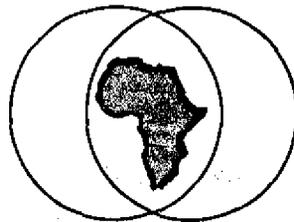


THE ECONOMIC PROBLEMS AND POLICIES OF
SOUTH AFRICA'S NEIGHBOURING BLACK AFRICAN STATES

by

Professor G.M.E. Leistner

THE SOUTH AFRICAN INSTITUTE OF INTERNATIONAL AFFAIRS



DIE SUID-AFRIKAANSE INSTITUUT VAN INTERNASIONALE AANGELEENTHEDE

Professor G.M.E. Leistner is Deputy Director of the Africa Institute of South Africa. He was previously, until early 1973, Professor of Economics at the University of South Africa.

- - - - -

This paper was presented to a Conference on Southern Africa organised by the Africa Institute in September, 1972, the theme of which was "Intra-Regional Dependence and the Quest for Self Determination".

A paper delivered by Mr. John Barratt, Director of the South African Institute of International Affairs, at the same Conference, on "Southern Africa: Intra-Regional and International Relations", was reproduced by the Institute in January of this year.

- - - - -

As the Institute is precluded by its Constitution from expressing an opinion on any aspect of international affairs, the opinions expressed in this paper are solely the responsibility of the author.

- - - - -

ISBN 0 620 00035 X

The South African Institute of International Affairs
Jan Smuts House
P.O. Box 31596
Braamfontein
Johannesburg

May 1973

THE ECONOMIC PROBLEMS AND POLICIES OF SOUTH AFRICA'S
NEIGHBOURING BLACK AFRICAN STATES

G.M.E. Leistner

Independence and economic development

Westerners tend to assume that the newly independent states of Africa are, somehow, morally bound to make economic development their first and foremost priority. However, to Africans, no less than to other people, independence means to be master of their own destiny. The end of foreign rule has opened up vistas of higher levels of living and general progress to the peoples of Africa. At the same time, it has made them painfully aware that the quest for development entails new forms of dependence - dependence on foreign investment, foreign financial aid, foreign experts. They also discover their dependence on international markets both for their imports and their exports.

What, then, is the meaning of independence? Sir Seretse Khama, the President of Botswana, spoke for many others when he said "... until we have achieved financial independence and a far greater degree of economic independence, we shall not be in a position to take advantage of all the opportunities offered by the achievement of political independence.¹⁾ We ... must constantly consider how we can give our Independence its full meaning. This implies consideration of how best we can conduct our domestic and external policy with a minimum of external interference."²⁾

In the Southern African context, the issue of self-determination *versus* economic development poses itself even more distinctly than in the rest of Africa because here the contrast between the size and strength of South Africa's modern economy on the one hand and that of the economies of neighbouring Black States on the other is particularly great. And whereas the smallness of these economies suggests the need for closer economic union, both political considerations and the vast economic "distance" between South Africa and its neighbours pose obstacles to such union.

This is the background against which the economic problems and policies of five nearby Black States will be examined below. These states are Botswana, Lesotho, Swaziland, Malawi and Zambia. Our discussion will fall under three main headings: Firstly, broad policies of development; secondly, specific aspects of development policies; and thirdly, an attempt is made to draw a few conclusions regarding the possible future course of events as well as the implications for South Africa.

BROAD DEVELOPMENT POLICIES

Economic position generally

On attaining independence, most of the people of the five countries in question were illiterate and depended on subsistence agriculture or migratory labour; their health and nutrition were unsatisfactory; the modern economy was confined almost entirely to primary production - mainly agriculture but including copper mining in Zambia, and asbestos and iron ore mining in

Swaziland; control over modern economic activities rested mostly in the hands of foreigners; the infrastructure of transport, power and water supplies was rudimentary; few local people possessed technical or administrative skills; material levels of living were low.

In the few years since independence, important steps ahead have been made by all five countries but basically their economic structures are unchanged. Furthermore an ominous dimension has been added to their problems by the fact that opportunities for gainful employment do not keep pace with population growth. Large-scale unemployment, notably of school-leavers, in the fast growing urban areas is posing a mounting threat to social stability.

Priorities

When a country has so many problems but only very limited means, the issue of priorities is particularly important.

Malawi's order of sectoral priorities for investment is as follows : 1. agriculture, 2. transport and 3. education.³⁾ Zambia's Second National Development Plan places deliberate emphasis on rural development, which President Kaunda calls "a matter of life and death".⁴⁾ No explicit priorities are stated in the current development plans of Botswana, Lesotho and Swaziland ("BLS") but it may be noted that the first four of the objectives listed in their respective plans are as follows :

Botswana : 1. To secure the fastest possible rate of economic growth in a manner designed to raise the living standards of the great mass of the inhabitants; 2. to achieve budgetary self-sufficiency in the shortest possible time consistent with rapid growth; 3. to maximise the number of new job opportunities; 4. to promote an equitable distribution of income, especially by reducing income differentials between the urban and the rural sectors through rural development.⁵⁾

Lesotho's Plan enumerates the following "major targets": 1. a 5-per cent average annual growth of GDP; 2. a marked increase in the productivity of the agricultural sector; 3. to promote as far as possible non-agricultural productive activities, especially small-scale indigenous industries; 4. to prepare for the full exploitation of water and mineral resources, and in particular to carry out the first construction phase of the Malibamatso River Project.⁶⁾

In *Swaziland's* current plan, the following objectives are shown : 1. to improve the living conditions of the mass of people; 2. intensified efforts to mobilise foreign investment funds; 3. private investment from outside is invited and promised reasonable terms; 4. determined efforts will be made to mobilise internal resources, in particular domestic savings.⁷⁾

The common objective of raising the living standards of the mass of the population clearly implies top priority for rural development for BLS too. More detailed attention will be paid to this aspect later on but it may be mentioned here that prior to the compilation of its current plan, the Lesotho Government stated that a realistic plan for that country "must have as its over-riding objective the reversal of the trend towards greater impoverishment of the country".⁸⁾

The quest for economic independence

The first objective in the various countries' quest for economic independence was to get rid of grants-in-aid to balance their current budgets. All except Lesotho have achieved this or are on the point of

doing so. This is highly gratifying for them, for, as Dr. Banda has stated, being thus dependent is "most unsatisfactory and humiliating"; "it is, in fact, distasteful to me, and I hate it".⁹⁾ The Vice President of Botswana has called it a "limitation on our independence";¹⁰⁾ For Lesotho, the elimination of the current deficit is the principal aim of financial policy. As regards dependence on external sources to finance development projects, it is accepted by all five countries that this will continue for a long time. However, they all strive to mitigate the degree of dependence by tapping as many sources as possible. Thus Sir Seretse Khama has declared: "... Britain and Botswana alike recognise the undesirability of an exclusive aid relationship. It is in the interest of neither party that Botswana should lean too heavily on the resources of a single donor ..."¹¹⁾

The quest for economic self-determination also includes the desire to be master in one's own house. An official Swaziland document puts it as follows :

The most important task which will take time to effect is the extrication of Swaziland from the jaws of foreign domination. Without doubt a large proportion of the economy is in foreign hands. This does not mean that the Imbokodvo National Movement loathes foreigners. Like the English and the Americans Swazis should control a major part of their wealth.¹²⁾

This reflects more or less the attitudes of all these countries, including Zambia, but they are well aware that foreign investment and know-how have an important role to play in development. We shall return to this matter later on.

BLS+ and South Africa

In the case of BLS+, and particularly Botswana, less dependence on South Africa, and for Zambia vis-à-vis the "White South" generally, is a major consideration. For Lesotho, where far fewer men are in wage employment locally than in South Africa, this involves providing more jobs at home. An official 1966 document refers to the detrimental effects of Lesotho's proximity to the Republic's modern economy:

Basutoland has remained one of a number of almost stagnant rural areas which have not only failed to be enriched, but have in fact been impoverished by the great development of the Witwatersrand area. To say this is to make no moral judgement against the Republic's economic policies; it is simply a fact of life that a fortunate region will often impoverish the less fortunate regions around it, unless deliberate action is taken to reverse the natural trend.¹³⁾

An illustration of the problems originating from BLS's close ties with South Africa was provided by the 1972/73 Budget Speech of Botswana. There

+ Botswana, Lesotho and Swaziland

it was pointed out that the structure of high interest rates designed to meet the economic conditions in South Africa, but which is also imposed by the commercial banks in Botswana, is hampering that country's private sector development. High interest rates "have made it virtually impossible for Botswana to raise development funds on the open market". Furthermore, the "high rate of inflation in Southern Africa resulting from the policies of the South African Government" is "undermining the improvements in the standards of living of our people, achieved through our development efforts". Especially the inflation of building costs is stated to have caused "considerable difficulties" in the implementation of development projects.¹⁴⁾

Over the years, the BLS governments, and especially Swaziland, have pointed to the not inconsiderable contribution of their exports to the rand area's foreign exchange reserves, and at least Lesotho has on occasion openly expressed concern over the fact that there has, until now, been no formal guarantee that Pretoria will provide it with, say, dollars to repay foreign debt.¹⁵⁾ The considerable advantages of being linked to the rand are much appreciated. Thus Botswana's current development plan states: "The rand is internationally recognised as a sound and stable currency. Foreign investors are attracted by a currency with which they are familiar. In this respect free convertibility between South Africa and Botswana is an advantage.¹⁶⁾ The monetary arrangements between South Africa and BLS are currently being discussed, especially in view of the three smaller partners' demand for more effective machinery for consultation.

BLS have expressed their satisfaction with the terms of the Customs Union Agreement with South Africa that was renegotiated in 1969. It gives them a substantially larger share in the customs and excise revenue of the area, and above all enables them to protect some of their infant industries against competition from within the customs union area and from outside - a possibility previously closed to them. The relevant provisions have not yet been invoked but there have been reports of difficulties created by South African private interests as regards the establishment of a fertilizer plant in Swaziland, and a motor assembly plant as well as a maize mill in Lesotho.¹⁷⁾ South Africa's official attitudes in instances such as these obviously have an impact on relations not only with BLS but also with African governments further afield as well as with the emergent Bantu states within the Republic. It may be mentioned in passing that Britain's impending entry into the European Economic Community will affect BLS and their relations with South Africa in a way that cannot at present be foreseen.

Another aspect of BLS's quest for greater economic independence is the trade and technical agreements they have concluded with other African countries. Thus Swaziland has signed trade agreements with Uganda, Kenya, Tanzania, Malawi and Zambia in 1969. In 1970, Lesotho signed technical aid agreements with Ghana and Nigeria, and in 1971 an agreement was concluded with the Malagasy Republic providing for co-operation in respect of trade, information and tourism. In 1972, Lesotho concluded an aviation agreement with Malawi. Botswana has often expressed its policy to lessen its dependence on South Africa by cultivating closer ties with Black states to the North, above all Zambia. In 1971, an air-link was established between Gaborone and Lusaka, and a trade agreement was concluded. In the same year, a joint consultative committee was created to discuss regularly "matters of mutual interest", such as co-operation on official and technical level. Construction will begin soon on a road linking Francistown and Kazungula near the Zambian border.

Botswana, as a matter of policy, will not accept financial or technical aid from the South African government, and, as Sir Seretse has put it, is "determined to convert the almost total dependence of the colonial period into a dignified pattern of inter-dependence".¹⁸⁾ An official document states that "...Botswana and South Africa have achieved, and wish to maintain, a stable relationship based on inter-dependence, co-existence and mutual non-interference".¹⁹⁾ Similarly, Lesotho accepts as a fact of life that it has to live and co-operate with South Africa. As Chief Leabua Jonathan has said, "... it is very easy to change friends, but impossible to change neighbours".²⁰⁾ Swaziland's ruling Imbokodvo National Movement has expressly stated "... that it is important to sacrifice some of its discretion for the sake of co-operating with other nations".²¹⁾ What all these countries make clear is that they view co-operation as co-operation between equals.

Overall review

In concluding this admittedly sketchy survey of broad economic policies, the following may be stressed. Firstly, the political leaders of these countries are well aware that the attainment of political independence has aroused expectations of higher and rising levels of living among the masses of their people, and that failure to satisfy these expectations will spell danger for their leadership.

Secondly, these countries are still smarting under the memories of foreign rule from which they have only recently emerged, and they are striving to assert and safeguard their independence.

Thirdly, they are thoroughly aware that the quest for economic progress has no hope of succeeding without the participation of foreign capital and skills by expanding external trade, and generally by closely co-operating with other countries - all of which entail limitations to their freedom of action.

Fourthly, BLS in particular know very well that their geographical position on the one hand, and the dominant role of the South African economy are and will remain one of the crucial determinants of their economic destinies.

Hence, and lastly, it may be expected that all five countries will continue to strive to diversify as much as possible their external economic relations, even at the expense of some economic advantage, but that unless faced with very grave domestic and international problems, they will avoid a serious confrontation with South Africa which inevitably would mean incalculable harm to their quest for economic development.

We can now turn to a more detailed examination of a few particular aspects for development policies.

SPECIFIC ASPECTS OF DEVELOPMENT POLICIES

Rural development

Some ten or fifteen years ago, African countries tended to pin their hopes for rapid economic development predominantly on the creation of manufacturing industry. Today, they generally realise that without a soundly based rural economy, they have no hope of solving their many social and economic problems. Agriculture has to feed the rapidly growing population and should

obviate the need to spend scarce funds on food imports from abroad; it has to provide a major portion of the savings needed for capital investment in infrastructure, industry and services; it has to supply exports to finance imports; increased rural earnings mean an expanding market for domestic industry; and last but by no means least, agriculture has to absorb the major part of population increase. This is well understood by the five countries under discussion, and the following quotations from official documents illustrate the high priority they accord to rural development.

Botswana: "...if Botswana is to develop rapidly and if the mass of the population is going to benefit from this development, agriculture must play a dynamic role as a major spearhead of development."²²⁾

Lesotho: "The highest priority ... is given to increasing agricultural productivity substantially in both the crop and livestock sectors. The present very low productivity level is a major brake on the economy as a whole."²³⁾

Swaziland: "Agriculture is the mainstay and the very foundation on which our economy has to be built."²⁴⁾ "Without a surplus from agriculture the need to develop Swaziland for the Swazis can be forgotten."²⁵⁾

Malawi: "... development in this country means essentially development of agriculture. If we are to free ourselves from economic and financial dependence on others, if we are to wage war on our budgetary deficit and economic inviability successfully; we must develop our agricultural resources to the best of our ability by working hard in the fields because agriculture is the back-bone of our economy." (President Banda, September 6, 1970)²⁶⁾

Zambia: "The expansion of agricultural production (is) a top priority with the aim to improve income and nutritional standards of population, cut substantially imports of food, expand economically justified exports and provide industrial imports."²⁷⁾

The difficulties facing policies aimed at transforming Bantu subsistence peasants into efficient modern farmers are well known. To name but a few : the lack of a tradition of sustained, intensive cultivation; the function of cattle as ceremonial rather than commercial objects; lack of technical knowledge; the absence of many able-bodied men as migrant workers; and problems of credit and marketing. The more obvious developmental measures, such as extension work, seed and stock improvement, provision of water, and so forth cannot be discussed here. However, it seems relevant briefly to outline the well-thought-out agricultural strategy of Malawi as expounded by a senior government official.²⁸⁾

Firstly. One of the most fundamental steps is to enlarge the peasants concept of what farming can be. By using all available means of communication, one tries to create the atmosphere in which agriculture is regarded as an honourable occupation in which money can be made by the energetic and skilful and in which even the mediocre have a patriotic duty to do their

best on the land allotted to them.

Secondly. Education and training play a major role. Primary school education is being reorientated so as to get an "agricultural flavour", and to become more terminal in order to meet the needs of the vast majority of those who will make their living in rural areas. Apart from short courses for farmers, formal training is being provided for those who have to plan and guide agriculture at various levels - at degree and diploma level at the University; at middle diploma level at Bunda College; and at field-worker level within the Ministry of Agriculture.²⁹⁾ Radio, Press and diverse printed materials are widely used in educating farmers.

Thirdly. The Malawian authorities know that even though patriotism and pep talk may spur a man to action, it is unlikely that this action will be maintained unless some tangible benefit results from it. There are two markets that are being organised to provide the proper incentive to the farmer. The first is the market where he can sell his crops under favourable conditions; the second is the market where he can buy his farm inputs (seed, implements, fertilizer etc.) and his consumer goods. Both markets should, if possible, be within easy walking distance, say 4 or 5 miles apart.

Fourthly. Steps are being taken to ensure that the farmer who is willing and educated to practise sound and commercially oriented farming, has available the necessary means to achieve the goal. This entails (a) sound technical advice, (b) credit and perhaps subsidies, and (c) steps to ensure that the farmer and his family enjoy reasonably good health and nutrition because failing this they cannot possibly be productive. Strong emphasis is therefore being placed on rural centres providing programmes of nutrition, education, hygiene and preventive medicine.

In all five countries, the question of individual versus commercial *land tenure* which looms large in all discussions of rural development throughout the less-developed parts of the world, is a delicate political issue. Agronomists everywhere would agree with the official Botswana viewpoint that communal ownership of land and the resultant lack of security of tenure for the individual "...inhibits the investment of capital in improvements and the use of land as collateral for the raising of commercial credit".³⁰⁾ Furthermore, the traditional form of communal tenure is unsatisfactory because it is characterised by a great fragmentation of holdings which often are far apart.

Although Botswana, for economic as well as political reasons is anxious to dismantle the traditional system, it is moving very cautiously in that direction, partly because of the possible political repercussion, and also because the delicate ecological balance of the agricultural land is easily disturbed by over-intensive use.³¹⁾ Lesotho's current development plan notes the deleterious effects of the traditional system of land tenure,³²⁾ but merely sets itself the target, "to test the compatibility of the land tenure system with a rapid expansion of agricultural productivity".³³⁾ In Swaziland, the issue apparently is not even a topic of serious discussion. Nor is it mentioned in Zambia's current plan. In Malawi, a first attempt at land registration and the granting of legal title is being made in the 445 000-ha Lilongwe Land Development Project where the registration unit is the extended family group holding.

In common with most other African countries, the five under discussion appreciate the significant role which co-operatives could play in promoting rural development. Lesotho sees great possibilities in respect of co-operative purchasing, marketing, credit, and the protection of catchment areas.³⁴⁾ Swaziland encourages co-ops "especially with a view to securing reasonable prices for agricultural products".³⁵⁾ Botswana stresses the movement as "an agent for social change and modernisation in rural areas and an excellent training ground for democratic procedures and the development of social responsibility". Economic benefits are expected from co-operative marketing as well as production.³⁶⁾ Malawi apparently rates co-operatives as a low priority.³⁷⁾ Zambia's current development plan, on the other hand, declares that, "the development of the co-operative movement occupies a central place in the philosophy of Humanism and the creation of viable forms of co-operative activity is seen as an essential element in rural development, as well as in Zambian enterprise in other spheres."³⁸⁾ In all cases, results so far have not been particularly encouraging.

Increasing attention is being paid in all these countries to the explosive potentialities of the large-scale exodus of rural populations to urban areas where only a small minority can expect gainful employment, and where unsanitary slums, and all the ill-effects of social disruption such as crime, illegitimacy, drunkenness and so forth are growing apace. Reference must therefore be made here to policies aimed at redressing the rural-urban imbalance.

Rural-urban imbalance

Botswana and Malawi, more than the other three countries, are applying themselves with particular vigour to a wages and incomes policy that seeks to strike at the root of the problem, that is the considerable differential between urban and rural earnings. A recent policy paper by the Botswana Government notes their people's "...tradition of high mobility related to the harsh conditions in the rural areas (and which) results in a steady drift of unemployed people to the towns".³⁹⁾ The paper continues, "This tendency will be aggravated if the wages in the towns are allowed to rise rapidly, thereby increasing the differentials between rural and urban income levels."⁴⁰⁾ Hence it is a "prime concern" of the Botswana authorities to prevent these differentials from widening, and they have adopted as a principle that "...the only fair and objective basis for a legal minimum wage for unskilled workers is that it should equal the average rural income of farmers with an allowance for any differential in the overall costs of urban living".⁴¹⁾ The logical complement to this policy, that is, measures to improve farming incomes, has already been mentioned.⁴²⁾ It may be mentioned in passing that the threat of tribal feelings being aroused is one of the considerations in this context. As Sir Seretse has stated in 1971, "Tribal divisions are not a new phenomenon. But the problem of tribalism becomes more acute in modern urban conditions when there is competition for scarce jobs."⁴³⁾

A complicating factor for Botswana, as well as for the four other countries, is that they cannot isolate their internal structures of wages and salaries from those prevailing in the modern economies of South Africa, Rhodesia and even overseas countries.

In 1969, Malawi introduced a National Wages and Salaries Policy which aims at restraining urban earnings by stipulating that increases in earnings

should be related to increases in productivity. Essentially, this is the same policy as that of Botswana, and both countries stress that apart from promoting migration to the towns, unduly high urban earnings discourage investment in industry and hence retard the achievement of surpluses that can be applied to raising rural incomes.⁴⁴⁾ Malawi's decision to move its capital from the heavily populated south to Lilongwe in the central part, must be mentioned in this context. For a fundamental objective of its economic policy is to reduce the great disparity in incomes and facilities between the north and the south.

Zambia, which during 1963-69 experienced urban growth rates of 7,6 and 10 per cent annually for males and females respectively, has so far relied on lack of employment and high cost of housing in the towns, together with rural development to discourage townward migration, is now also urgently calling for an urban wages and income policy.⁴⁶⁾

Industrial Development

It seems correct to say that all five countries are anxious to promote the fastest possible growth of the manufacturing and processing industry but are realistic enough to know that industry cannot in the near future have a significant impact on the employment position. All five know that foreign capital and expertise are indispensable to industrialisation and, with the exception of Zambia, actively welcome such foreign participation.

Botswana's current plan document states :

... The Government recognises that it is essential to attract foreign capital investment to Botswana, and that this must be achieved by the provision of essential infrastructure, by the creation of new credit facilities, and by the encouragement of private investors through legislation designed to provide full security against expropriation, fiscal incentives and orderly development.⁴⁷⁾

But whereas Botswana stresses its firm belief in private enterprise and non-interference by government in private ventures, all the others either insist on, or simply press for, local participation in enterprises. Thus Lesotho's plan states that the "...Government recognises the importance of the foreign investor in promoting industry. It considers, however, that it is important that there should also be a local stake in manufacturing industry.⁴⁸⁾ President Banda of Malawi has expressed himself as follows:

... I do not believe in confiscation; I do not believe in nationalization. But while I do not believe in confiscation and nationalization of private property or capital, I am a strong believer in participation, local participation in any business and industrial enterprise. I am a strong believer in co-operation between private enterprise and the Government and between outside capital and local capital.⁴⁹⁾

Swaziland's ruling Imbokodvo National Movement "advocates maximum vigilance" in inviting "both private and public foreign capital and skills",

and unlike the country's development plan, makes no mention of "co-operation with the private sector".⁵⁰⁾ It should be mentioned, though, that the Swazi nation is, in fact, participating in the ownership of major mines and industries. Furthermore, Imbokodvo expressly states that "The foreign investors are welcome, and their investment will be protected and repatriation guaranteed."⁵¹⁾ - The Zambian Government "... recognises the necessity of giving the appropriate incentives to potential investors in the industrial sector ...".⁵²⁾ However, the nationalisation of the copper industry, as well as other factors, must inevitably give the foreign investor the feeling that he is only tolerated as a necessary evil.

Zambia is industrially well ahead of the four other countries, and although its policy cannot be discussed in the present context, attention may be drawn to two features of this policy which should be of wider interest.

- The first is the current plan's emphasis on small-scale industries in rural areas. Ventures that are envisaged include grain mills, stockfeed mixing units, bakeries, workshop complexes; food processing such as making syrup, preservation of fish, grinding of grains, etc. Brickmaking and possibly the production of paints from natural pigments are believed to offer possibilities. Small local blacksmiths are to be promoted because they could contribute significantly to the supply of farming implements and hand-tools.⁵³⁾

A second interesting aspect is the Zambian Government's intention to establish a large number of manufacturing industries based on various agricultural produce. These are expected to create "a powerful stimulus to agricultural producers to grow or breed the specific commodities demanded by such industries".⁵⁴⁾ Both estates and so-called outgrower schemes, as well as combinations thereof, are planned. Although agro-industrial development projects are well known in the rest of Africa, this is not yet the case in South Africa, and hence the following may be quoted:

There are basically two ways of establishing such agricultural raw material supply units. One way is to establish a farm, estate or ranch specialised to producing the raw materials required by the factory. The other way is to make contractual arrangements, usually with a very great number of surrounding farmers. These contracts normally provide for the supply of seeds or breeding stock as well as fertilisers, pesticide, etc., by the industry to the outgrowers, often as advances on the purchase price of the commodity. Such contracts are normally executed and supervised by a fair number of extension workers in the employ of the industrial company.⁵⁵⁾

Other sectors of the economy

It is impossible, within the limitations of this paper, to discuss other sectors of productive activities, such as mining, commerce, transport, generation of power, etc. However, Botswana's policy in respect of the very appreciable amounts of government revenue from the new diamond and copper-nickel mines may be mentioned. These revenues will be used to develop the rural areas and to improve social services. As Sir Seretse has stated, the recent mining ventures "...will

generate revenue which cannot only be ploughed back into the economy but which will also help to improve our present distressingly low level of social services".56) The Revenue Stabilisation Fund established earlier this year, 57) will presumably be fed from these revenues too.

We now turn to another central aspect of development policies, that is social services, and more particularly education and health. Both are of crucial significance - partly because of the vast resources that go especially into education, but mainly because of the influence which a people's education, training, nutrition and state of health generally exercise on productiveness.

Education and training

The aim of universal education for all children of school-going age is to a large extent a reflection of popular aspirations, but at the same time the importance for development of having a fully literate and well-trained population need not be stressed. The optimistic expectations regarding fast educational progress after Independence have been tempered by experience. Thus the Zambian plan states: "Although primary enrolments doubled between 1963-70 and rose by 48,2 per cent between 1966-70, it has become apparent that the goal of universal primary education is much more difficult to achieve than was expected."58) The four other countries acknowledge that universal primary education is a long-term aim but consider that they must give first priority to improving the quality of the existing educational system as well as adapting that system to the actual needs of their economies.

Primary education is increasingly seen as terminal, rather than as a prelude to secondary school or university. Thus the Botswana authorities state that the new syllabus introduced in 1969 aims "to adapt the curriculum as far as possible to the needs of the country, recognising that the great majority of pupils would inevitably be forced to seek their livelihoods in the rural economy". The subject "Agriculture" has been introduced in Standards VI and VII "to prepare children for a way of life".59) Similarly, the Zambian plan speaks of the fact that, "Few of these young people will enter wage jobs or further training. The primary school must, therefore, help children to prepare themselves for a productive life in their communities, whether rural or urban."60) Reference has already been made to the "agricultural flavour" that Malawi imparts to its school education. In conclusion, the blunt view of the Imbokodvo on primary education deserves to be quoted.

Education at this level will be given a bias which is in the interest of the Nation. The present bias inherited from our colonial past will have to be uprooted branch, stem and root. Today most children at school aspire to be clerks, teachers, nurses etc.; very few think of farming, the trades, handicrafts etc. This, the Imbokodvo National Movement believes is wrong and a start has been made to effect a change.61)

Only general reference can be made to the concerted efforts being made in all five countries to gear their post-primary education and training to

the actual needs of the public sector, industry and various other fields. Everywhere, pressure is brought to bear on private firms to train indigenous people at all levels.

Nutrition and health

All the countries under review are facing serious difficulties in trying to expand and improve their health services. The Botswana Government for instance, says that it "cannot allocate sufficient resources to raise the standard of medical services ... to the level which for humanitarian reasons it desires".⁶²⁾ Malawi declares that its existing health services are at "an irreducible minimum level ... which for human and political reasons clearly cannot be questioned".⁶³⁾

Under the circumstances, all five countries give pride of place to preventive rather than to curative health work. Botswana and Zambia expressly acknowledge the importance of wide-spread health education, and the Zambian plan states that, "Health education will be emphasised so as to obtain the active cooperation of the people in the execution of health programmes. Consequently, all health activities will be supported by a well planned scheme of health education."⁶⁴⁾ Lesotho apparently lays greater stress on nutritional education than the four other countries, and plans to expand its programmes appreciably under the current plan.⁶⁵⁾

In view of the critical interrelationship between economic development and population growth, it is interesting that Botswana is the only one of the countries under review which actively promotes *family planning* services. The Malawian Government encourages population growth and does not believe that the current growth will impede economic and social development. The Prime Minister of Lesotho in 1968 has expressed his concern about the effects of the country's rapid population increase but it is not clear from the available sources whether practical steps are being taken. The Swaziland Government provides information, advice and technical means through the health services,⁶⁶⁾ while the Zambian Government maintains a neutral attitude toward family planning, and provides facilities for those who request them.⁶⁷⁾ Botswana's official viewpoint may be quoted here at some length:

...It is better to have fewer children who may be well fed, well clothed, and properly housed and educated, rather than many children who cannot be adequately cared for, and who will suffer as a result. A strong nation is one where the individual citizen is healthy and educated. Botswana cannot build a strong nation if the developmental effort is continuously undermined by the sheer weight of numbers for whom basic services must be provided.⁶⁸⁾
... To cater for those who want to plan the size of their families the Government has sponsored a training programme run by the International Planned Parenthood Federation.⁶⁹⁾

Localisation of civil service

One of the politically most sensitive and at the same time economically most ominous aspects of development policy is that of localisation, that is, the replacement of foreigners in administrative and other posts by indigenous people. In the case of the governments of newly independent states, the localisation of the civil service is a major objective. In the case of Botswana, there are three main reasons for this. First, the localisation of the civil service is a major objective of the government. Second, the localisation of the civil service is a major objective of the government. Third, the localisation of the civil service is a major objective of the government.

local people. Obviously, the governments of newly independent states have to strike a balance. On the one hand, there are their own people's aspirations to fill posts they feel they are entitled to, and on the other hand there are the problems that will arise for the Government if incompetent persons bungle duties that affect large sections of the population. Although all governments naturally stress that merit is the deciding factor in localisation, it is difficult to evaluate actual practice in this paper. At any rate, it may be noted that the Malawian *Statement on Development Policies 1971-1980* states that localisation policy "... has always been a pragmatic one and has always attempted to ensure the maintenance of reasonable standards of efficiency ...".⁷⁰ President Khama has been quite explicit on this issue, and the following statement of his is typical:

...Our workers and farmers derive no benefit from the promotion of a man who is not qualified to fill the post he covets and is not prepared to learn from others. I am not prepared to sacrifice the aspirations of the vast majority of our people to satisfy the unwarranted ambitions of a tiny handful.⁷¹)

EVALUATION AND PROSPECTS

Significance of foregoing survey

The foregoing sketch of certain crucial areas of development policies has relied heavily on the published development plans. The question arises, whether these are not just pious, well-sounding declarations of intent, and devoid of practical significance. This cannot be answered with a simple 'yes' or 'no', and at any rate, it would be nothing short of a miracle if even the best conceived and compiled plan were to be executed to the letter. In many respects, the plans referred to here should indeed be understood as guides to action rather than as detailed blueprints for specific activities. However, as they stand and considering all available information about these countries, their policy statements should be taken seriously.

Barring major upheavals, we can quite safely assume that these neighbouring states will continue to work in the directions indicated. And subject to the qualification that we all, black and white Africans alike, still have to learn a great deal about the development problems of this continent, I think you will agree that the policies outlined here reflect sober thinking and appreciation of realities. What are the practical implications of all this for South Africa?

Implications for South Africa

First and foremost, we must realise that these states are motivated by the strong urge to shape their own destiny, to fashion their political, social and economic life in accordance with their desires and with a minimum of outside influence. They are well aware that their freedom of action is circumscribed in many respects - that they need foreign capital and skills; that they depend on foreign markets; that they cannot escape the facts of geographical location and natural resource endowment. They know that the striving for economic development demands a compromise between the urge to be fully independent on the one hand and dependence on foreign countries, people and agencies on the other. However, if pressed hard, they can be expected - short of risking catastrophe - to sacrifice some degree of economic development rather than abandon independence as they perceive it.

Apart from the very real difficulties entailed in close economic union between highly developed and less developed countries, we must appreciate the psychological dimension of such union, especially if it is strongly advocated by the more powerful country. Though advocacy of closer economic union by the stronger country may be morally impeccable and economically sound, it is likely to be viewed by the less developed as a stratagem to impair their newly won independence and make them subservient to the stronger power.

Confirmation of the fact that the quest for self-determination has until now overruled considerations of maximum economic progress throughout Black Africa, is to be found in the numerous abortive attempts to form economic unions. For many years now, the UN Economic Commission for Africa has been pleading almost desperately for close economic co-operation on a regional basis, which it sees as indispensable precondition for Africa's development. Yet very little has been achieved, and there has even been a dismantling of regional institutions established under colonial rule.

In order to be realistic, one must first allow the newly independent Black states time to become more assured of their identity and to resolve to a greater extent their internal social and tribal difficulties, before one can expect them to enter into regional groupings designed to promote faster economic growth. The fact that thoughtful African leaders are fully conscious of this issue, can be regarded as a hopeful sign of a growing political self-confidence and maturity.

Thus Dr. Nnamdi Azikiwe, former President of Nigeria and one of the architects of that country's independence, has recently stated his belief that the former colonial rulers in Africa have unintentionally laid the foundations for Black African unity. According to a press report he said that the newly independent nations of Africa had lost much time and money because they had almost totally rejected these nuclei for political unity simply as being the products of the British and French. He indicated that only by once more forming common institutions such as currency unions, marketing organisations, research bodies, etc., would the countries of Africa be able to hold and improve their position in the present-day world.⁷²⁾

Viewed in conjunction with five other factors, this opens up significant vistas on South Africa's relations with Black African states.

The first of these factors is the close interdependence, economically and otherwise, that already exists in Southern Africa. The customs and monetary union with BLS has already been mentioned. Further, reference may be made to the very important role of South Africa as employer of hundreds of thousands of migrant workers from BLS, Malawi, Mocambique and other countries. Very close intra-regional co-operation is taking place through SARCCUS (the Southern African Regional Commission for the Conservation and Utilisation of the Soil), the Onderstepoort Veterinary Research Institute, the Inter-territorial Foot and Mouth Disease Advisory Committee, the South African Council for Scientific and Industrial Research, the South African Bureau of Standards, the Southern African Regional Tourism Council, and a host of other formal and informal committees, working groups and personal contacts in respect of diverse technical and economic matters affecting two or more countries in the region.⁷³⁾

The second factor is the Western countries' growing disillusionment with the effectiveness of their development aid in winning the allegiance of African countries, and hence their increasing reluctance to provide the amount of financial, commercial and technical aid that would be needed to have a real impact on Africa's development prospects.

The third factor is the growing awareness of African governments that the Communist powers' involvement in Africa is entirely motivated by self-interest and not by concern for Africa's welfare.

A fourth factor, that is closely linked to the second one, is the viewpoint held in many influential Western quarters, that economic co-operation between South Africa and its neighbours can signally promote the latter's development and thereby alleviate the overseas donor countries' burden of aid-giving.

The fifth, and last, factor is South Africa's policy of leading to full independence the various emerging Bantu states within its borders. To the extent that Black African states perceive that this policy is being pursued to its logical conclusion, they will have greater confidence in the *bona fides* of a White South Africa seeking mutually beneficial co-operation with Black Africa.

All this leads to the conclusion that sooner or later our Black neighbouring states will see closer economic ties with South Africa as a useful and even desirable development. However, let us not delude ourselves as regards the time this may take to come about. It took centuries of conflict and two World Wars to bring home to the nations of Western Europe the truth that co-operation is their only salvation. I do not believe that armed international conflict lies in store for Southern Africa, but I trust that my paper has at least indicated some of the great obstacles that still have to be overcome.

This amounts to saying that South Africans must show more patience with, and understanding for the difficulties facing our neighbours than we tend to show. We must try and see both them *and* ourselves through their eyes, and to act accordingly. It does not help if we are irritated when they follow policies that inconvenience us. Rather let us continue to explore practical possibilities to assist them with the many problems that we have in common, be it in respect of human and animal health, be it in education, be it in agriculture and mining or with any of the innumerable things that constitute a country's economic and social life. Contacts such as these and the trust they can engender, will pave the way for yet closer co-operation in the economic as well as in other spheres.

Above all, let us show genuine goodwill and understanding towards countries and people whose destinies are inextricably linked with ours.

REFERENCES

- 1) Republic of Botswana. Botswana: Principles and Progress. His Excellency the President's Speech opening the Second Session of the Second Parliament of Botswana, December 14th, 1970. Gaborone Government Printer, para. 6.
- 2) Op. cit., para 8.
- 3) Cf., Malawi Government. Office of the President and Cabinet Economic Planning Division. Statement on Development Policies 1971-1980. Zomba, Government Press, 1971, para. 3.2.1.
- 4) Republic of Zambia. Ministry of Development Planning and National Guidance. Second National Development Plan, January, 1972 - December, 1976. Lusaka, 1971, p. iii.
- 5) Republic of Botswana. National Development Plan 1970-75. Gaborone, Government Printer, 1970, Foreword by the President.
- 6) Kingdom of Lesotho. Central Planning and Development Office. Lesotho First Five-Year Development Plan 1970/71 - 1974/75. Maseru, 1970. para. 4.2. Also see op.cit., para. 6.7.
- 7) Swaziland Government. Post Independence Development Plan. Mbabane, 1969, p. 15.
- 8) Government of Basutoland. The Framework of the Economic and Financial Policies of the Government of Basutoland 1967-1972. Maseru, 1966, para. 21.
- 9) Republic of Malawi. Department of Information. Opening Speech to Parliament by His Excellency the President Ngwazi Dr. H. Kamuzu Banda on 9th March, 1971, Blantyre, 1971.
- 10) Republic of Botswana. Budget Speech, 9.3.72. Gaborone, Government Printer, 1972, para. 51.
- 11) Botswana: Principles and Progress, op. cit., para. 12.
- 12) Makhosini J. Dlamini, His Excellency, the Right Hon. Prince. The Philosophy, Policies and Objectives of the Imbokodvo National Movement. n.p. 1972, para. 44.
- 13) Basutoland. The Framework of the Economic and Financial Policies etc., op. cit., para. 21
- 14) Botswana. Budget Speech, 9.3.72. op cit., para. 13-17.
- 15) Basutoland. The Framework etc., op cit., para. 22
- 16) Botswana. National Development Plan, op. cit., para. 2.53
- 17) Cf., Financial Mail (Johannesburg), April 7, 1972, p. 15-16
- 18) Quoted from a study on the external relations of BLS by R. Bodenmüller, to be published by the Africa Institute of South Africa.

- 19) Botswana. National Development Plan, op. cit., para. 2.54
- 20) Rand Daily Mail, 16.12.1969, quoted after Bodenmüller, op.cit.
- 21) M.J. Dlamini. The Philosophy, Policies etc., op. cit., para. 24
- 22) Botswana. National Development Plan, op.cit., para. 4. 02.
- 23) Lesotho. First Five-Year Development Plan, op. cit., para. 4.4.1.
- 24) M.J. Dlamini, op. cit., para. 55(A).
- 25) Idem., para. 46.
- 26) Quoted from Bulletin of the Africa Institute (Pretoria), Vol. X, No. 3, April 1972, p. 97.
- 27) Zambia. Second National Development Plan, op. cit., p. 33, para. 7(a).
- 28) See P. Brown, "Economic Development of Tribal Agriculture in Malawi". Agrekon (Pretoria), Vol. 9, No. 1, January 1970, pp. 68-73.
- 29) Cf., Malawi. Statement on Development Policies, op. cit., pp. 144-147.
- 30) Botswana. National Development Plan, op. cit., para. 4.14.
- 31) Op. cit., para. 4.15 - 4.16.
- 32) Lesotho. First Five-Year Development Plan, op. cit., para. 2.2.1 and 7.1.1.
- 33) Op. Cit., para. 7.1.2.
- 34) Op. cit., para. 7.4.4.
- 35) M. J. Dlamini, op. cit., para. 55(F).
- 36) Botswana. National Development Plan, op. cit., para. 4. 102.
- 37) Cf., P. Brown, op. cit., p. 72. - The "Policy Statement of the Department of Agriculture" contained in Malawi's Development Programme 1970-1972/73, Vol. I. does not even mention co-operatives.
- 38) Zambia. Second National Development Plan, op. cit., p. 81, para. 137. See also op. cit., p. 16, para 78 - 81.
- 39) Republic of Botswana. National Policy on Incomes, Employment, Prices and Profits (Government Paper No. 2), Gaborone, 1972, Para. 8.
- 40) Ibid.
- 41) Op. cit., para. 17.
- 42) See also Botswana. National Development Plan, op. cit., para. 2.22.

- 43) A Decade of Achievement -- a Decade of Challenge. Speech by H.E. the President of the Republic of Botswana, Sir Seretse Khama, at the Botswana Democratic Party Anniversary Conference at Maun, 10th April, 1971. Gaborone, Government Printer, 1971, para. 39.
- 44) In respect of Malawi see: Malawi Government. Office of the President and Cabinet Economic Planning Division. Economic Report 1972. Zomba, Government Press, n.d., p. 62, para. 4; also: Statement on Development Policies, op. cit., section 4.2.
- 45) Zambia. Second National Development Plan, op.cit., p. 50, para. 58.
- 46) Op. cit., p. 52, para. 64.
- 47) Botswana. National Development Plan, op. cit., para. 6.11.
- 48) Lesotho. First Five-Year Development Plan. op. cit., para. 8.1.2(A).
- 49) Malawi. Opening Speech to Parliament, 9.3.71, op. cit.,
- 50) M.J. Dlamini, op. cit., para. 40, and Swaziland Government, Post Independence Development Plan, op. cit., Preface by Prime Minister.
- 51) M.J. Dlamini, op. cit., para. 43.
- 52) Zambia. Second National Development Plan, op. cit., p. 100, para. 65.
- 53) Op. cit., p. 96, para. 36-40.
- 54) Op. cit., p. 98-99, para. 49-54
- 55) Op. cit., p. 99, para. 52.
- 56) A Decade of Achievement etc., op. cit., para. 9.
- 57) Botswana. Budget Speech, 9.3.72, op. cit., para. 60.
- 58) Zambia. Second National Development Plan, op. cit., p. 127.para. 2.
- 59) Botswana. National Development Plan, op. cit., para. 9.19
- 60) Zambia. Second National Development Plan, op. cit., p. 128-129, para 15.
- 61) M.J. Dlamini, op. cit., para. 60.
- 62) Republic of Botswana. National Development Plan 1968-73. Gaborone, Government Printer, 1968, para. 2.1. - Also see the 1970-75 plan, op. cit., para. 9.58.
- 63) Malawi. Statement on Development Policies, op. cit., para. 1.3.5.
- 64) Zambia. Second National Development Plan, op. cit., p. 139, para. 4 (d).

- 65) Lesotho. First Five-Year Development Plan, op. cit., para. 7.3.9.
- 66) Swaziland. Post Independence Development Plan, op. cit., p. 16.
- 67) Cf., G.M.E. Leistner. Population and Resources in Southern Africa, Pretoria, Africa Institute of South Africa, 1972 (Occasional Paper No. 31), p. 19-20.
- 68) Botswana. National Development Plan 1970-75, op.cit., para. 2.26.
- 69) Op. cit., para. 9.60.
- 70) Malawi, op. cit., para. 4.3.10.
- 71) A Decade of Achievement, op. cit., para. 31. See also: Botswana: Principles and Progress, op. cit., para. 50-52.
- 72) Report by The Star's Africa News Service. The Star (Johannesburg), 15.9.72.
- 73) For a more detailed presentation see: G.M.E. Leistner, Co-operation for Development in Southern Africa. Pretoria, Africa Institute of South Africa, 1972 (Occasional Paper No. 33).