded in arranging meetings with the police who were responsible for their harassment in a bid to ward off eviction.

STRUCTURAL ADJUSTMENT IN ZIMBABWE: ESAP AND SDA

The main objective of Zimbabwe's Economic Structural Adjustment Programme (ESAP), initiated in 1990–91, is to progressively transform the highly regulated economy into a market oriented one. This is intended to stimulate more productive investment, leading to sustained economic, employment and income growth. At the same time it is hoped to alleviate "transitional social hardships" through a "social dimensions of adjustment" (SDA) package. In line with these objectives various policy measures were introduced, which can be divided into three categories: macro-economic policies (fiscal and monetary), trade liberalisation and deregulation (Zimbabwe Government, 1991a). The most important measures that have already been implemented (at least partially) are outlined below.

When ESAP was launched in October 1990, it was accompanied by a restricted user-specific Open General Import Licence (OGIL), one of several measures designed to move from an administered system of foreign exchange allocation to a market-based one. Early in 1991, various items were placed onto OGIL. This is a phased process, starting with raw materials and moving on to intermediate, capital goods and finally consumer goods.

In line with an "export-supportive" exchange rate policy, the Zimbabwean dollar was allowed by the Reserve Bank to drop to an unprecedented and sustained low in October 1991. Within a three month period between July and October, the Zimbabwe dollar was devalued by 40 per cent against major foreign currencies. In 1991 the Reserve Bank of Zimbabwe also started to adjust interest rates, specifying a minimum rather than a maximum rate with the aim of revamping the money market. Over the course of the year there was an upward trend in lending rates to above the level of inflation.

Cost recovery measures have already been introduced in key social services, specifically in health and education. School fees were introduced for urban schools in the 1992 academic year. A sliding scale based on a means test has been introduced to try to alleviate the suffering of the poorer segments of society. Its impact has yet to be evaluated. In the area of health there has been a dramatic increase in charges for treatment, with an earnings ceiling of ZWD 150 per month being

retained for free medical services.² The cost of drugs has increased dramatically because of the foreign currency component.

Price controls which were intended to ensure cheap consumer goods and farm inputs, and to ensure fair trade practices, are being phased out. Relaxation of price controls began in 1988 and intensified during 1991 with the result that significant price increases were experienced on many food items. Price controls will be done away with as and when goods enter OGIL.

Some amendments are being made in labour legislation in order to decontrol hiring/firing and wage setting procedures. A National Code of Conduct has been established, on whose basis companies will prepare their own codes through a process of collective bargaining. Direct intervention in wage setting was replaced by collective bargaining for all but farm and domestic workers. Wage agreements are now supposed to be reached by Employment Councils and Boards, without any parameters set by Government.³

Various other measures have been planned but not yet fully implemented. Most significant among these is the intended reduction in the civil service wage bill. This will be done through cutting back civil service employment, (approximately 32,000 jobs over 5 years) and allowing average salaries in the public service to fall in real terms.

These policy changes are intended to rectify imbalances in Zimbabwe's internal and external accounts and, more ambitiously, to create an "enabling environment" for longer term market-based growth. Amongst other things, the latter is anticipated by many observers to eventually include a revised policy toward the informal sector, in which many current restrictions are removed or relaxed. However, as of 1992 no clear-cut policy revision had materialised, although the Minister of Labour and others have verbally indicated that Government now acknowledges the sector's centrality — at least as a source of employment (cf. *Business Herald*, 8 August 1991).

2. This ceiling was widely reported to have been raised to ZWD 400 in mid-1992. However, by late November 1992 the change had still not been officially implemented.

3. In April 1992 the Zimbabwe government introduced a Labour Relations Amendment Act which incorporated powers to fix maximum wages regardless of the outcome of collective bargaining. (Editor)

Anticipating that vulnerable groups stand to lose by the implementation of structural adjustment strategies — at least in the short term — Zimbabwe has also adopted SDA policies. The latter, said to be integral to ESAP, are intended to provide training and employment to retrenched workers and the unemployed "...to ensure that the population can adjust to the changed economic environment" (Government of Zimbabwe, 1991b). Secondly, under SDA the government intends to establish a "social dimension fund" to cushion vulnerable groups from the hardships brought about by price increases, as well as to subsidise their school and hospital fees. The initial amount set aside by Government to be supplemented by foreign aid is ZWD 20 mn., with the hope of increasing this later.

While it is acknowledged that women are over-represented in the vulnerable groups to be protected by the "safety net" (the retrenched, the unemployed and subsistence farmers), no specific strategies are proposed to redress the situation and provision for marginalised women in the informal sector.

Critics have already pointed out that the SDA measures are piecemeal and not integrated into any comprehensive development strategy. Furthermore, social rights central to economic equity and development have been reduced to (state-) affordable forms of targettable social charity (Lowenson, 1991). To assess their significance, it is important to analyse precisely how vulnerable groups (specifically women informal sector workers) are likely to be affected by the implementation of ESAP.

WOMEN INFORMAL SECTOR WORKERS AND ESAP

While it is acknowledged that some positive effects for the informal sector are likely to result from ESAP, they are likely to benefit only certain categories of its differentiated workforce. The negative effects of structural adjustment policies are likely to have more serious consequences for low income female-headed households than for male-headed ones and to impact on specific sub-groups in the lower echelons of the sector's "job hierarchy".

Elson (1986) argues that the process of adjustment affects households in four ways: a) changes in income (money wages, employment etc.)

Table 4. *Consumer price index for low income urban families, Zimbabwe 1981–91 (1980=100)*

1981	–82	–83	–84	–85	–86	–87
112	123	149	180	196	225	254
–88	–89	–90 J	–90 D	–91 J	–91 N	
273	307	328	390	391	494	

J = January, N = November, D = December

Note: See also Chinemana and Sanders (this volume, Table 13) for more detailed data for December 1989–November 1991

Source: Zimbabwe Government Statistical Office

b) changes in prices of important purchases (especially staples) c) the introduction of fees related to changes in levels and composition of public expenditure and d) changes in working conditions. The main areas where some gender-specific effects are already recognised will be considered under these four categories.

Changes in income: increased female unemployment

In highlighting the role of recession and “curative” measures adopted by African governments as part of their stabilisation/structural adjustment programmes, the ILO (JASPA) has identified several factors associated with an upturn in female formal sector unemployment during the period 1985–90, all of which have great relevance to Zimbabwe.

Firstly, the experience of some Sub-Saharan countries including Benin, Ghana and Senegal indicates that retrenchment has negatively affected the sectors where women are concentrated in employment (e.g. social, personal and community services and finance, real estate and business service (JASPA, 1990)). CSO data for Zimbabwe support the contention that these represent sectors where women are more likely to be found when not engaged in agriculture. According to the Zimbabwe Government (1991a) 25 per cent of the public service will be shed over the course of the next three years. The over-concentration of women in unskilled positions makes them more likely targets for redundancy.

Secondly, the discontinuation of guaranteed employment schemes for graduates, as well as the deregulation of the labour market, is likely to have a more adverse effect on women than on men, lessening their chances of access to new jobs created in the formal sector. Under ESAP, new jobs are expected to be created mainly in the manufacturing sector. However, women represent consistently less than 8 per cent of the employees in this sector.

The probable impact of these changes on women workers in the informal sector is likely to be mediated through an accelerated process of entry and intensified competition. Because there is a limited range of trading activities open to the newly unemployed, women in this sector are vulnerable to the effects of labour market saturation, particularly in petty trading where there are fewest barriers to entry. Competition from unlicensed hawkers and vendors was already mentioned as a major problem faced by rent-paying vegetable stallholders included in Horn's (1986) Greater Harare study. More competition in situations of limited demand leads to decreased productivity and lower returns (Collier, 1989).

By contrast, women involved in production and/or sale of more specialised commodities or services may well benefit from an increase in demand by middle class consumers with reduced incomes as described in the West African context (Mustapha, 1991). Equally, however, middle class women seeking to diversify their sources of income may also enter these niches as producers or suppliers.

Changes in prices

Removal of Government subsidies on basic foods and lifting of price controls has already led to a sharp increase in the cost of a basket of goods. Table 4 shows the increase in the Consumer Price Index over the period 1981–1991. Foodstuffs represent approximately 55 per cent of the budget of low income households and these have increased nearly six fold since 1980. In the formal sector, real wages have failed to keep pace with cost of living increases for low income families, with the urban minimum wage falling from 60 per cent of the Poverty Datum Line in May 1990 to 38 per cent in May 1991 (unpublished ZCTU data). In the informal sector, while evidence is limited with regard to what is happening to incomes, expenses are likewise rising fast. Some women

traders working with products for which demand is increasing may be able to benefit in this process, but most will not — either because they are unable to switch to these goods or because demand for them is localised. Thus, they are likely to confront the effects of inflation largely as consumers.

Under these conditions, these women are required to either work longer hours or further extend their range of economic activities in order to be able to purchase the same quantity of goods as they did before. Increasing hours of work normally leads to consequences that are detrimental to the well-being of the household/family unit (Chidzonga and Chigudu, 1991). Studies show that women in informal trade already work long hours for low returns (Horn, 1986; Brand, 1986a,b). Increasing demands on women's labour means that more time and energy is absorbed in meeting basic survival needs in Maslow's hierarchy. Other higher level needs thus remain unmet.

Sharp increases in the purchase price of basic commodities and removal of consumer subsidies have already had a serious impact on households which are dependent for their livelihood on informal sector activities. Increased cost of staples cannot be countered by change in consumption patterns without severe effects on nutritional status, as evidence from other African countries undergoing adjustment shows.

Changes in fees: impact of increased cost recovery measures

The reliance of many low income Zimbabwean households on women's savings and earnings to pay school fees is well documented (Chimedza 1983, Brand 1987). Introduction of school fees is likely to increase the dropout rate of female children and increase the economic pressure on women to earn sufficient from informal sector activities to be able to pay school fees.

When resources are limited, families are more likely to educate a son than a daughter. Current enrolment figures show that girls are more likely than boys to have their education curtailed at an early stage. The higher one moves up the educational ladder the smaller the ratio of female: male enrolment, culminating in the tertiary level where it is approximately 1: 5 (22 per cent at the University of Zimbabwe, less at technical colleges).

Preliminary indications after the recent introduction of a phased sys-

tem of school fees suggest that one method in which informal sector parents are coping is to transfer their children from fee-paying primary schools to "free" schools in the communal areas. This is likely to lead to increased pressure on schools with fewer educational resources (trained teachers, books, facilities).

The steep increases in fees for maternal and child health services already introduced are likely to lead to lessened demand for them and a consequent reliance on traditional midwives and unbooked deliveries (Lowenson, 1991). Women engaged in low productivity informal sector activities are likely to be highly vulnerable to the negative health consequences.

There are indications that use of health services is already being seriously affected by the ESAP measures of cost recovery. Rapid devaluation has seriously affected the price of drugs. Figures from two health facilities serving a population where informal sector operators are prevalent show marked downward trends (ranging from 17–41 per cent, depending on the type of treatment) in outpatients attendances, in-hospital treatment, operations and outreach work over the period December 1990–December 1991 (unpublished data).

Although provision was made for people earning less than ZWD 150 a month to be exempt from paying fees, two problems face women informal sector operators. Firstly, the current ceiling level for exemption remained the same for 10 years. Even the revised ceiling of ZWD 400 is far below the 1992 estimated Poverty Datum Line of ZWD 708 for a family of four. Consequently, this means that a large percentage of the poor do not qualify for fee exemption. Secondly, the requirement that the level of earnings should be verified by a social worker is impossible to meet under circumstances where few women keep accurate records of their earnings and expenditures.

Because women are often inappropriately labelled as "economically inactive" when in fact they are actively engaged in income generating activities in the informal sector or in unpaid household work, their economic contribution to the maintenance of the family unit is greatly underestimated. Although recent years have witnessed an increasing recognition of the shortcomings of conventional labour force concepts and the need to end the invisibility and undercounting of women's contribution to the economy many of the hidden subsidies women provide to the

household remain unrecorded (Beneria, 1982; 1991).

Adjustment policies have led to an increase in the level of hidden subsidy provided by informal sector women in household maintenance. Where social expenditures are cut back, it is women who usually bear the cost of unpaid labour for the replacement of these services at household or community level (Lowenson, 1991). This hidden subsidy may take several forms including home-based medical care, home deliveries, standing in long queues to obtain "exemptions", more time spent on shopping, extended child minding, searching for informal credit arrangements, exchange of commodities with rural homesteads and urban cultivation.

Changes in working conditions

In Africa as in Latin America, structural adjustment programmes have frequently been accompanied by a process of "informalisation" of labour markets. This has meant both that an increased proportion of economic activity takes place outside the formal sector and that conditions of employment have gradually become less formalised.

These trends are already evident in Zimbabwe, and the phased implementation of ESAP policies which started in October 1990 will most certainly enhance them further. Poorer working conditions for low-income women are a likely outcome. In formal Government employment, cutbacks have often resulted in an increasing proportion of labour being hired on a casual basis. Because of their child care responsibilities, women need greater "flexibility" in job settings. However, the flexibility associated with female employment is often accompanied by loss of fringe benefits and weakened job security leading to greater reliance on supplementary informal sector activities, or a total shift into such activities.

Women's access to benefits of structural adjustment

The likely distribution of the benefits arising from improved market conditions in certain branches of the informal sector as a result of structural adjustment has already been described. It can be anticipated that similar distributions of benefits will follow from certain of the other positive aspects of ESAP. Under ESAP, SEDCO, "venture capital" as well as some commercial banking schemes are supposed to help finance

small-scale enterprises. However, this extension of credit to the informal sector is confined to enterprises described as "productive". In any case SEDCO figures from the last six years show that women form a small proportion of those granted loans (between 6 and 14 per cent). In addition, it seems unlikely that SDA "cushioning-mechanisms" will ever reach predominantly home-based and female members of the labour force, particularly since the latter's work has low-to-zero visibility in official data anyway.

EMERGING ISSUES

Increasing differentiation within the informal sector

Long before the implementation of structural adjustment measures in Zimbabwe, studies of the informal sector revealed a high degree of differentiation among operators. While no systematic attempt has yet been made to analyse the hierarchy of the sector's activities in Zimbabwe, empirical evidence from the SATEP (ILO, 1984), GEMINI (McPherson, 1991) and Magaba (Brand, 1986a) studies suggest that average weekly earnings from production activities such as carpentry, metalwork, canvas bag tailoring and stone carving tend to be significantly higher than those in the petty trading category. Because of the gender based occupational specialisation that characterises much informal sector activity in many Southern African countries including Zambia and Zimbabwe (see also Hansen, 1989) significant differences in levels of earning are present by sex and type of activity, with women being disproportionately represented in the lower stratum of the hierarchy.

The impact of ESAP is likely to intensify existing patterns of differentiation within the sector, widening the gap between small-scale capitalist enterprises (predominantly male) and the lower strata of those for whom petty trade offers a minimal survival strategy (predominantly female). The upper strata of operators have greater access to the new opportunities which can be opened up by ESAP. Moreover, the West African experience suggests that, with the erosion of incomes of professional and middle class formal sector workers, more moonlighting or more substantial professional strata involvement in small-scale manufacturing and "cottage industries" can be anticipated.

Of some interest in this respect is the fate of women originally from

poor backgrounds, but who have managed to establish relatively secure livelihoods through several years' experience in different kinds of trade. This group, following the career path outlined by de Soto, have now established themselves in permanent markets such as the indoor one at Mbare Musika. For the reasons indicated at different points in this paper, such women are unlikely to be able to convert themselves into successful informal sector capitalists. But if a middle class entry occurs into informal petty trade as well as productive enterprises, it will probably be in precisely the niches these women occupy.

Case Studies A (Mai Musekiwa) and B (Mbuya Mutasa) concern women in this group.

Case study A (Mai Musekiwa)

Mai Musekiwa was born in Seke 'a long time ago' and only had two years of schooling, up to Sub B. Her parents did not believe in educating girls, so she stayed at home and assisted her mother until she got married to a man who lived in Mbare. Because her husband was unemployed, she had to fend for herself and her five children. As it was a polygamous marriage, each wife had to look after her own children.

They lived in a three roomed house which they rented from the municipality. In 1967 the municipality invited unemployed, widowed or divorced persons to operate markets at Mupedzanhamo. She started off selling vegetables, getting a shilling a day. At that time there was no shade, vegetables rotted very quickly and the people complained to the City Council who later built shelters for them. Later on, she also began buying and selling clay pots and baskets. These sales, coupled with hand sewing and knitting baby hats helped her to educate her children up to Form 4.

Five years ago her husband died and Mai Musekiwa obtained her own four-roomed house in Seke where she now lives with two of her grandchildren. Because she cannot get a market stand in Chitungwiza, she commutes 30 km every morning to Mbare where she pays ZWD 14 a month for her stall. Her earnings are spent on food, clothes and other basic things although she doesn't know what her income or expenses amount to. She is a member of a savings club and contributes ZWD 5 per week. More people are coming to buy their goods than before and she notices that they are paying more for their pots than they used to.

Case study B (Mbuya Mutasa)

Born in Mutare 53 years ago, Mbuya Mutasa was educated up to Std. 3. Married at the age of 18, she went to live with her husband who was a boarding school master at Goromonzi Secondary School. They had three children.

Mbuya Mutasa's husband went to South Africa in 1960 and never came back. After a short stay with her parents she came to live in Harare with her three children, lodging in one room. Because she couldn't get employment she made a living by hand knitting and sewing items for sale. After a few years, she bought a sewing machine at a low price from a white lady who felt sorry for her.

In 1967, Mbuya Mutasa decided to join the other women selling vegetables at Mbare Musika. Problems included the lack of shelter and wastage of vegetables destroyed by the sun. Because she wasn't making much profit she decided to diversify her range of items, and sell pottery, baskets, mats, brooms as well. Mbuya Mutasa buys goods from people coming from the rural areas but never records what she buys, sells or earns. However, she belongs to two savings clubs: one where each member contributes ZWD 5 a week and another where each member contributes ZWD 10 per month. In recent months she has noticed that more people have been coming to buy from the market.

She bought a core house in Zengeza in 1977 and finished extending it 5 years later. Now that her children have married, and moved out, she has taken in two lodgers. Each day she commutes 30 km by bus to Mbare Musika, leaving a woman at home who knits and sews for her.

A related issue is that of the conditions of operation and returns to income pertaining in the lowest stratum of petty traders. To what extent is labour market "saturation" occurring at this level, what forms does it take and what are its consequences? Does it lead to a general degradation of the households concerned or are there some still able to stabilise their incomes at acceptable levels?

A final issue is the extent to which differentiation (particularly in the period of adjustment) is significantly related to the gender of the household head. Female-headed households have traditionally been regarded as more resource-poor than male-headed ones and thereby less able to

compete economically. On the other hand, a recent World Bank study (Gillespie, 1990) suggests that under adjustment the internal gender-related distribution of resources in male-headed households is likely to become more pronouncedly skewed toward men. Hence, it is possible that female heads of household's resources, while deteriorating absolutely, have not deteriorated relative to women in male-headed households. At the same time, it appears to be generally agreed that women in all types of households will have their domestic duties intensified as a result of adjustment. Is this phenomenon significantly modified by the sex of the household head, and how does this feed through into the household's pattern of economic activity?

Informal cross-border trade

Informal "cross-border trade" is a livelihood strategy that started before independence in Zimbabwe and has gained momentum over the years since 1980. It has provoked considerable controversy between the authorities and the traders (mainly women). Trips are made to neighbouring countries, usually Botswana and South Africa, but with Zambia and Mozambique becoming popular of late. Traders sell Zimbabwean goods that are in short supply locally. The foreign currency thus earned is then used to buy goods that are in scarce in Zimbabwe. Imported goods range from small items like necklaces, jeans and household goods to large items like computers and even cars.

Most of the constraints experienced by women engaged in informal cross-border trade are legal in nature (e.g. currency restrictions and import/export formalities). The cases of Tendai Masawi and Mai Gotora below indicate that certain women traders are able to accumulate (minor) means of production through this activity, while others more or less merely survive.

Case study C (Tendai Masawi)

Tendai Masawi was born in Harare in 1955, one of a family of seven. After completing Grade 7 she had to drop out of school because her father did not have sufficient money to continue educating her. She stayed at home, helping her mother with household chores until she got married to a general worker in 1972. A year later she found herself divorced with a child to look after.

Back with her parents in Highfields she found a job in a factory

to support herself and her little boy. Because the wages were poor, she started buying clothes from the factories in order to supplement her earnings. When she got pregnant again, she decided to look for alternative accommodation and moved to a room in Kambuzuma. She became friendly with a woman who dealt in clothes, left her job and both women became full time clothing traders. Their clientele were men who used to buy in cash.

After a year she started going to Botswana. The officials at the border were quite sympathetic, so there was little harassment. Two or three trips were made every six months by train. She and her friend slept at the railway station. With the increased income she was able to rent a four roomed cottage in Hatfield and later bought a house in Cranborne (a low density Harare suburb). By 1983 she was travelling to South Africa as well as Botswana, carrying doilies to sell there to supplement her foreign currency allowance. After an unsatisfying temporary job with a Non-Government Organisation she resumed trading. In 1985 the army authorities forbade them to sell to soldiers, so they had to look for other clients in industry. Then problems started at the border. Her goods were impounded by the authorities and she had to spend a night in the 'stocks' and bribe the officials to release her.

Since 1987 the number of cross-border traders has increased, and harassment by police has made it difficult for her to sleep at the railway station. The trips are no longer very profitable because of increased transport and accommodation costs. To compensate for this she buys big items for re-sale.

With her earnings Tendai acquired a sewing as well as knitting machine and hired a full-time female worker who sews and knits for her. Although she doesn't get a lot of money she has managed to pay off her mortgage and has title deeds to her three-bed-roomed house. She intends to extend the domestic quarters so that she can let out the rooms for accommodation. She has acquired a driver's licence and some training in child care, with the intention of opening a creche.

Case study D (Mai Gatora)

Mai Gatora was born in the Musana area in 1956. Her parents were peasant farmers but her father was employed in Harare. Not being a very bright student, she had to discontinue her schooling

after obtaining a Std. 6 certificate, helping her mother until she married a boilermaker and moved to Mbare. Her husband's income was insufficient to look after the four children, so she looked for employment.

She got a job at a large departmental store as a sales assistant and worked for four years. Because her wages were very low, she used to occasionally pilfer some goods from the store. One day she was caught by a security officer, brought to court and imprisoned for six months. Meanwhile, her husband found another woman and deserted home, leaving the children behind.

When Mai Gatora was discharged from prison, she suffered terribly because no one would employ an ex-offender. Coupled with this her husband was no longer interested in her and did not pay maintenance for the children. After borrowing some money from her brothers who were quite sympathetic to her, she started cross-border trips to Botswana, using the train because it was cheaper than other forms of transport. She bought household goods which she then used to sell to shops. This had the advantage that she got her money immediately (selling items to individuals often meant their failing to pay for them). Out of the money earned she was able to pay rent for the house and school fees for her children.

On average, Mai Gatora goes to Botswana three times a month, depending on the orders that she gets. To avoid the expense of accommodation, she arrives in Botswana in the morning, buys her goods and boards the evening train home. Recently, she has started making trips to South Africa as well because goods in Botswana have become expensive.

Harassment by officials at border posts occurs, but can be taken care of by giving them small gifts. Another way of getting round the problem is to undervalue the goods. Sometimes, however, the goods are impounded when the Customs officials produce catalogues to prove that the price is wrong.

Because of the gradual relaxation of government regulations on foreign currency and holiday allowances, more people have started making 'cross-border' trips, thus increasing the competition. She has learnt that it is important to survey the market carefully to find out what is in short supply and what is in demand. This has led her to start looking for specific orders such as car parts and household goods.

Mai Gatora has no regrets about leaving the formal sector. She is not making any attempt to look for alternative employment which, she feels, is too restrictive. Now she is able to decide when and where she wants to go without anyone ordering her about. She is also making more money than she used to and has been able to pay back her brothers the initial capital that was loaned to her. Although she has not been able to save much yet, she is hoping to save more when her children have completed their schooling.

Barriers to expansion of female-run enterprises

In its document *Making Adjustment Work for the Poor* the World Bank (1990d) notes that "...some poor groups fail to benefit from adjustment simply because they do not switch production toward high return activities". It has been suggested earlier that female-run micro-enterprises face gender-specific barriers to expansion which restrict their access to any benefits accruing from adjustment. These include lack of collateral, training, contacts, etc. Moreover, since much of their income is used to cover basic family needs (food, health expenses and school fees (McPherson, 1991)), women informal sector workers are likely to be less able than men to take the risks that the World Bank argues would enable them to benefit from ESAP.

There is strong evidence to suggest that investment in women has a high pay off but that under conditions where costs to families of food, education and health are high, the corresponding social costs falling upon women are greater. It would appear that ESAP does not give sufficient attention to the underlying structural factors which not only impede women's entry into more sustainable economic activities, but also those that block their exit from less remunerative ones (Gillespie, 1990).

CONCLUSION

Although it is still too early in the implementation of ESAP to measure its social effects with any degree of confidence, there are sufficient indications to suggest the importance of careful monitoring of gender-related trends in the informal sector. Indications exist that increased and

new forms of differentiation within the sector as a whole and also amongst women operators will accompany adjustment. This is the probable result of overcrowding at lower entry points and increased middle class participation at higher ones. We need to know the extent of these phenomena, the consequences for existing and new operators, the effects on traditional forms of mobility, and the coping mechanisms of those worst affected.

Certain potentially profitable niches for women's informal activity were inadvertently created by *dirigiste* economic policies – principally informal cross-border trading. The conditions for such activity should be fundamentally transformed by trade liberalisation. We need to know the extent to which this is occurring and the fate of the women traders engaged in this activity.

It is also important to investigate the extent to which the implementation of ESAP-related measures has affected women's access to resources and/or intensified women's work in the household and in micro-enterprises. We need to know how the demands of such an intensification have been managed both in the enterprise and the household, and whether these are undergoing restructuring and, if so, in what directions. These are some of the pertinent questions which warrant further investigation of the "...disproportionate effect on women that adjustment policies have had in Africa" (ILO-JASPA, 1990).

Health and Structural Adjustment in Zimbabwe

Frances Chinemana and David Sanders

Any examination of the impact of the relationship between macro-economic change, including structural adjustment programmes, and health should be informed by a historical and contemporary understanding of the economic, social and technical factors influencing health outcomes.¹ The disease burden and pattern experienced by the peoples of under-developed countries, including Zimbabwe, are strikingly similar to those of nineteenth century Europe, i.e., they are primarily diseases of underdevelopment and poverty, *not* a feature of warm climates in the tropics (Sanders, 1985). Insofar as countries have industrialised and urbanised, so those sections of the society experience disease patterns more akin to those dominant in the industrialised countries.

Historical and contemporary experiences have shown that there is a definite but complex relationship between economic growth on the one hand and health status on the other. In general, sustained economic growth over the long run does lead to improved health and nutritional status: in the now-industrialised countries the large and sustained decline in mortality was accompanied by reductions in morbidity (disease) and malnutrition and largely preceded any effective medical interventions (*ibid*). There is not however, a direct correlation between health and nutrition indicators and GDP per capita levels, because improved income distribution — even at low levels — can accelerate improvements in health, e.g. China, Sri Lanka (Halstead, 1986). In the short term, the inter-relationship is even more complex. There are examples of countries in which high growth has been associated with a decline in health status as reflected by the normal indicators (Brazil), but there are equally cases where severe economic decline has been associated with significant improvements in health status (Chile, Tanzania). An understanding of the relationship requires a fairly detailed study of the par-

1. This paper, and its statistical appendix, draws extensively on three primary sources (updated): Loewensen et al (1989), Sanders (1990) and Davies and Sanders (1991).

ticular circumstances in which economic changes take place and of the context within which health status is determined. In particular, issues of access and equity are important. Thus, it is useful to categorise these factors into two broad groups: those originating *outside* and those originating *inside* the health sector.

Evidence from many countries shows that income is probably the most important of the outside factors (Martorell and Habicht, 1986). For example, in a study of a Zimbabwean urban working class community Mazur and Sanders (1988) found that variation in the three dimensions of children's nutritional status (weight for age, height for age and weight for height) was explained principally through consideration of the socio-economic status of parents (education, economic activities, income and housing status). Since education and housing status are themselves strongly correlated with income, this suggests that income is a primary determinant of nutritional status. Other factors originating outside the health sector include social inputs, such as education, environmental inputs, such as access to clean water and general economic measures such as food rationing, subsidies, and so forth. Factors originating inside the health sector are the usual range of health care provision, for example, hospitals, health services, health manpower, immunisation, etc.

Although health sector inputs may be the most obvious determinants, the effects of non-health sector inputs are probably more important. Whilst it is relatively easy to achieve rapid improvements in health as measured by the standard quantitative indicators (which are in reality *disease* indicators), sustained improvements in the quality of life are more difficult to produce and measure. For instance, certain indicators, such as infant and young child mortality rates, may be rapidly improved by selective primary health care interventions targeted at these high risk groups. There is however, little evidence to suggest that improved nutrition levels, for example, can be maintained by the application of this technical package in the absence of more general improvements in access to resources.

Given the foregoing, it is clear that in assessing the impact of structural adjustment on health services and health status, it is necessary to analyse the impact of factors operating both inside and outside the health sector.

In this paper, therefore, we first describe briefly Zimbabwe's legacy at independence in terms of health (or, more precisely, ill-health) and health services. We then summarise economic and social policies and performance relevant to health in the decade following independence, focusing particularly on incomes, food prices, access to land, education, and water and sanitation. In considering the health sector itself, we review the policy objectives at independence, the financing of the sector, facilities, manpower and finally, the most important health sector programmes. In reviewing health outcomes over the decade, we consider changes in mortality, morbidity (disease) and nutritional status of children, and offer an explanation for these. Finally, we consider the likely impact of the recently introduced structural adjustment programme (ESAP) on health services and health, and attempt to identify the major areas which should be studied in any monitoring exercise.

HEALTH IN PRE-INDEPENDENCE ZIMBABWE

In colonial Zimbabwe, as in other under-developed countries, the greatest burden of death and disease fell on infants (under one), young children and women in the child-bearing period. In addition, mortality varied substantially by geographical area, race and class. In 1980 there was a 1: 3.5: 10 ratio in infant mortality rate (IMR) between whites, urban blacks, and rural blacks, corresponding to a 39: 5: 1 ratio in incomes (Zimbabwe Government Ministry of Health (ZGMH), 1984). While the IMR of 14 per 1,000 for the white population approximated that of industrialised countries, for the majority black population it was estimated to be 120 per 1,000.

While those in the higher income groups showed the disease pattern seen in industrialized countries, the majority of the population suffered nutritional deficiencies, communicable diseases and problems associated with pregnancy. Maternal under-nutrition contributed to low birth weight in 10–20 per cent of all births. This, and protein-energy malnutrition, were the commonest forms of childhood malnutrition, predisposing the victims to more severe and often fatal infections. The most important of these were measles, pneumonia, tuberculosis and diarrhoea diseases, which, together with malaria, meningitis, neo-natal tetanus and other infections of the newborn, accounted for most infant and

young child mortality. Of the occupational diseases, industrial lung diseases such as asbestoses, silicosis (and tuberculosis) and coal-miner's lung, stress-related disorders such as high blood pressure, and plantation-related problems such as schistosomiasis and the toxic effects of pesticides and herbicides, were all (and are increasingly) visible but undoubtedly under-reported. Mental ill health and alcohol-related problems were also common, the latter being reflected in liver disease and indirectly in sexually transmitted diseases, and increasingly now HIV infection and AIDS.

This disease pattern was rooted in the system of production which prevailed in Rhodesia, its distribution being reinforced by the structures of racial domination. Under-nutrition was particularly prevalent in the tribal trust lands (TTLs) and amongst children of workers on commercial farms. Although the TTLs were termed the "subsistence sector", with increasing land alienation and degradation due to a lack of inputs, peasants were unable to subsist from agriculture alone. Increasingly, families were forced to supplement their unreliable agricultural production with cash remitted from the urban industrial or plantation sectors, while providing a growing supply of landless wage labour. Airborne infections spread easily in the cramped, often smoky housing conditions existing in both urban and rural areas. Poor sanitation and inadequate water supplies predisposed people to common and debilitating intestinal, skin and eye infections. In the white farming areas, where nearly 20 per cent of the black population lived, conditions were often worse (Gilmurray et al, 1979).

These environmental factors undermined much of the impact of the health care system. This system had all the features typical of an inappropriate, inequitably distributed, developing country service, compounded by inequalities based on racial discrimination. For example, in 1980-81 the average annual expenditure per head for private sector medical aid society members was ZWD 31 for the urban population using public services and ZWD 4 for the rural population. The latter concealed further disparities, for only districts surrounding urban areas were relatively well served. In 1980-81, 44 per cent of publicly funded services went to the urban-based sophisticated central hospitals serving about 15 per cent of the population, while only 24 per cent went to primary and secondary level rural health services for the majority of the

population (ZGMH, 1984). In line with the distribution of facilities, all categories of health personnel, especially professional grades, were concentrated in the urban areas.

THE ECONOMIC AND SOCIAL CONTEXT 1980–90

Between 1979 and 1990 Zimbabwe's GDP rose by an average annual compound rate usually estimated to have been in the range of 2.7–3.7 per cent. Growth was, however, very erratic, with high rates (in 1980, 1982, 1985 and at the end of the period) interspersed with low or negative ones. Constant price GDP per capita also rose – from ZWD 423 to 471 by 1990, although also unevenly. Significant advances up to 1982 were eroded in the mid-1980s and not quite fully restored by the end of the decade.

In the early eighties the government adopted expansionary economic policies – induced by its social commitments and permitted by the economic growth around independence. However, growing balance of payments deficits led to the adoption of more restrictive stabilisation measures from 1983. Although it was recognised that the budget deficit had to be reduced, government attempted to sustain education, health and other programmes, at least maintaining the levels of expenditure of the first years of independence, if not expanding them as fast as previously. Expenditure cuts were made, but these tended to be on the capital rather than the current side.

A second macro-economic trend in the 1980s was a stagnation in employment and real wages. The failure of formal employment to grow, even in the boom times, placed an increasing burden on other forms of economic survival, such as the informal sector and subsistence agriculture. This was particularly the case for women (see Brand, Mupedziswa and Gumbo, this volume).

Formal sector workers benefited temporarily from the introduction of national minimum wages in July 1980. Real wages (constant 1980 prices) rose significantly between July 1980 and January 1982, and were in most cases substantially greater than pre-independence wages. However, although nominal minima were subsequently raised regularly, there was an erosion of their purchasing power after 1982, when a twenty-month wage freeze was introduced. The latter formed part of an

IMF approved stabilisation package whose other major element, undoubtedly having an important effect on nutrition, was the removal in 1982 and 1983 of subsidies on basic foods. This resulted in substantial food price increases which particularly affected low income households. In 1982 and 1983, prices rose by some 100 per cent for maize meal, 69–95 per cent for beef, 50 per cent for milk, 25–30 per cent for bread and 25 per cent for edible oils. Further price rises occurred regularly afterwards.

The combined effect of these price increases can be gauged from the movement of the consumer price index (CPI) during the period. Between August and September 1983 alone, which was when the most significant removal of subsidies took place, the CPI for low income urban families rose by 15.6 per cent, while the index of food prices for this group rose by 27 per cent in a month. Clearly the attempts to reduce and remove subsidies contributed significantly to the rise in the cost of living. This was aggravated by the 1982 devaluation and subsequent depreciation of the Zimbabwean dollar.

Declines in real wages and food price increases adversely affected many urban and rural dwellers, particularly those rural households which were net consumers of food. Aggregate marketed output of crops, particularly maize and cotton, increased markedly in Zimbabwe's communal (rural) areas after independence. However, economic differentiation amongst peasant farmers means that this surplus was being produced by a relatively small segment. Only about 20 per cent of peasants benefited from increases in incomes, while at the other end of the scale a significant group was unable to subsist on the land and was depending increasingly on wages and food remitted by urban migrant workers. This differentiation or stratification, present before independence, was created by settler colonial policies, especially with regard to land. Some indication of the extent of this is given by the results of the National Household Capability Survey 1983–84, which showed, *inter alia*, that about 60 per cent of households had no access to land, that half of the land was controlled by about 20 per cent of households, that approximately half of households had no cattle and that about 10 per cent of households owned half the cattle.

Similarly figures concerning communal area sales by all agricultural producers to marketing boards show great differences between the vari-

ous provinces. Thus in 1985–86 earnings per head from such sales ranged from ZWD 7 for Matabeleland North to ZWD 104 in Mashonaland West. Such large differences between provinces were almost certainly also reflected amongst households within provinces. Indeed, one study in Mutoko communal area found that just over half of income went to the richest 20 per cent of households, while the bottom 20 per cent received 3.2 per cent (Coudere and Marijsse, 1988). In addition, female-headed households account for some 45–50 per cent of households in most communal areas of Zimbabwe. Given the lack of access of these households to wage income and other resources, it is likely that they in particular were located in the lower strata as a result of the differentiation process.

Land shortage is a fundamental factor affecting peasant well-being, and negligible change has taken place in land distribution since 1980. By the end of 1987 the government of Zimbabwe had acquired or set aside almost three million hectares of land for purposes of transfer and settlement schemes, 78 per cent in areas of slight agricultural potential. Some 52,000 households had been resettled, 32 per cent of the official target for the resettlement programme, 14 per cent of the households needing land in 1980 and 7 per cent of the 1980 peasant farming population. Resettlement, like many other social programmes in Zimbabwe, slowed down markedly in the last half of the 1980s and was in fact shelved in the late 1980s as part of government's attempt to reduce state spending.²

Insofar as education contributes to better health behaviour, Zimbabwe's phenomenal post-independence expansion in school enrolment is highly significant. Total numbers at school grew from about 0.89 mn. in 1979 to 2.96 mn. in 1989. The bulk of this expansion has been at primary level. The impact that this will have on health is likely to show up only in the long run. On the negative side, increased schooling imposed a financial burden on many parents, leading to reduced expenditure on other items, including food. Tuition at primary schools was free,

2. With the expiry of the 1990 Lancaster House Agreement, the Zimbabwe government announced it would subdivide half of the remaining LSCF area. It has been indicated that around 110,000 African farmers would be resettled in this process, but who they will be and when this resettlement will occur is still unclear. (Editor)

but resources required from parents included uniforms, transport, building funds and labour inputs. Such economic pressures appear to have contributed to an increasing dropout rate from schools with primary school drop-outs at over 200,000 by 1988 with a preponderance of girls withdrawing from school at the end of primary education. This has negative implications for future maternal and child health, particularly amongst the poor where the drop-out rate appears to be highest.

Since independence there has been a major government effort to improve water supplies and sanitation in the communal lands, through the Integrated Rural Water Supply and Sanitation Programme (IRWSSP), introduced in 1984 and co-ordinated by the National Action Committee based in the Ministry of Local Government, Rural and Urban Development. By September 1990, nineteen integrated district projects were in progress and a further ten were approved and waiting for finance or under preparation. Other donor-funded water projects were in progress in eighteen districts, and NGOs were involved in water and sanitation activities in thirty-three of Zimbabwe's fifty-five districts.

Donors have played an important role in funding water development projects: in 1984-85 they provided some 58 per cent of the funding for water supply development in communal lands. Donor funding has increased as a proportion of total finance for water and sanitation while government's contribution has decreased in real terms since about 1984. Between 1984 and 1988, a total of ZWD 11.4 mn. had been allocated for primary water supply development from donor and government sources combined, resulting in the construction of 4,796 new boreholes and 12,837 new wells over the period.

Improved access to water should theoretically result in improved health through a reduction in communicable disease incidence because of improved personal and food hygiene and indirectly through freeing time, currently spent in collecting water, for other activities which might improve health, e.g. agricultural production, child care, etc. To date, no health impact study has been undertaken, however, whilst results from household surveys indicate that as water is traditionally perceived of as a scarce resource, to be conserved even during times of abundance, the availability of relatively constant sources of protected water does not automatically result in its increased use (Saugestad, 1989).

Women's participation in the IRWSSP is active, but primarily at the lower levels of decision making. Women represent some 50–75 per cent of the membership of water point committees, although for cultural reasons, the chairman is invariably a male member of the committee. Women commonly report that the installation of water points reduces the time taken in water collection and that this "extra" time is used for production activities in the fields during the rainy season, or in their gardens, in the dry season.

Sanitation programmes essentially involve the construction of Blair ventilated improved pit latrines (VIPs). Very large numbers of these have been constructed in rural Zimbabwe since independence, with an estimated 139,566 constructed between 1984 and 1988. Access to latrines is related to household cash income: only 15.5 per cent of households with a monthly cash income of less than ZWD 25 had access to a latrine, compared to 55 per cent for households with a monthly cash income of ZWD 100 and above. Recipients of assistance in building a VIP have to pay approximately 60 per cent of the total cost (ZWD 276), hence poorer and female headed households are discriminated against (UNICEF, 1991, 85).

THE HEALTH SECTOR 1980–90

Policy objectives at independence

Post-independence health policy, as expressed in *Planning for Equity in Health* (ZGMH, 1984) reflected broader national objectives of establishing a society "...founded on socialist, democratic and egalitarian principles" (Zimbabwe Government, 1983). With the express recognition that the causes of ill-health lay in social conditions, and in the context of an urban, racially and curatively biased health care system, the government in 1980 guaranteed to transform health care so that all citizens would have access to a comprehensive integrated National Health Service. This health system was envisaged as integrally linked to other development programmes, such as the organisation of rural infrastructure, education, housing and food production. The adoption of the Primary Health Care approach demanded the direction of new resources towards previously deprived areas in the improvement of nutrition and the control of preventable diseases. This policy stressed the

conscious and active participation of communities in transforming their own health.

The state recognised the presence of multiple and uncoordinated providers of health care, and a maldistribution of personnel between urban and rural areas and between social classes. This threatened the establishment of a national unified health service, so various measures were proposed, including the abolition of racially discriminatory laws, the establishment of a universal national health insurance scheme, the incorporation of the traditional health sector and the rationalisation of therapeutic procedures through the establishment of an essential drugs list. It was also proposed to institute a post-training bonding of health workers to the public sector, bar immigrants from private practice and restrict the expansion of private facilities (*ibid*).

Ministry of Health budgets

Table 1 shows the Central Government Budget allocation to the Ministry of Health in both current and constant price terms. All tables to this paper are found at the end of the chapter. It can be seen that the ministry was able to maintain its share and that the real allocation per head of population rose reasonably steadily.

Table 2 shows the allocation of the ministry's budget between the four major sub-votes within the ministry. It can be seen that the main shift in this allocation was the reduction of medical care services and the increase of preventive services. In the 1980–81 budget the shares of these divisions were 89.5 and 6.7 per cent respectively. These rapidly adjusted to about 82 and 14 per cent respectively where they tended to remain. This shift towards preventive services must be seen as a progressive one in terms of equity.

As shown in Table 3, the main items of expenditure within the Ministry of Health were grants and loans, salaries, wages and allowances and supplies and services. Over the period 1980–90, these three items accounted on average for 89 per cent of ministry expenditure. Most of the significant movements in ministry expenditure can be accounted for by looking at these three items. The share of salaries, wages and allowances began rising from the 1980–81 budget. By 1986–7 it took 45 per cent of the budget, up from 26 per cent in 1980–81. After that, this item was relatively stable. The share of each of the four divisions

of the Ministry of Health in the overall salary and wage bill remained relatively stable, except for the increase in the preventive share in the early 1980s, reflecting the expansion of those services. There was a sharp rise in the administrative and general wage bill in 1985–86, which was possibly a result of the integration of medical stores and district hospitals into the central budget.

Grants and loans took 54 per cent of the first two budgets, were rapidly reduced to 35 per cent by 1985–6, and subsequently absorbed about 32 per cent. Within grants the four main recipients were local authorities, missions and voluntary organisations (rising from about half the total to about 55 per cent by the end of the decade), the Parirenyatwa Hospital Boards of Governors (beginning the period with around half the total but dropping to around a third), family planning and medical stores.

Other providers of finance

Health care expenditures are also made by bodies other than the Ministry of Health. Because of the dispersed and varied nature of these other providers it is difficult to get systematic and comprehensive data concerning their contributions. A World Bank (1988a) study recorded *inter alia*, contributions for 1986–87 as follows: Ministry of Health ZWD 310 mn. (49 per cent), municipalities ZWD 25 mn. (4 per cent), church missions ZWD 2.6 mn. (0.4 per cent), industry, mines and commercial farms ZWD 51 mn. (8 per cent), voluntary organisations ZWD 4.5 mn. (0.7 per cent), foreign assistance ZWD 74 mn. (12 per cent), insurance schemes ZWD 105 mn. (16.5 per cent) and private individuals ZWD 64 mn. (10 per cent).

While these figures show that agencies other than the central government are important in the provision of health finances, they do not capture the full contribution made by some. For example, the contribution by missions is often through donations of equipment, vehicles, drugs and volunteer workers. Similarly, the role of foreign donors is often crucial in sustaining specific programmes, e.g. vehicles, vaccines and equipment in the extended immunization programme (EPI).

It also should be noted that the private sector receives significant hidden subsidies from the public sector. The full value of these is difficult to compute. They include heavily subsidised training of professional

health workers, many of whom work full-time in the private sector, and use of public health facilities at below full cost. Tax abatements on medical expenditures and medical aid contributions also discriminate in favour of the wealthy (Manga, 1983).

Facilities

Table 4 shows the distribution by province of health facilities at different levels. Only Mashonaland East and Matabeleland North — which include Harare and Bulawayo — had central hospitals. Matabeleland South and North had no “general”/provincial hospitals, while Mashonaland Central had only one. There was also a greater proportion of mission facilities in Manicaland, Midlands and Masvingo. The population facility ratio is shown in Table 5 and includes the large urban populations in Mashonaland East (Harare and Chitungwiza) and Matabeleland North (Bulawayo) pushing these ratios up. Given this it appears that Midlands was the best served province with respect to almost all facility levels. The worst were Mashonaland Central (provincial and rural hospitals) and Masvingo (district hospitals).

Table 5 shows that Mashonaland Central and Matabeleland South were very seriously, and Mashonaland West significantly, disadvantaged in terms of total hospital beds and Mashonaland West and Mashonaland Central were worst off in terms of hospital beds per unit of population. They also, together with Masvingo, had fewer clinics per head of population.

Since independence, health policy both internationally and in Zimbabwe has focused on the district as the pivot of health activities and the district hospital as its epicentre. In this regard therefore, certain provinces were significantly disadvantaged as well as, within provinces, certain districts. In *Planning for Equity and Health* a proposal was made to overcome these inequities by establishing district hospitals or upgrading lower level facilities in those districts having no hospitals of district level status.

In the mid-1980s, the Ministry of Health concluded an agreement with the World Bank to establish a Family Health Project. In its first phase, a hospital in one district of each province was selected to be expanded, upgraded and equipped with additional resources, both material and human. This project may have had the undesired effect of under-

mining some of the progress towards equity. Similarly the obsession with geographical equality in distribution of resources may well have aggravated pre-existing inequity. Thus, in the Family Health Project, relatively well-endowed provinces such as Manicaland, Midlands and Mashonaland East received equal inputs to the less well-endowed ones.

There has been a vigorous rural health centre building programme post-independence, with 274 rural health centres constructed by January 1987. This clearly improved access to this level of care, particularly in rural areas, although the distribution of clinics continued to vary widely between provinces and between districts.

Staffing

Figures for practising *doctors* between 1980 and 1989 are shown in Table 6. It is evident that by the end of the decade about 60 per cent were *not* in government service and may be assumed to have been in the private sector. Over the same period, the proportion of doctors in public (government or university) service rose by only approximately 10 per cent, to 43 per cent. The number of doctors who graduated from the local university meanwhile doubled, but there was an 85 per cent attrition rate from government service five years after graduating.

According to the 1983 Ministry of Health staffing review (ZGMH, 1983), 67 per cent of doctors were located at central level, with only 15 per cent at provincial level, including PMDs, and a further 15 per cent at district/mission hospitals (see Table 7). While there is less information available on the distribution of manpower in 1988–9, statistics held by the Ministry of Health for 1988 indicate that the proportion of doctors at central level had increased to 72 per cent, with 12 per cent in the provinces and 16 per cent in district and mission hospitals, i.e. no redistribution of staffing. 44 per cent of provincial government medical posts were vacant compared to between 11–38 per cent in the main urban centres. This situation was also aggravated by the fact that some central level doctors were employed against provincial posts, further increasing the differentials.

Hence the distribution of manpower by level of care does not appear to have changed since independence, despite the relatively high demand for care expressed in in-patient statistics and the use of central facilities as frontline care, as discussed below. In addition, mission hospitals

which provide the bulk of rural beds (64 per cent) continued to be poorly staffed and reliant on expatriate doctors. Although the number of doctors in mission posts had increased from 42 in 1983 to 53 in 1988, their relative proportion remained the same, at about one tenth of medical practitioners in government and mission service.

As shown in Table 8 the greater proportion of doctors were concentrated in urban areas (70 per cent) with Midlands, Manicaland and Mashonaland West having the greatest proportions in the provinces (4, 5 and 5 per cent of total doctors respectively). The variation in provinces was relatively high, with Matabeleland North and Mashonaland Central having only 3 (0.6 per cent) and 8 (1.6 per cent) doctors respectively.

Comparing provinces on population/doctor ratios in 1983 (see Table 9), Mashonaland East and Matabeleland North were best served and Masvingo and Midlands least served. (This population ratio would however need to be interpreted in relation to geographical (distance) factors in access.) By 1988 the relative situation had changed only slightly — Mashonaland East and Matabeleland North continued to be best served, but Matabeleland South and Mashonaland Central had become the most poorly served provinces (World Bank, 1988a; ZGMH, 1989).

In respect of *nurses*, as shown in Table 7, 37 per cent of SRNs and 43 per cent of SCNs were in government practice in 1983. The net increase in the number of registered nurses from 1981 to 1989 was 656 SRNs and 2,082 SCNs. Despite this relative growth, the increase was not at provincial level, but was substantial at district and rural hospital level. Meanwhile, as shown in Table 7, only one per cent of *dentists* were in government service in 1983, and there were only 197 dentists (0.2 dentists/10,000 people) in that year, decreasing to 113 in 1989.

There was a net increase of all *major grades of registered health manpower*, except radiographers whose numbers declined by 48. The increase was least in the case of pharmacists (+48) and environmental health inspectors (+50) (see Table 10). Despite these overall increases, there was considerable variation in the proportion of those cadres in government service (see Table 6). Hence, in 1983, the percentage in government service ranged from 9 per cent of pharmacists to 52 per cent of health assistants. The low proportions in government service and attrition from public to private practice left the public sector short of important support cadres like medical laboratory technologists and

radiographers. In addition, overall, between 1983 and 1988 staffing redistribution by level of care does not appear to have been significant, with district levels still under-supplied in many support areas (e.g. laboratory, X-ray, pharmaceutical services).

Health sector programmes: utilisation and coverage

Health care has been provided free of charge since September 1980 to those earning less than ZWD 150 per month. The minimum industrial wage at that time was ZWD 85 per month. Since 1 July 1986, the minimum industrial wage has exceeded ZWD 150 and stood at ZWD 202 per month in 1990. This meant that all industrial workers were excluded from the free service, despite the fact that in real terms their wages bought less than in 1980. Although there was in theory a sliding scale of fees for those with incomes above ZWD 150 per month, discussions with health service administrators at all levels revealed that collection of fees was seldom if ever implemented, and the scale was not utilised — at least until 1990 (see below).

Because health centres and clinics — even in urban areas — frequently are unable to provide even commonly prescribed drugs, patients are referred to private pharmacies. Unlike richer patients who use the private sector and are covered by medical aid schemes, the poorer users of the public sector are unable to claim back the cost of drugs purchased. This is clearly highly inequitable.

Other rational policies developed within the public sector still do not apply within the private sector. For example, the essential drugs list (EDLIZ) was formulated in 1985 in order to promote the most effective and economically rational supply of drugs. However, it only applied to the public sector while the private sector was still permitted to import and utilise drugs outside this list. This imposed a general cost on the country.

The *expanded programme of immunisation (EPI)* against six childhood infectious diseases and tetanus immunization of pregnant women was initiated in 1981. Studies on coverage show that the percentage of children between twelve and twenty-three months fully vaccinated in rural Zimbabwe rose from 25 per cent in 1982 to 42 per cent by 1984. Table 11 shows the remarkable progress made up to 1986, with coverage rates ranging from 49 per cent in Matabeleland North to 71 per cent

in Matabeleland South. 1986 vaccination coverage in the main urban centres was even higher with survey findings of measles coverage of 93 per cent in Bulawayo, 80 per cent in Harare and 85 per cent in Chitungwiza (ZGMH, 1986a). However, a survey undertaken in October 1988 (ZGMH, 1988) showed that, while coverage had increased significantly in Matabeleland North and Midlands provinces, it had remained the same or changed only slightly in the remaining provinces. Overall, some two-thirds of children were vaccinated at static facilities, with the remaining one-third receiving services through outreach.

Vaccination of pregnant women with tetanus toxoid (TT) was introduced after independence. About 45 per cent of pregnant women received two doses of tetanus toxoid in 1987 (ZGMH 1987). Drop-out rates (from first to second dose) were very high, being around 30 per cent in most provinces and 50 per cent in Bulawayo city. In the October 1988 survey, about 79 per cent of pregnant women had had TT 1, about 59 per cent had had TT 2 and about 15 per cent had had a booster dose. In some provinces services were clearly serving more than the catchment population alone. The reasons for this may have included population movements, ease of geographical access, preference related to quality of care, and opportunity costs. Without closer study of user patterns, it is not possible to determine the actual causes of different patterns of use. However, sufficient evidence exists of both a range in coverage at district, rural-urban levels and a movement of people in and out of districts for primary care.

These differences also held in urban areas: Chitungwiza residents seemed to make greater use of services outside their area or of private sector care (probably in Harare), as did Bulawayo residents. The reasons for this may again have related to quality of care and transport/logistics issues. Fees also played a role: when Harare Urban Council raised ANC and delivery fees in 1988, people were reported to be using the lower cost Chitungwiza services until the two areas' fee structures were reconciled.

Concern was expressed as early as 1988 that in order to maintain, let alone expand, immunisation coverage, particularly of children in both the communal and large-scale commercial farming (LSCF) areas who were from communities or families located in the most inaccessible areas and who were the most marginal in terms of social status, an *in-*

crease in outreach activities would almost certainly be required. However, not only vehicles but also the supply of vaccines, syringes, and needles were (and continue to be) funded by donors. The intention was that after the termination of the programme of cooperation, up to 1990, the Ministry of Health would gradually take over this financing, beginning with the purchase of vaccines. In light of the likely future deteriorating economic situation, there are serious doubts as to the feasibility of this and the future of EPI — surely the most successful health programme in independent Zimbabwe.

In respect of *maternal and child health*, patterns of differential use, similar to those for immunisation services, held for birthweight data. The low birthweight rate nationally was 5.1 per cent (ZGMH, 1987a), ranging from 1.6 per cent in Chitungwiza to 7.9 per cent in Mashonaland Central. These rates were extremely low in relation to survey findings of 10–11 per cent in urban areas (Fawcus et al, 1987). At district level the low birthweight ranges were even greater (ZGMH, 1988a). Finally, in terms of child health, at district/provincial level, the *out-patient attendance in under five year olds* was also highly variable, and seem to have been associated more with access than with need.

The rural-urban differential in *ante-natal care* was considerably reduced with 96 per cent coverage in urban areas, 90 per cent in communal areas and 94 per cent in LSCF areas receiving such care (ZGMH, 1988b). About 15 per cent of mothers, however, were seeking ANC in the third trimester of pregnancy, which limits the time for correction of complications. It is not clear who this group was. However, from other studies (Fawcus et al, 1989) it is probable that this was a lower socioeconomic group. In terms of place of delivery, while urban areas had 92 per cent of women delivering at a health facility, only 64 per cent of communal area women and 56 per cent of LSCF area women delivered at a health facility. The lowest rate was found in Mashonaland Central.

In respect of the *national nutrition programme*, a nutrition unit was established whose activities include nutrition education with particular regard to breast-feeding and weaning practices, growth monitoring and nutrition surveillance using child health cards, and supervision of the Children's Supplementary Feeding Programme (CSFP) and Supplementary Food Production Programme. By 1986, over 90 per cent of children

aged one possessed a growth card (as against 71 per cent in 1982 and 80 per cent in 1984) (ZGMH, 1986b).

The CSFP was initiated in November 1980 by a number of NGOs and taken over by the Ministry of Health a year later. A daily energy-rich supplementary meal was supplied to predominantly undernourished young children in communal areas. The programme operated between 1981 and 1986, covering the height of the drought of this period. At its peak, over a quarter of a million children in over 8,000 communal area feeding points received food. This programme together with the drought relief programme undoubtedly mitigated nutritional deterioration amongst the poorest during this period.

In February 1982 the *diarrhoea disease control programme* (DDCP) was introduced. Emphasis was placed on improved case management — mainly by oral re-hydration therapy (ORT), epidemic control, improved nutrition, prolonged breast-feeding, and improved environmental hygiene through water supply and sanitation. Although hard data are not available, questionnaire responses and interviews conducted in late 1984 suggested that the number of attendances for diarrhoea at health care facilities had decreased (Cutts, 1984). On balance, data show that there was a significant increase in the percentage of rural mothers who could prepare a correct solution for ORT, so that home-based management of the problem was increasingly practised (Sanders and Davies, 1988). In the 1988 MCH/EPI survey 77 per cent of mothers said they gave ORT to their children during their last attack of diarrhoea, and 11 per cent had visited a health facility. While 99 per cent said they knew the correct recipe for ORT, in fact only 59 per cent did, the majority having learned it at rural health centres (ZGMH, 1988b).

Child spacing programmes were taken over by the Child Spacing and Family Planning Council, a parastatal established in 1981. To emphasise the move towards a concern with population growth, the council's name was subsequently changed to the Zimbabwe National Family Planning Council (ZNFPC). ZNFPC activities have significantly expanded the base of contraceptive knowledge amongst women, with 96 per cent knowing at least one method by 1989. Between 1984 and 1988, contraceptive usage had increased by 5 per cent for all methods, and by 10 per cent for modern methods (UNICEF, 1991, 53).

The national programme for *village health workers* (VHWs) was

launched in November 1981, to train multi-purpose basic health workers (VHWs), selected by village members and deployed at the local level. Out of a target of 15,000, about 7,000 VHWs had been trained by 1987. In 1986, administration of the cadre was taken over by the Ministry of Community and Co-operative Development, and their name was changed to village community worker (VCWs). Whilst the VCWs continued to liaise with health sector workers in respect of health care, they took on additional responsibilities for community mobilisation and development across a number of sectors, and subsequently could contribute less time to direct health care functions. Constraints faced by the farm health worker (FHWs) schemes in the large-scale commercial farming areas have resulted in high dropout rates amongst those trained, and low levels of literacy and employment insecurity undermine the FHWs, unsupported by legislation or social service structures, in negotiating for improvements with powerful landowners (UNICEF, 1991, 55).

Quality of service

The foregoing assessment of developments inside the health sector since 1980 has been based on available quantitative data. The question of the quality of service is, however, inextricably bound up with the improvement of the health system. Unfortunately, although the quantitative expansion of the system seems to be a success story, albeit with some erosion in the later part of the decade, there is cause for concern over the quality of service. Numerous anecdotal accounts exist concerning the treatment of patients at all levels of the health system. Out-patients at clinics are often treated as though they have neither the intelligence nor the right to know what is wrong with them, there are frequent complaints about the attitudes of nurses towards patients in hospitals, and doctors treat their patients as clients in business rather than as human patients.

It can be argued that in part this is a result of the pressures under which medical workers operate in under-staffed facilities, and indeed this is sometimes the case. Nevertheless, there is some evidence that levels of courtesy and care towards patients are higher at mission hospitals than at government facilities, notwithstanding the very significantly disadvantaged position of church hospitals in terms of staffing levels.

This problem does not simply relate to the right of people to be treated decently, but also because a caring health service, which takes the time to explain matters to patients, will be more effective in terms of general health education and in improving general health practices in the population at large.

It is also clear that the problem is one of accountability. If health practitioners were more accountable than at present to their patients for the service they provide, this in itself would improve the quality of care. At a 1989 workshop on equity in health services, participants representing a wide range of health care providers and health cadres recommended that a greater level of democratic control of health services was necessary to improve the quality and distribution of care. Democratic control, which was identified as being inextricably linked to community participation, was seen to include both consumers and different categories of health workers. It was also agreed that this would need to be supported by democratisation in all social institutions and at all levels of society.

Quality of service is not simply a matter of the caring nature of the service provided, but is also related to matters such as patient review, discharge and follow-up. These aspects of health care are seriously underdeveloped in Zimbabwe. Personal observation and reports from colleagues and other members of the health team indicate that after (often peremptory) admission of the patient by the junior doctor, there is negligible continuing care — review of medications, investigations, social support and dialogue with the patient and his/her family. Further, on discharge from higher level facilities there is little communication back to the referring institution. This is a source of great irritation to those working at lower levels and also contributes to poor learning and low morale throughout the sector. It also reduces the effectiveness of health interventions and no doubt aggravates the already poor functioning of the referral system. These features are particularly visible at central hospitals, where levels of staffing by doctors and nurses are considerably better than at lower levels.

These problems arise from the social background, training and continuing orientation of many professional health workers. These attitudes are often reinforced by senior health professionals, who appear to be less accountable to consumers in the public than in the private sector

and who project a model of medical care which undermines the attitudes and practices integral to the primary health care approach.

All these questions of quality reinforce the quantitative inequities described above. This is because higher income consumers are likely to be more articulate in their demands for quality of care and more able to choose and pay for care on this basis.

HEALTH OUTCOMES

Mortality

The pre-1980 health monitoring system had large gaps in information regarding death and disease in black workers and peasants. That legacy still persists but has been mitigated somewhat by the development of the health information system, completion of the 1982 Census and the undertaking of a number of socio-economic and health surveys. Hence, data on post-independence changes in health status are pieced together from a wide range of sources, although a continuing bias against inclusion of the most impoverished groups probably persists.

The 1982 census estimated the *Infant Mortality Rate* (IMR) at 73–83/1,000 (by different methods) and child (under five years) survival at 76 per cent. Negligible difference was observed by sex and the census confirmed high risk age groups for mortality, particularly under one year (Zimbabwe Government Central Office of Statistics (ZGCSO), 1984). By 1984 the Reproductive Health Survey (ZNFPC, 1985) estimated the IMR for 1979–84 at 79/1,000 with a rate almost twice as high in rural as in urban areas (93/1,000 vs 51/1,000). By 1987 IMR was estimated at 73/1,000, based on data from the 1987 PHC Review and PMDs (ZGMH 1987b). Hence infant mortality in aggregate seems to have declined from about 100–150/1,000 in 1980 to 73–79/1,000 in 1987. Child (under five years) survival also increased from 76 per cent in 1982 (ZGCSO, 1984) to 90 per cent in 1988 (ZGCSO, 1989), although it is not clear whether the latter statistic included the LSCF areas, where survival may have been lower. Rural: urban differentials remained at 2:1 in 1984. It appears that urban/rural differentials in child and infant mortality narrowed, primarily due to improvements in rural areas. It is also apparent that variation *within* urban areas persisted. Few data are available on mortality by province.

Further evidence of this continuing difference within urban areas by income group was demonstrated in a study by Crowther and Brown (1986) on peri-natal mortality. Their data in Table 12 show an inverse relationship between the perinatal mortality rate and income in the catchment group served by the facility. Fawcus et al (1989) also demonstrated that late or non-booking is associated with low socio-economic status.

Morbidity

Changes in morbidity are extremely difficult to determine because of problems in coverage, bias in the routine health information system (HIS) and lack of longitudinal information on the same study populations.

According to Ministry of Health returns, the disease pattern with respect to the major illnesses varied little between 1980 and 1990. Respiratory infections (ARI and TB), diarrhoea and malaria continued to be major causes of ill health, although there was a reduction in immunisable diseases (polio, tetanus, measles and whooping cough).

However, a reduction in TB incidence per 100,000 from 71 to 59 occurred from 1984 to 1985, and the TB C.F.R dropped from 3.5 to 2.9. More recent information however indicates that TB rates (probably related to HIV) have begun to rise again (e.g. ZGMH Annual Report, 1988). Also, a dramatic increase occurred in STD incidence, from 559,500 in 1986 to 973,097 in 1987. This was also reflected in a doubling of reported STDs in Bulawayo urban area from 21,580 in 1980 to 54,536 in 1986 (ZGMH *ibid*, (1980–86)). AIDS/HIV also had a major impact on mortality, morbidity and nutrition, and will have a profound effect on health service provision and expenditure – hospital beds, drugs bill, counselling, laboratories etc – in the future. By 1989, AIDS had become a leading cause of death of children in Harare Hospital.

Surveys carried out between 1980 and 1987 give further scattered evidence of morbidity trends. Diarrhoea rates declined from 43 per cent under five years two week diarrhoea recall in 1983 (Mashonaland West LSCFs) (Loewenson et al, 1983) to 11 per cent under five years two-week recall in 1986 (Mash West and Central LSCFs) (Loewenson, 1989). Secondly, Cutts (1985) identified that diarrhoea continued to contribute 12 per cent of out-patient attendances, 15–30 per cent of

admissions and 15–30 per cent of deaths in under five year olds. Thirdly, in the 1988 EPI survey of ARI morbidity and mortality, about two-thirds of children surveyed had suffered from ARI related conditions in the two weeks preceding the survey. Urban incidence (45 per cent) was lower than rural (60 per cent), although both levels continued to be relatively high. Hence while survey data give some evidence of decline in diarrhoea disease rates, the 1985 study indicated that diarrhoea still constituted a major health problem.

Comparative morbidity data by province, residential area or socio-economic sector is also scarce. That which does exist indicates higher burdens of disease in rural areas, higher disease rates in LSCF areas, increased experience of ill health in more marginal socio-economic groups, such as non-permanent workers, and district level variation even within the same province. For example, 1981 to 1983 Harare Hospital data on gynaecological malignancies indicated that 78 per cent of malignancies were due to cervical cancer and 99 per cent of these were rural, 78 per cent presenting in advanced stages (Kasule, 1983). Again, a survey of school children indicated 25 per cent of LSCF children had helminth infections, compared to 15 per cent in urban and 9 per cent in communal areas. It further showed 90 per cent of LSCF children with protozoal infection, compared to 65 per cent in urban and 66 per cent in communal areas. There was a significant association between these latter infections and nutritional status (Loewenson et al, 1986). Finally, a 1986 LSCF area survey of adult female-reported illness in the past month indicated 39 per cent non-permanent labour household women ill compared to 28 per cent in permanent labour households, although there were no differences in childhood diarrhoea rate (Loewenson, 1989).

Nutrition

Levels of under-nutrition appear to have declined significantly from 1980 to 1983–84, although there was less firm evidence of any decline thereafter.

In 1982, the Ministry of Health Nutrition Survey showed that under three year old under-nutrition levels were 17.7 per cent on weight/age (< 80 per cent standard), 35.6 per cent stunting (height/age < 90 per cent standard) and 9.1 per cent wasting (weight/height < 85 per cent standard). The highest levels of under-nutrition appeared in the 12–36

month age group with respect to wasting, which was highest in the first year of life. By 1984, the national nutrition survey set 1–5 year under-nutrition at 16.4 per cent weight/age < 80 per cent standard in peasant areas and 14.5 per cent nationally.

By 1988 national levels of malnutrition were found to be at 11.5 per cent weight/age < 2 standard deviations (SD) from the mean, 29 per cent stunting (height/age < 2 SD mean) and 1.3 per cent wasting (weight/age < 2 SD mean) (ZGCSO, 1989). While the situation appears to have improved with respect to wasting, levels of stunting remained comparatively high. Cross-sectional surveys in other areas similarly indicated a slower or static pace of nutritional improvement post-1983. In general however, in almost all sectors, it seems that nutritional improvements did not occur post-1983, so that under-nutrition at levels ranging from 10–30 per cent continued to underlie the incidence and severity and case fatality of morbidity, particularly in the 1–5 year age group.

Substantial differences were noted between rural and urban areas in 1980, with rural levels of underweight and stunting approximately double those in urban areas. By 1985–86, communal areas surveys found the proportion of 12–35 month old children < 80 per cent weight/age at 15.9 per cent to 36.5 per cent (ZGMH, 1986b), while urban area surveys in Chitungwiza and Bindura found 13–18 per cent of children underweight (Loewenson, 1986; Mazur and Sanders, 1988). This differential appeared to be maintained to 1988. Routine HIS returns indicated 11–22 per cent of children under 5 years below the line in rural areas compared to 2–6 per cent in urban areas. Hence the rural-urban differential in under-nutrition continued.

There was little direct evidence of nutritional trends by income group. Surveys in different economic sectors indicated a relatively constant pattern of increasing under-nutrition from urban to mine and communal area to LSCF area communities (Loewenson, 1986). However, it is possible that there were differences within these areas by income group.

In an urban study by Mazur and Sanders in 1985, relationships between the nutritional status of children and several dimensions of socio-economic status were investigated during the rainy season for 277 children under five years of age. The study took place in Chitungwiza, a peri-urban community. Three measures of nutrition — underweight,

stunting and wasting — were used. Variation in nutritional status was explained principally by the socio-economic status of parents which included education, occupation, income, and housing tenure. Other important factors were having been born in modern health facilities, absence of disease, normal birth weight, expenditure on food, protein intake and low crowding.

In summary, then, it appears that while overall nutritional improvements have occurred, these plateaued post 1983–4 and the relative distribution of under-nutrition has not substantially changed.

Although these different indicators describing health status are fragmentary, they suggest a divergence between mortality on the one hand and nutrition on the other. The improvement in the former has probably resulted from an energetic expansion and reorganisation of health care provision. The adverse effects of drought, recession and stabilisation policies have been partially offset by aid-supported relief feeding programmes and particular health care programmes. However, economic recession and stabilisation attempts have reduced real incomes for large numbers of rural and urban households since the immediate post-independence boom. This reflects itself in discrepantly high levels of childhood under-nutrition which seem to have remained static or improved only marginally despite the health care drive. Zimbabwe's experience in the 1980s thus provides an illuminating case study of both the potential of effective health sector interventions and their limitations in the context of a deteriorating economic environment.

SUMMARY OF PERFORMANCE, 1980–90

The data discussed in the two previous sections indicate that while overall improvements in health have occurred, these appear to have been restricted to those health outcomes responsive to health sector inputs (mortality reductions from improved access to curative care, reduction in immunisable diseases from EPI expansion), with much less evidence of improvement in the incidence and levels of morbidity related to socio-economic and environmental factors (e.g. respiratory diseases, STDs, under-nutrition). This is particularly true post 1983, when real wages stagnated, and food subsidies and other social and economic inputs declined.

The changing pattern of health post-1980 thus appears to relate to the economic patterns described above. The 1982 boom-stagnation watershed, the decline in real earnings and consumption and the increase in the proportion of households below the poverty datum line appears to have resulted in continuing morbidity in high risk groups despite health sector interventions. The economic profile continues to identify the gradient of risk from LSCF to communal area, resettlement area, to urban area groups. In addition, the rise in unemployment and reduction in formal sector employment has increased the dependency ratio on wage earners. There are thus links between these different sectors, and more vulnerable groups within each.

Today therefore, health needs continue to be greatest in rural areas, in certain provinces (Matabeleland North and South, Mashonaland Central), in selected districts within provinces and in the lower income socio-economic groups in rural and urban areas. The primary age groups at risk continue to be the maternal and child period, although AIDS has shifted the pattern of morbidity and mortality to include to a far greater extent the 20–40 year age group. The experience of the past nine years thus indicates that while the health sector has contributed to improvements in mortality and certain types of morbidity, these improvements are limited by access to and use of health care by the poorest, and by the impact of non-health sector inputs on health.

ADJUSTMENT AND ITS LIKELY IMPACT ON HEALTH SERVICES AND HEALTH

The Economic Structural Adjustment Programme (ESAP)

The general objectives of ESAP, launched in October 1990, are outlined elsewhere in this volume (cf. Brand et al). In respect of initiatives in the areas of population and health, the government's ESAP document, Framework for Economic Reform 1991–5 (FER) proposed

...to continue to extend basic health and family planning services into those areas of the country which are still under-served; develop further key programmes such as maternal and child health, nutrition and AIDS control; ensure that service provision is matched by accompanying information and education activities; improve efficiency through better planning and management; and mobilize additional resources for the sectors.

While additional manpower will need to be trained, particular care will be taken to ensure that the financial implications can be afforded. Additional efforts will be made to improve the coordination of government and non-government services. Following the implementation of the first family health project, a second phase will be undertaken which will focus particularly on 16 selected districts of the country. (Zimbabwe Government, 1991a, 16)

In respect of the social dimensions of adjustment, it was further stated that

The potential negative effects of structural adjustment on the poor and vulnerable fall into three general categories: (i) increased frictional unemployment; (ii) inflation and relative price increases; and (iii) social service cut-backs and increased cost recovery. (*ibid*, 20)

It is estimated that the health budget will grow annually at approximately the same rate (4.7 per cent) as during the first decade of independence, with its share of GDP remaining constant at 2.77 per cent and its share of central government expenditure rising slightly from 5.9 per cent in 1991–92 to 6.5 per cent in 1994–95. This, it is projected “...will enable the Ministry of Health to continue to provide critical services throughout the country, and to improve the quality of care. Managerial improvements, however, will be needed to ensure efficiency of expenditures” (*ibid*, Annex C, 14).

From a revenue level of approximately ZWD 15 mn. from cost recovery in the health sector in 1990 (equivalent to about 3 per cent of expenditures), a level of ZWD 60 mn. is targeted for achievement by 1994–95, equivalent to 10 per cent of health expenditures or 0.2 per cent of GDP. The strategy of the Ministry of Health to achieve this target will be to

...(i) strengthen efforts to collect fee revenues presently due; and (ii) review and raise upwards hospital fee schedules, at least in line with inflation. The ZWD 150 household income exemption threshold will be maintained in order for poor people to continue to be entitled to free health care. However, more effort will be made to ensure that only those with incomes less than ZWD 150 per month are treated with no charge. (*ibid*.)

In November 1991, details of the proposed activities to be undertaken within the Social Dimensions of Adjustment (SDA) programme — “...a

programme of actions to mitigate the social costs of adjustment" – were published. The objectives of the SDA strategy are to effectively target and design programmes for disadvantaged groups over the economic reform period, with minimised costs to the fiscus and to maximise participation and support from third parties, notably NGOs, employee organisations, employer organisations and local authorities. Major initiatives are promised for employment and training, targeting of food subsidies, cost recovery in social services and monitoring and evaluation. To co-ordinate these activities, a Social Development Fund is being established to operate two main programmes, namely the Employment and Training Programme (ETP) and the Social Welfare Programme (SWP) (GOZ, 1991b).

The precise modalities of the SAP are still emerging, but at this time a number of measures are already in place both *outside* the health sector and *inside*, which will undoubtedly have an impact on health.

As indicated earlier, health outcomes (often, in fact, measured in terms of disease or death) are the result of a combination of socio-economic and environmental factors, as well as health sector inputs. Hence, in order to evaluate the impact of structural adjustment on health, it is necessary to consider both outcome indicators which will often be a reflection of "inside" and "outside" factors usually acting together, as well as process indicators reflecting the changing status of individual health sector and non-health sector inputs. It must be noted that different time-frames apply to the appearance of changes in both sets of indicators, for monitoring purposes. For example, whilst changes in food prices and health service take-up rates may occur quite quickly and be readily assessed and documented, changes in mortality and morbidity rates, and in nutritional status, are both more problematic to monitor, and become evident only in the medium- to long-term.

The impact of reforms inside the health sector

The vote appropriation to the Ministry of Health in the 1991–92 budget was ZWD 549 mn., an increase of ZWD 60.3 mn. over 1990–91, or equivalent to 4.9 per cent of total allocations, and thus 1 per cent short of the per centage estimated in FER. The percentage distribution of the funds available between the four main categories of expenditure was similar to that of 1990–91.

While free health care to those earning less than ZWD 150 per month has been provided since 1980, this cut-off point has remained the same despite substantial increases in nominal wage levels, resulting in considerable erosion of this benefit. Extrapolating from CSO data, wage distribution patterns between 1982 and 1988 indicate that whilst in 1982 some 46 per cent of those employed in the formal sector would qualify for free health care, only 4.6 per cent of them would have done so in 1988. Prior to the planned introduction of free collective bargaining in 1991 for all sectors except farm and domestic workers, wage increases (and freezes) were legislated. By the end of 1990, the lowest statutory minimum wage was in the agricultural sector, at ZWD 133 per month, with average monthly minimum wages across other sectors being ZWD 250 per month (ZCTU, 1991, 32).³

The scale of user charges has not been increased since 1985, but the erosion of the real value of wages, combined with the strict implementation of the collection of charges initiated in 1990, has resulted in a very significant proportion of the population having to pay for health care. With the official inflation rate running at over 25 per cent by the end of 1991 (see below), any increases in fees to match the inflation rate, as described in *FER*, would place further considerable strain on those amongst the "low-paid" earning more than ZWD 150 per month.

Despite the introduction of a "primary health scheme" within CIMAS, the largest medical insurance society, there has been only a limited increase in the number of low-paid workers registering themselves and their beneficiaries for medical aid. The 1990 registration for all health insurance societies was approximately 524,000, equivalent to about 45 per cent of those employed in the formal sector, excluding agricultural and domestic workers.

Whilst medical aid societies indicate they have the capacity to absorb more than double the current number of beneficiaries, the costs of medical insurance, (deducted from wages and salaries at source) may continue to be a deterrent. This is particularly the case when low-paid workers maintain a certain level of doubt about the benefits of insu-

3. An increase in the exemption ceiling to ZWD 400 was widely reported in early 1992. However, by late November 1992 the change had still not been officially implemented. (Editor)

rance, and find their take-home pay having to stretch further for basic commodities as prices and inflation increase. Costs of medical insurance will, in addition, undoubtedly rise, as cost recovery from the medical aid societies to cover government public health services is stated to be one means of improving efficiency in the cost recovery system (Zimbabwe Government, 1991b, 42).

The more stringent implementation of fee collection together with the requirement of advance payment, particularly for maternity care, is likely to have a significant deterrent effect in respect of utilisation of (especially) government services. This will probably most affect those who are least able to easily prove that they earn less than the cut-off point for free services. Unemployed urban dwellers and rural communal farmers will undoubtedly experience greater difficulty than low-paid formal sector workers in producing evidence of their income. The government's intention is, however, to ensure that those in urban areas earning less than the cut-off point have access to basic medical services at municipal clinics, thus reducing current unnecessary usage of the central hospitals (*ibid*, 43).

Mission hospitals, which provide approximately two-thirds of all rural in-patient beds, are clearly not imposing the ministry's scale of fees. Reports indicate that charges are both lower on average and also less strictly collected (R. Nyenya, interview with authors). Consequently, it has recently been reported that the patient load at mission hospitals has recently increased sharply while the reverse is true for nearby government facilities of the same level. Currently, mission hospitals retain any fees collected but it is our understanding that an equivalent amount is withheld from the next grant allocation from government. It is intended in future to increase the incentive to government central hospitals to recoup costs through the collection of fees by allowing these hospitals to retain a portion of the fees revenue they collect (*ibid*, 43).

The deterrent effect of user charges is likely to first become manifest in respect of health seeking behaviour for the care of non-acute conditions, including maternity care. Indeed there are already suggestions from urban central hospitals that, of those women eventually delivering in these facilities, the percentage who have booked for ante-natal care is decreasing. This is likely to result in such obstetric problems as late

presentation of women in obstructed labour, an increase in the number and percentage of babies "born before admission", and attendant rises in the perinatal mortality rate and maternal morbidity. Patients with other non-acute health problems, both medical (e.g. hypertension, chronic physical and mental disorders) and surgical (e.g. chronic orthopaedic and general surgical conditions) are also likely to utilise services less. Anecdotal evidence of this already exists with surgeons at Mpilo Central Hospital in Bulawayo observing that attendance at their non-acute out patient clinics has recently sharply declined.

The recent introduction of substantial charges for drugs will adversely affect all categories of patient, but especially those with chronic diseases requiring long-term drug therapy (e.g. hypertension, diabetes, psychiatric illness: only drugs for leprosy and TB are exempted). The implications of this are profound both for the health of individuals and the public. For example, failure to complete a prescribed course of treatment for common infections such as malaria and sexually transmitted diseases (STDs) will not only result in increased individual morbidity but also in the emergence of resistant organisms and thus a potentially serious public health problem.

The implementation of drug charges has been introduced during a period of rapid devaluation of the Zimbabwean dollar and continuing constraints on the availability of foreign currency. The Ministry of Health is allocated foreign exchange twice a year for drug purchases, based on a budget in Zimbabwe dollars. Rapid devaluation of the dollar has thus combined to significantly increase the costs of drugs imported, and limited the absolute amount of importations. Whilst many drugs are manufactured locally, the imported content averages 60 per cent, the costs of which are passed on to the consumer. In respect of the availability of supplies of drugs and equipment to the health services overall, further anomalies were created in the first phase of the Open General Import Licence (OGIL) scheme when, for example, X-ray machines and insulin were placed on the licence — but not X-ray films or syringes. (Durevall, 1991, 23).

The value of the Zimbabwean dollar has depreciated progressively since 1982–83, but an accelerated decline has occurred more recently. During 1990–91 its value against the US Dollar depreciated from ZWD 2.53 to 4.95. The full impact of the inevitable price increases of im-

ported goods will take some time to appear in domestic prices, but in terms of health and health care, the implications will be far-reaching and have already begun to exhibit themselves. The costs of equipment and drugs have greatly escalated, while the costs of health care programmes involving transport (e.g. EPI, outreach services) have become prohibitive especially for the more remote and isolated district level facilities. Moreover, retention of health staff, especially higher level ones, has been adversely affected with a crippling brain-drain to the private sector and other countries in the region. Those remaining in public service are, perforce, increasingly engaged in private work to augment their dwindling salaries.

In the medium- to long-term, in combination, these effects will almost certainly result in quantitative and qualitative declines in health care provision, both preventive and curative, at all levels. To take just one example, immunisation coverage will become increasingly difficult to sustain at present levels, while resources — both material and human — necessary to manage resulting ill-health from immunisable diseases, will decline.

The impact of reforms outside the health sector

Devaluation has also led to dramatic increases in the costs of non-health sector inputs particularly where there is a significant foreign exchange component (e.g. transport, processed foods). In addition to this, the progressive removal of subsidies and deregulation of prices of a range of basic commodities, most especially foodstuffs, has resulted in sharp increases in costs to the consumer. Deterioration in diets, and thus of nutritional status, especially of poorer groups, is inevitable. It is stated that "...a transparent commodity-specific subsidy will be placed on a maize meal product targeted to cover those in low income groups who can only afford to pay a proportion of the full production cost of maize meal" (Zimbabwe Government, 1991b, 36). There is no indication when this commodity specific subsidy will be introduced, however.

Table 13 shows consumer prices for lower income urban families for selected months in 1990 and 1991. By November 1991, consumer prices for lower income urban families were officially averaging about 28 per cent higher than in November 1990, with the prices of foodstuffs increasing by 27 per cent. It is notable that these price increases do not

yet reflect the full impact of the July–August 1991 devaluation. Following the removal of subsidies, the cost of maize meal, the staple food, rose by 14 per cent between May 1990 and May 1991, whilst bread rose by 32 per cent and milk by 13 per cent (Consumer Council of Zimbabwe, consumer expenditure surveys). However, unofficial calculations by a large Zimbabwe-based conglomerate based on their expenditure on a huge range of local purchases, gave a figure of 38 per cent for inflation during the period July 1990 to July 1991 (personal communication, P. Gibbon).

Whilst it is envisaged that the structural adjustment programme will, in the long-term, "...resolve the structural problems of open unemployment and under-employment", it is acknowledged that frictional unemployment in both the public and private sectors, and retrenchment in the civil service will result in the loss of some 53,000 jobs over the 1991–95 period (Zimbabwe Government, 1991b, 6). Data on retrenchment are very patchy: between December 1990 and October 1991, 1,028 workers were reported to have been retrenched (Ministry of Labour, 1991 preliminary figures). Whilst this is higher than any year between 1986 and 1989, it is considerably lower than the 4,336 retrenchments reported in 1983 and 3,570 reported in 1984. Any increase in unemployment will further reduce the income levels of affected households, however, compounding the impact of reduced disposable income in an inflationary economic situation.⁴

From January 1992, tuition fees for primary schools were introduced for high and low-density urban school children on the basis of a three-tier fee system based on the classification of schools. Whilst rural schools remain exempt, the hidden costs are significant and have already contributed to increases in dropout rates, particularly amongst girls (see above). It is likely that as economic pressures increase at the household level, cultural factors and gender bias will combine to keep more girls than boys out of school completely, or dropping-out at earlier ages. For women in particular, educational levels have been shown to

4. In July 1992 the Minister of Labour, John Nkomo, stated that 4,240 private sector workers had been laid off from January 1991 to July 1992. The Zimbabwe Manufacturing Council simultaneously stated that 4,000 clothing industry workers alone were laid off in the first seven months of 1992 (Economist Intelligence Unit, *Zimbabwe Country Report*, No. 4, 1992). (Editor)

correlate with the take-up of contraception specifically and of health services generally, as well as to influence health practices which are pertinent especially to young child health (ZGCSO, 1989).

CONCLUSION

In the foregoing sections, we have tried to demonstrate the importance of looking at factors both *within* and *outside* the health sector, in any analysis of health status and health service provision. Evidence suggests that income is perhaps the most important of the *outside* factors, whilst other critical determinants include social inputs, such as access to education; environmental inputs, such as access to clean water; and general economic measures such as food rationing and subsidies. Factors originating *inside* the health sector are the usual range of health care provision, for example, hospitals, health services, health manpower, immunisation, etc. Assessing the data available in Zimbabwe at the end of the first year of a fully-fledged SAP, it is clear that a combination of changes in both sets of factors has already begun to set off a chain of inter-related impacts. These are most immediately highlighted by changes in *process* indicators (rising prices, differing utilisation of services after the implementation of user charges, etc), and are likely to be followed in the medium- to long-term by changes in outcome indicators, relating to patterns of morbidity and mortality.

Caution must be exercised, however, as there exists a fundamental problem of attributing changes, in respect of both process and outcome indicators, to the impact of the modalities and interventions of the SAP directly. It is difficult to separate the impact of adjustment policies from that of other influences, both historical and contemporary. Thus, it must be recognised that the economic reform programme in Zimbabwe became operational in the context of the existing effects of previous economic and social inequities, already operating as determinants in terms of access to and utilisation of resources. There are also influences already in place relating to pre-existing health status, for example, many children are already affected by chronic under-nutrition.

Some influences on health status in the population in general result themselves from a number of factors which are in part independent of economic factors. In respect of malaria, for example, seasonal and cli-

matic influences are of particular importance, and the effects of drought, whether localised or national, clearly affect health and nutrition levels. In respect of disease-specific impacts, then, it is almost impossible to disaggregate the impacts of economic reforms and other influences, particularly in the case of diseases which have long latent periods, the impact of which may only become apparent during the ESAP implementation period (e.g. AIDS and hypertension). These effects are additional to those relating to the different time-frames which apply to the appearance of changes in both process and outcome indicators.

In light of the above, it is clear that in trying to assess the impact of ESAP on the health sector and health status, there is need for clarity on the objectives which are to be met through monitoring and empirical research. Given a range of influential factors both internal and external to the health sector, and the situation where some are more accessible to immediate investigation than others, criteria must be adopted to ensure that monitoring and research are both practicable and meaningful. We would conclude that any empirical research in this area needs to be tied to policy development, and be based on an action-approach. Presentation of documentary evidence on the levels of changes and their influence on various population groups, including the "vulnerable" groups, will be of limited utility if it serves only to add to the academic literature.

It would be more fruitful to investigate the impact of ESAP by drawing on the experiences of those affected, and as part of this research process, facilitating the framing of responses and strategies at the local level, where data collection is carried out. Information collected in this manner would have a multiplier effect, and should act as a tool for advocacy purposes at all levels. It will therefore be necessary to involve communities, preferably both urban and rural, in any research programme, as well as those non-governmental organisations which play a significant role in health service provision at the community level.

Table 1. *Ministry of Health (MOH) budget allocation in central government budget*

Year	Health vote in budget ZWD '000 ¹	Health vote in budget ZWD '000 ²	Share of MOH in budget (%)	Real allocation per head ZWD ²
1979/80	53,472	58,646	4.6	8.5
1980/81	77,385	75,887	5.4	10.7
1981/82	106,083	95,540	5.6	13.1
1982/83	123,069	101,981	4.8	13.7
1983/84	138,962	113,722	8.8	14.7
1984/85	156,654	120,061	4.9	15.1
1985/86	195,038	128,681	5.3	15.7
1986/87	239,392	144,558	5.1	17.2
1987/88	287,330	164,777	5.5	19.1
1988/89	329,023	172,615	5.3	19.4
1989/90	352,866	169,356	5.1	18.6
1990/91	489,067	n.a.	5.3	n.a.

Source: Government of Zimbabwe *Financial Statements*, Government Printers, Harare, various dates

Notes: 1. Current prices

2. Current 1980 prices

Table 2. Allocation between the four branches of the Ministry of Health

	1980-81	1981-82	1982-83	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90	1990-91
	ZWD '000										
Admin. & general	2,525	3,887	6,150	5,163	5,187	14,157	11,719	13,515	11,966	15,577	15,134
Medical care service	74,906	95,802	107,390	113,605	130,899	153,577	195,588	230,597	259,792	284,121	412,192
Preventive service	5,598	8,442	17,188	19,063	22,247	27,298	31,861	46,531	53,950	50,753	59,132
Research	700	805	960	1,169	1,055	1,201	1,435	1,928	2,275	2,415	2,609
TOTAL	83,729	108,936	131,687	139,000	159,388	196,233	240,603	292,570	327,983	352,866	489,067

	Percentage Shares										
Admin. & general	3.0	3.6	4.7	3.7	3.3	7.2	4.9	4.6	3.6	4.4	3.2
Medical care service	89.5	87.9	81.5	81.7	82.1	78.3	81.3	78.8	79.2	80.5	84.2
Preventive service	6.7	7.7	13.1	13.7	14.0	13.9	13.2	15.9	16.4	14.4	12.1
Research	0.8	0.7	0.7	0.8	0.7	0.6	0.6	0.7	0.7	0.7	0.5
TOTAL	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: Government of Zimbabwe *Financial Statements*, Government Printers, Harare, various dates

Table 3. Broad expenditure items share in overall Ministry of Health budget 1980-81 to 1990-91
(in percentages)

	1980-81	1981-82	1982-83	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90	1990-91
Salaries, wages & allowances	26.8	28.2	34.2	37.7	40.3	41.9	44.7	42.8	37.6	42.2	43.3
Subsistence & transport	2.2	2.3	2.7	3.8	2.6	2.6	2.2	2.3	3.2	3.0	2.8
Incidental expenses	0.5	0.5	0.5	0.6	0.6	0.8	0.6	0.7	0.8	0.7	0.6
Furniture & equipment	1.7	1.0	2.3	1.6	3.4	4.8	3.0	5.0	1.6	0.9	1.3
Supplies & services	10.2	11.0	15.8	14.8	11.0	10.4	10.8	12.3	16.6	15.3	18.0
Payments for govt. responsible patients	0.9	0.7	0.5	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.1
Payments to non-govt. inst.	2.1	1.7	1.3	2.3	1.8	1.8	1.5	1.4	1.3	1.4	1.1
Field operations (preventive)	1.2	1.7	2.2	3.1	3.1	2.6	3.7	4.2	6.0	3.1	2.4
Grants and loans	54.6	52.9	40.5	36.0	37.1	35.2	33.4	31.2	32.7	33.2	30.4
TOTAL	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: Government of Zimbabwe Estimates of Expenditure, Government Printers, Harare, various dates

Table 4. *Facilities by level of care, 1985*

Area	Population 1982	Central	Province	District	Rural hospital	Mission hospital	Rural Health Clinic
<i>Number of facilities</i>							
Manicaland	1,099,202	0	2	3	8	29	141
Mashonaland Central	563,407	0	1	3	4	5	66
Mashonaland East	1,495,984	2	2	3	7	13	115
Mashonaland West	858,962	0	2	4	8	4	78
Matabeleland North	885,339	2	0	3	6	8	65
Matabeleland South	519,636	0	0	6	6	12	56
Midlands	1,091,844	0	3	5	8	23	146
Masvingo	1,031,697	0	2	1	9	20	88
TOTAL	7,546,071	4	12	28	56	114	755
<i>Population/facility</i>							
Manicaland	—	—	549,601	366,401	137,000	37,904	7,796
Mashonaland Central	—	—	563,407	187,802	140,852	112,681	8,536
Mashonaland East	—	747,992	747,992	498,661	213,712	115,076	13,009
Mashoshona West	—	—	429,481	214,741	107,370	214,741	11,012
Matabeleland North	—	442,670	—	295,113	147,557	110,667	13,621
Matabeleland South	—	—	—	86,606	86,606	4,303	9,279
Midlands	—	—	363,948	218,369	136,481	47,471	7,478
Masvingo	—	—	515,849	1,031,697	114,633	51,585	11,724
TOTAL	—	1,886,518	628,839	269,503	134,751	66,194	9,995

	<i>Ratio of provinces to total</i>				
Manicaland	—	0.87	1.36	1.02	0.57
Mashonaland Central	—	0.90	0.70	1.05	1.70
Mashonaland East	—	1.19	1.85	1.59	1.74
Mashonaland West	—	0.68	0.80	0.80	3.24
Matabeleland North	—	—	1.10	1.10	1.67
Matabeleland South	—	—	0.32	0.64	0.65
Midlands	—	0.58	0.81	1.01	0.72
Masvingo	—	0.82	3.83	0.85	0.78

Source: Ministry of Health, 1985 Secretary for Health Reports

Table 5. Facility data by province, 1988

Parameter	Mashona- land East	Mashona- land West	Mashona- land Central	Masvingo	Midland	Manica- land	Matabele- land North	Matabele- land South
Hospital beds/1000	2	1.4	1.5	2.1	2.2	2	3.1	2.3
Clinics/1000	1	1	1.2	0.9	1.6	1.5	3.1	2.3
Hospital admissions/1000	82	61	59	65	63	60	92	66
OP hospital attendance /cap.	0.6	0.9	0.7	1.3	0.9	0.9	0.7	0.9
Health expenditure/capita: government expend.	40	10	12	11	14	13	32	10
Health expenditure/capita: total expend.	48	10	12	12	15	14	33	10
Health expenditure/govern- ment: national average	2.00	0.50	0.60	0.55	0.70	0.65	1.60	0.50
Health expenditure/capita: national average	2.18	0.45	0.55	0.55	0.68	0.64	1.50	0.45
Beds/100: national average	0.95	0.67	0.71	1.00	1.05	0.95	1.48	1.10
Beds - government	2967	1135	381	1142	1288	1129	2732	845
Beds - mission	488	218	560	1310	1497	1409	457	545
Bed occupancy rate - total	68	71	57	80	76	70	51	61
In P daily average: prov. & distr.	110.1	103.4	336.3	139.6	70.1	110.1	23.7	46.2
rural	8.4	10.5	10.2	13.5	13.1	8.4	20.6	10.7
Missions admin. - total	10,957	11,935	18,454	37,860	27,712	32,852	15,986	14,327
Missions admission/bed	22.45	54.75	32.95	28.90	18.51	23.32	34.98	26.29
Total hospital expend. ('000)	60,130	7,907	6,111	11,531	14,443	13,552	28,511	5,674
Total clinic expend. ('000)	8,331	1,856	1,367	1,791	2,998	2,701	3,390	245
Hospital exp./capita	35.12	8.04	9.47	9.76	11.55	10.76	28.09	9.54
Clinic exp./capita	4.87	1.89	2.12	1.52	2.40	2.15	3.34	0.41

OP = outpatient, In P = In-patient, Missions = Mission hospitals

Expenditure figures in ZWD

Source: World Bank, *Financing the Health Sector*, 1988

Table 6. *Practising doctors, Zimbabwe 1980-1989*

Year	Government specialists	House officers	Govt. doctors	Docs on reg.	Docs % in GS	UZ graduates	UZ grads. in GS	% in GS
1980	96	82	244	1,140	23	34	4	12
1981	91	88	360	1,159	31	42	3	7
1982	109	90	372	1,211	32	45	3	7
1983	119	96	389	1,182	35	54	5	9
1984	128	108	394	1,250	33	55	6	11
1985	126	120	391	1,058	38	52	15	29
1986	127	121	408	1,342	31	75	35	47
1987	124	151	491	1,243	37	66	54	-
1988	143	216	519	1,201	37	73	68	-
1989	94	220	570	1,290	43			

Note: In some cases data was inconsistent or absent.

GS = Government Service

UZ = University of Zimbabwe

Source: Zimbabwe Government, Ministry of Health, 1989

Table 7a. Manpower data by referral level, 1983 and 1988

Type of manpower	Central	Provincial	PMD	Dist.	Mission	Rural	Industrial	Total	Govt. share of reg. manpower %
1983									
Medical practitioners	314	56	13	28	42	1	17	471	35.0
Dental practitioners	0	2	0	0	1	0	1	4	1.1
SRN's	1406	344	88	70	133	2	70	2,113	36.6
SCN's	661	471	14	417	361	262	185	2,371	43.1
Pharmacists	21	11	0	4	0	0	2	38	9.1
Med. lab. technologists	48	5	0	0	3	0	2	58	29.9
Health inspectors	0	0	20	0	0	0	1	21	16.3
Health ass.	0	0	217	0	0	0	4	221	52.0
Radiographers	42	12	0	3	1	0	1	59	23.9
Rehab. ass.	10	10	0	0	0	0	3	23	

1988

Medical pract.	382	50	16	32	53	—	—	—
Dental pract.	—	—	—	—	—	—	—	—
SRN's	—	377	98	313	209	—	—	—
SCN's	—	422	30	560	583	410	—	—
Pharmacists	—	11	0	2	0	0	—	—
Med. lab.	—	—	—	—	—	—	—	—
technologists	—	—	—	—	—	—	—	—
Health inspectors	—	0	72	—	—	—	—	—
Health assistants	—	0	609	—	—	—	—	—
Radiographers	—	11	0	6	0	0	—	—
Rehab. ass.	—	14	54	14	0	0	—	—

Table 7b. Manpower by referral level 1983 and 1988 in percentage

	Manpower at each level %									
	1983					1988				
Medical pract.	67	12	3	6	9	0	4	-	-	-
Dental pract.	0	50	0	0	25	0	25	-	-	-
SRN's	67	16	4	3	6	0	3	-	-	-
SCN's	28	20	1	18	15	11	8	-	-	-
Pharmacists	55	29	0	11	0	0	5	-	-	-
Med. lab. technologists	83	9	0	0	5	0	3	-	-	-
Health inspec	0	0	95	0	0	0	5	-	-	-
Health ass.	0	0	98	0	0	0	2	-	-	-
Radiographers	71	20	0	5	2	0	2	-	-	-
Rehab. ass.	43	43	0	0	0	0	13	-	-	-
Medical pract.	72	9	3	6	10	0	0	-	-	-

Note: Data at certain levels is not available for 1988; breakdown and totals have therefore not been provided.

SRN = State Registered Nurse

SCN = State Certificated Nurse

Source: Zimbabwe Government, Ministry of Health, 1983, 1989.

Table 8. *Place of work of government doctors 1989*

Province or City	Specialists	Doctors	Total
Midlands	3	29	32
Masvingo	2	14	16
Manicaland	3	22	25
Mashonaland C	—	8	8
Mashonaland East	—	16	16
Mashonaland West	—	25	25
Matabeleland South	—	10	10
Matabeleland North	—	3	3
Chitungwiza	7	10	17
Bulawayo	31	91	122
Harare	47	178	255
TOTAL	93	407	500

Source: Zimbabwe Government, Ministry of Health, 1989

Table 9. Provincial health manpower data 1983 and 1988

Parameter	Year	Mashona- land East	Mashona- land West	Mashona- land Central	Masvingo	Midlands	Manicaland	Matabele- land North	Matabele- land South	National
Population '000	1986	1,712	983	645	1,181	1,250	1,259	1,015	595	8,640
No. trained VHWS	1983	236	148	230	153	197	197	163	176	1,500
Total Med Prac	1983	16	19	10	31	32	27	14	10	491
Total SRNs	1983	70	87	35	117	210	128	31	55	2,310
Total SCNs	1983	204	264	195	410	466	460	134	218	3,437
Pop. per VHWS	1983	7.25	6.64	2.80	7.72	6.35	6.39	6.23	3.38	5.76
Pop. '000 per Dr	1983	107.00	51.74	64.50	38.10	39.06	46.63	72.50	59.50	17.60
Pop. '000 per SRN	1983	24.46	11.30	18.43	10.09	5.95	9.84	32.74	10.82	3.74
Pop. '000 per SCN	1983	8.39	3.72	3.31	2.88	2.68	2.74	7.57	2.73	2.51
Pop./Dr.:										
nat. average	1983	6.08	2.94	3.67	2.16	2.22	2.65	4.12	3.38	
Pop/SRN:										
nat. average	1983	6.54	3.02	4.93	2.70	1.59	2.63	8.75	2.89	
Pop./SCN:										
nat. average	1983	3.34	1.48	1.32	1.15	1.07	1.09	3.01	1.09	
Total med. prac.	1988	19	14	16	23	27	24	9	19	151
Total SRNs	1988	101	126	107	119	246	153	51	87	990
Total SCNs	1988	221	183	189	314	423	340	140	203	2,013
Pop. '000 /Dr.	1988	90.11	70.21	40.31	51.35	46.30	52.46	112.78	31.32	57.22
Pop. '000/SRN	1988	16.95	7.80	6.03	9.92	5.08	8.23	19.90	6.84	8.73
Pop. '000 per SCN	1988	7.75	5.37	3.41	3.76	2.96	3.70	7.25	2.93	4.29

Table 10. *Registered health manpower in Zimbabwe 1981-89*

Manpower categories	1981	1982	1983	1984	1985	1986	1987	1988	1989	diff 89-81
Med. pract.	1,159	1,211	1,182	1,250	1,058	1,342	1,243	1,201	1,290	131
Dental pract.	166	171	197	192	94	133	113	122	113	-53
SRNs	4,895	5,220	6,179	6,179	4,657	4,980	5,210	5,362	5,551	656
SCNs	3,593	4,239	?	5,054	4,876	5,151	5,996	6,468	6,395	2,802
Pharmac.	304	373	432	423	285	327	323	354	352	48
Med lab. techn.	-	-	-	165	-	175	194	207	208	208
Health inspectors	101	123	123	123	77	102	118	143	151	50
Health assistants	400	417	469	-	360	545	592	599	706	306
Radio-graphers	217	239	281	281	98	121	140	161	169	-48
Rehab. ass.	-	-	-	-	-	103	123	127	141	141
Doctors graduating	42	45	54	55	52	75	66	73	-	462
UZ	-	-	-	-	-	-	-	-	-	-
Tot. expatr. doctors	-	-	78	67	88	-	-	-	-	-

Source: Zimbabwe Government, Ministry of Health, 1989; Medical faculty, 1989; *Annual Review of Manpower 1984*

Table 11. Immunisation data by province 1986 to 1988 (percentage of target population covered)

Year	Source	Vaccine type	Mashona-land East	Mashona-land West	Mashona-land Centr.	Masvingo	Midlands	Manica-land	Matabele-land North	Matabele-land South
1986	Survey	BCG record	89	93	83	86	98	90	90	93
		DPT1	87	90	81	86	89	86	92	94
		DPT3	79	74	74	72	74	74	70	83
		DPT drop	8	17	8	16	17	24	24	11
		Measles full	76	71	74	76	70	74	72	80
			68	64	63	64	58	64	49	71
1986	HIS	BCG	55	98	42	107	84	128	48	71
		DPT3	57	82	43	74	85	99	37	54
		Measles	59	85	33	74	83	103	41	60
1987	HIS	BCG rec.	65	77	75	84	76	88	91	52
		DPT1	85	84	79	91	73	98	98	59
		DPT3	75	76	63	72	72	79	84	47
		DPT drop	10	8	19	18	2	19	13	12
		Measles full	74	71	80	69	61	80	72	47
			56	71	48	47	59	48	49	35
1988	Survey	full	67	68	56	63	71	63	66	66

Source: Ministry of Health, Health Information system (HIS) returns; Ministry of Health EPI department surveys, 1986 and 1988

Table 12. *Perinatal mortality rate by facility 1983 (rate per thousand live births)*

Harare Hospital	69.8
Mbuya Nehanda	32.8
Avenues Clinic	10.2
of which...	
Unbooked deliveries	142.5
Booked deliveries	25.3

Source: Crowther et al, 1983

Table 13. *Consumer price index, lower income urban families, Zimbabwe, Jan. 1990–Nov. 1991*
(1980 = 100)

	Dec. -89	Dec. -88	May -90	May -89	Dec. -90	June -91	June -90	Sept. -91	Sept. -90	Nov. -91	Nov. -90	
	Dec. -89	Dec. -88	May -90	May -89	Dec. -90	June -91	June -90	Sept. -91	Sept. -90	Nov. -91	Nov. -90	
	%	%	%	%	%	%	%	%	%	%	%	
	change	change	change	change	change	change	change	change	change	change	change	
All items	332.9	15.7	366.6	19.3	394.5	18.5	459.9	24.6	473.8	24.4	495.6	28.3
All items	326.6	15.7	359.6	19.3	390.1	19.4	456.3	26.0	470.4	24.7	493.8	29.3
net of sales												
tax and												
duty												
Foodstuffs	364.7	17.3	410	20.6	435.4	19.4	519.4	25.8	522.7	24.3	544.1	27.3

Source: Central Statistical Office, Stats Flash (various).

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crease in outreach activities would almost certainly be required. However, not only vehicles but also the supply of vaccines, syringes, and needles were (and continue to be) funded by donors. The intention was that after the termination of the programme of cooperation, up to 1990, the Ministry of Health would gradually take over this financing, beginning with the purchase of vaccines. In light of the likely future deteriorating economic situation, there are serious doubts as to the feasibility of this and the future of EPI — surely the most successful health programme in independent Zimbabwe.

In respect of *maternal and child health*, patterns of differential use, similar to those for immunisation services, held for birthweight data. The low birthweight rate nationally was 5.1 per cent (ZGMH, 1987a), ranging from 1.6 per cent in Chitungwiza to 7.9 per cent in Mashonaland Central. These rates were extremely low in relation to survey findings of 10–11 per cent in urban areas (Fawcus et al, 1987). At district level the low birthweight ranges were even greater (ZGMH, 1988a). Finally, in terms of child health, at district/provincial level, the *out-patient attendance in under five year olds* was also highly variable, and seem to have been associated more with access than with need.

The rural-urban differential in *ante-natal care* was considerably reduced with 96 per cent coverage in urban areas, 90 per cent in communal areas and 94 per cent in LSCF areas receiving such care (ZGMH, 1988b). About 15 per cent of mothers, however, were seeking ANC in the third trimester of pregnancy, which limits the time for correction of complications. It is not clear who this group was. However, from other studies (Fawcus et al, 1989) it is probable that this was a lower socio-economic group. In terms of place of delivery, while urban areas had 92 per cent of women delivering at a health facility, only 64 per cent of communal area women and 56 per cent of LSCF area women delivered at a health facility. The lowest rate was found in Mashonaland Central.

In respect of the *national nutrition programme*, a nutrition unit was established whose activities include nutrition education with particular regard to breast-feeding and weaning practices, growth monitoring and nutrition surveillance using child health cards, and supervision of the Children's Supplementary Feeding Programme (CSFP) and Supplementary Food Production Programme. By 1986, over 90 per cent of children

aged one possessed a growth card (as against 71 per cent in 1982 and 80 per cent in 1984) (ZGMH, 1986b).

The CSFP was initiated in November 1980 by a number of NGOs and taken over by the Ministry of Health a year later. A daily energy-rich supplementary meal was supplied to predominantly undernourished young children in communal areas. The programme operated between 1981 and 1986, covering the height of the drought of this period. At its peak, over a quarter of a million children in over 8,000 communal area feeding points received food. This programme together with the drought relief programme undoubtedly mitigated nutritional deterioration amongst the poorest during this period.

In February 1982 the *diarrhoea disease control programme* (DDCP) was introduced. Emphasis was placed on improved case management – mainly by oral re-hydration therapy (ORT), epidemic control, improved nutrition, prolonged breast-feeding, and improved environmental hygiene through water supply and sanitation. Although hard data are not available, questionnaire responses and interviews conducted in late 1984 suggested that the number of attendances for diarrhoea at health care facilities had decreased (Cutts, 1984). On balance, data show that there was a significant increase in the percentage of rural mothers who could prepare a correct solution for ORT, so that home-based management of the problem was increasingly practised (Sanders and Davies, 1988). In the 1988 MCH/EPI survey 77 per cent of mothers said they gave ORT to their children during their last attack of diarrhoea, and 11 per cent had visited a health facility. While 99 per cent said they knew the correct recipe for ORT, in fact only 59 per cent did, the majority having learned it at rural health centres (ZGMH, 1988b).

Child spacing programmes were taken over by the Child Spacing and Family Planning Council, a parastatal established in 1981. To emphasise the move towards a concern with population growth, the council's name was subsequently changed to the Zimbabwe National Family Planning Council (ZNFPC). ZNFPC activities have significantly expanded the base of contraceptive knowledge amongst women, with 96 per cent knowing at least one method by 1989. Between 1984 and 1988, contraceptive usage had increased by 5 per cent for all methods, and by 10 per cent for modern methods (UNICEF, 1991, 53).

The national programme for *village health workers* (VHWs) was