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OPINION

Brave new attempt to curb conflict in Africa ... but will it work?

Maxi Schoeman

DELEGATES to the inaugural summit of the African Union (AU) held in Durban in July 2002 adopted a protocol for establishing a peace and security council (PSC), which is now in the process of being ratified by member states. The PSC will replace the OAU's mechanism for conflict prevention, management and resolution, and will be a permanent instrument of the AU with decision-making powers. Its main purpose will be to maintain collective security based on an early warning arrangement that will facilitate, in the words of the protocol, 'timely and efficient response to conflict and crisis situations in Africa'.

The protocol also provides for a panel of the wise to support the efforts of the PSC, particularly in respect of conflict prevention. This panel will consist of five 'highly respected African personalities' who have contributed to the cause of peace and security on the continent; they will be appointed by the chairperson of the AU commission (its secretariat) on the basis of regional representation, and will serve terms of three years.

The PSC will comprise representatives of 15 member states, ten elected for two years and five for five years, the latter to ensure continuity. According to article 13 of the protocol, decisions should be made by consensus, but in order to prevent deadlocks, decisions on procedure will be made by a simple majority, and on all other matters on which consensus cannot be reached by a two-thirds majority. Council members will chair this body for one month, rotating in alphabetical order.

Key position

The influence of the UN security council on the PSC is obvious. However, while the PSC takes its cue from the security council on procedural matters, the principle of permanent membership and a veto has been rejected, thereby establishing a much more egalitarian situation. The AU's equivalent of the UN secretary-general, the chair of the AU commission, will also play a similarly substantial role. Read together with the AU's Constitutive Act, it becomes clear that this official will play a key role in determining the way in which the AU, via the PSC, will deal with conflict on the continent. One can therefore expect this position to become highly sought after by member countries, and the election of its incumbents to be contentious, competitive, and politicised.

Another major difference between the PSC and the UN security council is the establishment of the panel of the wise, and the introduction of an early warning system. Utilising the services of highly respected former heads of state and/or government in peace negotiations has become fairly established practice in Africa, and the panel formalises this custom, emphasising – as is the case throughout the 'building' of the AU – subregional representation: each region will have one representative on the panel.

The early warning system, based on generally acceptable economic, social, political, military, and humanitarian indicators, is to recommend the best course of action to the PSC in order to prevent conflict.

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Although these are laudable ideals, one cannot expect too much of the PSC. Africa does not lack early warning of looming conflict. Besides domestic intelligence, a host of international organisations collect and distribute this kind of information; for example, the current famine in Zimbabwe has been predicted for years, and the warning lights were flashing well before the outbreak of the war between Ethiopia and Eritrea in the late 1990s. Therefore, rather than early warning, two requirements need to be met if the PSC is to have a chance of succeeding.

The first and most crucial one is that members should have the political will to make tough decisions, and to implement them. The Constitutive Act originally provided for intervention in the affairs of a member state under grave circumstances only: war crimes, genocide, and crimes against humanity, all three of which give rise to problems of definition related to political context. At the ministerial meeting in Tripoli in December 2002, it was recommended that article 4(h) of the act should be amended at the heads of state meeting in Maputo later this year to also 'include instances of external aggression as well as a serious threat to legitimate order to restore peace and stability to the member state of the union upon the recommendation of the peace and security council' (author's italics)

President Thabo Mbeki, left, is met by the prime minister of Ethiopia, Meles Zenawi, before the AU summit in Addis Ababa in February 2003 ... strong political will needed to make PSC succeed. Picturenet Africa/Andrew Mohamed

Regional powers

This proposed amendment opens up a host of possibilities for intervention in the affairs of member countries, and also places enormous political power in the hands of the PSC. Whether the will to exercise such power exists, and whether it will be exercised consistently (for example, whether states will be treated equally, regardless of size and power) remain to be seen. Clearly, regional powers such as Nigeria and South Africa will strive for continuing membership of the council, and preferably for the five-year slots. It will also be interesting to see how Egypt and Libya, the main contenders for North African leadership, deal with this issue. Algeria should also not be excluded.

Although member states are bound to accept and implement the decisions of the PSC, and co-operate fully with it, experience has shown that the basic principle of territorial sovereignty and its accompanying rule of non-intervention (enshrined in the Constitutive Act and in the preamble to the PSC protocol) can play havoc with attempts at humanitarian intervention.

On the other hand, experience has also shown that timely intervention in the form of quiet diplomacy and good offices can effectively prevent conflict. In this respect, close co-operation and contact between the early warning office and the panel of the wise might work well.

The second requirement is that contingency plans and various strategies for dealing with potential conflicts should be put in place at an early stage. Not only warning signals but the know-how for dealing with them, as well as access to the necessary resources, will determine the success of this mechanism. If there is no plan for reacting to potential crises, warnings will not be very useful, and the system will then play little more than a Cassandra's role.

There are at least two other concerns about the PSC. The first and most obvious one concerns its financial resources. Even were the PSC to have sufficient political will, as well as viable strategies, a lack of resources could scupper its best intentions and objectives. The proposed peace fund is obviously intended to provide the necessary financial resources, but will largely depend on extra-continental donor funding. Such a situation always creates an opportunity for outsiders to have at least some influence over the activities of an organisation, and one cannot but wonder to what extent the US will use this avenue to try to ensure compliance with its own definitions of threats to security.

The second concern, already referred to earlier, is that the biggest challenge for contemporary international organisations is to learn how to deal with threats to peace and security that are first and foremost of an intra-state nature. The UN was founded in an era in which security threats were inter-state. Today, particularly in Africa, threats are mostly intra-state (typically spilling over into neighbouring states), yet we are still struggling, because of the rule of sovereignty, to deal with them effectively. The PSC seems to be a brave attempt to grapple with this dilemma.

Organisations are only as strong and efficient as their members allow them to be. In the long run, the success of the PSC will depend on the will of the AU's members to take security threats seriously, be they threats to regimes or to people, and to use the wide-ranging power given to it by the Constitutive Act and the PSC protocol for the genuine benefit of Africa's people. ■

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Global resource war presents African institutions with important new challenge

Following 11 September, the US is looking towards Africa as a new source of oil. African institutions – particularly the AU – should urgently devise a common approach to protecting the continent's interests and priorities, writes **Francis Kornegay**

THE current dynamics of conflict and accommodation in the international system can be regarded as part of a global resource war. While this is not the only dimension of contemporary international politics, it features prominently on at least two levels. First, at the regional level, states and subregions are competing over water and marine resources, offshore oil and natural gas reserves, and mainland mineral and energy deposits. This, in turn, has generated rival oil and natural gas exploitation and transport strategies for competitively accessing current and future export markets.

Competition over resources is also underpinning the revisionist American challenge to an international order largely constructed by past US administrations, but now called into question by the administration of president George W Bush. This challenge is heavily interconnected with and conditioned by the Israeli-Palestinian conflict. It promises to transform the geopolitics of oil and the global energy market, merging into broader geo-economic strategies relating to interregional trade.

Bottom line

Africa features strategically in these dynamics at both levels. The continent is itself a major site of inter- and intra-state power struggles, either motivated by local and internationally connected stampedes for mineral and energy resources (eg the DRC/Great Lakes), or unresolved issues surrounding old colonial borders with major implications for the ownership of energy and other strategic resources (eg Bakassi, between Nigeria and Cameroon). At the same time, Africa in general and west Africa in particular feature prominently in US recalculations of the geopolitics of oil. However, while this continent is the world's minerals and energy 'middle kingdom,' the main motive force for the global resource war is the current US foreign policy/national security apparatus and its obsession with Iraq, linked to what many in the American foreign policy intellectual establishment are defining as a new 'neo-imperial' grand strategy. The bottom line of this American fixation might well be reflected in the recent observation by a Russian foreign policymaker that the purpose of 'US [foreign] policy is to establish and hold an oil price of $13 a barrel'.

A dissection of the global resource war should therefore start with a survey of the foreign and national security policies of the current Bush administration, revolving around its commitment to engineer a 'regime change' in Iraq. Importantly, the targeting of Iraq predates the 11 September 2001 suicide attacks on the twin towers and the Pentagon. Flowing from their close ties with the oil industry, Bush and his team were already preoccupied with energy policy when they assumed office. Resolving the problem of Iraq seems to have emerged as a convenient cover for restructuring the international oil market, with Iraq's huge oil reserves playing a prominent role. This agenda has been buttressed – as they usually are in the US – by a high-powered report, in this case *Strategic energy policy challenges for the 21st century,* co-sponsored by the James A Baker III Institute for Public Policy of Rice University and the Council on Foreign Relations. (James Baker was secretary of state in the administration of Bush Sr.) Released five months before 11 September, it recommended that the Bush administration should immediately 'review policies toward Iraq with the aim to lower anti-Americanism in the Middle East and elsewhere, and set the groundwork to eventually ease Iraqi oil field investment restrictions'. The 'immediate policy review' should include 'military, energy, economic, and political/diplomatic assessments'.

Next, the US should 'remove bottlenecks and other obstacles to energy supply, both domestically and internationally', including 'higher exports of oil from the Caspian Basin region'. Proposed long-term policy initiatives include steps to 'augment diplomatic initiatives to spur non-OPEC production increases', such as investigating ways to facilitate increased investments in Mexico's oil and gas sectors, encouraging reforms in Russia's energy sector, and exploring a mechanism for promoting a north American or western hemisphere energy agreement, using the North American Free Trade Agreement as a point of departure.

As regards Iraq, the report stressed that, 'like it or not, Iraqi reserves represent a major asset that can quickly add capacity to world oil markets and inject a more competitive tenor to oil trade'. While it did not explicitly call for the removal of Saddam Hussein, it suggested that a non-violent arms control strategy would be so costly in terms of trade-offs that it might strengthen Saddam even further, thus posing an even greater threat to the US and its allies in the region. The Strategic Energy report should be seen as complementary to the conservative American Enterprise Institute's 'Project for the new American century' in which many of the Bush administration's neoconservative hawks participated, and which foreshadowed the targeting of Iraq.

Prior to 11 September 2001, it was impossible to link the regime of Saddam Hussein to a compelling threat to US security comparable to that of the former Soviet bloc during the Cold War. The attacks of that day allowed the Bush administration to demonise Iraq as part of an 'axis of evil' (echoing Ronald Reagan's characterisation of the USSR as the 'evil empire'), and target it as part of its new 'war on terrorism'. While it was difficult to connect Saddam Hussein directly to 11 September, the overthrow of his regime increasingly emerged as the centrepiece of a three-pronged strategy for restructuring the international oil market: (1) transforming Iraq/OPEC; (2) using more Russian oil; and (3) expanding the exploration and exploitation of African oil reserves. Each prong falls within the ambit of the Baker report, and each is being actively pursued – although the spotlight has been on Iraq.

In terms of civil–military relations, the US 'war council' on Iraq represents the ascendancy of committed civilian unilateralists over a military establishment wary of any Iraqi adventure. The current American officers' corps is drawn from a generation socialised in the Vietnam-era anti-interventionist doctrines of Casper Weinberger, the former Republican defence secretary, and Colin Powell, during the latter's tenure as chairman of the joint chiefs of staff. Now, as secretary of state, Powell is the most dovish actor in the Bush administration, reflecting this military mindset.

The overthrow of Saddam's regime has increasingly emerged as the centrepiece of a three-pronged strategy for restructuring the international oil market

By contrast, the American commentator Jim Lobe has characterised the civilian warriors – dubbed 'chicken hawks' – as 'public persons – generally male – who tend to advocate military solutions to political problems, and who have personally declined to take advantage of a significant opportunity to serve in uniform during wartime.' They are considered to include most senior Bush officials in their fifties who avoided the draft during the Vietnam war.

Neo-conservatives

This group also reflects the ascendancy of predominantly Jewish pro-Likud neo-conservatives in the Bush national security apparatus, and in the ranks of key opinion-makers. They include the likes of the 'Reagan Doctrine' propagandist Charles Krauthammer, the *Washington Post* columnist George Will, and writers for *The New Republic* (TNR) and *Commentary* magazine. TNR mounted early assaults on Colin Powell's credibility as secretary of state, based on the latter's failure to take out Saddam the first time around under Bush Sr. Under Bush Jr, this group's point men are Paul Wolfowitz, deputy defence secretary, and Richard Perle, chair of defence secretary Donald Rumsfeld's defence policy board. Many members of this group are or were members of the advisory board of the Jewish Institute for National Security Affairs (JINSA).

In 1999 the current vice-president, Dick Cheney, was a member of JINSA, along with a formidable roster of prominent Jewish and non-Jewish Americans including Dr Jean J Kirkpatrick, US ambassador to the UN under Reagan; former members of Congress Jack Kemp and Stephen Solarz (the latter a former chair of the house subcommittee on Africa); and the former CIA director James Woolsey, who has stood out as the chief proponent of the elusive goal of linking Saddam Hussein to al-Qaeda and 11 September.

In forging what has become a more right-wing pro-Israel lobby (eclipsing and/or co-opting the older liberal Democratic Party-aligned Israeli lobby), neo-conservative ideologues in and outside the Bush administration have aligned themselves with erstwhile anti-Semitic Christian fundamentalists, once shunned by American Jews. Here, a brief digression on the roots of American neo-conservatism is in order. This phenomenon was spawned by the mid-1960s rupture of the Black–Jewish civil rights alliance amid the rise of 'black power' nationalism, interacting with an anti-imperialist internationalism emerging from anti-Vietnam war protest. These developments inspired an anti-Zionist, pro-third world challenge to US foreign policy from the New Left (accompanied by Israel's growing post-1967 isolation internationally). Except for the Carter interlude, this trend effectively kept the Democrats out of the White House for 16 years.

The upshot of these upheavals was a strongly unilateralist anti-communism devoted to the uncritical support of Israel as the centrepiece of an American policy perspective that first flowered during the Reagan administration, and has bloomed again during the Bush 'second coming'. The fusion of this tendency with 'Sunbelt' Christian fundamentalism joined, in turn, by the hard-nosed realist oil industry outlook adopted by Bush Jr and much of his administration goes a long way towards explaining current US foreign policy. Thus, while conventional wisdom would have assumed that, post 11 September, Washington would pursue a Middle East policy more sensitive to its Arab allies, and certainly not closely aligned with the militarism of an Ariel Sharon, US–Israel relations have become even closer. Moreover, the use of the doctrine of pre-emption to justify the military action against Iraq further testifies to the influence of Israeli militarists and their US backers over current American foreign/national security policy; in a real sense, this marks the Israelisation of American national security strategy.

In the meantime, Israel's allies have bought it more time by refocusing Middle East strategy on Iraq. This approach is informed by an ideological agenda promoting something dreamed up by Jewish neo-conservatives called 'Arab democracy' cum 'regime change'. This ploy has alleviated the pressure on Israel to accommodate Palestinian nationalism. It has also provided additional cover for disrupting the status quo in the Organisation of Petroleum Exporting Countries (OPEC) by bringing Iraqi oil under the American sphere of influence while putting pressure on the House of Saud (which Osama Bin Laden would like to overthrow as well). Thus the defence of Israel has converged with a broader American strategy to lessen its dependence on Persian Gulf oil. In this way, accommodating Palestinian nationalism and placating Arab interests in the Middle East have been effectively delinked from the issue of US access to the region's petroleum reserves (although this placates Israel and the Israeli lobby). This objective has been reinforced by the promotion of non-OPEC oil exploration and production in Africa, and in the Russian/Caspian Basin/Central Asian geopolitical complex.

Although the Bush administration has stepped up its African oil diplomacy, the dictates of US–Russian rapprochement and the issue of Russia's stake in Iraq warrant a closer look at the latter's oil resources. Russian oil barons are reportedly eager to cultivate the US as a massive new market, thus helping to make

Alliance tank crews survey burning oil well heads in southern Iraq ... Iraqi oil reserves have assumed a central position in the global resource war. Picturenet Africa / Bruce Adams

the latter less vulnerable to instability in the Middle East. But, according to a Brookings Institution study by foreign policy studies fellow Fiona Hill, Russia cannot replace OPEC in the long term – it does not have the reserves or the production capacity. But it does have major natural gas resources; its gas fields stretch from western to eastern Siberia, and are particularly abundant in Central Asia.

Thus Russia is to natural gas what Saudi Arabia is to oil. It is already Europe's primary supplier. Over the next two decades it may well capture important gas markets in north east and south Asia. During the 1990s the US and Russia competed over oil transport routes from the Caspian Basin to western Europe and the world markets; while the US promoted the construction of pipelines across the Caucasus to Georgian and Turkish ports, Russia promoted the utilisation of its Black Sea ports. Now these two countries may also compete over the emerging markets of India and east Asia as well. But east Asia may also become Russia's primary niche market for oil. (East Asia currently depends more heavily on mid-east oil than any other region, and pays a heavy premium for this.)

Rival security networks

Since 11 September 2001 these competitive stakes have been raised by rival US and Russian anti-terrorist security networks in central Asia. These stakes extend to China as well, thereby injecting a level of ambivalence into relations between Russia and China on the one hand, and Russia and the US on the other. Placed on the back foot by US intervention in the region in pursuit of regime change in Afghanistan, Moscow has been struggling to retain its regional status via security and economic arrangements, including the CIS Collective Security Organisation and the Eurasian Economic Community. But US oil politics have generated additional pressures on Moscow.

The Russian president, Vladimir Putin, has been seen as caught between the conflicting demands of maintaining friendly relations with a US hell-bent on 'regime change' in Iraq, and Russia's booming economic interests in that country. The resulting dilemma is all the more excruciating because of projections that the current 'regime change' in Iraq will create a nightmare for Russia in economic terms. If Washington's main objective in Iraq is to bring the international oil price down to $13 a barrel, Russian oil producers, ports, and pipelines will be severely affected. Some analysts believe this only scratches the surface of the threat to the Russian economy, and the multiplier effect of a lower oil price would hit the Russian steel, pipe, and machine-building industries, and have a negative impact on the core of its economy. These projections have underlined an urgent political economy of Russian bargaining with the US over a strong UN security council resolution on Iraq.

The economic implications of Iraq for Russia was foreshadowed in the Baker report, which stated that '… Russia could lose from having sanctions eased on Iraq, because Russian companies now benefit from exclusive contracts and Iraqi export capacity is restrained, supporting the price of oil and raising the value of Russian oil exports. If sanctions covering Iraq's oil sector were eased and Iraq benefited from infrastructure improvements, Russia might lose its competitive position inside Iraq, and also oil prices might fall over time, hurting the Russian economy. These issues will have to be discussed in bilateral exchanges.'

Claimed behind-the-scenes negotiations between Washington and Moscow over Russian backing for the war against Iraq in exchange for a guarantee of Russian oil concessions in that country, or a matching indemnity, are seen as an inadequate response to the problems the Russian economy faces. A collapse in the oil price would make monthly Russian oil shipments to Texas uneconomic; moreover, Russia's oil reserves are limited. In the longer term, however, Fiona Hill suggests that 'as crises in the Middle East and concerns about pollution and global climate change increase, international attention will inevitably focus on Russia's vast reserves of cheaper, cleaner natural gas.' In the meantime, Russia has been reduced to sub-imperial status. Africa, then, becomes the next major theatre in the global resource war.

Middle Eastern calculations again enter the picture via the African Oil Policy Initiative Group (AOPIG). The AOPIG has emerged from the activities of an obscure Israeli-based think-tank called the Institute for Advanced Strategic and Political Studies (IASPS), which has a lobbying office in Washington, and has impacted significantly on US–Africa policy. Like Russia and the Caspian Basin, the African oil option is a consequence of 11 September. One of the beneficiaries of this attention, as a result of a convergence between the congressional black caucus and Christian fundamentalists, has been Sudan. Resolving the long-running conflict in this country has become one of the more important items on Bush's Africa agenda, as is supporting Pretoria's peace diplomacy in the resource-rich Great Lakes. The priority given to Sudan has also been seen as part of a wider US move toward rehabilitating Libya. In both instances, US interests are converging with pan-African interests in resolving long-standing conflicts in the service of African renewal – though the extent of Washington's commitment to a Sudan peace settlement that adequately accommodates southern Sudanese is unclear. However, the AOPIG is less focused on north and north-east Africa than on west Africa and the Gulf of Guinea in particular; its outlook is not unlike that of the Pentagon.

Top African producers

The US already buys 15 per cent of its oil from west Africa; according to the US National Intelligence Council, this is projected to increase to 25 per cent by 2015. Moreover, this increase will reflect an ascendancy of west African over north African oil. Currently, the top five African producers, ranked by output, are Nigeria, Angola, Libya, Algeria, and Egypt. By 2020 the line-up is projected to be Nigeria, Angola, Libya, Algeria, and Equatorial Guinea. Nigeria is the only non-Arab African member of OPEC – hence the targeting of this country by the IASPS/AOPIG lobby. Among other things, it has persuaded Nigerian officials to explore ways of doubling Nigerian oil exports to the US. Industry sources have reportedly claimed that leaving the OPEC cartel would be one probable option. Abuja has rejected this, and denied any such intentions.

While moves are clearly afoot to relieve the western world's oil dependency by focusing on sub-Saharan Africa and the Caspian region in central Asia, Africa may have an edge. Central Asia is seen as riddled with open and simmering conflicts linked to Islamist political aspirations in a way that Africa is not. None of the current and recent conflicts and tensions in west Africa have anti-American overtones, though tensions between Nigeria and Cameroon over the Bakassi Peninsula could potentially destabilise the Gulf of Guinea. Otherwise, American lobbies concerned with energy security – in many cases sympathetic to Israel – have concluded that sub-Saharan Africa offers the best source of crude and gas.

While moves are clearly afoot to relieve the western world's oil dependency by focusing on sub-Saharan Africa and the Caspian region in central Asia, Africa may have an edge

In the view of IASPS/AOPIG, a US–African oil alignment would be cemented if Washington declared the Gulf of Guinea to be 'an area of vital US interest'. This has been coupled with a proposal to create a new South Atlantic Military Command in order to allow the US Navy and armed forces to more easily project power to defend American interests and allies in west Africa. This is eerily reminiscent of the old South African apartheid regime's promotion of a South Atlantic Treaty Organisation (SATO), which was trumped by the anti-apartheid-inspired campaign to establish a Zone of Peace and Cooperation in the South Atlantic (ZPCSA). Hence the (unsuccessful) lobbying effort to persuade Nigeria to leave OPEC, coupled with a new focus on the Gulf of Guinea as a vital US national security priority.

The AOPIG initiative could therefore serve as a wake-up call to the African Union (AU) to begin contemplating a common African foreign as well as defence policy, or at least a broad pan-African security framework that safeguards the continent's non-alignment in a fluid geopolitical environment. This could start with the ZPCSA and its Indian Ocean counterpart serving as the bases for elaborating a 'zone of peace and security' doctrine for the entire continent. The aim would be to keep at arm's length a post-11 September security system devoted to extra-African security interests that may diverge from Africa's priorities and international alignments. As a corollary, a Pretoria–Brasilia–Abuja axis could consider persuading Washington to join the ZPCSA. As it is, the oil-motivated US security agenda is already gaining momentum at the prospect of that country establishing a naval base on the former Portuguese island colony of Sao Tome and Principe. As a small state with a territorial dispute of its own with Nigeria, Sao Tome and Principe feels a need for such a presence as a check on Nigeria's ambitions. This reinforces west African security concerns in the Gulf of Guinea, associated as it is with the re-emergence of the Cameroon-Nigerian dispute over the strategic, oil-rich Bakassi Peninsula.

The International Court of Justice decision favouring Cameroonian sovereignty over Bakassi is a major complicating factor, given the fact that the peninsula's inhabitants are mainly eastern Nigerians. Although the African Business Round Table is advocating the establishment of a bilateral commission to resolve this problem, it is not yet clear whether Cameroon and Nigeria have the political will to achieve a mutually acceptable accommodation. What is intriguing is that this dispute could provide just the opening Washington might be looking for to carve out a stabilising role for the US in the Gulf of Guinea. Were this to happen, it would augment American economic and security interests further south in the west/central African hinterland and particularly in the DRC, whose uranium deposits Washington wants to prevent from being used for nuclear weapons development in the 'axis of evil'.

In a broader context, an American west African/Gulf of Guinea energy strategy may not be unrelated to an evolving US economic strategy in southern Africa. This, in turn, could connect with a broader South Atlantic trade and energy strategy involving Latin America. These strategies would feature the Free Trade Area of the Americas (FTAA), and a similar agreement with South Africa and the Southern African Customs Union (SACU), by parlaying the African Growth and Opportunity Act (AGOA) into a free trade arrangement to counter South Africa's trade and development agreement with the European Union (EU). In the wake of the presidential victory of the Workers' Party in Brazil, the Latin American dimension of such a strategy may be in for a rough ride, given resistance to the FTAA elsewhere in the region. On the energy front, however, an Allende-like ouster of Hugo Chavez in Venezuela would probably do just fine in furthering the Baker report's call for a western hemisphere energy agreement. In fact, for the Bush administration, that might even be more important than the FTAA. And, in trans-Atlantic terms, this should enhance the strategic importance of the west African/Gulf of Guinea oil complex to the US. South Africa, meanwhile, has its own oil interests centred on Algeria, Gabon, and Nigeria in Africa, as well as Angola in the Southern African Development Community (SADC).

Nigerian women occupy an oil export terminal in south east Nigeria in support of demands for better living conditions ... code of conduct is needed for multinational oil companies operating in Africa. Picturenet Africa/Saurabh Das

According to MBendi's *Energy News,* South Africa is an important 'downstream' oil industry country, with significant refining and distilling capacity. The downstream industry in Africa comprises 44 refineries in 25 countries with a total distilling capacity of 3 000 000 barrels a day – 4 per cent of the world total. South Africa ranks third, behind Egypt and Algeria and just ahead of Nigeria, making up 15,6 per cent of the continent's downstream capacity. It is also one of the countries where oil exploration is taking place; in the southern African/Indian Ocean area, exploration is also taking place in Namibia and Madagascar. The expansion of oil and natural gas production in Africa should further increase pressure on OPEC which, except for Nigeria, is seen as an Arab club, and one that may not be suitable to represent sub-Saharan interests. These considerations tend to dovetail with US and western strategic interests in keeping Africa out of OPEC. Currently, the African Petroleum Producers Association represents both OPEC and non-OPEC African states.

The problem surrounding Africa's mineral and energy wealth is that little by way of a developmental dividend has accrued to African communities from partnerships between governments and western transnational corporations that exploit this wealth. For the most part, natural resource revenues have underwritten conflict and corruption throughout the continent. This reality presents a major challenge to the New Partnership for Africa's Development (NEPAD). It may require the evolution of NEPAD into differentiated partnerships in minerals and energy sectors aimed at transforming this situation. Instructive in this regard are recent comments by Human Rights Watch on the problems in Nigeria's oil delta. It has recommended that:

- Members of the Group of 8 (G8) industrialised countries should try to create a binding code of conduct for multinational oil companies with headquarters in the G8 countries or other EU member states. It should be based on initiatives to develop such codes within the UN, the US/UK Voluntary Principles on Security and Human Rights, and appropriate human rights standards. The G8 should require transnational corporations to publish all net taxes, fees, royalties, and other payments made to the Nigerian state.
- Oil companies should monitor the behaviour of both public law enforcement agencies and private security deployed at or near to oil facilities, and raise concerns privately and publicly with the appropriate authorities. They should also ensure credible third-party audits of payments of any kind given to community representatives.

This theme could be varied to help develop country-specific NEPAD frameworks in other African oil-producing states, such as post-conflict Angola and war-torn Sudan. This is where NEPAD's economic and corporate governance imperatives become especially crucial to Africa and non-African partners alike. However. the global resource war evolves elsewhere in the world, in Africa its domestication has become an urgent priority in the service of the continent's development. ■

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Dr John F E Ohiorhenuan

Dr John Ohiorhenuan is playing a key role in co-ordinating the developmental and other activities of the United Nations in South Africa. **Garth le Pere** interviewed him in Pretoria

John Ohiorhenuan assumed office as UNDP resident representative and UN resident co-ordinator in South Africa in September 2000. Prior to this, he held numerous senior positions at the UNDP's headquarters in New York, as well as in its Africa Bureau.

Before joining the UNDP, Ohiorhenuan was a professor of economics at the University of Ibadan in Nigeria, and a special adviser to the governor and director of planning of Lagos State.

Ohiorhenuan has written widely on development issues, and has served as editor in chief of the journal Cooperaton South. *He holds a honours degree in economics from the University of Ibadan, Nigeria and master's and doctorate degrees in economics from McMaster University in Canada.*

The role of the UNDP in South Africa is not well understood. Could you reflect on its purpose and mandate, and the focus of its work in this country?

The UNDP is relatively new in South Africa, which might account for its not being as well known as in other countries where it has had a longer presence. The UNDP sees itself as the global development network of the United Nations. It is important to frame it in those terms, because we are not a financial institution with large amounts of money. We basically use limited resources to help the countries where we work to find their own solutions through pilot projects which we support, drawing on international best practice.

The idea is to capitalise on the fact that we are on the ground in 166 countries. In the last three years the UNDP has tried to refocus and reposition itself as a knowledge organisation rather than a financial one. We now restrict ourselves to six practice areas: democratic governance and practice; HIV/AIDS; crisis prevention and recovery; poverty reduction; energy and environment; and information and communications technology for development. The challenge is to make sure that we have in-house expertise in these areas.

South Africa depends much less than other African countries on the UN or other international organisations for its development expenditure. We therefore try to focus on facilitating and catalysing the government's policy-making activities. Since many of the important policy questions in South Africa are more or less on track, our focus is to help the government to make its policies work. We basically work in three areas. One is HIV/AIDS, focusing particularly on the nexus between poverty and HIV/AIDS, where public health tends to be more of a social issue. What do we do about all those orphans? What do we do about the fact that the economy is suffering and will probably suffer much more unless certain kinds of policies are put in place? How do we get the community more involved?

The second important area has to do with supporting the government's integrated sustainable rural development strategy. The UNDP's concerns are mainly with capacity-building at the local government and community levels. Focusing on the strategy's implementation, we are trying to help build the capacities of municipalities so they can effectively play their role in the national governance system. This is actually quite simple: the capacity to develop projects, put systems in place, and get people involved. The third area has to do with environmental development. Here we focus on the mandate of the global environment facility on issues relating mainly to climate change, biodiversity, and water. In South Africa most of our work is in the latter two areas, working in the Western and Northern Cape.

Last year we set up a policy and strategy unit so as to be able to provide a solid analytical foundation for our support to government. For example, the national Human Development Report which we expect to release before mid-year is a comprehensive assessment of sustainable development post 1994.

In addition to that – because South Africa has a continental role and global aspirations – we try to work closely with national interlocutors on issues related to the African Union (AU) and the New Partnership for Africa's Development (NEPAD). We have launched a $3,5 million project to help the NEPAD secretariat in six priority areas which it has identified: setting up a technical support facility; launching a NEPAD advisory panel; developing a joint AU/NEPAD communication and popularisation strategy; strengthening democracy and good political governance; operationalising NEPAD with external partners; and promoting NEPAD millennium development goals (MDGs) at the country level.

What has the UNDP done to address the problems of development in Africa?

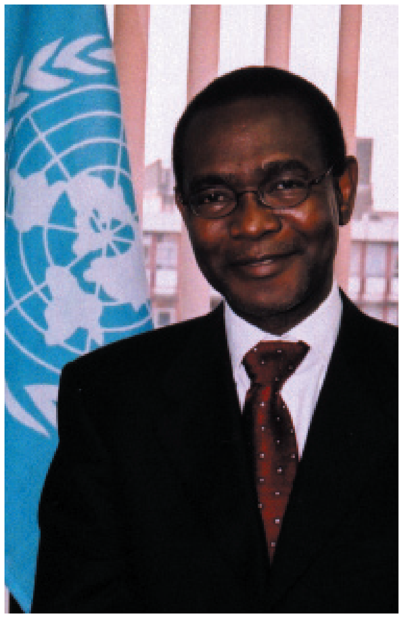
From a development agency perspective, there are probably three categories of countries in Africa: middle-income countries such as South Africa, Botswana, and Mauritius; low-income countries such as Tanzania, Malawi, and Burkina Faso; and countries in conflict such as the Congo, Liberia, and Sierra Leone. Our work in each of these places reflects the material conditions on the ground, although, broadly speaking, we focus everywhere on advocating good policies. Take, for example, the MDGs. This is not something the UN will do; it's something countries have to do.

In countries such as Mauritius and South Africa, we would probably keep a watching brief: how is the country making progress on education and health?

Are there areas where we might help them to do things a little better? In these kinds of countries we focus more on helping to secure international expertise of the highest calibre wherever it is needed. In many cases, our job is that of expertise procurement, advocating good practices, and bringing good ideas from other places to bear on policy-making. In those areas where we see a particular niche, we focus on issues of capacity-building. To use South Africa as an example, one of the continual challenges of policy is the inability of the state at all levels to spend money. It is not a question of an absence of resources, but the capacity to use it well. That represents a particular challenge for us here.

In least developed countries, we focus once again on the same broad issues of advocacy, capacity-building, access to best practices, but play a somewhat larger role. For example, we are part of an inter-agency team working on something called 'Capacity-building for trade', aimed at supporting the efforts of African countries to be better participants in the WTO process. Many national governments probably don't have the critical mass of expertise on a whole gamut of issues relating to trade, given the fact that trade has become a very large component of international relations. In addition to that, we also play a larger role in programme development. We mobilise for national programmes through what we call a round table – that is, using our convening power to bring donors around to discuss a strategic plan for the country concerned. Sometimes it's a large one; sometimes it is more sectorally focused. In Malawi, for instance, there was a recent round table on HIV/AIDS. How do we mobilise the resources we need to do something about it? It's actually helping to mobilise resources around the entire spectrum of the government's programmes.

In countries in crisis, or countries in transition such as Zimbabwe, we have a somewhat different role dictated by the realities on the ground. We take some pride in the legend that when we do have to leave a country, we turn off the lights, because we are generally the last to leave. Right now we are probably the only ones who have stuck it out in Zimbabwe. Also, while most international agencies have left Cote d'Ivoire, many



Dr John Ohiorhenuan ... UNDP's role in Africa is determined by conditions on the ground

UNDP people are still there. We see a need to help maintain a link with the world no matter how difficult things are on the ground. Also, there are situations like that in Zimbabwe where the trend is more and more towards humanitarian needs. The UNDP representative in Zimbabwe is also the humanitarian co-ordinator, working with other organisations to procure necessities and helping to manage the process of maintaining a minimum decency of life, because a lot of activities in countries in crisis revolve around that. And in Liberia and Sierra Leone, when things were really bad, we helped to maintain a small corps of government services by providing the incentives for nationals to stay involved.

What do you see as the positive attributes of Poverty Reduction Strategy Papers (PRSPs), and what are their drawbacks?

Every country must have a framework for its development process. In most of Africa, getting out of poverty has to be a development priority. While I am personally not in favour of defining development in such negative terms as 'getting out of something', I think it's a realistic position given where Africa is today. Poverty is so widespread that it makes everything else almost impossible, and therefore you need a focus on eliminating or minimising it. From that point of view, PRSPs as a framework that focuses processes on poverty eradication is an extremely useful tool. My concerns are about how the process actually happens on the ground. There are two specific concerns: one is that it is unduly driven by external agencies, although its validity was predicated on ownership by the country. There are so many intervening variables that make it difficult for such a programme to be put into operation.

The second, related, concern is that in many cases the PRSP process is divorced from national policy-making. That creates two kinds of problems. The first is that the people who occupy the normal policy hierarchy, and who are supposed to conduct normal policy processes, find themselves diverting some of their time to dealing with PRSPs, and this might not fit naturally into the way that they normally see things. The second is that because these processes are separate, you often get the feeling that people and countries involved with PRSPs are more concerned with the power of external money. This is the reason why there is often the perception that PRSPs are driven by the need to obtain this money. But precisely because it is driven by such need, and aid tends to be tied to particular kinds of programmes, the larger programmes coming out of normal policy processes, which are proceeding independently, are not properly integrated.

That is the most important aspect that we need to work on with PRSPs. Efforts should focus on building the normal bureaucratic capacities and the capacities of the state to manage development. No matter how desirable it is to have popular participation, we cannot abdicate from the leadership role of the state. It needs a certain capacity to do that. The way the PRSPs have proceeded have only tended to divert attention from these fundamental capacity-building needs.

Reforming institutions of global governance is close to the heart of South Africa's president. How realistic a project do you think that is, and if so, how should one go about it? Where are the points of entry so that developing countries can insert their voices into this reform movement?

This is one of those Catch-22 situations, because any institutional arrangement tends to be dominated by those who are powerful, and changing that will almost always mean giving up some power to the less powerful. The less developed countries have the problem of bargaining from a position of weakness as a result of conditions which prevailed before they became party to the system. Take the example of the UN security council. The fact that a small group of countries have veto power makes it very difficult to push the whole notion of democratic governance in the general assembly. Just one country, by virtue of being rich and powerful, can say 'no' when the rest of the world wants a 'yes'.

Many in the UN would agree that reform of the security council would be a good thing in terms of global governance. The same situation holds for different reasons in the World Trade Organisation (WTO), the World Bank, and the International Monetary Fund (IMF). In the Bretton Woods institutions, because of the 'one dollar-one-vote' formula, almost 50 per cent of the votes belong to seven countries. These of course are the kinds of issues that many developing countries find unacceptable.

In the long term we will get changes, but it will take hard work. There is always the danger that fatigue will set in; the feeling that you are just hitting your head against a wall. But it would be unfortunate if developing countries did not maintain the pressure, because, with the rapid changes in the global system, developing countries must ensure that their voices are heard if they are to achieve a reasonable degree of development.

Related to that, do you feel that the approaches to and institutional framework for South–South co-operation could form the basis for improving the voice of the South in this reform process? What needs to be done to strengthen this axis?

This is of great interest to me. I used to be director for South-South co-operation at the UNDP's head office in New York. This is an absolutely essential platform, because you can take advantage of your strength in numbers. For that to happen, you must have the capacity to speak with one voice. The real problem is that developing countries often focus a lot more on the things that divide them than the things that bind them. The G-77 is a classic example. It consists of a large number of countries, but there are often serious divisions, depending on the issue and the region. In the early days of the Non-Aligned Movement (NAM) and the G-77 there was a greater propensity for the group to talk as one. Now we have a situation where some of the middle-income countries feel their lot is better cast with the developed countries.

It is still possible, though, to find some base where, even if not on all issues, there is at least some give and take. We need to speak with one voice, and, given the rapid changes in global processes, the mechanisms that underpin South–South co-operation really need to be revised. It is very difficult to advance South–South co-operation on the basis of the generosity of the North. A lot of the work that is required for South–South co-operation doesn't involve a lot of money, but the transfer of expertise. On issues such as trade negotiations, India has some very strong capabilities, as do Brazil and South Africa. South Africa can lend an expert to Nigeria and Nigeria can lend an expert to Cote d'Ivoire without us having to worry about paying exorbitant consultancy fees. These are things that can be managed, and the countries involved need to think beyond market responses.

Given the rapid changes in global processes, the mechanisms that underpin South–South co-operation need to be revised

In the evolving negotiations in the WTO, it is much more important than ever to be able to speak with one voice. Whatever decisions are taken in the next few years in the Doha Development Round will be binding on all the countries of the WTO. But the experience of the past has always been that there are very few negotiators from Africa, and more than twice that number from one country such as Japan. Africans do not have the capacity and do not use their development capacity as effectively and efficiently as they should.

What are the key challenges facing the AU and NEPAD? Are they really coming to grips with the institutional deficits that crippled the Organisation of African Unity (OAU)? In what sense do you see an institutional change in respect of promoting the idea of making this an African century? And what is the role of the UNDP in supporting these structures and processes?

It is easy to be critical of NEPAD. Some maintain that it is the brainchild of a few African leaders, who are talking more to external actors than to the masses of the African population. To an extent some of those criticisms are valid. But it is important not to throw out the baby with the bathwater. How ever it originated, there are some fundamentally positive ideas in NEPAD's aspirations, and the challenge is to focus on these. I mentioned earlier that one of our weaknesses vis-à-vis the WTO is the fact that we simply do not have this capacity to marshal our resources effectively. There is no reason why a programme such as NEPAD cannot focus on being the anchor for marshalling these resources to develop African positions which are useful for the continent. It can formulate mechanisms that it would use to promote those positions in an international forum such as the WTO.

Another issue is that of debt. There have been many campaigns to reduce Africa's debt. The debt stock makes up almost three quarters of Africa's GDP, and this is unsustainable. Something needs to be done about this beyond the usual debt-restructuring exercises. International organisations such as Jubilee 2000 are campaigning for debt cancellation, but we need an Africa-led campaign which is as robust. These examples are more externally focused, but what about the internal dimension? One of the areas that has been most heavily criticised in NEPAD is the idea of a peer review mechanism. If you want to have a peer review mechanism which simply says you are doing things well, or exists merely to please an external partner, there is something wrong with that. But there is something to be said for just being a good neighbour. There is really no reason why one should require American or British intervention for African countries to commit themselves to basic elements of good governance.

I am not necessarily promoting parliamentary democracy in the western sense. The parameters of good governance are things that we can agree on. It is not obligatory for us to accept the variables determined for us from outside. They may turn out to be appropriate, but the important thing is for us to look at ourselves and determine what is it that we need to do to make these feasible. A relatively new AU position holds that no government that takes power via a coup will be welcomed. Now this is the same idea that's involved in the peer review mechanism. I don't believe that we should remain silent when any government shoots its citizens or tramples on their human rights simply because it's an African government. Much as we should be supporting each other as African governments in the spirit of working together, the essence of being good friends or family is to be able to say, 'this is unacceptable.'

Perhaps we need to divorce the peer review mechanism from the need to report to an external partner. It can be an entirely internal business. Where the AU aims to go is in fact where the rest of the world is going. Our problem in the past has been that we have not put enough effort into building the edifices from the ground up. We have all the studies and the articles of faith, but the real institutional mechanisms are not there. With the AU, there are two concerns. If it is a club that is inclusive of all African countries, each country must make an effective minimum commitment. That is, pay your dues. If you don't do that, the AU will end up with the situation where, having inherited all the OAU's debts, it will have to go begging to countries of the North to support its initiatives.

But the full and unequivocal commitment of all members goes beyond the paying of dues. There is the tendency to hide behind national autonomy. Many countries in Africa are still not committed to the idea of African union. It's a question of political will, and unfortunately, because the AU is inclusive by definition, it doesn't have the leverage that the EU has of saying: 'These are the rules of the club. If you are willing to abide by these rules, we will consider your membership.' We have already included everybody in the club, and now we are trying to devise rules of membership. That's a challenge. But Africa as a continent, from both the political and economic perspectives, does not have an alternative to being part of the global economy.

Could you say something about the UNDP's visionary report on 'deepening democracy in the fragmented world'? What is the thrust of that report, and how do its findings apply to Africa?

That report was concerned with two things. One, simply to look at the balance sheet of progress and the lack of it across the whole range of issues related to governance and democracy. It is particularly useful that its definition was not restricted to just the political; it also addressed issues of economic justice, human security, and human rights. Over the last 20, 30, or 50 years, since we started really talking about development, a lot of progress has been made, but a lot more needs to be done. This document was particularly strong in pointing out that whereas progress has been made in moving towards democracy, in many cases that progress is more apparent than real. It actually had the courage to name a few countries that would have us believe they are democracies, but by all objective indices are not. Simply having had an election is not democracy.

As a development practitioner, the second critical issue to ponder is the possibility of a correlation between authoritarianism and development. That argument has been used particularly by authoritarian governments, citing, for example, South Korea 40 years ago. However, if we look at the African reality, the three or four countries that have done well in development terms have not been authoritarian. Botswana, Mauritius, and South Africa are cases in point. While it is clear that there is no necessary correlation between development and democracy, it is important not to use the need for development as an excuse to trample on peoples' rights and be undemocratic. That was the strongest message of the report.

Africa, from both the political and economic perspectives, does not have an alternative to being part of the global economy

African culture is by nature anti-authoritarian. This is why authoritarian regimes have not been successful, because people have embarked on passive resistance, but resistance all the same. That was the Nigerian experience. That was the experience in countries such as the Congo. From that point of view, that would be one message I would emphasise, because it confronts the fundamental excuse that African leaders have used in the past to trample on the rights of their own people.

Could you say something about the genesis of the UN's MDGs? And how do you see them unfolding – will the benchmarks set in this project be met, and what do you see as the challenges?

I am worried about the implication that the MDGs somehow belong to the UN. I am saying that not because the UN is not at the centre of it, but because the MDGs actually represent goals of member states. The UN provided the occasion and the setting for the MDGs to have been adopted. These goals did not suddently arrive in 2000. They represent the coming together of a global consensus on several issues over the last ten years, many of those being products of UN conferences on gender, education, food security, and the environment. There was the very important social summit in Stockholm in 1995, and the five-year review of that summit provided the occasion for UN member states to agree to pull together the various threads of what development ought to mean.

That's how the MDGs emerged. Data was collated and codified. At the general assembly meeting at which that process of codification took place, there was also an attempt to set time-bound targets. It's all very well and good to say that there must be free education, but if it's open-ended it is easy to claim that we are making progress towards it. But if we set a goal such as halving poverty by 2015, it's a visible target.

Now, the role of the UN here is one of advocacy to keep reminding member states of their commitment. That is why there is this requirement for countries to report on progress. In addition to that, our role is to try and help countries with identifying what constitutes progress towards the MDGs and, wherever possible, to marshal the necessary resources, and help procure the knowledge for that to happen.

Besides this concern about the global consensus nature of the MDGs, if the target of the MDGs can be achieved in any single country, it will mean remarkable progress in 20 years. That is the rationale and real force of the MDGs. The administrator of the UNDP has been assigned the task of being the score-keeper, and in that role the important task is to be able to assess progress.

In South Africa we find that our job is both a little easier and a little more difficult in terms of score-keeping. It is easier because, for political and policy purposes, the government has already embarked on its own ten-year review, and fortunately we are working closely with different departments in support of this review. It means that they are asking the same questions, and it is important for us to support their efforts in terms of what indicators to examine. But it is also a little more difficult, because a country such as South Africa must do more than the minimum in meeting the indicators of the MDGs. That's an additional challenge for the country, and an additional challenge for those who support it.

If South Africa can do better than halving poverty, why not? It also probably has the capacity in terms of better water, electricity, and service delivery. But there are other countries where progress is much slower, and to that extent much of the efforts of the UN agencies in those countries go towards mobilising some of the resources. There are cases where the government budget is so small that there is no point in talking about meeting the targets unless additional resources can be raised to build schools and train teachers. The challenges vary, but the idea is to keep doing whatever is necessary in each country. It is to hold each country to account, and to say, 'Where's your commitment? Are you moving in the right direction?'

What are your views on the World Summit on Sustainable Development (WSSD)? To what extent do you think it was a success, however you want to define success, and do its outcomes stand to benefit Africa?

There are two levels at which one can talk about success. I will take the easy one first. Logistically, the summit was an outstanding success, and I think South Africa can be justifiably proud. In our work here I had as one of my technical advisers a colleague who was resident representative in Rio at the time of the original summit in 1992. He was really amazed at the comparative state of preparedness and the seriousness that attended the process in South Africa. At that level, there is no doubt that the WSSD was a great success.

Substantively, I also think it was a success, but in all honesty I need to qualify this a bit more because it did not meet the kinds of expectations that some people had. For some reason there were high expectations from certain quarters that it was going to be a forum for mobilising vast new sums of money. From the point of view of an insider who has been following UN processes, this was an unrealistic expectation. Just a few months before the WSSD, there was another conference on financing for development in Monterey, Mexico, which elicited significant additional development resources.

One of the successes of the WSSD was to restore the social, economic, and poverty dimensions to what would otherwise have been a narrow environmental focus

So additional financing could not be a realistic expectation for the WSSD. What we were hoping for was a greater focus on some of the ideas that are both reflected in the MDGs, and represent the promise of Rio ten years ago. Sustainable development in many ways manifests itself as the availability of water and energy to people, providing food security, and so on. One of the successes of this summit was to restore the social, economic, and poverty dimensions to what would otherwise have been a narrow environment-focused summit. So, given that sense of balance, it was an extremely positive development.

Also, the WSSD did succeed in securing additional financing based on the rather noble concept of partnership. These are the so-called type 2 partnerships. A lot of effort went into bringing together a few willing countries, agencies, the private sector, and civil society to work on specific issues such as forests and water. This unlocked additional resources, and that's one area which produced real results. So, overall, from the point of view of the substantive, and in terms of the perspective that sustainable development is not just about the environment but ultimately about people and their removal from poverty, and also in terms of having mobilised additional resources, the WSSD was a success.

Finally, could you reflect on your country's experience in its transition from an authoritarian past to democracy? What has Nigeria taught Africa about issues of governance, nation-building, political development, institutional management, and political accommodation?

Our experience in Nigeria with authoritarianism has not been very good. In fact, it has been awful, so much so that by 1999, when the new democracy was ushered in, people were absolutely fed up with military rule. That in itself is a very good thing, because it is going to make it extremely difficult to justify future arbitrary changes of government. But, beyond that, before independence in 1960 our experience with democracy was still rather limited, and those tensions are becoming more and more manifest. When it comes to the normal separation of powers between the executive and the judiciary, and the judiciary and the legislature, we have the form at both the federal, the state and the local level, but the dynamics are not fully worked out yet.

I have a concern that things might get a little worse before they get better. I use as an example the recent acrimonious debate between president Obasanjo and the legislature over his impeachment. To the extent that the process of impeachment followed the constitutionally agreed procedures, it was good for the future of democracy. But to the extent that they were trying to get rid of a president who was not really bad, that represents a worrisome tendency. What does one do in such a situation?

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SA needs to strike a balance between poverty and the environment

While South Africa has acted in good faith to begin implementing major multilateral environmental agreements, much remains to be done, writes **Russell Hawkins**

ONE of the most serious problems facing South Africa is how to strike a balance between alleviating poverty and protecting the environment. This country is blessed with substantial natural resources. However, the 21st century is presenting it with challenges and opportunities which will require the government to develop and implement sustainable development programmes that focus on basic human needs while protecting the environment. Providing enough food, water, and clean air, protecting biodiversity, and achieving sustainable development is crucial to national poverty alleviation efforts.

South Africa has signed 17 multilateral environmental agreements (MEAs) designed to promote international, regional, and national support for the development of sustainable environmental policies and programmes. Three of these, stemming from the Earth Summit of 1992, and addressing issues related to biological diversity, climate change, and desertification, are particularly important to this country. By signing these accords, South Africa agreed to develop strategies, policies, and programmes to achieve their objectives.

Causes of poverty

If the lives of millions of South Africans are to be improved, the fundamental causes of poverty must be understood. These include a lack of employment, historically enforced segregation and discrimination, and visible increases in the cost of living without concomitant wage increases – to name but a few. Colonial and apartheid South African governments largely focused on the needs of the white minority. The new government, by contrast, has embarked upon a number of national initiatives to alleviate poverty, including the reconstruction and development programme (RDP), the growth, employment, and redistribution programme (GEAR), and the integrated sustainable rural development strategy (ISRDS). Most national initiatives have focused on globalisation, unemployment, and the alleviation of rural and urban poverty. Another important national government initiative has been to devolve the delivery of basic services such as water, electricity, and education to other spheres of governance, particularly local government.

Historically, most South Africans have been alienated from environmental policy and decision-making processes. This has played an important role in unsustainable development and environmental degradation. Under previous South African governments, black South Africans were often forced from their ancestral lands into townships and 'homelands' to make way for game parks. In those townships and homelands, millions of black South Africans were left without basic services such as clean water, shelter, and food. Game parks were considered more important than the welfare of people. Consequently, many black South Africans are ambivalent about environmental issues.

Agricultural development is another important example of the historical denial of participation by black South Africans. Much of the best agricultural land was provided to white farmers with little, if any, concern for black South Africans other than as a source of cheap labour. From a perspective of sustainable productivity, most South African soil is unstable, and its carrying capacity is diminishing.

Most South African urban areas include extensive informal settlements, crowded with people from rural areas in South Africa and from other African countries. The influx into urban areas has resulted in urban population growth rates of up to 9 per cent a year. Each year, up to 16 000 hectares of farmland are lost to urban development. Low-density urban sprawl and the rapid growth of informal settlements have contributed to increased competition between urban land users for diminishing space and resources.

Unemployment is one of South Africa's most serious challenges. The government has embarked upon several job creation initiatives and national poverty relief programmes, managed by various national departments. The department of social services manages the national poverty relief programme, which is funded with a special allocation from the poverty relief, infrastructure and job creation fund of the national treasury. This programme is aimed at assisting communities with development projects. A special emphasis is placed on rural community development – 72 per cent of the projects under the programme are located in such areas. Other initiatives include legislation to support job creation in the mining sector; the Working for Water programme to remove alien vegetation from land; a sustainable agricultural development programme to support the commercialisation of small black farmers and emerging agribusinesses; community-based activities focusing on tourism; and programmes to support small and mid-sized commercial enterprises. These programmes have created thousands of jobs for South Africans.

The bill of rights in the constitution grants all South Africans the right to an 'environment that is not harmful to their health and well-being', and the right to 'ecologically sustainable development'. South Africa has introduced environmental legislation to protect its environmental resources and support international environmental accords on biodiversity, climate change, and desertification. The legislation also supports air and water pollution controls, waste management, and environmental planning. Legislative initiatives include the National Environmental Management Act of 1998, the National Water Act of 1998, the white paper on integrated pollution and waste management of 2000, and the white paper on coastal management of 2000. South African environmental legislation encourages public participation in the design, development, and implementation of policy and programmes. In addition, interdepartmental co-operation is widely encouraged.

Multilateral environmental agreements

South Africa has signed three MEAs that promote sustainable development, poverty alleviation, and the protection of the environment. They are the Convention on Biological Diversity of 1992, the UN Framework Convention on Climate Change of 1994, and the Convention to Combat Desertification of 1994. The goals of the Convention on Biological Diversity are to conserve biodiversity, promote the sustainable use of the components of biodiversity, and share the benefits of genetic resources in an equitable way. The goal of the UN Convention to Combat Desertification is to develop a global strategy for addressing the degradation of land and arid, semi-arid and dry sub-areas resulting from human activities. The goal of the UN Framework on Global Climate Change is to improve the understanding of the economic and social consequences of atmospheric changes and of mitigation and response measures addressing such changes.

South Africa has responded in part to these three MEAs. With regard to the Convention on Biological Diversity, South Africa was the first country to produce state-of-environment reports on all three spheres of governance. Several larger municipalities have incorporated Agenda 21 and Local Agenda 21 principles into their developmental planning and programming practices. Specific Local Agenda 21 steps include community-based issue analysis; establishing partnerships; action planning, implementation and monitoring; and evaluation and feedback.

In response to the UN Framework Convention on Climate Change, South Africa produced a country study on climate change. The study revealed some disturbing trends: higher temperatures, a decrease in summer rainfall, an increase in the incidence of malaria, decreasing crops, and a loss of biodiversity. South Africa has phased out the use of certain substances with harmful effects on the environment, but others need still to be removed.

South Africa's effort to implement the UN Convention to Combat Desertification includes co-ordinating its technical and scientific acitivities with those of other African states. The ISRDS is also designed to promote sustainable land use practices. At the provincial level, the Northern Cape, for example, is developing an action programme to combat desertification. This pilot project is expected to become the foundation for a national action programme.

As a signatory to international conventions, South Africa is expected to abide by all their requirements. This means that South Africa must develop policies, strategies, national action plans, and implementation plans to ensure that its obligations are met. The South African government seems to have made efforts in good faith to implement these MEAs. However, there is still much that South Africa can and should do to implement international environmental accords, including:

Shacks on the banks of the Jukskei River in Alexandra, Johannesburg ... fast-growing urban populations are placing great pressure on the environment. Picturenet Africa/Lucky Morajane

- *Deracialising the environment.* To a large extent, environmental issues are still the domain of white South Africans. Despite the transformation that is taking place in government agencies with key environmental responsibilities, many black South Africans still feel alienated from environmental issues such as biodiversity, climate change, and sustainable development. A concerted and sustained effort must be made by all spheres of governance to educate the public about environmental issues. This effort must be carried out in partnership with the NGO community and the private sector.
- *Enhancing the role of non-government organisations (NGOs).* NGOs have helped to keep environmental agenda in the political arena. Pressure from South African NGOs has, for example, led to the promotion of community-based ecotourism as a management tool for provincial, national, and transboundary ecological reserves. NGOs have played a crucial 'watchdog' role regarding suspect initiatives proposed by the government and private interests in the name of development. NGOs are best placed to hold the government accountable for the implementation of national environmental legislation and multilateral environmental agreements, and are often the best resourced to perform this important task.
- *Increasing public awareness.* As members of the public become more educated about environmental issues, they will

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Machakos process offers unique chance of securing peace in Sudan

The Machakos peace process is the best hope for a resolution of Sudan's 19-year civil war. **Eric Reeves** argues that its chair, General Lazaro Sumbeiywo, needs solid international support if he is to deal with the southern rebels and a fractured, truce-breaking state

WHILE still fraught with dangers and pitfalls, the long and tortured Sudanese peace process, conducted for several years under the auspices of the Intergovernmental Authority for Development (IGAD), is showing crucial signs of possible success. Held in Machakos, Kenya, the talks are guided by the Kenyan chair of the IGAD peace secretariat for Sudan, General Lazaro Sumbeiywo. Sumbeiywo replaced the ineffectual Daniel Mboya in 2001, and brought to the job important political support from the then Kenyan president, Daniel Arap Moi. Since Kenya's elections in December 2002, which ended Moi's rule and brought Mwai Kibaki to power, Sumbeiywo may now be replaced – which would be highly unfortunate, given his skill, determination, and clear understanding of the peace process and its difficulties.

Sumbeiywo was, by all accounts, the driving force behind the extraordinary breakthrough at Machakos on 20 July (embodied in the Machakos Protocol). This breakthrough took the form of an agreement between the government of Sudan (GOS) and the Sudan People's Liberation Movement/Army (SPLM/A) on the enormously contentious issue of a self-determination referendum for southern Sudan. The referendum is due to be held six and a half years after a final peace settlement is concluded.

The self-determination issue was widely regarded as one of the most difficult, and thus likely to be deferred until the end of the talks. That agreement was secured so early in the process is testimony both to the support of members of the IGAD Partners Forum (chiefly the US, Norway, the UK, and Italy) as well as Sumbeiywo's relentless determination not to allow the parties to walk away from the peace process without being held accountable for the collapse that would have ensued.

Also part of the Machakos Protocol is an important agreement on shari'a, or Islamic laws. It frees the largely non-Muslim south from governance on this legal basis, even as it permits legislation in northern Sudan, which is largely Muslim, to draw upon the shari'a tradition. The consequences for the more than 2 million southerners living in the north, largely as internally displaced persons in the areas around Khartoum, are unclear.

Military situation

Despite this very significant achievement, the road to peace is hardly secure. Not only do numerous highly contentious issues remain, but the military situation on the ground in Sudan constantly threatens to undermine further progress. On 1 September 2002 the GOS angrily broke off peace talks following the SPLA capture of the strategically important town of Torit in Eastern Equatoria. (No truce or ceasefire was in effect at the time, and the GOS had conducted major offensives in other parts of the country, notably the oil regions of Western Upper Nile.) The GOS eventually recaptured Torit on 8 October 2002, with the US state department evidently signalling to Khartoum that it was willing to countenance the recapture as a means of inducing the GOS to resume talks at Machakos.

But with the fall of Torit imminent, the SPLA and the National Democratic Alliance (an umbrella for northern opposition groups, as well as the SPLM/A) struck in the north east of the country, around Kassala. On 2-5 October several government garrison towns fell, and the military situation threatened to derail the peace talks entirely. On 15 October Sumbeiywo, again strongly supported by the Partners' Forum, finally secured an agreement by both sides to cease offensive military actions. This agreement was anticipated by a proposal from the SPLM/A on 23 September, but was refused by the GOS because Torit had not yet been recaptured.

The GOS flagrantly violated the truce on 17 October 2002, minutes after it was to have taken effect. An ineffectual but still significant offensive was mounted against SPLA/NDA positions around Kassala. Sumbeiywo protested strenuously against the implications of this attack for the Machakos process. On 17 October he told Reuters: 'I have confirmed through independent means that the government [of Sudan] did indeed break the truce. I am terribly frustrated by this action. Any further fighting which could lead to the loss of a town could jeopardize the talks. It is pointless to sign a contract and then you fail to commit to it.'

From 29 October onwards, GOS military assets were being redeployed to the Kassala area, and a major offensive was expected. The GOS claimed first that Eritrean soldiers were involved in the military actions in the east (a claim belied by reports from independent foreign journalists in the area who could find no evidence of an Eritrean presence), and subsequently that the truce agreement did not apply to northern Sudan. Since the language of the truce agreement is explicit – referring to a 'cessation of hostilities in all areas of the Sudan' – the further violation that seems imminent could hardly be more threatening to the Machakos process.

Should this occur, Sumbeiywo would need immediate and public diplomatic support for his condemnation of violations of the truce agreement, and his unenviable task of trying to pick up the pieces. The threat of spiralling military activity will make peace negotiations extremely difficult. The SPLM/A will inevitably conclude, as Sumbeiywo has, that 'it is pointless to sign a contract and then fail to commit yourself to it'.

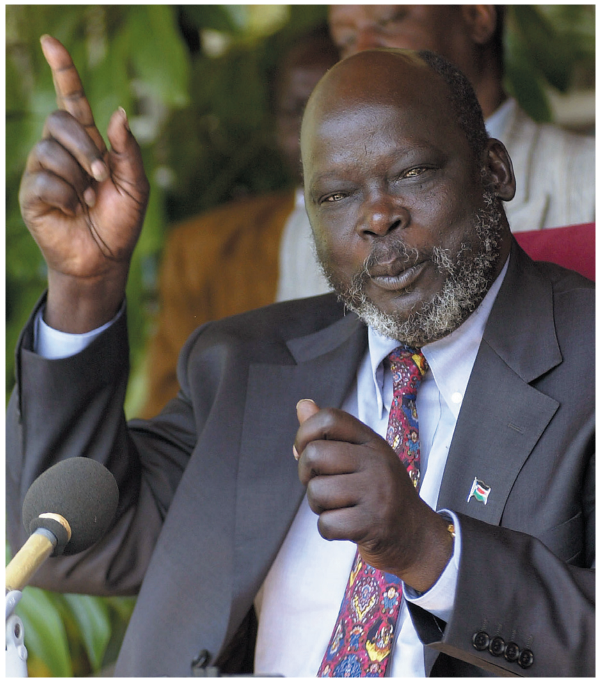
The lesson for the diplomatic community is that Machakos can only be as successful as the international guarantees and guarantors built into a final peace agreement.

At Machakos itself, good progress continues to be made. This is especially true of negotiations on sharing revenue from oil production (largely based in southern Sudan), and interim governance arrangements. The two most difficult and complex remaining issues are geographical and military in nature.

Three areas included in northern Sudan at independence in 1956 are nonetheless militarily, culturally, and politically allied with the south. These are the Nuba Mountains (southern Kordofan), Abyei (an area of the Ngok Dinka, also in southern Kordofan), and the Blue Nile Province. Each presents particular challenges. The GOS is determined to keep them under northern control, both politically and militarily. However, having supported the southern cause, especially that of self-determination, for so long, the SPLM/A seems just as determined to see that these territories are not abandoned in the peace process. It is doubtful that peace can be secured if it fails to recognise the special status of these areas.

Delicate course

Military redeployment is likely to be the single most difficult issue in concluding an agreement. The SPLM/A will insist that GOS forces redeploy to the north, and that SPLA forces take control of the major southern garrison towns (for example, Juba, Wau, and Torit). The GOS will begin by demanding that the SPLA disband or be integrated into a national armed force. Given the bitter experience of southerners following the Addis Ababa peace agreement of 1972 (which entailed precisely such an incorporation of southern forces into a northern-dominated army), this will be an unacceptable outcome. Mediators and third-party negotiators will have to steer a delicate course between simply severing the country between the two (military) powers represented at Machakos and avoiding what southerners, from all constituencies, would regard as a betrayal were Khartoum to retain military control of the south. Notably, a recent conference of northern and southern civil society groups meeting in Entebbe, Uganda, recommended that the armies should not be integrated. This is a clear recognition that the surest guarantee of the peace process, and any peace agreement, is a strong independent army in southern Sudan.



The Sudanese rebel leader John Garang speaks to the media after a breakdown in the Machakos talks ... despite setbacks, a settlement seems possible. Picturenet Africa/Khalil Senosi

The prospects for success at Machakos depend upon the commitment of the international community in the short term. It is imperative that Sumbeiywo and the IGAD process receive full, decisive, and very public support in these exceedingly difficult circumstances. Sumbeiywo must be encouraged to make it clear to both parties that, should he conclude that either is responsible for the collapse of the Machakos process, he will render his judgment in a fully public fashion.

The GOS appears dangerously fractured at present, and it is not at all clear that president Omar Bashir has the political support for a comprehensive peace agreement. Such an agreement would inevitably begin a process of political reform and democratisation that would ultimately threaten the National Congress Party (formerly the National Islamic Front) and its control of all military and political power in the north. There are clear signs of serious tensions between Bashir and his chief negotiator (Ghazi Salah aldin Atabani) on the one hand, and first vice-president Ali Osman Taha and foreign minister Mustafa Ismail on the other. The loyalty of the army, on which Bashir relies, seems very much in doubt.

This fractured state of the regime makes pressuring Khartoum difficult, as there is no single or unified authority to pressure. Still, it should be clear from the government's long history of dishonouring and reneging upon negotiated agreements that only sustained multilateral pressure can encourage the regime to engage in good faith with its opponents at Machakos.

Prospects for peace will be enhanced if the SPLM/A engages in meaningful consultations with both the National Democratic Alliance and southern civil society groups. The talks are presently being conducted, out of necessity, by the warring parties. But the many and various voices of the south must be heard if a peace agreement is to be generally owned by these long-suffering people. The voices of the northern opposition are also important for the long-term political viability of a negotiated settlement.

The near future may well hold the key to success or failure in the 19-year pursuit of peace in Sudan. It is incumbent upon all with influence with either of the warring parties to support the Machakos process – probably a unique negotiating opportunity – and to make as clear as possible the rewards of peace. ■

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Urgent strategy needed to combat poverty in SADC

Despite recent improvements in economic growth rates, many people in SADC countries are still very poor. **Prega Ramsamy** reviews the situation, and argues in favour of an urgent regional poverty reduction strategy

AS the Southern African Development Community (SADC) enters the new millennium, it continues to be confronted by complex and daunting human development challenges. About 76 million people – or 40 per cent of the region's population – live in extreme poverty as reflected by poor social indicators such as high levels of malnutrition, illiteracy, unemployment, underemployment, declining life expectancy, and unsatisfactory access to the basic services and infrastructure needed to sustain basic human capacities. The region has the highest proportion of people subsisting on less than US$1 a day in the world. Pockets of civil strife and wars in a few member states, trade in illicit drugs, and the HIV/AIDS pandemic further compound the problem of poverty.

Yet there is also great potential and opportunity in the region to address these challenges. It is richly endowed with human, natural, agricultural, and mineral resources. With a population of about 190 million people, and a combined gross domestic product (GDP) of US$176 billion, SADC remains one of the largest unexploited markets in the world. With sound macroeconomic fundamentals, and with relatively good infrastructure in place, the region has created some of the prerequisites for high and sustained economic growth.

Having deepened and accelerated its integration agenda, in order to become a vibrant economic and political bloc, and a key player in the world economic arena, the region is increasingly enhancing its capacity to minimise the risks of globalisation and to take advantage of the opportunities it presents in order to deal effectively with the pervasive problems of poverty. Furthermore, there is continued political will and commitment in the region to work collectively to ensure the realisation of the ultimate goals of the integration process: to systematically tackle the problem of poverty, to improve the standard and quality of life of people in southern Africa, and to support the socially disadvantaged.

The concept of poverty used in this article conforms to the definition adopted at the World Social Summit held in Copenhagen in 1995, whose commitments were supported by SADC member states, and endorsed by key multilateral development agencies such as the UNDP and the World Bank. It refers to income poverty (a lack of income to provide basic food and non-food needs – often called extreme poverty and overall poverty respectively), and human poverty (a lack of services such as education, health, clean water, sanitation, and energy).

Table 1: Economic growth rates in the SADC region

Country	*Average annual growth rates*		
	1991-4	1995-8	1991-8
Angola	-7,0	7,9	0,5
Botswana	3,7	6,4	5,0
Congo DR	-9,0	-3,0	-6,0
Lesotho	5,1	4,2	4,7
Malawi	0,2	8,5	4,3
Mauritius	5,4	5,7	5,5
Mozambique	7,0	8,3	7,6
Namibia	5,1	2,7	3,9
Seychelles	3,7	2,8	3,3
South Africa	0,2	2,1	2,3
Swaziland	2,7	3,3	3,0
Tanzania	3,2	3,7	3,4
Zambia	0,2	1,4	1,6
Zimbabwe	0,9	2,4	3,3
SADC	1,5	4,0	3,0

Source: SADC Finance and Investment Sector Report

Major contributing factors

SADC member states made firm commitments to eradicate extreme poverty and substantially reduce overall poverty at the 1995 World Social Summit. To this end, they have put in place various policies, measures, and strategies. Policy frameworks already in place include economic and civil service reforms, the broadening of democratisation processes, and the promotion of good governance and increased accountability. As a result, most member states registered positive growth rates during the past few years. At the regional level, an average annual economic growth rate of 3 per cent was recorded. Some member states such as Botswana, Mauritius and Mozambique recorded average annual growth rates above 5 per cent, while the majority recorded average annual growth rates below 4 per cent, as reflected in table 1.

However, the pace, consistency, and level of real economic growth in the region continue to lag behind the growth of its population, estimated at an annual rate of 3,5 per cent. The United Nations Economic Commission for Africa (UNECA) has further estimated that the region requires GDP growth of 6,2 per cent, through a level of investment to the tune of 38 per cent of GDP, to reduce poverty by half by the year 2015. Various measures adopted thus far have not yielded the required impact.

Consequently, many people in most SADC member states still live below the poverty datum line (PDL). For example, a study on poverty and poverty alleviation in Botswana conducted in 1997 revealed that, despite major economic gains and massive investments in the social, economic and infrastructure sectors, 47 per cent of the population lived below the PDL. In Mozambique, a country that recorded 6,2 per cent of GDP growth in 1999, the figure was 69 per cent, while in South Africa, one of the countries with the highest GDP per capita in the SADC region, the proportion stood at 44 per cent. The figure was much higher for Zambia, at about 70 per cent below the PDL.

Key indicators of human development, such as life expectancy at birth and the adult literacy rate, also remain unsatisfactory. A policy study for the employment and labour sector (ELS) undertaken in 2000 revealed that average life expectancy and literacy rates in the region currently stood at about 52 years and 70 per cent respectively. These levels are inadequate when compared to the Social Summit targets of 60 years for life expectancy by 2000, and the reduction of adult illiteracy by 50 per cent by 2000. When the impact of the HIV/AIDS pandemic is taken into account, a drastic decrease of about 10 years in life expectancy in some member states is projected. Available statistics show that as many as one in every five people is HIV-positive. At least four member states have rates higher than 400 per 100 000 members of their populations.

Even countries such as Botswana and Mozambique, which have attained the required levels of economic growth, continue to record high poverty prevalence rates

It is interesting to note from the economic and social indicators that even countries such as Botswana and Mozambique, which have attained the required levels of economic growth, continue to record high poverty prevalence rates. This seems to suggest that the nature and distribution of the benefits of growth have a significant impact on levels of poverty. As the former managing director of the International Monetary Fund (IMF) noted in his last statement at the United Nations Conference on Trade and Development (UNCTAD) conference in Bangkok in 2000, 'it is not enough to increase the size of the cake; the way it is shared is deeply relevant to the dynamism of development and to reducing poverty'.

Narrow economic base

Findings from the ELS policy study referred to earlier seem to support the above observation. This study noted that while agriculture accounted for more than 60 per cent of the labour force in all of SADC's sectors, its contribution to GDP was less than 10 per cent. On the other hand, industry and services, with about 30 per cent of the labour force, accounted for about 90 per cent of GDP. With such a narrow economic base, individual economies of most member states are not internationally viable and competitive, as they are not in a position to enjoy the required economies of scale and effectively deal with constraints to international economic competitiveness. These constraints include uncompetitive industries, small markets, inadequate infrastructure, underdeveloped financial and capital markets, and a lack of modern technology and skilled personnel.

Although SADC has made progress with its integration agenda, a lot more needs to be done, particularly with regard to speeding up the implementation of protocols designed to help remove some of the identified development constraints. Various factors have contributed to delays in the implementation process. These include a fear of loss of revenues or employment opportunities in countries with protected industries and production structures. This is also related to their concerns that their fragile economies would be dominated and marginalised by stronger ones, that they would therefore not benefit from integration.

A lack of institutional capacity at both the national and regional levels has exacerbated these structural problems. This lack has largely manifested itself in the failure by SADC to adopt appropriate time-bound performance indicators of the implementation of its programme of action in general and the protocol ratification process in particular. This in turn is a result of an absence of a comprehensive development strategy able to focus on issues of poverty reduction.

The delay in realigning institutions inherited from the Co-ordination Conference to make them consistent with the new mandate of regional integration and community-building has thwarted desires to build the required institutional capacities and to deploy the necessary human and financial resources for the effective and efficient management of the integration process.

In discussing poverty, international economic and financial dimensions are often ignored, and yet the link between these areas of the current globalised environment is crucial. Particularly significant are issues such as the heavy debt burden of poor countries, declining resource inflows, and the protectionist tendencies of developed countries. It is estimated that SADC has an external debt burden amounting to more than US$79 billion. Six member states are now classified as highly indebted low-income countries. A marked decline in resource flows in the form of both foreign direct investment (FDI) and official development assistance (ODA) has worsened the situation. According to the 1999 ECA Economic Report, FDI and bilateral credit to sub-Saharan Africa, which includes SADC, fell from 5 per cent in the 1970s and early 1980s to 3,5 per cent in the 1990s. Furthermore, it has been observed that unfair trade practices of developed countries are depriving developing countries of potential export revenues. In a statement at the annual meeting of the World Bank in Prague in 2000, its president hinted that protectionist measures and subsidies in industrialised countries were costing developing countries US$40 billion a year in lost export earnings – more than they received in ODA.

It is clear from the above that colossal debt servicing obligations and unfair trade practices divert a huge amount of resources away from investment in both directly productive and human development sectors such as food security, education, health care, social welfare and child care. It is also important to note that there are gender dimensions to the problem of poverty. A study conducted in all SADC member states between 1997 and 1998 revealed that gender inequalities contributed to poverty.

For instance, it showed that the division of labour favoured men rather than women. In addition, girls are denied equal access to education, training, and skills development opportunities. As a result, more girls become victims of early marriage, early pregnancy, and early motherhood.

Under conditions of financial crisis, and when hard decisions have to be made to support either a boy or a girl, such support is normally given to a boy. More girls and women are exposed to domestic violence and sexual abuse than are boys and men. Girls and women are less, or not at all, involved in decision-making, while boys and men are involved in decision-making processes from the household level up, to the community and higher levels. Many customary and traditional practices allocate capital and assets to boys and men rather than to girls and women. Likewise, due to the missed opportunities of education, training, skills development, and professional careers by women, they stand fewer chances of having access to capital and the ability to own and control productive resources. Traditional land tenure systems are male-biased – the male members of the family or clan inherit land.

Policy options and strategies

It is clear from this analysis that poverty is a multidimensional phenomenon. The challenge, therefore, is to initiate comprehensive and broad-based policy options and strategies to address it. In this regard, there is an urgent need to formulate a regional strategic plan that will address the following issues:

Pro-poor macroeconomic policy framework

- Overall macroeconomic policy goals, objectives, strategies, and targets should be formulated on the basis of an assessment of the poverty situation. In addition to maintaining sound macroeconomic fundamentals at the regional level, fiscal, monetary, and investment policy measures should be co-ordinated and harmonised to ensure that they promote sustained economic growth with a distributional impact.
- A common regional conceptual framework for defining, estimating, and programming poverty should be adopted. This would facilitate comparisons and the sharing of experiences across the region and among member states. It should capture the multidimensional nature of poverty, and take into account Social Summit commitments, international development targets, and the monetary, human, and gender aspects of poverty.
- An explicit regional poverty reduction strategy should be developed and accorded top priority within the overall regional macroeconomic framework. In recognition of the fact that sustained economic growth alone does not always lead to poverty reduction, a deliberate strategy, with time-bound targets, focusing on pro-poor assets such as land, food security, human resources development and health, should be put in place.

The acceleration of regional integration

- Policy measures should be put in place to establish a diversified and dynamic industrial sector in order to move towards value-added manufacturing, thereby broadening the export base away from primary commodity exports. In the globalised economic environment, which is knowledge-based, the conventional comparative advantage of raw materials and unskilled labour is increasingly less significant. Diversification would also promote the competitiveness and experience of regional firms so as to prepare them for global markets.
- Constraints on the ratification and implementation of protocols in the key areas of economic integration such as trade, finance, and investment infrastructure, as well as in science, technology, research and development, should be speedily removed. This would create a large economic space and provide economies of scale which would increase the rate of return on investments and make the region more attractive to both domestic and foreign direct investment. This in turn can boost levels of economic growth and contribute towards poverty reduction.
- Collective capacity, responsibility, and action on the international front should be maintained and enhanced in order to minimise the risks of globalisation and exploit its opportunities. In this regard, SADC should continue to consolidate itself as a vibrant regional economic and trading bloc. It must continue to maintain solidarity in multilateral negotiations addressing key issues such as market access, debt burden, technology transfer, and private and official financial resource flows. SADC should also capitalise on the goodwill and confidence of the international community in order to mobilise external resources for developmental and poverty reduction efforts.
- Compensatory mechanisms should be put in place to mitigate the short-term adverse effects of regional market integration on weaker economies, and help them to diversify their revenue base. In addition, concerns about economic dominance by stronger economies should be addressed through deliberate and co-ordinated measures to ensure that the benefits of regional integration are spread between all member states and citizens of the region.

A common regional conceptual framework for defining, estimating, and programming poverty should be adopted.

Governance issues

- The region should continue to pay special attention to governance issues. In this regard, far-reaching reforms of member states' constitutional, political, and electoral systems are needed to ensure that they are participatory, transparent, accountable, inclusive, and predictable. This should be sustained.
- The search for lasting and peaceful solutions to conflicts in a few member states, especially in Angola and the DRC, are imperative in order to restore stability and security, and thereby further improve the overall investment climate in the region and redeploy resources to poverty reduction actions.

Clearly, there is an urgent need for SADC to move forward, initiate, and launch a regional strategy for poverty reduction on a sustainable basis. The potential and environment to do so is within reach. ■

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Sri Lankan civil war reaches point of diminishing returns

Negotiations between Sri Lanka's Colombo government and the Tamil secessionist movement have been revived, raising hopes of a peaceful settlement of this country's 20-year-old civil war. **Jayadeva Uyangoda** reviews the history of this protracted conflict, and extracts some general lessons

NEGOTIATIONS between the government of Sri Lanka and the Liberation Tigers of Tamil Eelam (LTTE) have once again been revived. The Norwegian government, acting on behalf of the international community, has provided the latest impetus for the resumption of talks, aimed at ending the 20-year-long secessionist war. Five rounds of talks have been held between September 2002 and February 2003, in Thailand and Germany,

The presence at the talks of the Norwegian facilitators as well as representatives of the international community indicates the degree to which external actors, both governmental and non-governmental, are prepared to invest their political energies in the quest for peace in Sri Lanka. Moreover, the Japanese government and the World Bank have undertaken to manage and co-ordinate the economic reconstruction efforts linked to the peace process.

Four factors seem to characterise the present stage of Sri Lanka's ethnic conflict.

- The main protagonists, the government in Colombo and the LTTE, appear to be committed to exploring the possibilities of a political settlement while scaling down the war.
- The international community is prepared to back, and even underwrite, a process that will end the civil war and re-establish political stability through a power-sharing deal between the government and the LTTE.
- The Tamil nationalist project in Sri Lanka appears to have reached a new stage in which the secessionist LTTE is willing to consider autonomy and self-rule as a form of self-determination.
- Conditions in Sri Lanka now seem to favour de-linking the ethnic conflict from war and violence.

Sri Lanka's civil war began in 1983. On one side of the conflict is the Sri Lankan state, and on the other, numerous Tamil nationalist movements and groups trying to win a separate state. For the past 15 years the dominant actor in the Tamil secessionist struggle has been the LTTE, which has become one of the most effective guerilla movements in the contemporary world.

Tamil nationalists say the Sinhalese elites which have managed the post-colonial unitary state have consistently denied the legitimate collective rights of Sri Lankan Tamil people. Non-recognition as a political community, a denial of collective rights, and group discrimination have been central to the Tamil nationalist discourse that posits Sri Lankan Tamils as a 'nation' in search of political identity and sovereignty.

Aggrieved minority

At the heart of the conflict is therefore an aggrieved Tamil minority, comprising about 18 per cent of the island's population. Its grievances are best understood in a historical context of nation-state formation in a former colony. Indeed, Sri Lankan Sinhalese and Tamils awoke to the idea that they were distinct political communities in the early 20th century. However, explicit ethnic nationalism is a relatively recent phenomenon, closely connected to failures in national integration and nation-building. Sri Lanka is not alone in this failure. However, what is distinct about this country is that an ethnic conflict has developed into a protracted intra-state war, despite the existence of a fairly well-functioning parliamentary democracy and a developed civil society.

The secessionist project began in the mid-1970s against the backdrop of a continuing failure by Sinhalese ruling elites to accommodate Tamil demands for recognition, non-discrimination, and regional self-rule. Indeed, the transition of Tamil nationalist politics from accommodation to resistance and then to secession indicated, among other things, that there was a fundamental and irreconcilable deficit in the country's post-colonial democratic transition. What some political theorists call 'majoritarian democracy' – a form of democracy that gives the largest ethnic community in a plural society a near-monopolistic hold over state power – goes some way towards explaining the escalation of ethnic conflict in post-colonial Sri Lanka.

In Sri Lanka's majoritarian democratic order, ethnic minorities were tolerated in a spirit of benevolence, but never recognised as political equals. At some point, the Tamils ceased to regard themselves as a minority, but rather as a 'nation', with a right to self-determination, sovereignty, and separate statehood. It is too early to assess the prudence or otherwise of this radical shift in political self-understanding. Yet it constitutes the kernel of the problem in Sri Lanka.

From the mid-1970s to early 1980s, Tamil secessionist politics took the form of non-violent political mobilisation. In 1976 Tamil parties formed a Tamil United Front and contested the parliamentary elections of 1977 in the northern and eastern provinces. Their main campaign slogan was 'independence', and they called upon the Tamil electorate to give them a mandate for creating a separate Tamil state. It is not clear whether Tamil parliamentary leaders in the late 1970s actually believed that the Tamils could effectively secede from the state through mass mobilisation. Their strategy would have been to mobilise the Tamil masses for independence, so that the Sinhalese government would be compelled to con-

Young LTTE fighters gather to commemorate the death of a comrade ... the movement needs a respite for political consolidation. Picturenet Africa/Gemunu Amarasinghe

cede regional autonomy – the compromise which those Tamil leaders actually anticipated.

However, in the late 1970s and early 1980s new political dynamics began to influence Sinhalese and Tamil politics. The independence campaign launched by the Tamil parliamentary leadership began to radicalise Tamil youths in the north. Angry at the government's policy of blocking higher educational opportunities for Tamil students, the youths seized upon the idea of a separate state of Eelam, and began to prepare for a 'liberation struggle'. Meanwhile, tensions between Sinhalese and Tamil communities began to increase after 1977 in a context of sporadic Tamil guerilla operations in the north. But the Colombo government responded to these developments as mere law-and-order issues, and relied on the army and the police to deal with the rising Tamil nationalist militancy. In practically every summer since 1997 there have been incidents of anti-Tamil violence in Sinhalese majority areas, often targeting the lives and property of Tamils.

By the early 1980s, Sinhalese–Tamil relations had become polarised. While Tamils felt insecure in Sinhalese majority areas, Sinhalese also felt insecure in Tamil majority areas. Extreme nationalists also spread fear among the Sinhalese that the Tamils, assisted by external forces – a euphemism for India and the US – intended to break up the Sri Lankan state in territorial terms. The government's failure to address these growing insecurities and tensions ultimately led to the massive anti-Tamil riots in the summer of 1983.

Immediately after the 1983 violence Tamil secessionist politics entered a militant phase, drawing mass support and gaining broad legitimacy. The Colombo government's tacit endorsement of anti-Tamil violence destroyed Tamil confidence in Sinhalese political leadership as well as in the Sinhalese-majority state. As the armed struggle spread, the leadership of Tamil nationalist politics also shifted from the traditional parliamentary political elite to a new generation of militants who believed in violence and guerrilla war as the only viable means of achieving political independence. Indian support for the Sri Lankan Tamils lent legitimacy to the latters' secessionist campaign.

When, in the mid-1980s, hostilities between the state and Tamil guerrilla groups developed into a full-scale civil war, the Indian government made two attempts to resolve the conflict, using its leverage as patron of the ethnic insurgency as well as being Sri Lanka's powerful neighbour. The first direct talks between representatives of the Colombo government and Tamil nationalist groups took place in August 1985 in Thimpu, the capital of Bhutan, and were mediated by India. The talks failed because neither side was willing to settle the conflict via the political means of negotiation and compromise; they held positions that were essentially non-negotiable and mutually exclusive.

The Tamil nationalists argued that the government should recognise them as a nation, inhabiting a traditional homeland within Sri Lanka, and therefore entitled to self-determination. The government saw the Tamils as a mere minority whose claims were not only spurious, but also fell far short of deserving regional autonomy. In a classic instance of premature negotiation failure, both sides seemed to work hard to ensure that no compromise was possible or feasible.

In July 1987 India made a second attempt to end the escalating conflict. Its strategy was to collaborate with the Sri Lankan government and to persuade the Tamil side to accept a framework agreed to by the two governments. The Indo-Lanka Accord signed by India's prime minister, Rajiv Gandhi, and Sri Lanka's president, Junius Jayewardene, envisaged an end to the civil war and the creation of constitutional mechanisms for power-sharing in a new system of provincial councils. The accord showed initial signs of success, but soon led to a massive crisis when the LTTE refused to abide by it and confronted the powerful Indian state in battle. It also sparked off widespread Sinhalese nationalist resistance that developed into an armed rebellion against the state.

The political situation became even more complex when the Indian army was brought in to disarm the LTTE, as envisaged in the accord. Soon India, supposedly the mediator, became directly involved in the conflict when Indian peace-keeping troops launched a counter-insurgency war in the north east. Following political changes in India as well as Sri Lanka, the Indian army withdrew in 1990, leaving the northern and eastern provinces under total LTTE control. A key lesson to be learnt from India's failed mediation attempt of 1987 is that solutions cannot be imposed by external actors. Ethnic conflicts tend to defy externally imposed settlements precisely because ethnic insurgents are hard-core nationalists who prefer death to compromise.

Two more attempts were made to negotiate the conflict, in 1990 and 1994—5. These offer some fundamental lessons in peace-making in protracted ethno-political conflicts. Firstly, unless a conflict is ripe for resolution, in the sense that the parties are ready to seek alternatives to war, negotiation itself can do little to terminate conflict. Secondly, a negotiated settlement requires a substantial dialogue between the parties so that a mutually acceptable middle ground can be forged and sustained. Thirdly, a middle ground between a secessionist movement and the state presupposes radical political reforms aimed at reconstituting the state with a view to power-sharing and regional autonomy. And, finally, when parties to the conflict are ready for negotiations, they need the assistance of a third party, precisely because, amid a civil war, political dialogue is a complex, difficult, and precarious enterprise, laced with risks and uncertainties.

As experiences in Sri Lanka and elsewhere clearly demonstrate, parties to protracted intra-state conflicts often suffer from a vocational hazard: the fear of settlement. Guerrillas tend to see proposed settlements as a possible trap, a prelude to self-extermination, while governments tend to be reluctant to trust the political commitment and credentials of yesterday's insurgents. This shows why a mediator can play such a constructive role in bringing parties in conflict to the negotiation table, and helping them to evolve a mutually satisfying alternative to violence.

Current peace process

In recent years, Sri Lanka has also demonstrated a tendency towards opening up space for negotiations between the government and the LTTE, in conjunction with electoral regime changes. The parliamentary elections held in December 2001 created such new political space when the LTTE and the newly elected United National Front regime launched an informal process of ceasing hostilities. On 21 February 2002 the two sides formalised that process in a memorandum of understanding, jointly signed by the prime minister and the LTTE leader. One very important feature of this new development is the mediating and facilitating role played by the Norwegian government. Of course, Norway is not alone in this mediatory effort; the international community, particularly the US and EU, appears to be backing the process this time around.

> **It seems as if both the Sri Lankan government and the LTTE need a protracted ceasefire, each for their own reasons**

Nevertheless, formidable obstacles remain on the path to peace. Most of them arise from the fact that Sri Lanka's conflict has been a protracted civil war, provoked by ethno-political differences between majority and minority communities. On one side of the equation is a militarily undefeated guerrilla movement that regards itself as the sole representative of a sovereign nation, with a right to separate nationhood. On the other side is a state facing economic collapse, yet ready to accommodate the ethnic insurgents in a framework of power-sharing.

The two sides seem to have opted for the path of negotiations on their own terms. For the LTTE, its path of military conquest seems to have reached a point of diminishing returns, in the sense that it had achieved spectacular military successes against the government at great political cost. That cost, which is not fully appreciated in Colombo, is the immiserisation of the Tamil masses under the harsh conditions of protracted war. Indeed, this is a modern paradox faced by a militarily successful separatist campaign: military successes alone can no longer legitimise secessionist politics with a price tag of political isolation, economic devastation, and social misery. Caught in this trap, the LTTE needs a respite, a breathing space, for economic and social reconstruction as well as political consolidation. It can only gain that respite in collaboration with the Sri Lankan state and the international community. Thus the protracted cease-fire which has appeared on the LTTE's agenda has probably been prompted by a combination of military, political, and social factors.

It seems as if both the Sri Lankan government and the LTTE need a protracted cease-fire, each for their own reasons. This provides the best hope for the transformation of the Sri Lankan conflict, and the termination of the civil war. If the international community can help the warring sides to sustain the present cease-fire process and engage in economic development and social reconstruction, new conditions for constructive conflict management are likely to emerge. A protracted cease-fire will certainly enable the two sides to engage in the political dialogue they need to find common ground and work out a compromise. A peace dividend in the form of economic growth will strengthen the community's desire for sustainable peace, while economic development will widen and strengthen the community of stakeholders in peace. The Sinhalese polity also requires the time and space to reach a consensus in its own ranks about the nature of political accommodation and the political reforms needed for a settlement with a secessionist minority. In brief, a protracted cease-fire can create the conditions for the transformative resolution of this protracted internal conflict.

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There's no race for the biggest corporate bankruptcy

The financial pages are littered with reports of massive corporate failures. What has gone wrong? **Paul van Zijl** attempts an answer, and isolates some of the corporate practices which should set off the alarm bells

MAHATMA Gandhi once said: 'Have I not told you times without number that ultimately a deceiver only deceives himself?' He might not have experienced the modern business world, but his words hauntingly describe our global business environment as we learn of one corporate failure after the other.

Reading the newspapers' financial sections has become a distressing experience. Corporate collapses such as those of Enron and WorldCom in the US spring to mind. Share prices can plummet within minutes – Elan, the largest listed company in Ireland, lost 50 per cent of its market capitalisation in one day; Credit Suisse, the second largest Swiss Bank, lost 30 per cent of its market capitalisation in two days.

Accounting irregularities have occurred at international companies such as Xerox in the US, Gescartera in Spain, and Vivendi Universal in France. The US Securities and Exchange Commission (SEC) has launched investigations into the financial statements and management of several companies, including Tyco International. This is an alarming trend – but the bad news doesn't stop at the border. A similar pattern is discernible in South Africa – think of Saambou Bank, Regal Treasury Bank, the Leisurenet group, the Masterbond group, the Owen Wiggins Trust, and Macmed.

What has gone wrong? What is at the root of these corporate failures? Who is to blame? How many more will we see? Is there a sinister competition to become the largest bankruptcy in modern times? If only we had answers to these questions, we may have been able to prevent recurring corporate failures. Alas, it is virtually impossible to accurately predict such failures. Yet it is possible to examine them in order to identify recurring trends or symptoms – some of them as intricate and delicate as a spider's web. This article touches on these trends and symptoms, based on research done over the past ten months.

Internal symptoms

As noted earlier, some 'thin red lines' were crossed during the recent spate of corporate failures. Identifying these symptoms is not an exact science, and we do not mean to imply that if one or more of them exists, a company is necessarily heading for corporate failure. However, they should make the alarm bells ring. They include:

- non-compliance with basic corporate governance;
- exponential growth in sales and profitability;
- a widely diversified business model;
- creative accounting; and
- equity-related payments to management.

These are examined in turn.

Non-compliance with basic corporate governance

This symptom relates to the basics of corporate governance, as set out in the updated King code on corporate governance ('King 2'). In the case of Leisurenet, the audit committee (an independent watchdog established within a company to act in the best interests of shareholders by liaising between management and auditors) was misled when vital information was withheld from it. An audit committee should be independent of both management and auditors. Besides general audit issues, it should consult and be consulted on such important matters as the audit fee, any extra services which the auditors are rendering, and the resolution of audit differences. If the audit committee is not allowed to act independently from management and report directly to the board of directors, or if it has not been given all the relevant information, its role and importance is immediately diluted.

The chief executive of Regal Treasury Bank, another recent corporate failure, ruled the bank with an iron fist, with minimal regard for internal or external stakeholders. We do not mean to imply that a strong-willed chief executive is necessarily damning his or her company to corporate failure. However, to ignore shareholders, other levels of management, or other stakeholders could prove – and has proven, in some cases – to be extremely costly.

Exponential growth in sales and profitability

Companies that grow at a rate which far exceeds that of competitors and industry trends have to raise eyebrows. What is the cause of such exponential growth? How is this growth being funded? Are the business fundamentals safe and sound, able to support such growth – or has everything gone haywire, with management just coming along for the ride? Are the financial statements, used by the banks to assess whether funding should be provided, being tampered with to show positive ratios? Exponential growth was identified in failed companies such as Leisurenet, WorldCom, and Enron.

Another disconcerting factor that may lie behind such exponential growth is the size and frequency of related-party transactions – that is, transactions not entered into by independent entities. Such transactions do not take place at 'arm's length', which implies that the profits being created are often nothing more than 'paper profits' created by moving assets or sales between various divisions or companies within the same group. At Leisurenet, for example, the directors established a number of ancillary companies with which transactions were done in order to create 'paper profits'. The problem with such transactions is the lack of cash flow as the basis of the transaction; they typically amount to a book entry only. This again heightens the need for additional funding: the company is growing, and requires funding.

Widely diversified business model

A common business strategy is to change a company's business model in order to diversify into other markets. The main intention of such diversification is to spread the exposure to risk. But there is a limit to the level of diversity that a company can sustain. A useful indicator is the percentage of income derived from core activities versus non-core activities. If a company changes its business model too frequently, and is earning most of its income from non-core activities, questions need to be asked. At Enron, the business model changed frequently over a five-year period – the company went from being a trader of natural gas to trading electricity, wood and pulp. Still not satisfied, Enron diversified further into the financial sector and started selling insurance. This was followed by a further move into trading derivatives in which Enron became the equivalent of a brokerage by trading extensively in forward exchange contracts, futures, and options. All this is far removed from selling gas!

If a company changes its business model too frequently, and is earning most of its income from non-core activities, questions need to be asked

Creative accounting

Profit-smoothing is ostensibly frowned upon, but has become common practice over the past decade. Companies often 'stash away some fat' for lean times when they may not make sufficient profits. This is done by creating provisions for all sorts of expenses during times when profits are high. Such provisions are then reversed or 'freed up' when profits are low, and the company runs the risk of not meeting market expectations. And so the creative accounting starts …

Creative accounting was taken to new levels at Enron. The accounting of so-called special purpose entities (SPEs) managed to confuse the investing public, the financial statement auditors, and even Enron's management. SPEs can take on numerous forms and functions, but have a common goal: to make the financial statements look better. This is done by taking unwanted debts or assets off the balance sheet, and placing them in a SPE as a company managed either by some individual in his or her personal capacity, or by some merchant bank on behalf of the company. The aim of such a structure is to create the impression that the company is not controlling the SPE, and that control resides with the individual in his or her personal capacity or with the merchant bank. If it can be proved that control does not rest with the company, the SPE is not included in the consolidated financial statements. And, voila, the unwanted debt and unproductive assets have been removed from the group's financial statements.

At one stage, Enron had almost 900 SPEs located in various international tax havens. The company's lawyers had set up limited partnerships whereby the chief financial officer and other management individuals were 'controlling' entities to which the unwanted debts and unproductive assets were moved. The end product, the 'debt to equity' ratio and the 'return on assets' ratio, were grossly misstated as both the assets and debt figures were understated. It should come as no surprise that these two ratios are used by analysts to assess the financial health of a company, and by banks to assess whether any additional loans should be made to it. In the case of Leisurenet, a similar situation existed: these ratios were monitored to assess the need for loan repayments. If specified ratios were exceeded, repayment would be triggered. At Leisurenet, a restatement of the financial statements going back three years triggered comprehensive loan repayments which the company was not able to make, thus forcing it to file for bankruptcy.

Equity-related payments to management

We need to ask one question about all of these practices: why do it? Why practise 'creative' accounting? Why mislead the public and financial institutions? Why neglect the basics of corporate governance spelled out so comprehensively in business literature? The root of a lot of this evil can be found in 'equity-related payments to management'. Simply stated, this means providing shares and share options to management as part of their remuneration. These schemes create an inherent conflict of interest, as members of management want to keep the share price as high as possible in the short term to enrich themselves, to the detriment of the long-term interests of shareholders.

Enron was a classic example of this. At its height, Enron shares traded at around US$100 a share. Enron management started selling large tranches of shares when the price approached the US$80 mark. The final share price was 70 cents, when bankruptcy was declared. Although an extreme scenario, this is clearly a ludicrous way of running a business. Were Enron's managers aware of the inevitable when they dumped their shares about nine months before bankruptcy? How do you explain this to the pensioners and other shareholders who have invested their life savings in a company?

External pressures

One also has to take a broader view to gain perspective on which external factors may influence management and management decisions. Management has to live up to public expectations and keep financial analysts happy at the same time. In trying to do this, executives are often tempted to do a bit of creative accounting.

Public expectations

No one can doubt the extreme pressures under which today's top-level management must function. Constant scrutiny and market expectations drive behaviour and decisions. Does a chief executive of a multinational company really know what is going on in his or her company's various locations around the world?

Continued on page 28

New account of struggle for democracy in the Congo

Sagaren Naidoo reviews a new political history of the Congolese democratic movement, from this country's colonisation by Belgium to the end of Mobutu's reign, finding both valuable insights and some notable gaps

SINCE August 1998 the people of the Democratic Republic of Congo (DRC) have endured a conflict of extraordinary proportions and complexity. Dubbed 'Africa's World War I', it has claimed more than three million lives. In its wake, scholars and observers have produced various interpretations of its source and dynamics. Many have emphasised the regional dimension of the conflict, particularly its link with the Rwandan genocide of 1994. Others have concentrated on the internal actors and the unrelenting quest by the so-called Banyamulenge to attain Congolese citizenship. Few explanations of this protracted conflict have encapsulated both these levels of analysis in the broader context of the crisis of governance in the Congo on the one hand, and the country's integration into an imperialist global economy on the other. This book counts among them.

However, given that his reseach began as far back as 1968, the author – a leading Congolese intellectual, who has played an active role in Congeolese politics despite spending many years in exile – did not set out to provide an accurate explanation of the current conflict in the Congo; his main concern was to give an accurate account of the history of the Congolese democratic movement, the participation of the masses in the struggle for independence, and the post-colonial pursuit of multiparty democracy. Accordingly, chapter one begins with a historical contextualisation of the emergence of the Congo as a modern state. Thereafter, it locates the origins of the fight for independent and democratic governance within the resistance to the personal rule of King Leopold II, or the 'people's war' of 1895—1908; the politico-religious movements since 1921; and the peasants' and workers' revolts of 1900–45.

The Congo: from Leopold to Kabila – a people's history
Georges Nzongola-Ntalaja
London: Zed Books, paperback, 320pp

At this point, Nzongola-Ntalaja's aim is to demonstrate that the crisis of the post-colonial Congolese state can be traced to the breakdown of the anti-colonial alliance between the masses and their nationalist leaders. In the Congo, as in other colonial territories, the masses viewed the educated African elite as the only class capable of leading the struggle for independence. But unlike the masses and the peasantry, whose grievances were forced labour and heavy taxes, the educated class or *évolués* were fighting for the right to reside and work in the cities. Nevertheless, as Nzongola-Ntalaja argues, the common denominator that governed the anti-colonial alliance between these two classes was the struggle for economic and social justice. Subsequently, chapter two examines the reasons why the *évolués* joined and led the masses in a common struggle against Belgian colonial rule.

Chapters three and four deal with the struggle for a 'second independence', or what has been described as the Congolese Crisis of 1960–5. This period witnessed the negation of democratic and truly independent governance, a negation made possible by external forces with a vested interest in the Congo. For these forces it was, and still is, preferable to deal with rulers whom they can influence and manipulate, rather than with democratically elected leaders who are accountable to their national constituencies. Nzongola-Ntalaja argues that this period of crisis has been consistent with Amilcar Cabral's notion of two phases of the liberation struggle: the national phase, in which all classes unite to fight the colonial system, and the social phase, or the struggle against neo-colonialism.

But for Nzongola-Ntalaja the failure of the 'second independence' movement was as much a function of its own internal weakness as it was the result of counter-insurgency led externally by Belgium and the US, with the aim of installing a neo-colonialist puppet regime. Except for Pierre Mulele, the leaders of the movement were neither revolutionaries nor democrats. They were for the most part politicians who simply wanted to regain the power they had lost after Patrice Lumumba's assassination. Consequently, this period saw the dissolution of the anti-colonial alliance. These chapters are indeed persuasive, and provide the analytical depth missing from the usual dull accounts of Congo's early failures to achieve democratic governance.

Chapters five and six are devoted to the third and longest period in the struggle for democracy in the Congo: the rise, zenith, and decline of the Mobutu regime, as an externally backed and autocratic kleptocracy that eventually led to the decay and collapse of the Congolese state.

Etienne Tshisekedi, left, with the late Mobutu Sese Seko ... Tshisekedi's role is excessively glorified. Picturenet Africa/David Guttenfelder

But Nzongola-Ntalaja's account of the origins and nature of the Mobutu regime as a system of absolute power, dictatorship and personal rule is no more insightful than those in other publications on this topic. For observers and scholars of the Congo, these chapters provide very little new information. More critically, in chapter six Nzongola-Ntalaja glorifies Etienne Tshisekedi as the leader of the democracy movement who opposed the Mobutu regime 'so provocatively that some thought he had lost his sanity'.

In the same breath, the author reminds the reader that Tshisekedi was a protégé of Mobutu's, occupying key positions such as minister of the interior and of justice during the 1960s, at the time of Lumumba's assassination. Many Congolese have argued that Tshisekedi's defiance of and opposition to Mobutu was the result of the realisation that he (Tshisekedi) was not going to be awarded the presidency as once promised by the latter.

How sure is Nzongola-Ntalaja that, once elected, Tshisekedi would not have turned into a dictator himself? There are enough examples of this littering the continent. This demands a critical reading of this book, and particularly these chapters. Equally controversial is the author's claim that the National Sovereign Conference (CNS) constituted a form of democracy. As much as the CNS pronounced the end of Mobutu's one-party rule, it is difficult to accept that decisions by 3 000 delegates, unanimous as they may have been, could amount to an expression of democracy.

Current conflict

Chapter seven provides an analysis of the current conflict in the Great Lakes Region. For Nzongola-Ntalaja, the major determinant of this conflict is the decay of the Congolese state and its instruments of rule. He argues that it would have been 'unthinkable for Rwanda and Uganda to install rulers in Kinshasa, invade, occupy and loot the territory if state institutions were functioning as agencies of governance rather than being Mafia-type organisations serving the selfish interests of Mobutu and his entourage'.

According to Nzongola-Ntalaja the economic, social and moral decay of the Congo is a logical outcome of the country's integration into the political economy of imperialism on the one hand, and its rulers' insertion into the transnational networks of pillage and corruption on the other. This reasoning is indisputable. However, Nzongola-Ntalaja's claims that Rwanda and Uganda were solely responsible for the removal of Mobutu; as a result, his analysis of the war, and its connection to the long-standing interest of external forces in the Congo's riches, fails to reveal the role of the US and UK in ousting Mobutu. The investigative journalist Wayne Madsen has exposed this dimension of the conflict in his book *US covert operations and genocide in Africa, 1993-1999*.

Nzongola-Ntalaja concludes that the system of personal rule with external backing established under the Leopold reign replicated itself in the post-colonial Congo under the regimes of Mobutu and Laurent Kabila. Indeed, under the present warlords, the state has revealed itself as a tool used primarily for repression and wealth extraction by top officials and their foreign allies. Consequently, the prevailing sentiment is one of despair.

Given the long duration of the Congo conflict, and the present attempts to end it, this is a timely publication, despite its shortcomings. It is highly recommended for observers and scholars attempting to obtain a greater understanding of the crisis in the Congo and the broader Great Lakes Region. ■

Sagaren Naidoo is a former IGD researcher.

SA needs to strike a balance between poverty and the environment – continued from page 14

place greater pressure on the government to actively implement existing national environmental legislation and MEAs. Most South Africans know little about global and national environmental issues. However, their knowledge base is increasing, particularly because of the impact of tourism on the national economy.

Many countries – particularly developing countries – are unwilling or unable to implement and enforce MEAs. Implementation and enforcement is made difficult by a widespread lack of financial and human resources, the large number of associated obligations and responsibilities, inconsistencies in the implementation regimes of various countries, and a lack of political will. In addition, effective MEA enforcement mechanisms are rarely in place. Rather, MEA implementation is based largely on good faith, voluntarism, and peer pressure. This is not good enough. MEAs must include policing mechanisms that induce and ensure adherence by all signatories. Where capacity needs to be built, resources should be provided. Where technical assistance is needed, it should be made available. In both cases, the country in need should be able to provide adequate proof of such need, based on its own commitment to implement the international environmental accord in question.

In sum, all countries must work – individually and together – to support and co-ordinate implementation, compliance, and enforcement at the national level, and build partnerships between government and civil society for addressing the widespread lack of human and financial resources. Moreover, industrialised countries should help developing countries to acquire resources and expertise.

The challenge for the future lies in commitment, as the current investment of financial and human resources is not keeping up with rapid policy developments. Implementation must occur within the ambit of overall government objectives such as socio-economic growth and development, alleviating poverty, reducing unemployment, and redressing inequality. A crucial requirement that still needs to be developed is effective measurement, and a system for reporting successes.

The successful implementation of the three major MEAs South Africa has signed requires strong political will, adequate funding, good integration, good co-ordination between the department of environmental affairs and tourism and other local, provincial, and national agencies to which functions and responsibilities have been delegated, and the management of programmes and projects by well-trained and highly motivated members of staff. ■

Russell Hawkins is a consultant to the Group for Environmental Monitoring (GEM).

Sri Lankan civil war reaches point of diminishing returns – continued from page 22

Any discussion of the complexity of Sri Lanka's peace process should highlight the difficulties of ending protracted ethno-political conflicts. Inter alia, it has demonstrated that:

- Domestic political actors have repeatedly failed to manage Sri Lanka's conflict on their own.
- While the conflict has been internationalised, the means of ending the war has also moved out of the hands of domestic actors. Resolving the conflict via negotiations requires a degree of internationalisation.
- The internationalisation of the conflict resolution process can be divided into two stages: a negotiation stage, and a post-settlement stage. During the first, external actors focus on facilitation and mediation, and during the second, on economic and social reconstruction, enforcing or ensuring the implementation of the peace agreement, and facilitating rapid economic development.

In the post-Cold War world the international community has been more actively involved in attempts to manage intra-state conflicts; it has played direct roles in managing conflicts in Northern Ireland, Nicaragua, El Salvador, South Africa, the Philippines, and Israel-Palestine. What is striking about the present global order is that domestic conflicts are rarely resolved solely by domestic actors alone.

The world after 11 September 2001 is particularly prone to co-ordinated global efforts for regulating the global system. Sri Lanka's present conflict resolution process is a test case of terminating a civil war under conditions of globalisation and the post-11 September reconfiguration of global politics.

Complex enterprise

Peace-making through negotiation in a deeply divided society which has experienced a protracted ethno-secessionist war is an extremely difficult and complex enterprise. Recent attempts to resolve civil wars in many countries have not been particularly encouraging; success stories are few and far between. Yet Sri Lanka's future as a stable, pluralist democracy lies not in continuing war, but in terminating conflict via negotiation, and managing ethnic relations by political and democratic means. At the centre of the political agenda for democratic change is the effective separation of the ethnic conflict from war and violence. This will hopefully enable democratic impulses among all the island's ethno-social formations to reassert themselves in the political struggle for justice, equality, and human rights.

Meanwhile, a protracted absence of war – the so-called negative peace – will further strengthen the political process over the military process, thereby enabling the conflict to transform itself in the direction of accommodation, reconciliation, and sustainable peace. This is perhaps the best outcome one can expect from the present negotiations in Sri Lanka. ■

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There's no race for the biggest bankruptcy – *continued from page 24*

According to business literature, these individuals should be focused on strategy, and should not get bogged down in detail. This is probably a fair assessment. However, under the new SEC requirements, a chief executive is required to certify under oath that the financial statements are a true and fair representation of the company's finances. A statement starts: 'To the best of my knowledge …'

In a similar vein, analysts' forecasts of profitability have become a significant influence upon a company today. At risk of stating the obvious, the financial goal of any company is to match or slightly surpass the analysts' forecast. This pressure can lead to creative accounting, profit-smoothing, and the creation of SPEs. Therefore, analysts exert significant influence over management, helping to drive its business decisions and possibly tempting it into taking unlawful action to meet their and market expectations.

Where to from here?

If only there was a simple route to take to improve the situation. However, it is still very much a question of getting the basics right. Transactions must have a proper substance, and should make economic sense. Profitability should coincide with cash flow, and not simply take place on paper. Management should not be compensated in shares and share options, so that decisions influenced by the drive to inflate the short-term share price can be avoided. And companies need to take their social responsibility and corporate governance roles seriously: they must realise that they have an important role to play in society, and that there is no race to become the 'largest bankruptcy'. ■

Paul van Zijl is senior manager of KPMG's Assurance and Advisory Centre.

Interview – *continued from page 12*

We are going through these pains of democracy, and are working through them and doing it in the correct way of debating and of arguing them in court. This is a process that will probably require another five or six years to settle down. It is an inevitable consequence of the burden of democracy of the first few years of independence that did not evolve. Objectively, we recognise that if the president is not able to run a second time, it will not be the end of the world – as long as it is a result of due democratic processes.

Now what does it tell us about Africa? One thing it tells us is that we have made more progress than we give ourselves credit for. Given the kinds of social dislocations and social tensions that we had in Nigeria, the fact is that even if Nigerians take refuge in their ethnic group, they still feel a certain commitment to Nigeria. There is a level of political sophistication in that country that has no parallel in most places. And there is a greater awareness in that country of the need for a continental Africa that can deal with the world on its own terms. The positive thing is that despite all that has happened, that resonance reflects itself in the fact that, for instance, most universities are still managing to maintain very high levels of education, and people survive in the private sector.

Despite all its troubles, Nigeria still plays a certain role, a continental role, in ECOMOG, ECOWAS, NEPAD, the AU, and in international affairs. These distractions at home do not affect the capacity of the country to play that role. It shows something of what is possible in Nigeria as well as what is possible on the continent. The fear that I have about Nigeria is that because of its size and political weight it is not a country that either the world or the continent can afford to see fail. Its failure will not only be a Nigerian failure; it will almost certainly be, in the first instance, a failure for West and Central Africa, but crucially also a failure for Africa. And if that does happen, it is going to set us back a few decades as a continent. ■

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