

# KEHITYSTUTKIMUS UTVECKLINGSFORSKNING 2000–2003

Yearbook of the Finnish Society for Development Studies

VIII

## ***DEVELOPMENT***

*– concepts, policies and practices.  
Essays in the memory of Michael Cowen.*

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SÄLLSKAPET FÖR UTVECKLINGSFORSKNING rf  
FINNISH SOCIETY FOR DEVELOPMENT STUDIES  
Tiina Kontinen & Maaria Seppänen (eds.).



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# Editors' Introduction

*Tiina Kontinen & Maaria Seppänen*

The Annual Conference of the Finnish Society for Development Studies, February 4-5, 2000, Helsinki began with insightful keynote speeches that met an enthusiastic audience and were followed by interesting working group sessions. The speakers in the conference included a number of colleagues, friends and students of professor Michael Cowen, the sudden death of whom on February 6<sup>th</sup> 2000 met the very same audience with confusion and grief. This book includes selected papers from the Annual Conference 2000 discussing different aspects of development. The VIII Yearbook of Finnish Society for Development Studies is published in the memory of late professor Michael Cowen who never ceased to pursue an answer to the riddle of development, which seemed to be how to discover the “*true alternative to [these] doctrines, that of development itself*” (Cowen & Shenton 1996, 476).

The book covers a wide range of issues related to “development” in which theoretical conceptualisation, policy formation and practical action of development are intertwining together. The book proceeds from a theoretical discussion towards more empirical examples. However, as is typical for development studies at its best, all the chapters refer to practical processes in different geographical areas and several levels of analysis. Even after the entry of the post-modern era, classical social theories hold strong in the chapters. They consider some of the most important concepts of contemporary debates such as democracy and social capital. The shift towards civil society is also reflected in the level of theoretical debate about both the roles of the state and civil society in development as well as in practice. The reader is provided with analysis of and speculations on the role of NGOs in various development processes. The examples and case studies emphasize Southern Africa, but span much wider geographical area.

Michael Cowen was born in Johannesburg in 1945 at completed his BA at the University College of Rhodesia (Zimbabwe) and a Diploma and PhD in Development economics at Cambridge University. He wrote an outstanding thesis on the history of maize and wattle production in Central Province in colonial Kenya, and followed this up with meticulous studies of coffee and

dairy production. His studies of these and other themes in Kenya were marked by its unparalleled combination of theoretical rigour and empirical precision. His subsequent research with Robert Shenton combined a rich investigation into the history of thought with detailed studies of the economic histories of countries across Europe, North and South America, Africa, and Australia. They have produced an archaeology, and a powerful critique, of doctrines of development. He worked at the University of Nairobi, City of London Polytechnic, later London Guildhall University and finally at the IDS at the University of Helsinki. The book begins with a foreword by *Juhani Koponen*, Acting Professor at the Institute of Development Studies, University of Helsinki. He puts together some memoirs of the colleagues about the latest phase of Professor Cowen's professional career as a professor of development studies at the University of Helsinki, Finland.

*Gavin William's* article provides a sociology of development as an idea and as a process. He offers a historical perspective to theories of development, the relationship between the theories, development policies and the practical implementation of these policies. He combines a insightful review of the literatures on development with his personal experiences as a scholar. This article is based on his keynote lecture to the Conference of Finnish Development Studies Association in 2000. A version of the article was published as "Studying Development and Explaining Policies" in *Oxford Development Studies* 31, 1, 2003, pp. 37-58.

The article written by *Scott MacWilliam* with *Vilitati M Daveta* discusses tourism in Fiji during the period 1987-1999. They describe how tourism in Fiji has been constructed in the course of the changes in the political space in Fiji. They provide a profound analysis of tourism in the framework of theory of commodity production by discussing the ways tourism is subject to accumulation of capital, especially as part of airline industry and accommodation business.

*Lars Rudebeck* approaches the meanings of democracy and democratization, the notions that have achieved increasing importance in development discourse. He distinguishes two dimensions of democracy, namely the constitutional issues on the one hand, and citizen autonomy on the other and combines this discussion with the debates on development. The article is a slightly revised version of a text published in *African Sociological Review*, vol. 6, no 1, 2002 which in turn develops a key theme of Lars Rudebeck's lecture at the conference of the Finnish society for development studies in 2000.

*Richard Wamai* gives a thorough review of the articles chosen by Michael Cowen to be read in a post-graduate seminar. He introduces the contemporary debate about the state and development and further speculates whether Africa could learn something from the NICs in the perspective of the role of the state in development.

*Tino Johansson* analyses community-based natural resource management by implementing the concept of social capital that has gained increasing importance in the discourse on development. He gives a review of the meanings attributed to the concept and discusses it in relation to the critique of community-based natural resource management in Africa.

*Tiina Kontinen* explores the analytical possibilities of the concept of trusteeship in understanding the difficulties in striving for partnership in the framework of Finnish NGO-development cooperation project. She connects the discussion of partnership in NGO-development co-operation to the analysis of a concrete case of co-operation in which one of the explicit aims was the achievement of partnership.

## About the authors

Michael Cowen was not only known as a profound scholar but also as a committed academic supervisor. Likewise, the contributors in this book are on one hand well-known development scholars and on the other, post-graduate students who started their PhD dissertations under the supervision and guidance of professor Cowen.

**Gavin Williams** was born in Pretoria and studied at the Universities of Stellenbosch and Oxford. He is a Fellow in Politics of St Peter's College, Oxford. He has published numerous articles and edited several books and issues of journals (including contributions by Michael Cowen) of the politics, political economy, land and agricultural policies of African countries and thinks that "*when one understands Michael's work, one sees that he was right all along*".

**Scott MacWilliam** is a Centre Associate at the National Centre for Development Studies, the Australian National University. He teaches and writes on development, international and indigenous capital and poverty. He has published on Kenya, Papua New Guinea, Fiji and Australia as well as on general development themes. He was a close friend of Michael Cowen since they met in Kenya in the early 1970s.

**Lars Rudebeck** is the Professor of Political Science and a Researcher and Lecturer in Development Studies, Uppsala University, Uppsala, Sweden. His theoretical research focus is on links between politics and development, in particular democratization and development. His empirical focus has been on a few African countries, although his first field work was done in Mexico in the early 1960s. Since then Rudebeck has done field work in Tunisia, Mozambique and Guinea-Bissau, resulting in a number of books and articles in several different languages. Since 1970 he has kept up a long-term, diachronic case study of Guinea-Bissau. Although working in related problem areas and sympathizing with each other's perspectives, Lars Rudebeck and Michael Cowen did not meet personally until the second half of the 1990s. They immediately found it easy to co-operate.

**Richard G. Wamai** (MSocSc) is finalising his doctoral studies in social policy at the University of Helsinki Finland. His doctoral thesis is on health systems under the topic *Health NGOs in Finland and Kenya: Comparative Trends in the Relationships between NGOs and Government in Healthcare in the Transformations of Social Policy*. Wamai has a committed interest in researching the role of NGOs in social development. Wamai is also the co-editor of the new annual *The Johns Hopkins International Philanthropy Fellows Journal* published in the US by The Johns Hopkins University. His article is a tribute to Michael Cowen as Wamai comes from the region where Cowen did most of his work on Kenya.

**Tino Johansson** (MSc) currently works as a researcher at the Department of Geography, University of Helsinki, Finland. His forthcoming PhD dissertation on the integration of wildlife conservation and rural development was initiated under the guidance of late professor Cowen. The areas of interest of Mr. Johansson are community-based conservation, wildlife management, rural livelihoods and political ecology.

**Tiina Kontinen** (MEd) is a researcher at the Center for Activity Theory and Developmental Work Research at the Faculty of Education, University of Helsinki, Finland. She started her on-going doctoral studies on Finnish-Tanzanian NGO-development co-operation in 1999 and received the initial encouragement by Michael Cowen who proved to be a demanding but sympathetic academic supervisor. Her interests include the role of civil society in the practice of development co-operation and the action oriented methodologies in research on development and development co-operation.

## Publications by M.P. Cowen

Following list of publications provides examples of the wide area of interests covered by Michael Cowen during his career.

- Cowen, M. P. 1979. *Capital and Household Production: the case of wattle in Kenya's Central Province 1903-64*. Unpublished PhD thesis, University of Cambridge.
- Cowen, M. P. 1981. The Agrarian Problem: Notes on the Nairobi Discussion. *Review of African Political Economy* 20.
- Cowen, M. P. 1981. Commodity Production in Kenya's Central Province. In Heyer, J. & Roberts, P. & Williams, G. (eds.). *Rural Development in Tropical Africa*. London.
- Cowen, M. P. 1983. The commercialisation of food production in Kenya after 1945, in R. Rotberg (ed.). *Imperialism, Colonialism and Hunger: east and central Africa*. Lexington: D.C. Heath.
- Cowen, M. P. and Kinyanjui, K. 1977. *Some Problems of Capital and Class in Kenya*. University of Nairobi: Institute of Development Studies, Occasional Papers 26.
- Cowen, M. P. and MacWilliam, S. 1996. *Indigenous Capital in Kenya: The 'Indian' Dimension of Debate*. Helsinki: Institute of Development Studies.
- Cowen, M. P. and Shenton, R.W. 1991. The Origin and Course of Fabian Colonialism in Africa. *Journal of Historical Sociology*, 4, 2.
- Cowen, M. P. and Shenton, R.W. 1992. Bankers, peasants and land in British West Africa. *Journal of Peasant Studies* 19, 1.
- Cowen, M. P. and Shenton, R.W. 1992 *Development and Agrarian Bias Part 3: land nationalisation*. Working Paper No 21. Department of Economics, London Guildhall University.
- Cowen, M. P. and Shenton, R.W. 1994. British Neo-Hegelian Idealism and Official Colonial Practice in Africa: the Oluwa land case of 1921. *Journal of Imperial and Commonwealth History* 22,2.
- Cowen, M. P. and Shenton, R.W. 1995. The Invention of Development. In Crush (ed.). *The Power of Development*. London: Routledge.
- Cowen, M. P. and Shenton, R.W. 1996. *Doctrines of Development*. London: Routledge.
- Cowen, M. P. and Shenton, R.W. 1999. *Community between Europe and Africa*. Wien: Institute for Advanced Studies, Political science series, no 59.
- Cowen, M. P. and Shenton, R.W. 1999. *Community in Europe: a historical lexicon*. Wien: Institute for Advances Studies, Political science series, no 64.

# Foreword

*Juhani Koponen*

The trajectory of the life and career of Mike Cowen until his tragically premature death in Helsinki on 6 February 2000 may at first glance appear a strange succession of quite distinct phases but on a little closer look one can discern a definite logic underlying it – a logic that is not linear but dialectical. Throughout his journey from a childhood and youth in colonial Rhodesias through post-independence Kenya and post-imperial Britain to Nokia Finland, Mike was following the contradictory calls of the forces of reason and community.

A simpler way of saying it would be that there were many sides to Mike Cowen who still was very much one and himself. He was the respected scholar and teacher, and a colleague. As an academic, he was known for several qualities. During his Kenyan time, he earned appreciation for his unusual combination of bold theoretical vision with extremely detailed and careful field work. In Britain, where he turned into large-scale history of development ideas, he was not only a scholar but also a militant trade unionist fighting for his academic colleagues against the Thatcherite onslaught. For us, at IDS Helsinki, while he focussed his research on the idea of community, he was also a boss – a Professor of Development Studies, the academic and administrative leader of the Institute and the only Professor in the whole field in the country.

His Helsinki phase lasted less than five years and began in a modest way. Mike was responding to an invitation from the staff of the Institute of Development Studies to take over the temporary leadership of the Institute. Yet the task he faced was tough. It is not too much to say that when he came to Helsinki, the whole existence of the Institute and perhaps even that of development studies as multidisciplinary field of study in the Finnish academic world was in danger. Mike's most urgent task was to stabilize the position of the Institute and secure its resource basis. In this, he was eminently successful. Mike left our Institute and the whole field of development studies in Finland in an incomparably stronger position. It will survive, thanks to Mike's efforts.

When Mike came to Helsinki, our small development studies community was living through difficult and distractive times, with people inside and outside the Institute disagreeing what to do. One way to cope in such a precarious situation is to turn outside and bring in new leaders – people with strange and exceptional qualities. We know such a model of importation of cultural heroes from the history and anthropology of both of Mike’s home continents, Africa and Europe. This is what happened in our case as well. First Mike was invited to come to undertake a task. After having shown success in this, he was invited to stay on as our first ever Professor of development studies, and now the invitation came from the University administration, with the Institute staff agreeing.

Mike was not a complete outsider, to be sure. His work was well known for many of us and we had a personal link to him through his wife Riitta who is an old colleague of ours. And Mike himself immediately set out to work his way through to become an insider, something he had accomplished much before he was taken away from us. In a way, he was an outsider and insider at the same time. It may not have been new to him; it seems to me that in much of his life he had been in similar position. But I think that the fact that originally he had come from outside had a decisive influence on his Finnish experience and impact.

Otherwise it would be very difficult to understand how he was able to do it? True, he had the determination, energy and skills that were required, and personal qualities do matter. But how was he able to create such excellent working relations with almost all relevant people and institutions both inside and outside the university administration in such a short time and bring in so much new resources to the Institute? After all, suave diplomacy did not belong to his strongest qualities. I think it was partly because he was very good at playing the game of bosses with the bosses – something which must have to do with his experience in trade unionism. Yet, at the end of the day Mike was not just playing the game of the bosses. He did not pretend to be a boss – he was one. A boss in the positive sense of the word: a leader with genuine authority and charisma, something to which his origins obviously contributed.

He was not a bossy boss; he knew perfectly well that that is the last thing academic bosses can afford to be. He led by the force of advice and example, although he was able to exercise some exhortation when needed. With such means, he guided our Institute to work towards its common goal again. This was his second major achievement in Helsinki. He helped to reshape the teaching and research programmes of the Institute. He established a PhD

scheme in collaboration with some other institutions at the University. He revitalized the publications policy of the Institute, editing dozens working papers himself. At the same time he continued to carry on with his own research and teaching to which he was so devoted.

This all meant that his working load was tremendous. At day, he worked at the Institute with meetings and memos and lectures and seminars; at night he continued reading and writing at home in his study. Perhaps not an entirely abnormal working tempo for an ambitious high-level academic scholar these days; but definitely not a very healthy one. This was realized too late.

Even as boss Mike was a scholar. He taught us much. He taught that development is not something that rich well-meaning people in the North do for their poor counterparts in the South. Development is something quite different. On the one hand, we have what he called immanent development, a process which is at the same time destructive and creative. On the other hand, we have what he called intentional development, something that is purposefully done and which aims at ameliorating the destructive effects of immanent development. And what immanent development is destroying and intentional development is trying to restore is one and the same thing – community.

Much of Mike's teaching derived its strength from the grand dialectical tradition coming down from Marx and Hegel. The immanent development of capitalism may have been extremely destructive affair but such destruction was the prerequisite for the creation of something new. That is why intentional development may turn out to be a double-edged sword, especially if it is done as trusteeship, on behalf of someone else. Communities cannot be developed from outside; if they are to thrive they will have to devise their own ways.

Now Marx and Hegel are complex and controversial figures and Mike's reading of them, developed closely in collaboration with his nearest colleague Bob Shenton, and was even more controversial. It seems to be gaining appreciation in the international discussion and I am sure that when time goes by, both its strengths and its weaknesses will become more apparent. Meanwhile, let us not forget one thing that Mike knew very well. Behind Marx and Hegel there was Kant, and Kant was the one who famously exhorted us to rely on our reason and to 'have the courage to know' – the classic statement of the Enlightenment

Mike's message was that of Kant, Hegel, Marx and the Enlightenment, in a double sense. In terms of contents, it was about capitalism and its destructive and creative potentials; about immanent and intentional development

and their necessary relationship. In terms of epistemology, it was about the ‘courage to know’: the refusal to go with intellectual and political fads and fashions and the quest for answers that are simultaneously theoretically informed and empirically grounded.

In our self-confessedly ironic post-modern age the message of the Enlightenment has been attacked and ridiculed. Behind the supposedly universal reason, what else is lurking there if not the thinking of the white imperialist European male? Mike had little understanding for such heresies, but he was fascinated by a different antidote to reason – the community. As much as he deplored the deceptions of trusteeship, he was tempted by the values of community.

I suspect this was because Mike was also a man of community, or many communities. He belonged to several of them across the world, global and local, some stretching across places and generations, other very particularly defined in terms of time and place. And he was constantly building new ones.

It seems to me that in his community-building efforts he also met the limits of the Finnish culture. For instance, his insistence that after a seminar we should go and share a beer in a local pub was met with some incomprehension. Not because of that those Finnish students are not fond of beer; but somehow the idea of continuing a formal discussion in more informal yet not entirely formless surroundings fit poorly to prevailing cultural notions. Even here, Mike has a few disciples and given more time he might have succeeded. But perhaps it is like the difference between cricket and ice hockey – I am not sure whether a life time is enough to make sense of it.

We probably value the strengths and weaknesses of our fellow humans in different ways in different times. Obvious qualities that I always admired in Mike were his intellectual integrity and his strong sense of solidarity. Another quality, of which I became only gradually aware but which now in retrospect looms large, was his ability to approach things from more than one perspective, yet keeping fast with his overall vision. I suspect this originated from his complex social and cultural position: he was at the same time outsider and insider, foreigner and member of the community, boss and colleague, yet he was very much himself with all his huge idiosyncrasies. Having all these in one person, he had access to insights and the powers of all of them, and I think it was the combination of them in his person that goes a long way towards explaining his life trajectory and his successes in Helsinki.

# Studying Development and Interpreting Policies<sup>1</sup>

*Gavin Williams*

This paper offers a sociology of development; it takes the idea and practices of development as its subject. It therefore starts with the puzzle of development. What is it that we are studying when we study development? What constitutes a problem as a ‘development problem’? What makes a policy a ‘development policy’? Once the question is asked, the answer is obvious: the idea of ‘development’. Development, then, is fundamentally an ideological project. It is made manifest in its numerous practices. So I shall then go on to a different puzzle: the mysteries of the relations among the making of policies, their implementation, and their outcomes.

## The Puzzle of Development

Confronted with big words like ‘development’, Johan Degenaar, with whom I studied philosophy at the University of Stellenbosch in the early 1960s, would ask *Wat vir ‘n ding is dit?* What sort of thing is that? Development, like the state, is a ‘social fact’. It meets Durkheim’s criteria of existing ‘generally’ and of exercising ‘an external constraint’ (Durkheim 1982, 59). But, as the late Philip Abrams observed in 1977 of the state, development is not a thing (Abrams 1988). It is an idea. Our first task is to interrogate this idea.

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1 This lecture was presented to the 30<sup>th</sup> anniversary Conference of the Finnish Institute of Development Studies. Michael Cowen chaired the session to which this paper was given, two days before his tragic death. It borrows from his work and takes up his ideas. A research grant from the Leverhulme Trust gave me the time to prepare this paper. In revising the paper, I drew particularly on valued comments from Jairus Banaji, Barbara Harriss-White, Scott MacWilliam, Rosa Williams, and Roy Williams. A version of this paper appears as ‘Studying Development and Explaining Policies’ in *Oxford Development Studies* 31, 1, 2003, pp. 37-58.

### **'Development is that which we are all in favour of.'**

In the 1970s, it proved to be rather difficult to treat 'development' as a problem. Its meaning was so self-evident that it could not be brought into question. It defined both its own practice and the norms for evaluating that practice. 'Development' could simply be described as 'that which we are all in favour of' (Williams 1978, 925). Even the most incisive critic of the sociology of development, André Gunda Frank, turned the concept inside out. Capitalism in Latin America, and by extension elsewhere, had produced not development but underdevelopment (Frank 1967). 'Development', as a description of an historical process and as a normative goal remained intact.

Certainly, one could hardly be against it. In 1974, Philip Corrigan, Emmanuel Tumusiime-Mutebile and I submitted an article to the newly established Review Of African Political Economy which argued against the idea of development and its practice. The referees told us that if we did not like one or other version of development, we should explain what our own concept of development was. To be opposed to the very idea of development was, literally, incredible.

In these post-modern times, things are different. We have all learned to problematize concepts. Development discourse has been unmasked, most famously in James Ferguson's critique of a Canadian-funded development project in highland Lesotho (Ferguson 1990). Or has it?

### **Discourses of Development in the New South Africa**

Returning to South Africa in the early 1990s, I found that development discourse had replaced Marxist analysis as the language of the intellectual left, not to mention of policy-makers, old and new. It provided a linguistic bridge across political divisions and out of international isolation. Non-Governmental Organizations initially popularized the subaltern discourse of 'empowerment', 'co-operation' and 'participatory development'. Academics and consultants had taken up the demand that they engage poor people in 'participatory rural appraisal'.

The apartheid regime had also adapted its language to the times. 'Development' was revealingly substituted for the original 'Native' in the titles of laws and of institutions such as the South African Development Trust. The retranslation of the Department of Native Affairs records changing discursive fashions. First, it became the Bantu Administration Department, then the Department of Plural Relations, followed by the Department of Co-oper-

ation and Development. It ended its days, mired in corruption, as the Department for Development Aid.

The identification of 'development' with black people outlasted the late apartheid régime. The African National Congress-Congress Of South African Trade Unions-South African Communist Party alliance, perhaps unwittingly, took from the official name of the World Bank the title of its election manifesto, the Reconstruction and Development Programme, RDP (African National Congress 1994). The RDP was then transformed into a White Paper, which defined the agreed policy framework of the Government of National Unity (Republic of South Africa 1994). It was institutionalized as a ministerial portfolio, responsible for allocating public funds to meet the needs of the 'historically disadvantaged'. The RDP failed to spend the money it had claimed from the main line ministries, thus helping to reduce the fiscal surplus and losing funds that foreign aid donors had committed to RDP programmes. It was dissolved and gave way to an internationally more hegemonic discourse, embodied in the name of its orthodox fiscal programme, Growth, Employment And Redistribution -GEAR (Department of Finance 1996). The inclusion of redistribution was an ironic sign that the government had recognized the need to move away from the ANC's earlier commitments to giving priority to redistributing resources to the poor. The goals of 'black empowerment' and even correcting 'historical disadvantage' remain, discursively reconciling the claims of growth and redistribution and displacing issues of economic inequalities and class politics (Orkin 2002).

### **Naming Development**

Names have consequences. They define and legitimate the terms of public debates and carry their assumptions into the framing and implementation of policies, behind the backs of those who use them, in Ferguson's perceptive metaphor. Hence our need to be aware of 'keywords', to find out where they came from, and to recognize the baggage they bring with them (Sharp 1988, 11-12; Williams, 1976).

Renaming covers up the continuities of institutional forms and functions. If meaning is use, development administration, in at least one of its historical meanings is about governing black people. In the new South Africa. 'development agriculture', refers to farming by poor, black people; 'commercial agriculture', by contrast, is mechanized, scientific and owned and directed by whites. The Wine Trust, established to promote the interests of the industry, is divided into the commercially-oriented Busco and the develop-

ment-oriented, Devco. Whereas Busco promotes exports, research, information and extension services, facilitating entry of new farmers and land reform is a ‘development’ rather than a ‘business’ issue and thus falls under Devco (Vink et al. 2003).

Development was integral to the ideology and practice of imperialism. In the United Kingdom, the Department for International Development (DFID), previously the Overseas Development Administration and the Ministry for Overseas Development is the lineal descendant of the Colonial Office. Missions are, perhaps, the progenitors of the NGO sector, to whose activities they made, and continue to make, a significant practical contribution. As John Peel has show, the evangelical message of ‘enlightenment’ (*olaju*) opened the way to the ideology of progress and development among Yoruba of all faiths (Peel 1978, 2000). Variations on the theme of development united evangelists, imperialists, nationalists, economists and the ‘development community’ from the early nineteenth to the twenty-first century.

### **Confounding the Intention to Develop with the Process of Development**

As Michael Cowen and Robert Shenton (1996) show in their book *Doctrines of Development*, the doctrines did not originate in the tasks of ruling Empire. They were designed in nineteenth century Europe to address the negative consequences of capitalist development, to reconcile *Order in Progress*, in the words of Brazil’s national motto, borrowed from August Comte.

Cowen and Shenton bring out the inherent ambiguities of the notion of ‘development’ in which the process of development, and its consequences, positive and negative, are confounded with the intent to bring about development, usually through the practices of the state. The state and its agents working to promote ‘development’ — or those working through non-governmental organisations to promote ‘another development’ (Hettne 1990) — are, whether they like it or not, acting as the ‘trustees’ of development. The combination of immanent process with an historical telos, under the leadership of the vanguard party was central to the politics of Leninism. The shared assumptions of the doctrines and practices of development have survived the collapse of the communist variant of the Comtean project.

The confusion between process and intention also has its roots in Comte’s positive philosophy (Comte 1875-76). Comte combined two incompatible conceptions of positivism in ways that continue to inform policies and planning today. The first conception is the application of the methods of the natu-

ral sciences to the empirical study of society and history, and the representation of their findings in mathematical form. The second is to apply the knowledge of experts to devising a proper order of society and find ways of applying scientific knowledge to the promotion of human progress, or, as we might say, governance and development.

The essential ambiguity in the meaning of development is replicated in development studies. Are we studying the processes of change to which we give the label ‘development’? Or are we asking how best we can bring about the goals of ‘development’? Both sorts of questions may be quite legitimate, but they are not the same.

### **Dualisms, Development and the State**

Dualisms are inherent in the concept of development once it is conceived as the realization of the intention to develop. Development is the means whereby traditional ways of doing things are modernized. Backward societies, or sectors or classes, are transformed into advanced ones. Backwardness is the mark of the countryside, at least until it is transformed by mechanical or biochemical technologies. Peasants are unable to develop. They must be developed. Nowhere is this vision more marked than in *The ABC of Communism*, written just after the revolution by Bukharin and Preobrazhenskii (1969), in which socialist industries would provide the means for the economic and cultural transformation of the ‘backward’, peasantry (Corrigan et al. 1978). Soviet planners gave priority to the “heavy industrial” combination of hydro-electricity, steel mills and tractor plants over consumer-oriented light industry. Stalin liquidated both Bukharin and Preobrazhenskii, as well as peasantry as a class. He brought about the deaths of millions of peasants by deportation, forced labour and famine to secure control of the countryside and to build up Soviet industry (Lewin 1968; Nove 1992; Davies 1980). His agrarian policies held back rather than promoted Soviet industrial growth.

Classic texts of wartime and post-war development economics were concerned to find other mechanisms to transfer resources from the agricultural to the industrial sectors. The major debates concerned the ways of doing so, and thus the proper place, and limits, of state action in the process. Rosenstein-Rodan (1943) proposed simultaneous investment in light and heavy industry, financed by external credit. Prebisch (1964) and Lewis (1958, 440-446) identified the problems of agricultural and mineral exporters, who found that global gains in productivity undermined the prices for their commodities but not to the same extent for their industrial imports.

Hence the need for structural change, from externally-oriented agricultural production to industrial production for the home market or, more modestly, state investment in infrastructure. Lewis (1958) focused on the transfer of labour from agriculture to industry on the assumption that this would raise its overall productivity.

In his essays on *Economic Backwardness in Historical Perspective*, Alexander Gerschenkron (1962) identified the strategic importance of the state's association with financial and industrial interests in the industrialization of Tsarist Russia and Imperial Germany and in directing investment in the domestic and foreign economies. The 'developmental state' was not a purely East Asian invention, though the response of Japan after the Meiji Restoration of 1868 to the armed imposition of free trade by Commodore Perry in 1854 was an early exemplar (Lockwood 1954; Wade 1990; Robinson & White 1998). The American Civil War secured the Union for 'free labour', facilitated tariff protection, railway building and territorial expansion, and opportunities for business with political connections (Beard & Beard 1947, II, 52-110).

A distrust of commerce and particularly of traders of 'alien origin', and the experiences of the world depression and of war-time planning, disposed colonial officials to favour state planning and regulation. Nationalist politicians and their allies among the local capitalists looked to the state to promote industrial growth, to protect them from foreign competition and to give them access to the resources from which they had been excluded by foreigners (Hodgkin 1956). Hence the coalition of Indian industrialists and nationalists in support of state development planning outlined in the 1944 Bombay Plan (Watkins 1985). The state would also be the instrument of the other part of the nationalist project — bringing 'development' in such forms as schools, roads, clinics and hospitals to the people. Similarly, the depression of the 1930s convinced industrialists in Latin America of the virtues of state intervention and provided a potential pillar for a populist alliance with a nationalist ideological façade. Colonial governments in Africa nationalized the export of agricultural commodities during and after the Second World War. These provided revenues and contribution to the post-war reconstruction of the metropolitan economies. Their nationalist successors perpetuated them as a way of securing and allocating state revenues for development (Bauer 1954; Deutsch 1990).

The International Bank for Reconstruction and Development, the self-proclaimed World Bank, promoted market-oriented development by lending money to governments for investment in transport, telecommunica-

tions, and hydro-electric projects. In the 1960s and 1970s, it drew on Indian examples to promote contraceptive and biochemical technologies to provide more food for fewer people (World Bank 1975, 1989; Williams 1993). The water-seed-fertilizer-herbicide ('green') revolution has promoted higher yields, to land and labour, of rice, wheat and yellow maize. This process of 'heavy agriculturalization' (Harriss-White 2003) demands large and sustainable supplies of river or groundwater, commercial renewal of the supply of seeds, and heavy applications of chemicals. These strategies cannot easily be adapted to African countries, where the World Bank encouraged expensive projects, which have made great demands on limited administrative capacities and foreign exchange resources, to the benefit of contractors and consultants, local and foreign (Williams 1981).

### **Critics of Development**

Developmentalist orthodoxy did not go unchallenged. Peter Bauer (1954) challenged the faith of colonial officials, their nationalist successors and development economists in state intervention. He placed more faith in farmers and traders than in government to make appropriate economic decisions. He argued convincingly against the state regulation of markets, and particularly agricultural markets, whether to stabilize incomes, to improve the barter or income terms of trade, or to tax farmers and promote industrial growth. State regulation encouraged investment in seeking opportunities for the monopoly rents arising from a regime of controls and licences (Krueger 1974). The time for Bauer's ideas would come in the 1980s, after the collapse of the post-war economic order and the fiscal and debt crises of states in Eastern Europe, Latin America, Africa and South Asia. They provided the ideological basis for the strategies of liberalisation undertaken in Britain and New Zealand and then imposed by the international financial agencies on governments in Latin America, Africa, Asia and Eastern Europe. Their implementation required 'fiscal policing' (Corrigan 2002, 14) and centralised control of public administration, often in the guise of 'decentralization'. They changed the forms but not the incidence of private appropriation of public resources (Harriss-White & White 1996).

Frank's theory of underdevelopment is, from an economic viewpoint, an internal critique of import-substitution industrialization. Far from reducing dependence on foreign imports, import substitution strategies exacerbated it. In that he was quite right. The greater the industrial development, the more the share of imports in the value of final outputs. Frank's assertion that capitalism could not develop in Latin America (or Africa, let alone Asia) is

hard to sustain in the face of the empirical evidence of economic expansion and improvement in the conditions of many people in the colonial period and after (Warren 1980).

The retreat in the 1970s to a more orthodox Marxist analysis of modes of production (Laclau 1971) or to the distinction between ‘formal’ and ‘informal’ sectors (ILO 1975; Weeks 1975) renewed dualist ways of thinking. Current attacks on globalization turn modernization theory inside out. They dismiss the mutual benefits of trade and elide valid criticisms of the asymmetric power relations of actual capitalist markets (OXFAM 2002) with rejection of market exchange, and especially production for export, in principle. Bauer and Frank argue from, and for, positions that appear to be diametrically opposed. Their shared virtue is that they reject the dualist assumptions of development theory.

### **Comparative and Historical Perspectives**

Barrington Moore, jr. took up the themes of Gerschenkron’s study of the politics of Prussian Junkers in his comparative study of *The Social Origins of Dictatorship and Democracy: Lord and Peasant in the Making of the Modern World* (Gerschenkron 1943; Moore 1966). Its central focus is how the responses of the landed upper classes to the commercialization of agriculture shaped the transitions into industrial societies. It placed agrarian social relations, political revolutions and state power at the centre of its narratives of development. Moore’s analysis read history backwards, from the perspective of the industrially developed world and the great political divisions of the world around the time of the Second World War. He explicitly assumed that a modern world is a world without peasants. From this perspective, the capitalist class relations of Prussian agriculture and the political alliances of industrial and agrarian interests in nineteenth century Germany appear to be quite divergent from England, with which they possibly had more in common than either did with France or Japan with which, respectively, Moore pairs them. As Moore’s examples show, the division between free trade (Britain, Japan) and protectionism (Germany, France, U.S.A.) does not coincide with the democratic or dictatorial outcomes of the paths to modernity. Nor does either free trade or tariff protection, in itself, provide a general condition for industrial growth, irrespective of other conditions, national and international. Moore realised that the ‘modern world’, which defined the state of being developed, is the product of historical changes over the long term. He did not assume that the political alliances and conflicts that produced specific outcomes were inevitable.

Historical comparisons should not be closed off. They need to be open-ended. They show how analogies, which are necessarily partial, may enable an account of one case to shed light on another case. They are as important in identifying differences to be explained as in locating similarities. Their contingent character means that they cannot answer the questions in the forms posed by policy-makers (Williams, Williams, and Williams 1998).

The orientation of development studies to finding the means to realize goals has always tended to promote an orientation to the future, notably among economists. Base-line surveys, cost-benefit analyses, and statistical models leave little room for archival research and historical interpretation. The more is the pity, one might add, given the number of times development projects and policies have predictably repeated the failures of previous ones. Economists have not abandoned history. They have, through the work of the new economic historians, borrowed from history and stylized it. Complex historical processes have been represented through the prism of analytic models, grounded not in historical research but in the axiomatic logic of, for example, property rights and utilitarian calculation. This procedure reads history backwards with a vengeance.

Standardized representations of complex relations, abstracted from their historical and geographical context, enable social scientists to conform to their image of the generalizing procedures of the natural sciences. They may also provide the building blocks that can be used to devise solutions to the problems which policy-makers call on them to solve. Impersonal procedures, which generate finds that claim objective validity, take the politics out of policy. Technical discourse extends claims to scientific expertise to international agencies and to the social scientists who service them. In this way, contemporary developmentalists follow in the footsteps of Saint Simon and Comte, and of the Bolsheviks, in seeking to 'replace the government of men by the administration of things' (Taylor 1975; Nove 1983, 32-33; Rosen 1996, 222-223).

### **Explanatory Models and Normative Exemplars**

Students of development like models, even if they want to shape them in their own ways and in accordance with their varied disciplinary cultures. Models of development reproduce the confusing duality of explanatory models and normative exemplars.

The virtue of analytic models is their abstraction. They take elements from complex social processes, isolate them conceptually, and then recom-

bine them into selective representations of the logic of the relations among them. Their purpose is to enable us to think clearly and to ask questions, not to substitute for empirical descriptions of historical narratives. It is no criticism of a model to state that its assumptions are not empirically realistic. The value of a statistical model may be to identify the limits of explanations. In Karlin's words, 'The purpose of models is not to fit the data, but to sharpen the questions' (Karlin 1983). Where 'rational choice' models fit with observed courses of human action, they redescribe, in abstract form, aspects of our behaviour. But when people do not act in the way in which plausible models of strategies of action suggest they should, the models direct us to ask new questions.

Specific examples of successes, or failures, of projects or policies may be relevant to making sense of the course and outcomes of other initiatives. They can give us reason to recommend similar approaches or to warn against likely disasters. It is risky to construct selective characteristics of one or more examples into a model for others to follow — as in the 'East Asian model of export-led growth', the 'Grameen Bank model' of lending to the poor, of the 'Kenyan model of land reform'.

In 1993, Fernando Bernal tracked me down from Colombia to phone me in Durban. He wanted to ask me about the South African land reform, which Hans Binswanger had told him, provided a model for the World Bank's land reform plans for Colombia. Land Reform in South Africa was, at that stage, quite literally a figment of the World Bank's imagination, consisting of quite recent proposals which drew on the 'Kenyan model' to devise an appropriate strategy for land reform in South Africa. The 'Kenyan model', in turn, was a selective and tendentious representation of the series of policies adopted between 1952 and 1982 and their outcomes, expected and unexpected. It, too, was a product of the economic imagination.

Models are not technologies, which can be taken out of one context and applied in another. They can provide a vision of what might be possible and how things could be done. They are put to better use as a means of identifying the conditions, and their combinations, which, in given circumstances, made certain outcomes possible and precluded others.

### **Crossing Boundaries: The Virtues of the Eclectic**

In 1970, development studies combined the intention to understand the world with the aim of changing it. These are confused at our intellectual and political peril. Development studies drew on a variety of arguments, and counter-arguments. It was framed within an arena of discourses, whose

overlapping assumptions transcended political differences in ways of which the antagonists were not always aware. At its best, it took the whole world as its field of study and did not exempt industrial societies from its enquiries. This encouraged a comparative and historical approach, which was in tension with its ameliorative concerns and orientation to the future.

The greatest strength of development studies was that its subject matter could not easily be confined within the parameters of academic disciplines. The demands of a multi-disciplinary approach are severe requiring, at the least, literacy in the language and a familiarity with the contested theories of several disciplines. They were not always met. Non-economists rarely achieved numeracy. Ignoring Marx's own caveats (McLelland 617-618, 565; but cf. 424-427; 455-458), Marxists, like Parsons (1951, 1966) before them, sought to produce an overarching theory or method of analysis that would exclude alternative approaches. Rational choice theorists seek to dissolve disciplinary divisions and reduce all social explanation to a common protocol, modelled on the utilitarian assumptions of neo-classical economic theory (Coleman 1990; Green & Shapiro 1994). Universal explanations can only be highly abstract. The explanation of particular events benefits from an eclectic approach, which is sensitive to context and contingency, able to draw critically and imaginatively from various intellectual traditions and analytic approaches.

## The Mysteries of Policies

To argue that we need to separate the study of process of development from the pursuit of the goals of development does not mean that we should not concern ourselves with policies, with what works and what does not. To the contrary. If we are to contribute to sensible judgements on matters of policy, we need to study the making, implementation and outcomes of development policies.

### **Two Groundnut Projects Seem Distinctly Careless**

The collapse amidst great derision of the Tanganyikan groundnut project in 1950 did not prevent the launch of a similarly unsuccessful project to produce groundnuts at Mokwa, in Nigeria (Wood 1950; Coulson 1977; Baldwin 1957). This suggested that, if one groundnut project might be counted a misfortune, two seemed distinctly careless. The continued repetition of failed projects called for explanation. The study of failed development projects

raised wider questions about marketing, exchange rate and fiscal policies, which have had more far-reaching effects on rural producers and on agricultural production than have inappropriate projects.

My initial emphasis was on the assumptions underlying the practices of development – on studying the ideas with which people think (Williams, G. 1976). This ideological focus clearly needed to be balanced by an investigation into the material interests served, or intended to be served, by irrigation schemes, or agricultural development projects, or marketing boards, or overvalued exchange rates. Projects and resettlement schemes also served political interests, not least the concern of states to find ways of controlling rural people, ‘capturing’ them in the metaphor used by Hydèn (1980, 1983). My colleagues and I outlined this triangle of ideological, material and political aspects in introducing a volume of essays on *Rural Development in Tropical Africa* (Heyer *et al.* 1981). Similarly, Robert Bates in explaining *Markets and States in Tropical Africa* complemented explanations in terms of rational calculations of interest with reference to the influence of the ideas held by development economists and to the interests of states in extending control over their subjects (Bates 1991, 3, 7). Interests are structured and ideas are embedded in institutions, which demonstrate continuities of forms in the most unexpected places. These forms operate, to borrow again from Ferguson (1990), behind the backs of policy makers.

### **Living in Proper Villages**

African governments have commonly sustained many of the colonial laws, policies and programmes which they had previously denounced. They have spread them more widely and given them new life. ‘Villagization’ and ‘betterment planning’, singly or in combination, have born particularly hard on rural people.

Governments and armies, faced with resistance in the countryside, have commonly sought to separate rural people from armed combatants by confining them in concentrated and often fortified settlements. Notorious examples include the Spanish in Cuba, the Japanese in China, the British in Malaya and the Americans in Vietnam. African precedents go back to Sir George Grey’s strategies on the eastern frontier of the Cape Colony, Lord Kitchener’s ‘concentration camps’ in the South African War, the British during the Kenyan Emergency, and the Portuguese and subsequently Frelimo in Mozambique (Peires 1989, Vail & White 1980, 299). It has rarely been effective as a counter-insurgency strategy. This has never stopped governments from adopting it, most recently in Uganda and Rwanda.

Military motivations were often combined with a civilizing mission, which could also be pursued for its own sake. Agricultural officials in colonial Kenya took advantage of the settlement of Kikuyu into villages during the Emergency to introduce their far-reaching programme of land consolidation and land registration. Colonial firms used ‘cotton concentrations’ to impose cotton cultivation on Mozambican peasants during, and since, colonial rule (Pitcher 1993; Cravinho 1995; Dinerman 1999). Julius Nyerere (1966, 183) told the people of Tanzania in his inaugural address as President in 1962 that ‘The first and absolutely essential thing to do...if you want to be able to start using tractors for cultivation, is to begin living in proper villages.’ He promoted a policy of bringing people together into to form communities in *ujamaa* villages. He subsequently required people to live in planned villages so that the state could reach out to them, provide them with services and promote rural development (Coulson 1977; McHenry 1979).

‘Betterment planning’ was exported from colonial Southern Rhodesia to South Africa, Northern Rhodesia, Malawi, Tanganyika and Kenya. It involves the separation of residence, arable cultivation, stock grazing, woodlands and watercourses. Rural people have to carry out methods of soil conservation, adopt approved methods of cultivation and reduce their stock. It thus requires the reorganisation of patterns of settlement, land holding and cultivation, and disruption of the complex social networks embedded in them. It did little, if anything, to improve agricultural production and a great deal to provoke rural resistance and support for nationalist politicians (Beinart 1984; Throup 1986; de Wet 1989, 1994; Hendricks 1989, 1990; McAllister 1989; Mager 1992; Phimister 1993).

This has not discouraged nationalist regimes from taking these policies over. In Zimbabwe, the 1980s land reform programme allocated land to tenants on planned settlements on condition that they abided by cultivation rules. Officials planned to extend these reforms to communal areas under the auspices of Village Development Councils (Alexander 1994). In line with colonial thinking in Kenya and Rhodesia, tenants were expected to be full-time farmers, not engaged in urban employment and abandoning claims to land elsewhere. The same constraints are not placed on the government ministers and their cronies who have taken transfer of large farms. The continuities in ideas across generations of officials are embedded in the institutions that employ them and in their routine practices.

## Reforming Land in Kenya and South Africa

Land reforms and agricultural policies in Kenya in the 1960s transferred land to small-, as well as large-scale African, farmers, and extended the production of tea and coffee for export and the raising of dairy cattle to a broad stratum of African smallholders. This intensified maize production, increased export earnings and raised rural incomes in Central Province and the Rift Valley. These 'successes' required that the Kenyan government, with financial aid from Britain, first buy out most settler farmers. They cannot be attributed to the policies devised by colonial planners to register and consolidate land and, later, to transfer land and open markets to a managed hierarchy of large-scale and yeomen farmers. They resulted, in a significant measure, from political pressures for wider redistribution of land and of opportunities to grow high-value crops, and from the interests of international trading companies in the production of high-quality tea and coffee (Heyer *et al.* 1976; Heyer 1981; Cowen 1981; Leo 1984; Francis 2000 1-17).

In South Africa, the redistribution of land has not made much headway. Changes that have taken place show surprising continuities with the previous era. In 1993, the World Bank put forward the Kenyan example as a 'model' for the transfer of thirty per cent of South Africa's white-owned farms to African smallholders over five years, which became a 'target' in the ANC's RDP. (Binswanger and Deininger 1993; African National Congress 1994, 22; Williams 1996a). This would, as the 1955 Tomlinson Commission said of its own proposals, have amounted to 'a vast resettlement project' (Union of South Africa 1955, 117).

The new government backed away from this grandiose plan. In areas adjacent to the former 'native reserves', land reform extends the areas of communal tenure, in that way furthering the consolidation of the former bantustans. State agencies have tended to transfer land to the same stratum of officials and traders that benefited under the bantustan administrations. Restitution of land to dispossessed communities, prospects of access to new land and opportunities to allocate land expose differences of interests by gender, age and status and may generate new conflicts among the beneficiaries of reforms. (Murray 1996, 1997; Drimie 2000; James 2000a, 2000b; Cousins 2001; Wotshela 2001).

Land transfers were to be market-based, funded by grants to beneficiaries which were originally set at R15,000 [then ~\$3,400]. The Department of Land Affairs initially favoured the transfer of land to Common Property Associations (CPA) to manage on behalf of the new, or old, land owning community. The CPA met administrative needs and was the institution to which

land could be transferred. It echoed the distrust, which colonial officials and radical intellectuals share, in private property and the vision that shaped *ujamaa* villages in Tanzania. It benefited social entrepreneurs able to speak the language of and gain access to NGOs and the procedures of the Department of Land Affairs and to mobilise the necessary claimants. The small grants and consequent multiplication of beneficiaries lead either to land being underused and/ or to the patterns of close settlement, typical of the former bantustans. (Cross *et al.* 1996; Williams *et al.* 1998; McIntosh *et al.* 1999, v-vi, 12).

Recent proposals aim to extend the scope of land transfers by a sliding scale of grants to be matched by the beneficiaries' own contributions (Ministry of Agriculture and Land Affairs 2000; Hall and Williams 2003). They aim to create a hierarchy of farmers who may graduate from one level to another. This reproduces the conceptions of subsistence, master, yeomen and commercial farmers shared by settler regimes in Kenya, Rhodesia and South Africa (Williams 1996a). There is no lineal path of ascent from one form and scale of earning rural incomes to another.

Laws to reform labour tenancy build, unwittingly, on 150 years of legislation which has tried to abolish the 'feudal' institution of labour tenancy in order to transform tenants either into honest land-owning peasants or into wage labourers (Williams 1996b). Policy-makers fail to understand why rural Africans have preferred tenancy arrangements, which permit them to keep their own stock, to a cash wage (Bradford 1987; Keegan 1987; Mather 1997; Schirmer 1997; McClendon 2000).

Under the apartheid regime, the sugar industry developed a Small Cane Growers Scheme to gain access to land reserved for Africans. They expanded cane production and farmers' incomes (Vaughan & McIntosh 1993). Since 1994, corporate and large-scale farmers have taken advantage of state grants to workers to meet part of the costs of enabling their workers to acquire their own houses or a share in orchards or vineyards. These grants to workers may, in effect, replace the housing subsidies that the apartheid state made to farmers. Given the extension of security of tenure to farm residents, it suits farmers if their workers are housed on their own land rather than, as in the past, tied to the farm.

Imaginative land reform initiatives circumvent the problems of delayed returns on the high costs of land and of establishing vineyards and orchards. They potentially enable workers to share in the returns from marketing fruit and making wine and not only from growing fruit. These projects may allow farmers to gain access to additional sources of land and water. They depend

on the value of the use of the farmer's or the company's capital, equipment, skills, and access to markets and must therefore fit in with the farmers' objectives (Eckert *et al.* 1996; Ewert & Hamman 1999). They may enable employers to acquire additional land and water resources, as well as capital for the enterprise, and to raise productivity by restructuring incentives. In the deciduous fruit industry, falling international prices deprived workers of dividends and caused the values of their shares, which are locked into their employment, to collapse (Fast 1999).

### **Liberalizing Markets in Kenya and South Africa**

Changes in agricultural policies that have taken place since 1994, for example the abolition of the maize and other marketing boards, were the outcome of changes that were already under way before 1990. Maize control in South Africa, as in Kenya and Southern Rhodesia, guaranteed settler farmers a single, subsidised producer price. These benefits were extended to small farmers in Kenya and, after independence, Zimbabwe but the largest share always went to the wealthiest farmers (Heyer *et al.* 1976; Kitching 1980, 109-110; Mosley 1983; Amin 1992).

When fiscal constraints led to the withdrawal of price subsidies in the 1980s, producers were left to bear the costs of state marketing, of exporting surplus maize at a loss, and of cross-subsidization of transport through a single producer price. Well-placed producers and the maize millers, who had consolidated their control of the market under the old regime, now took advantage of the opportunity to cut out the state middleman. State marketing could no longer be sustained in South Africa. Large-scale Kenyan farmers discovered the virtues of the market that they had resisted for so long (Amin 1992; Williams *et al.* 1998).

Wine and brandy markets were statutorily regulated from 1924 to 1997 by a farmers' co-operative, the Koöperatiewe Wijnbouwers Vereniging (KWV). Controls on planting, minimum prices, and disposal of surplus wine for distilling and grape juice were the 'bedrock of the industry' (Ritzema de la Bat 1989: 24). The system rewarded quantity over quality. In 1978 the industry was reconstructed to allow Distillers Corporation, South African Breweries and the KWV each 30% of Kaapwyn, which controlled over 80 per cent of the country's wine and spirits markets. In the 1980s, co-operative cellars and independent wine producers reduced the dominance of the wine and spirits markets by Kaapwyn, reconstituted in 2000 as Distell, and undermined all three pillars of the system of regulation which were abandoned between 1992 and 1997. The KWV transformed itself into

a company and passed its regulatory functions to the Wine Industry Trust. KWV no longer has privileged access to surplus grape spirits for distilling and fortification of wine and KWV and Distell both confront increased competition for more diverse foreign and local markets. (Vink *et al.* 2003).

The political order that sustained agricultural subsidies and state marketing in South Africa was no longer fiscally viable. The final abolition of the marketing boards was made possible by the political marginalization of the interests of 'organized agriculture'. Land reforms are held back by fiscal and administrative constraints. The state machinery of government has been built up to perform certain activities. It cannot easily be turned round and directed to perform new tasks, even when it is brought under new and enthusiastic management.

### **Governance and Democracy**

Colonial powers divided up and mapped out their territories and subordinated African polities of quite diverse forms to their rule. They established decentralized forms of territorial administration, into which they incorporated African rulers and political notables as intermediaries within a hierarchy of chiefs (Crowder & Ikime 1970; Iliffe 1979). They required modern forms of government to raise revenues, build roads, regulate commercial transactions, define and protect rights to property, extend public health and education, and pay back railway loans.

African governments inherited the institutions through which, and the boundaries within which, they exercise state authority (Mamdani 1996). States have disputed, even by force of arms, their interpretations of the lines drawn by colonial cartographers. Claims made, by armed force, to establish new nations, independent of post-colonial states have rested on colonial precedents and boundaries, as in Eritrea, Western Sahara, Southern Sudan, Nigeria (Biafra), Somalia (Somaliland).

The most effective and stable African governments were single-party states. They were headed by nationalist leaders, often of a venerable age. They pursued a politics of inclusion, assimilating opposition leaders and party into the fold of the ruling party. They repressed those who remained outside the fold or threatened their position from within. They controlled and contained the scope and allocation of political spoils (Allen 1995; Dorman 2001). The unconstrained pursuit of spoils often led several states to lose their claim to 'exercise a monopoly of the legitimate use of force over [their] territory' (Weber 1991, 89).

African governments, of the single-party, military, revolutionary or elected varieties, all face the same problem as colonial administrations before them. How are they to rule dispersed populations with limited fiscal and administrative resources. They have tended to revert to the same solutions. The colonial district officers and provincial commissioners have been recreated as the key agents of a system of generic territorial administration, accountable to the centre. They in turn need to find *interlocuteurs valables*, intermediaries sufficiently weighty to secure the compliance if not always the co-operation of local populations. Hence the persistence of royal lineages and local notables in the most unlikely places, as Dinerman (1999) has documented for Frelimo, even in its most 'revolutionary' years. The reconstruction of a viable system of administration in Ghana and Uganda followed the colonial examples of creating 'decentralized' administration by agents of the central government through District or Resistance Councils.

Democratic politics require agreement on the creation of the 'non-democratic conditions of democracy': the framework of rules within which political office is contested and public resources are allocated (Williams 2003). This depends on mutual recognition of shared citizenship (Okonta 2002), accountability by those in authority (Beckman 1997) and a commitment to 'public reason' (Rawls 1993) to mediate among conflicting interests and address issues of public policy. It fits uneasily with a legacy of authoritarian administration and spoils politics.

International interests and agencies still need African governments to raise revenues, build roads, regulate commercial transactions, define and protect rights to property, implement development projects and take responsibility for sovereign debts. For all the criticisms that international financial agencies have made of African states, and of their policies and practices (many of which were funded by agencies), they have had to operate through African governments. Hence their concern to combine 'structural adjustment' with reform of 'governance'.

### **Separating the Making of Policies, their Implementation and their Outcomes**

How are we to explain development policies, their implementation and their outcomes. Why are the outcomes of policies so often at variance with the intentions of policy-makers? Even when policies succeed, they often do so for reasons that were not envisaged by the policy-makers. How do we account for the ubiquitous continuities in policies from one regime to another?

The instrumental model of policy-making starts from the intentions of policy-makers. They have a conception of what they are trying to achieve. This is shaped by the principles they wish to realise and motivated by the interests they serve. Policies are implemented through political and administrative mechanisms. They should conform to the plans of policy-makers but are constrained by the lack of fiscal and administrative capacity. They may, therefore, fail to realise the goals of the policies. This approach sees the policy process more or less as an exercise in social engineering. Unfortunately, the bridges don't always get built and when they do, they are liable to fall down. An alternative approach is to consider separately the making of policies, their implementation and their outcomes and not to expect them to have any necessary connection with one another. Then, taking nothing for granted, we should examine the relations among them.

### **Policy Making: a Discursive Activity**

Policy-making is primarily a discursive activity. It is engaged in for its own sake, with little immediate regard for the world beyond. It is framed by its own rules and shaped by its characteristic metaphors. Its language is drafted with an eye to the concerns of locally and international powerful interests. Policies generally have to be specified in ways that embody common procedures, which can be applied generally, across whole countries, irrespective of local and regional differences. Its standardized forms are ill-equipped to manage diverse and complex situations.

If the world is to be managed in practice, it must be ordered conceptually. The uncertainty of the future brings into question our capacity to plan it. Changes must be rendered predictable and multiple contingencies reduced to predictable processes. If we know in which direction things are tending, we can steer them along the appropriate path. Hence the attraction to policy-makers, and their advisers, of evolutionary models of change which, in Comte's language, bring order to progress and make development possible. These ways of thinking tend to shape our interpretations of events, even in the face of evidence suggesting contrary and multiple directions of change.

Development speak combines military metaphors with the condescending requirement that its beneficiaries be empowered to participate in the process. Policy discourses are shaped by the need to define issues and present solutions in accordance with discursive rules. For example, deference may have to be paid to the need for 'participation' by the 'community' and for the 'empowerment' of the poor, and 'especially rural women'. At the same time, they may need to fit in with the requirements of structural adjustment, not

only at the macro-economic level but in the micro-requirements for cost-recovery from users. Skilful policy makers evidently need to be linguistically adept at reconciling incompatible requirements. Effective politicians learn to be multi-lingual, adapting their discursive strategies to the changing requirements of different audiences. Governments with radically different ideological stances share underlying assumptions of the need to 'modernize' and 'develop' societies through the exercise of state policies. This has made it possible for governments to shift rapidly from favouring dirigiste regulation of economic activity and state ownership of property to market liberalization and privatization. One vision of modernity replaces another.

### **Institutional Continuities and Unintended Consequences**

States, and other organizations, must defend the jurisdictions within which their agents exercise authority, both for themselves and in defending institutional interests. The implementation of policies is governed by the forms of the institutions through which they are carried out. These forms define the rules and provide the resources through which those involved pursue their goals and protect their interests. The continuities we observe arise partly from institutional inertia and from a culture of adapting to the ways things work. Institutions come into being and learn to carry out certain sorts of tasks. They are ill equipped, irrespective of who staffs them, to turning themselves around to realise quite different aims.

Implicit assumptions, everyday practices, and institutional interests are more likely to shape the ways in which policies are implemented than are the declared intentions of policy-makers. Powerful groups find that their plans are refracted through the refractory prisms of institutional arrangements. New governments confront the same problems of establishing their authority and carrying out their routine activities with, at best, much the same organizational equipment as their predecessors. Not surprisingly, they do many of the same things, albeit under different names. Some institutions, such as labour tenancy, continue because they provide a solution, often of a second-best nature, to the needs of contending parties. Attempts to reform them are likely to fail to take effect or to leave those involved worse off than they are already.

Institutions and their agents need to make sense of what they do and thus tend to continually give themselves evidence of the validity of the ideas that define the values and procedures of the institution. They have to adapt to their operating environment and to the everyday practices and discursive forms expected of them. And practical men of affairs often turn out to be

slaves of outdated theories (Keynes 1973, 383). The implementation of policies is likely to be most effective when officials work with established 'stakeholders'. They are likely to take advantage of changing circumstances to find new ways of pursuing their goals. It may not, therefore, be surprising to find that, the more things change, the more they stay the same.

What actually happens results from interactions among different processes. These operate across a multiplicity of periods and spaces, and produce divergent and unforeseen, or even unforeseeable, chains of consequences. Policy interventions are but one of many processes at work. Their outcomes will depend on the impact of other activities, the ways in which people respond to all these changes, and the ways in which these interactions generate new dynamics. Different groups will seek to shape the processes by which policies are designed and implemented to advance, or defend, their interests. Coalitions of interests are often partial and temporary. Their actions are guided by imperfect knowledge and uncertain expectations. The one thing we can reasonably predict is that things will not turn out as we expect.

### **Policy-oriented Research and Research into Policy**

Policy planning starts by postulating a desired state of affairs and then working back to the present. This procedure assumes a degree of control over the environment that is likely to be lacking. It also depends on an ability to get 'participants' or beneficiaries' to act in accordance with policies, which is unrealistic and sits uneasily with any commitments to 'participation' and 'empowerment'.

Policy-makers construct imaginative scenarios and write scripts for the actors to perform. The imagined subjects have defined roles, to which people may respond to take advantage of the opportunities they offer. Social entrepreneurs invoke and even construct communities to conform to the expectations and requirements, and values, organisational forms and gender composition, of the scripts imagined by the policy-makers. Participants seek to secure their own ends by conforming to the expectations of policy-makers. In this way, policy-makers extend their discourse to 'stakeholders' but without shaping their actions accordingly.

Policy-makers and public institutions create or incorporate structures of patronage and clientage. These link international charities and/ or national governments to 'non-governmental organisations' through to 'community-based organisations' (Kathina Juma, 2000). Each claims to act, or even

to speak, for those below, but is accountable, for funds received and spent, to those above them. There are many scripts but few voices.

Policy-oriented research typically starts from the wrong end. A better way is to look at 'really existing' policy processes, to study the historical processes in which policy makers, private interests, and public officials interact to produce outcomes which are often at variance with the intentions of any of them. This will not produce a coherent and planned programme of action directed towards achieving clearly defined goals. Despite their rational form and the statistical apparatus they typically incorporate, such programmes tend to owe more to the imagination than to practical knowledge. Rather than imitate the 'formally rational' procedures of economic planning, we should learn from the exploratory work of ethnographers and the 'interpretive understandings' of historians (Weber 1968, vol. 1, 85-86, 4-23). The empirical study and interpretation of past, and contemporary, policies, their implementation and outcomes might allow those who are responsible for making and implementing policies to make better judgements as to which courses of action to follow.

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# Electoral Democracy, Coups, and Indigenous Commerce

## The Case of Tourism in Fiji, 1987–1999

*Scott MacWilliam with Vilitati M Daveta*

### Introduction

In May and again in September 1987, Fiji was the scene of two military interventions which were unprecedented in the country as well as in the wider South Pacific region. Initially a centre-left Coalition government, which took office after winning the majority of seats at the April general election, was overthrown. Four months later, when a compromise agreement was reached to re-install a civilian government, the military moved once more to ensure that the agreement, the Deuba Accord, could not be implemented. At the centre of the military's actions was a radical conservatism, which had as its immediate proclaimed objective securing ethnic Fijian paramountcy against a threat from a Coalition expressive of Indo-Fijian ambitions.

The coups were shallow in their immediate and medium-term effects.<sup>2</sup> Not only was loss of life and damage to other property minimal, but within a few months of the May coup a powerful alliance of ethnic Fijians had begun to organise against the coup leaders and their allies, the radical nationalist Taukei Movement. Of general concern to the alliance, headed by the Governor General and the pre-election Prime Minister, was the damage being done to the Fijian economy by the coups and the removal of an elected government. As well there was a particular concern because of the potential effect of the military interventions for the growing ascendancy of ethnic Fijian capital within a local layer of capital. Since at least the late 1970s, the local layer had begun to displace the previously predominant layer of international and local European firms.<sup>3</sup>

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2 S.MacWilliam 'Shallow Coups, Thin Democracy?: Constitutionalism in Fiji, 1987-1999' Paper presented to a Seminar on the 1999 Elections in the Department of History and Politics, The University of the South Pacific, August 1999.

3 See, for an earlier recognition of this displacement, Michael Taylor 'Business Organisations, the Formal Sector and Development' in M.Taylor ed. *Fiji Future imperfect* (Sydney:Allen and Unwin,1987), pp.58-76, esp. 69-74, and more recently, S.MacWilliam 'Back to Back They Faced Each Other: Indigenous Capital in Fiji' Paper presented to a Seminar at the National Centre for Development Studies, The Australian National University, Canberra, Dec.7,1999

The general as well as particular effects were especially pronounced where the tourist industry was concerned. From a 1986 peak of 509,000 total visitor arrivals, numbers plummeted to 381,000 in 1987. Airlines and tourist hotels slashed prices and the Fiji authorities mounted an expensive international campaign to re-assure potential customers in their major markets that visitors would be safe, even immune from the ever-present threat of violence which swirled through the country. The rapid decline in visitor numbers had come just as Fiji seemed to be regaining levels of tourists last seen in the mid-1970s. But now the effect was even more critical for the national economy because since 1982 gross tourist receipts had exceeded the income from sugar, previously the country's principal earner of foreign exchange.<sup>4</sup>

Since 1987, total visitor arrivals have steadily climbed back to pre-coup levels, reaching almost half a million in 1998, the last year for which complete figures are available. The most recent industry plan aims for a continuing, even rapid increase over the next decade.<sup>5</sup> However concentrating upon the coup and its aftermath, the low-point brought about by the uncertainties of 1987, runs the risk of overlooking a more fundamental, continuing change in the Fiji tourist industry which began in the 1960s. This change is of even greater importance than the immediate rapid slump of the post-military intervention period and represents a continuing transformation of tourism in Fiji away from an earlier form. That form involved Fiji principally as a temporary destination utilised by cruise ship and transit passengers, making brief visits. In 1974, of the 507,387 total arrivals, sixty four per cent were cruise ship and 'through passengers', that is people in transit to another destination, only staying briefly in Fiji. By 1986, the year prior to the military takeover, transiting visitors had declined to just under half of total arrivals. In 1998, almost seventy five per cent of arrivals, termed 'visitors' in the official statistics, comprising over 371,000 people came for holidays with Fiji as a major, if not the sole destination.<sup>6</sup> Further, the industry plan referred to above claims:

*The opportunity is there. People want to come. The potential is for 600,000 visitors a year in ten years time, private investment of F\$200 million, providing 12,000 more jobs for Fijians, an income gain on average for every family in Fiji of \$F60 per week.<sup>7</sup>*

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4 *Fiji Tourism and Migration Report 1995-1996* (Suva: Bureau of Statistics, December 1998), p.69, Table 27.0

5 Deloitte and Touche, the Ministry of Tourism and Transport and the Tourism Council of the South Pacific *Fiji Tourism Development Plan 1998-2005* (Suva: n.d.), p.5

6 As this essay was being written, the popular press announced the arrival at Nadi, the country's principal international airport, of the 400,000 visitor for 1999: see *The Fiji Times* December 24, 1999, p.5.

7 *Fiji Tourism Development Plan* p.5

Associated with this shift away from transit to longer stay visitors, tourism in Fiji has undergone a major change. One indicator of the change is the growth in the number of resort, hotel and other beds available from 2,575 in 1972 to 4,305 in 1988 and 5,770 in 1996,<sup>8</sup> with a further increase currently in train. If the change in the form of tourism, involving increased capacity and other indicators not cited here, seems to suggest a process of industrialisation similar to that which has accompanied the production of other commodities, then it is time to push aside several veils which have concealed and continue to conceal this process. A research project now underway, and of which the present paper is an initial statement of direction, aims to do just this, as well as to examine in some detail the latest phase of the industrial process now in train. Central to the examination will be a concentration upon the movement of local capital into the tourist industry, a movement which commenced well before 1987, but has accelerated substantially since the military interventions.

As is apparent from research already conducted, tourism provides yet another indicator of the shallow effects of the military takeover. The shallowness was not simply due to the speed and effectiveness of the remedial action taken to reverse the initial rapid decline in tourist arrivals. More important as an index of the shallowness is the fact that the overthrow of the civilian government only provided a brief check to an industrial process then in train. The advance of local capital had been and continues to be a central element of that process.

The first part of the paper summarises the predominant description of tourism in Fiji, a version which although constructed initially in the 1970s and 1980s remains influential. In part it remains so through the contemporary emphasis upon the need to extend tourism in the direction of so-called eco-tourism, which in a longer paper could be shown to be heavily suffused with elements of the earlier dependency descriptions of tourism. But the earliest radical accounts are also still extremely influential because they continue to express the nationalist ambitions of local capital, academics, politicians and others in Fiji.

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8 *Fiji Tourism Development Plan* pp.12-15

The paper's second section opens up what is missing as a general effect of the prevailing view. Here tourism as a form of commodity production, subject to general conditions of accumulation, is given primary emphasis through some observations on sections of the industry, specifically air transportation and accommodation. Marx's well-known description of the commodity, the 'elementary form' of the 'immense collection of commodities' which constitutes wealth in capitalist societies, provides the commencing point of these observations. He emphasised accurately, even if in language which today will be reviled as insufficiently gender-sensitive, that:

*The commodity is, first of all, an external object, a thing which through its qualities satisfies human needs of whatever kind. The nature of these needs, whether they arise, for example, from the stomach, or the imagination, makes no difference. Nor does it matter here how the thing satisfies man's need, whether directly as a means of subsistence, ie. an object of consumption, or indirectly as a means of production.*<sup>9</sup>

Among the general conditions of accumulation is the competition between capitals, directed and governed first and foremost by the rate of profit, but also affected by such conditions as the relative political weight particular capitalists can exert upon and through the state. This section, therefore, raises the matter of the extent to which tourism in Fiji conforms to the condition outlined above regarding the post-Independence advance of a local layer of capital. It is suggested that a principal feature of the tourist industry is the process by which local capital has advanced in yet another industry. Advancing accumulation centred upon the national space of Fiji now is the driving force behind further expansion of tourism, as local capital moves aggressively to shape the industry according to its objectives. In this respect, the radical dependency intellectuals of the 1970s and 1980s, with their objective of checking international capital and fuelling national development, have become the advance scouts for local Indo- and ethnic-Fijian capital.

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9 *Capital* V.1 (Harmondsworth, Eng.: 1976), p.125

## Dependency and tourism

While the late Stephen Britton has provided the most comprehensive statements of the dependency position regarding tourism in Fiji,<sup>10</sup> it is important to recognise that this description of and objection to the change in tourism which began during the 1960s also preceded his work. As tourism in Fiji began to be transformed from an 'elite' to a mass commodity, it produced the conditions which raised the ire of radical nationalist intellectuals and others.

In 1923, the Fiji Tourist Bureau was formed as an adjunct of the White Settlement League to provide information 'to people actually visiting Fiji, in the hopes that some would decide to return and acquire land for farming.'<sup>11</sup> As Scott explains:

*To begin with, Fiji was not so much a mecca for tourists as a place where passengers landed in order to change ships. Matson and Union Company ships had regular schedules but, although radio was in use, they were rarely able to keep to their advertised timetables. Thus a hotel like the Grand Pacific was needed as a sort of transit camp for stranded passengers waiting to tranship...As for entertainment and diversions the average tourist never expected these. He and his wife were mostly content to sit and browse beside the seawall under the rain trees alongside the dusty gravel surface of Victoria Parade. If anything less enervating was called for there were rickshaws, pulled by Solomon Islanders...or a model T Ford, complete with chauffeur (to be hired) from the livery and bait stables...And for the more adventurous the Australasian United Steam Navigation Company operated a ship...on regular trips to Levuka, Taveuni and Lomaloma.<sup>12</sup>*

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10 At the beginning of our research on tourism, a senior USP academic was consulted for advice and bibliographic information. Britton's accounts were his sole recommendation, supported by the claim that since nothing had changed in the tourist industry in Fiji subsequently, the conclusions reached in that earlier period still held. For some of his writings, see S.G.Britton 'The image of the Third World in tourism marketing' *Annals of Tourism Research* V.6, No.3, 1979, pp.318-329; *Tourism in a Peripheral Capitalist Economy: the case of Fiji* (Canberra: Unpub. PhD Thesis, The Australian National University, 1979); *Tourism, Dependency and Development: A Mode of Analysis* Occasional Paper No.23 (Canberra: Development Studies Centre, ANU, 1981); *Tourism and underdevelopment in Fiji* Monograph No.31, (Canberra: Development Studies Centre, ANU, 1983; 'The Fiji Tourist Industry: a review of change and organisation' in M.Taylor ed. *Fiji Future imperfect* (Sydney: Allen and Unwin, 1987), pp.77-94

11 R.J.Scott *The Development of Tourism in Fiji since 1923* Unpub. Paper n.d. c.1970, p.1

12 *The Development of Tourism* p.1

This account seriously underestimates the extent of tourism's development as an organised leisure form in the inter-war years and even before World War I, systematically undertaken throughout the South Pacific. Major trading companies, including Burns Philp, promoted travel in the region through the company's magazine and acted as agents for numerous international travel companies.<sup>13</sup> 'Pirating the Pacific' through tourism and the imagery of travel magazines was substantial before World War II via passenger shipping.<sup>14</sup>

Nevertheless, Scott's account rightly indicates the importance firstly, of the post-war boom for an initial major increase in tourists travelling to Fiji, and secondly, the impetus behind the next substantial change in the 1960s. He explains further:

*The advent of the Boeing 707 and Douglas DC8 jets on the South Pacific routes revolutionised the patterns of air travel. The speed and range of the new aircraft shrank the elapsed time from Nadi to Sydney to four hours, to Honolulu to six, and to California to eleven. On the other hand they carried twice as many passengers which posed serious marketing problems for the airline if the new jets were to be operated profitably.*

It did not take long for the airlines to come to the conclusion that their future lay with the discretionary traveller. Until the late 1950s their principal concern had been to service the needs of the businessman, the civil servant and other classes of persons whose travel is non-discretionary. The new concept demanded that flying should be fun in order to attract the discretionary traveller who had no call to climb on board an aeroplane other than for pleasure, or more particularly as a swift means of transportation to pleasure. Reduced to the simplest terms, this meant the promotion of tourism.<sup>15</sup>

'Discretionary traveller' is, of course, largely another way of describing the mid- to late-1960s world-wide extension of travel and tourism as an item of necessary consumption for salaried and wage earners, principally from the most industrialised countries. Such travellers were an effect of the post-war

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13 K.Buckley and K.Klugman *"The Australian Presence in the Pacific": Burns Philp 1914-1946* (Sydney:George Allen and Unwin,1983), including plate 13 opposite p.220

14 For an account of the connection between Burns Philp and the South Pacific tourism industry, after 1910, see Ross Gibson "I could not see as much as I desired" in Ann Stephen ed. *Pirating the Pacific: Images of Travel, Trade & Tourism* (Haymarket,NSW:Powerhouse Publishing, 1993),pp.22-43, esp.pp.27-37

15 *The Development of Tourism* p.7

long boom, when living standards rose world-wide and when need for working people was redefined at a new, increased level.

The extension of a new form of leisure involving international travel to the salaried and wage earners of the industrial countries played an especially important part in fuelling the nationalist opposition to tourism which became important in Fiji during the 1970s. Between 1966 and 1969, the number of tourist visitors to Fiji doubled, with more and more staying for longer periods. In the latter year, as Scott notes 'there were 85,163 people who stayed in shore accomodations for an average of 8.9 days...'<sup>16</sup> Before the downturn associated with the 1973 oil price hike, this number had almost doubled again.<sup>17</sup>

The rapid increase and then major reduction in tourist arrivals coincided with the transition from colonial to post-colonial states. Fiji gained independence in 1970, with an Alliance party government headed by PM Ratu Kamisese Mara holding state power. As the balance of class and state power shifted, so too did conditions in the tourist industry change substantially. In these circumstances, dependency theory came to the fore in accounting for the condition of the Fijian political economy, including tourism.

In 1973, the first major tract was published by a group of students from The University of the South Pacific, the Students' Christian Movement, the Young Women's Christian Association and others politically active in Fiji, in association with the Australian student movement and the International Development Action group in Melbourne. The publication of *Fiji A Developing Australian Colony* drew together an attack against international capital and the forms of development associated with its pre-eminence in the newly independent nation-state.<sup>18</sup> Examination of tourism had an especially prominent place in the collection which emphasised the neo-colonial character of Fiji.<sup>19</sup> In a key essay, Slatter criticized the 'over-emphasis' upon tourism in government plans. In several paragraphs of a section titled 'Development vs Tourism', Slatter made clear her central objections:

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16 *The Development of Tourism* p.8

17 Britton *Tourism and Underdevelopment in Fiji* pp.32-33. Britton (p.32) summarises the growth of the 1960-73 period as involving an 'annual rate of increase in tourist arrivals (which) averaged 23 per cent (excluding liner passengers). This growth peaked in the years 1968-71 when the number of visitors rose from 66,458 to 152,151 or 28.1, 28.5 and 38.3 per cent respectively.'

18 Amelia Rokotuiivuna et al *Fiji A Developing Australian Colony* (North Fitzroy, Vic.: International Development Action, 1973)

19 See, in addition to the essay by Claire Slatter examined below, Alison Fong 'Tourism: a case study'; Anon 'Recommendations' and Anon 'Once Upon a Time, Southern Pacific Properties', pp. 26-28, 29-30, 31-38.

*The emphasis on tourism in developing Fiji's economy does not involve any significant "structured transformation" which would make Fiji's economy less dependent on foreign capital and overseas markets, and more viable and self-sustaining. ...BECAUSE TOURISM IS AN EXPORT INDUSTRY-DEPENDENT ON FOREIGN MARKET DEMANDS-ITS CONTRIBUTION TO GROWTH IN THE FIJI ECONOMY IS NOT SIGNIFICANT IN TERMS OF "REAL" ECONOMIC DEVELOPMENT AS IT ONLY INCREASES FIJI'S ECONOMIC DEPENDENCE ON TRADE AND SERVICE SECTORS (Capitals in original:SM and VMD). Often this growth is insignificant in real terms because there was no positive change in the production structure...Any boom in exports of an economy so based may be short-lived and the economy is thus very precarious.<sup>20</sup>*

Along with the potential to increase instability, whatever benefits did accrue, accrued to (p.21) 'non-locals (foreigners) in whose hands the ownership of the industry is largely concentrated.' That is:

*Our primary concern is that the Fiji Government...may be over emphasising **an industry which is currently and will ultimately benefit the few rather than the many**. More significantly, it may be actively furthering the interests of foreigners and their investment in Fiji, to the detriment of our national sovereignty and our economic and social welfare.<sup>21</sup>*

As Slatter subsequently explained:

*We wish to make precisely clear that Fiji can benefit from tourism and that we do not reject it as an economic activity. What we are con-*

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20 C.Slatter 'The Tourist Industry in Fiji' in *Fiji A Developing Australian Colony* p.19. Given Slatter's emphasis upon tourism as a source of national economic instability, the conclusion of economist Arvindra Rao, from the vantage point of nearly ten years later, should be cited. He concluded that for the period 1963 to 1981, a comparison of the instability indexes for Fiji's foreign exchange earnings from tourism, total commodity exports and sugar, revealed that 'gross earnings from tourism were the most stable source of foreign exchange in Fiji. The instability index of total domestic exports plus gross tourist receipts was substantially lower than that of total domestic exports on its own. This supports the conclusion that the earnings from tourism had a stabilizing effect on Fiji's foreign exchange earnings.' Rao *Tourism and Export Instability in Fiji* Occasional Papers in Economic Development No.2 (Armidale,NSW: Faculty of Economic Studies, University of New England, 1986), p. 20. Further, concluded Rao, instability in tourist earnings was only weakly transmitted to other sectors of the economy, particularly rural smallholdings. Conversely, fluctuations in export earnings of agricultural exports, particularly copra and sugar, produced mainly by smallholders (p. 21) 'would affect a large number of people and (are) likely to be transmitted to the other sectors of the economy.'

21 Slatter 'The Tourist Industry in Fiji' p.22

*cerned about and therefore assert here is that the people of Fiji do not derive the optimum benefits from it, be it economic or social. The people of Fiji at present get only crumbs of the tourism cake and in the process are in grave danger of suffering from self-degradation, dislocation in life, and long-term economic deprivation and exploitation... The problem with the present mode of tourism in Fiji does not lie so much in tourism as an industry in itself. The problem really lies in the nature and scale of tourism that Fiji is presently entertaining without really exploring alternative ways of organising it.*<sup>22</sup>

Finally, a principal problem with tourism was that both tourists and the foreign capital associated with tourism was 'white'.

*TOURISM IN ITS PRESENT FORM PERPETUATES THE COLONIAL RELATIONSHIP BETWEEN THE WHITES AND THE LOCALS; THE WHITES CONTINUE, EVEN AFTER INDEPENDENCE TO BE THE "BOSS", "SAHIB" OR "KEMUNI-SAKA" AND ARE REGARDED AS SUPERIOR BEINGS (capitals in original: SM and VMD). This is undesirable and Fiji cannot tolerate this situation for very long without being seriously affected by it, culturally, psychologically and also economically.*<sup>23</sup>

Alison Fong injected a further objection into the argument. While agreeing with Slatter's proposition that insufficient of the benefits from tourism flowed to Fijians, not least because of the racial structure of employment in hotels with 'almost all the local workers in the lowly-paid menial jobs', employment in the industry contained a further danger, '(t)he socio-psychological impact on locals who come from relatively unsophisticated environments and work under conditions of extreme affluence'.<sup>24</sup>

At the end of the 1970s, Britton, a PhD student at the ANU, proceeded to give a solid empirical backing to bolster several of the radical nationalist claims outlined earlier by Slatter, Fong and others. Even in his 1987 essay on the subject, published almost a decade and a half after *Fiji a Developing Australian Colony* appeared, and ten years after beginning research on tourism, Britton stuck to central elements of the original thesis. Thus he concluded that despite some important changes 'there has been no significant decline in

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22 Slatter 'The Tourist Industry in Fiji' p.23

23 Slatter 'The Tourist Industry in Fiji' p.24

24 'Tourism: a case study' p.28

the historical dominance of foreign capital... The growth of tourism has undoubtedly facilitated the expansion and diversification of indigenous capitalist development in Fiji. In the process it has encouraged the country's further integration into an international economy, offering new commercial opportunities to Fiji but at the risk of losing sovereignty and heightening vulnerability to external influences.<sup>25</sup>

Nevertheless the detailed research which underpinned his arguments began to reveal how over this period the ground had already started to shift underneath the 'dependency mode of analysis'. It is to the pre-1987 changes in the tourist industry in Fiji, and how Britton dealt with them, that the paper now turns.

As already indicated, Britton commenced with the then globally fashionable view of underdevelopment as the necessary corollary of development, citing Andre Gunder Frank, Samir Amin and others of that persuasion to anchor his first substantial writings on tourism in Fiji.<sup>26</sup> In order to criticise the existing 'literature on tourism's contribution to development', which had 'a common deficiency', Britton regarded it as essential to 'place the study of tourism firmly within the dialogue on underdevelopment'.<sup>27</sup> Echoing Slatter, as well as these international luminaries, Britton continued:

*It is important to investigate why it is that tourism, while bringing undoubted benefits to many poor countries, frequently also perpetuates already existing inequalities, economic problems and social tensions. This task requires an understanding of the underlying mechanisms, inherent in the tourist industry and Third World economies, that make the promotion of tourism a highly ambiguous development strategy.<sup>28</sup>*

The mechanisms, of domination and subordination involving international firms and Third World countries, arose of out of the fact of historical primacy. Argued Britton:

*(S)imply being first in the field gives considerable commercial advantages to pioneering firms since they define, create and supply the new industry. As the tourist industry is designed to meet, and arose out of,*

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25 See Britton 'The Fiji Tourist Industry: a review of change and organisation' in M.Taylor ed. *Fiji Future imperfect*, p.93-94.

26 Rosemary B. Jommo *Indigenous Enterprise in Kenya's Tourism Industry* Itineraires Etudes du Developpement No.3 (Geneva: Institut Universitaire D'Etudes Du Developpement, April 1987) shows the extent of the fashion as it affected the study of tourism in another 'developing country', albeit one half a world away from the South Pacific.

27 'Tourism, Dependency and Development', p.1

28 'Tourism, Dependency and Development', p.1

*the recreational needs of affluent middle-class citizens in the world's rich countries, metropolitan companies have become predominant in the control of international tourist movements, the definition and promotion of the touristic experience, and the organizational form by which overseas holidays are undertaken. A poor country seeking to promote tourism as a means of generating foreign exchange, increasing employment opportunities, enhancing economic independence or promoting the commercial involvement of poor sections of the community is likely to find the attainment of such goals impeded by this organization of the tourist industry.*<sup>29</sup>

These companies not only siphoned off profits by various forms of transfer, the very process of production of the leisure product increased their hold over underdeveloped countries, which 'at the risk of over-simplification' came to have 'a largely passive and dependent role in the international system'. The role arises thus:

*The reduction of the travel experience to a relatively standardized product can also have the effect of putting a destination into a marginal market position. A country's tourist product may be easily substituted by foreign companies and tourists for an alternative destination... One of the characteristics of tourism in the South Pacific is that a multitude of destinations sell an essentially undifferentiated product. With foreign countries largely responsible for advertising, international transport, global wholesaling of tours, and the provision of international hotel chains, no one tourist destination is able to gain satisfactory control over the viability of its own tourist facilities.*<sup>30</sup>

Britton's unpublished PhD thesis, and the monograph *Tourism and underdevelopment in Fiji* which followed provide in extensive detail substantiation for much that lies in the dependency argument, whereby in (p.1) 'peripheral island economies':

*As a product, and an extension, of metropolitan capital, the international tourist industry acts to extend this development form in those island tourist destinations where it operates.*<sup>31</sup>

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29 'Tourism, Dependency and Development', p.2

30 'Tourism, Dependency and Development', p.7

31 'Tourism and underdevelopment in Fiji', p.2

Profits were transferred to the metropolitan countries, while tourists required imports of everything from familiar food to the duty free shopping which was a major attraction. Destinations manifested themselves 'as an enclave within a peripheral destination'. Further, because 'many tourists are able to enjoy their vacation only from a base of familiarity, they are unlikely to venture outside the formal tourist industry environment provided by packaged tours'.<sup>32</sup>

In late colonial and early post-independence Fiji, as tourism came to occupy a substantial place within the national economy, foreign companies accounted for an estimated 62 per cent of gross turnover in the distribution and hotel sectors. (Distribution is included, by Britton's reckoning, on account of links between duty-free shopping and restaurants, and tourists.)<sup>33</sup> As tourism expanded rapidly before 1970, the most substantial numbers of tourists had the same national origins as the firms which dominated these sectors. Noted Britton:

*The country of origin of Fiji's tourists reflects the importance of respective foreign control and investment interests in the industry. In this respect one feature stands out: the vital importance of Australia, New Zealand and the United States as major tourist markets. In 1961 63.8 per cent of all tourists came from one of these three nations. In 1978 this proportion had increased to 78.9 per cent. If one adds tourists from the United Kingdom and Canada, 86.5 per cent of tourist arrivals came from five countries in 1978. Over the past fifteen years there has been a noticeable change in the origin of Fiji's tourists, with New Zealand and particularly Australia overtaking the United States as the most important markets.*<sup>34</sup>

As the first substantial attack of Slatter, Fong and others described above coincided with the earliest signs of the end of the late 1960s and early 1970s tourist boom, Britton's more detailed treatment pursued (p.33) 'the marked reduction in the growth of tourist arrivals after 1972'. The remainder of the decade was one of 'decline, stagnation and hesitant recovery'. Significantly, in his treatment of the 1970s, the greatest emphasis in explaining the downturn is given to the withdrawal of international capital and the inability of the local industry to promote Fiji effectively. The latter was 'the result of an im-

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32 'Tourism and underdevelopment in Fiji', p.6

33 'Tourism and underdevelopment in Fiji', p.9

34 'Tourism and underdevelopment in Fiji', p.33

passee between the Fiji Visitor's Bureau, local tourism plant owners and the national government'. By way of explaining the impasse, Britton claimed:

*Bureau funds... have traditionally been provided by government in its annual budget grant. Very little finance was funnelled to Bureau marketing from hotel and tour operators and even less from, for example, duty-free traders and petroleum companies. The managers of the local industry refused to accept responsibility for national promotion, being willing to direct funds only for the marketing of their own hotel, tour or car hire enterprises. The government responded by refusing to allocate monies for an expanded national promotion campaign on the grounds that it has been subsidizing the tourist industry through various investment incentive schemes and other expenditures, and that public monies spent on national promotion would, in the event of more tourist arrivals, merely enhance the profitability of those private companies owning tourism plant.*<sup>35</sup>

That is, the Fiji state failed to be developmental.

The downturn, by Britton's reckoning, produced a shakeout as the result of which there was 'the selective expansion of some tourist plant at the expense of others'. With the exception of one local firm, Islands in the Sun Ltd, the firms which gained a more important share of the tourist traffic were USA, UK, Australian and New Zealand based.<sup>36</sup> (It will be recalled from above that during the 1970s, and between 1977 and 1978 to be precise, through passengers were exceeded by visitors travelling specifically to Fiji for the first time.)<sup>37</sup>

35 'Tourism and underdevelopment in Fiji', pp.39-40

36 'Tourism and underdevelopment in Fiji', p.40

37 Two other developments of the mid- to late 1970s have yet to be adequately incorporated into descriptions of tourism in Fiji. The first concerns the tussle for dominance in duty free retailing, which in the early 1990s brought two local companies, representing separate alliances between ethnic and Indo-Fijian businessmen, into conflict with immediate political ramifications. The conflict had its origins in 1976, when a major Indo-Fijian trading and manufacturing firm Motibhai and Co became a public company, and opened its share register, including specifically to ethnic Fijians. In the early 1980s, Motibhai gained the monopoly on duty free trading at Nadi airport, the most substantial tourist and transit passenger venue in the country. In the late 1980s, shortly before the lease at Nadi was due for renewal, Motibhai issued preference shares to the most substantial ethnic Fijian company, Fijian Holdings Ltd. A condition of FHL investing in Motibhai was the retention of the monopoly. Subsequently, in the 1990s, Motibhai lost the monopoly and in 1997, FHL exercised an option to relinquish the preference shares, (See MacWilliam 'Back to Back They Faced Each Other'). Secondly, in 1977, as Britton notes, the national Alliance party government, which represented more than anything else the aspirations of the layer of local ethnic and Indo-Fijian capital, changed its position on providing support for the Fiji Visitors' Bureau. From a policy of refusing to furnish extensive state support for tourism, for the reasons noted above, 'the government (declared) its future intention to raise \$700,000 to finance a national marketing plan.' Britton explains the change as a response to 'intense industry and Fiji Visitors' Bureau pressure and the obvious stagnation within the industry' (p.39) This shift in government policy was the precursor to a post-1982 change when the FVB's budget was increased substantially by the Alliance government.

In airlines and resorts, it was relatively easy for Britton to identify the dominant presence of international capital.<sup>38</sup> Less obvious was the case of merchandising, in goods purchased by tourists. Less obvious because the pre-eminent face of tourist-shopping was Indo-Fijian, as the owners of the myriad of small shops located in the major tourist centres. Explains Britton, regarding these small shop-keepers:

*Most common is the idea that Indian retailers, being the bulk of store proprietors, are the major beneficiaries of the tourist trade. In particular, it is assumed that retailers make substantial profits from “excessive” mark-ups, especially on cruise-ship days and the peak holiday months. It is also assumed that it is this profiteering by retailers that makes prices of duty-free goods in Fiji so high compared to those in Australia and elsewhere (except New Zealand).<sup>39</sup>*

Commonsense, argued Britton, concealed yet again the position of international capital, acting as importing companies and overseas suppliers. The pricing policies of the firms which dominated both aspects of trading ensured that margins for Indo-Fijian traders were small, while the latter took the public opprobrium for their seeming dominance of retailing.<sup>40</sup>

This picture of the subservience of local traders was extended in detail to other areas associated with the tourist industry, to curio manufacturers, transport and tour companies, and entertainers. Of no less significance, in a country where securing employment for increasing numbers of people forced off the land was a major concern of government, Britton concluded that during the 1970s:

*(T)ourism has played a key role in maintaining, but not increasing, the proportion of wage earning jobs available in the economy... Tourism may also have adversely diverted manpower from other sectors of the economy (especially from subsistence agriculture:SM).<sup>41</sup>*

Thus, for instance, cash crop production as well as village communal activities had declined in the vicinity of villages on Beqa where villagers were recruited to perform fire-walking ceremonies in Suva and Coral Coast hotels.<sup>42</sup>

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38 'Tourism and underdevelopment in Fiji', Ch.3

39 'Tourism and underdevelopment in Fiji', p.114

40 'Tourism and underdevelopment in Fiji', pp.115-130

41 'Tourism and underdevelopment in Fiji', pp.170-172

42 'Tourism and underdevelopment in Fiji', p.172

Despite whatever benefits may have flowed from the generation of foreign exchange, attraction of investment and creation of jobs, particularly in the 1960s before the downturn, tourism 'imposed on Fiji a development mode that exacerbated those adverse conditions typical of a dependent capitalist social formation'.<sup>43</sup> Again in this 'on the one hand but on the other' reasoning, there is little distance between Britton, and those who first raised the flag against tourism in the early 1970s. Further, as was shown above, Britton's position had in at least this respect altered little by the mid-1980s.

Nevertheless, circumstances had begun to change when Britton returned to up-date his earlier research. He still sought to emphasise both 'the economic benefits for Fiji (following) the development of tourism', as well as raise doubts 'over the net economic returns, the distribution of tourist income and some organisational and political aspects of the industry'.<sup>44</sup> For our account, however, it is not the continuities in Britton's position which matter but the changes he noted which followed upon a renewed phase of growth. As a consequence of the last 25 years of 'dramatic changes':

*The tourist industry has rapidly consolidated itself as an integral and essential component of the Fiji economy. No longer is it officially tolerated on the basis of vociferous and energetic lobbying by a small group of expatriate entrepreneurs... Ranking now as the second largest income earner after sugar, tourism has become essential for the maintenance of economic stability, employment growth and the generation of foreign exchange.*<sup>45</sup>

Of the particular changes associated with the general increase, Britton emphasised: a) the shift away from arrivals by sea toward the dominance of visitors coming by aeroplane, which reduced seasonality and greatly increased the 'the range of holiday formats from which to choose' for the tourist (pp.78-79); b) reductions in the proportion of tourists from New Zealand and the USA, with major increases from Australia and Japan (p.80); and c) rapid growth in the number of tourist enterprises, connected with shopping, accommodation, transportation and tours (p.80).

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43 'Tourism and underdevelopment in Fiji', p.198

44 'The Fiji Tourist Industry' p.77

45 'The Fiji Tourist Industry', p.77. As noted above, after 1981 gross foreign earnings from tourism exceeded earnings from sugar, previously Fiji's major source of earnings. Only during the coup-affected years of 1987 and 1988, did sugar briefly regain its previous position. See *Fiji Tourism and Migration Report 1995-1996* (Suva: Bureau of Statistics, 1998), p.69, Table 27.0.

Within the latter, there were major changes in the structure and ownership of hotel changes. These can be summarised as the dominance of hotel chains and the dominance of overseas-owned enterprises. Thus 'rooms provided by hotels which are part of local or international chains, operate hotels more than twice the average size of other Fiji hotels' while '(f)oreign-owned hotel chains, in turn operate hotels ... substantially larger than the average Fiji-based hotel chain companies' (p.83). However, central to the expansion and dominance of chains, Britton now indicated a growing Indo-Fijian presence. As well as the Indo-Fijian expansion, there had been 'a modest increase in (ethnic) Fijian participation' and a decline in local European hotel ownership (p.83). Britton concluded that '(ethnic) Fijian and Indo-Fijian entrepreneurs have made gains in management skills and equity participation', although foreign ventures continued to dominate the ownership of the largest hotels, those in the 200 to 300 room plus category (p.84).

In the travel and tour sector, the advance of local enterprises was even more pronounced. Indeed, although qualifying his conclusion because of the empirical difficulties involved, Britton concluded that 'while (local) Europeans, (ethnic) Fijians and Indo-Fijians have all increased their share of sectoral turnover, market shares of overseas companies have declined' (p.84). Tourist shopping outlets, while numerically dominated by Indo- and ethnic Fijians, were generally at the bottom of a commercial hierarchy, with the importers and wholesalers, especially of duty free goods still predominant according to 1977 figures (pp.85-86). Nevertheless, there had been a major increase in the number of enterprises, high levels of competition, some diversification, especially by firms moving from sales to tourists to selling goods for domestic markets (p.86).

By way of summarising the recent changes, Britton argued that there had been:

*consolidation of the market position of larger enterprises in all sectors of the tourist industry through growth, merger take-over, and the closure of several smaller firms. Apart from the hotel sector, the share of turnover attributable to foreign-owned companies has probably declined, although they would probably remain the single most important revenue earners in all sectors of the industry.*<sup>46</sup>

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46 'The Fiji Tourist Industry' p.86

Britton also concluded that although ‘input-output tables for the Fiji economy indicate that the tourist industry has a higher leakage factor than the country’s other major economic sectors, except mining’ nevertheless changes were afoot here as well. Based upon calculations by the Central Planning Office, of data for 1975 and 1980, there had been a reduction of ‘first round losses of tourist receipts’ from 56 to 45 per cent. Accordingly: ‘It would appear from such figures that changes in the industry have led to a fuller usage of local resources in tourist services’ (p.88). The most likely explanations for this shift proposed by Britton were: ‘relative reductions in the use of imported inputs; relative decline in foreign equity participation; sectoral shifts in tourist expenditure patterns; or qualitative changes in tourist consumption preferences’ (p.89).<sup>47</sup>

The foregoing is a brief summary of the prevailing description of tourism prior to the 1987 military interventions, a description the central premises of which are still highly influential, as already suggested. In the next section of the paper, and without adequately contesting the empirical account of pre-1987 conditions, some parameters of current research will be sketched. This introductory sketch concentrates upon only two components of the tourist industry, air travel and accommodation, components which have the merit of being central to dependency claims regarding the dominance of foreign firms and the limited benefits these provide to ‘Fijian people’.

## Local capital and tourism, 1987–1999

In two recent papers, I have shown how over the period since 1987, the drive of local capital, ethnic as well as Indo-Fijian, to construct an enlarged space for domestic accumulation is particularly pronounced.<sup>48</sup> This move did not commence with the coup, but subsequent developments, including the reassertion of constitutionalism and the recent victory of the People’s Coalition government at the 1999 general election, have strengthened the place of the local layer of capital, including in tourism. If that advance is now to an extent stalled, awaiting further domestic and international changes, nevertheless, the ‘thin democracy’ of constitutional reform during the 1990s has settled

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47 ‘*The Fiji Tourist Industry*’, pp.85-86. While Britton misses entirely the political-economic alliance between Indo-Fijians and ethnic Fijians which was gaining ascendancy by the late 1970s, he also fails to incorporate how local capital had begun to squeeze out previously dominant international concerns from trade in Fiji, including trade directed at tourists. For brief introductory remarks on both subjects, see S.MacWilliam ‘Back to Back They Faced Each Other’ and for more detail S.MacWilliam *Exit the Bloody Pirates: Burns Philp, 1947-1997* (forthcoming).

48 S.MacWilliam ‘Shallow Coups, Thin Democracy?: Constitutionalism in Fiji, 1987-1999’ and ‘Back to Back They Faced Each Other’

ethnic Fijian capital's hegemonic position, at least for the foreseeable future. It is one of the paradoxes of contemporary Fiji that an Indo-Fijian Prime Minister, heading a mildly social democratic People's Coalition government, is responsible for securing this hegemony. That PM Mahendra Chaudry also leads the Indo-Fijian dominated Fiji Labour Party which holds 37 out of 71 seats in the lower house of parliament merely adds to the paradox.

In order to understand tourism's place in this growing ascendancy of local capital, it is important to consider tourism as an industry, like any other for which the principal object is the production of surplus value. In so doing, attention shifts from the nationalist and distributionist concerns which are central to dependency reasoning. Instead of being concerned with such matters as the respective shares of profits, along national lines (Fijian or multinational companies), the focus of research falls upon how labour forms the starting point of accumulation, and the role of the rate of profit in directing capitalists to one or the other fields of activity. That is, we are interested in tourism as an industry continuously changed in order to raise the rate of profit, and not as a redistributive activity, dividing a more or less fixed amount of accumulation among particular 'groups' or 'interests', national and international. Here, instead of dealing with this shift as an abstract exercise suitable to an introduction to a critique of the differences between dependency thought and Marxism, we would like to outline several of the directions which the research is taking. (We also hope that this focus will encourage others to suggest further fields for research.)

### **Air travel**

After World War II, the increasing availability of air travel as well as the nostalgia of US and other Allied soldiers who had been stationed in the region during the military conflict, formed the potential for a long term transformation of tourism in Fiji and neighbouring countries. During the 1960s, by both Scott and Britton's reckoning (see above) when a new range of aeroplanes reduced the cost of air travel as well as greatly increased capacity to carry passengers, this potential began to be realised. The reduced costs and increased capacity of the new planes pressed upon airline companies and other firms the possibility of utilising Fiji as a holiday destination for what Scott termed 'discretionary travellers'. Unsurprisingly, the firms which first rode this wave often were those which remained in the field from an earlier period. Thus the airlines from the major metropolitan powers, plus the hotel chains, travel agencies and merchant firms established in the USA, UK, Australia and New Zealand, as well as in the former and the remaining colo-

nies were transformed along with the burgeoning mass consumption industry. In a typical case, during the 1960s and 1970s, the long-established South Seas trading, shipping, travel and plantation firm Burns Philp joined with the Australian overseas airline QANTAS and an Australian hotel chain Travelodge to expand its presence in South Pacific tourism. These activities were coupled with the firm's substantial business importing spirits, wine and other goods purchased in increasing amounts by the growing number of tourists.<sup>49</sup> As we have shown, this initial position spurred the dependency objection of foreign dominance, where the ownership of the concerns was given priority.<sup>50</sup>

By dependency reasoning, ownership remained critical for the subsequent contraction of the 1970s, as well as the initial expansion. For Britton, the early 1970s increase in oil prices as well as the first substantial reductions in real wages of workers in most industrial countries since the end of World War II was given importance in this context, that is the capacity of airline companies to redirect passengers away from a country, Fiji, which was highly dependent upon travellers from the countries where the companies were based.<sup>51</sup> In turn, the further change in the construction and operations of aeroplanes which the oil price increases stimulated raises once more the matter of ownership as the premise of control over the direction of air travel.

Yet, if the oil price increases also forced increases in the cost of travel to Fiji and contributed to a downturn in the tourist numbers, how does one account for the changes which Britton noted as a renewed upturn of the late 1970s and early 1980s, and as we have noted again for the 1990s after the sharp decline of the late 1980s? In particular, how does one explain the increased presence of local firms as owners of aeroplanes for Fijian domestic and South Pacific regional travel? Our research suggests that the post-oil crisis drive to reduce the cost of air travel, represented by the introduction of a new generation of 'wide-bodied' planes from the mid-1970s has played a major part in the most recent growth of tourism as well as the formation of local capital in Fiji. These changes could not be predicted to any great extent by an emphasis upon the matter of the ownership of international airlines, as emphasised by dependency descriptions.

Attention should be directed initially at major changes in the construction of aeroplanes as the effect of the oil price increases as well as in the interna-

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49 S.MacWilliam *Exit the Bloody Pirates: Burns Philp 1947-1997* (forthcoming)

50 Burns Philp and another Australian-based company W.R.Carpenter were graphically depicted as 'The Octopus', in an essay which preceded separate examination of the two firms, by the authors of *Fiji A Developing Australian Colony* (see pp.46-58).

51 Britton 'Tourism and underdevelopment in Fiji' pp.41-61

tional political economy of the last two decades. Reflecting international conditions, aeroplane construction has concentrated upon the production of larger, more economical planes to reduce the costs of long-range travel, but also upon smaller specialist planes for commercial as well as private travel. Air travel into and within Fiji has reflected both tendencies, with the former forcing greater capital expenditure upon the firms, including Air Pacific, which fly the principal international routes. The shift to larger long-range aeroplanes has in turn opened space for smaller craft, able to carry fewer passengers on more specialised routes, often using landing fields which would be unsuitable for larger international flights.

The case of Air Pacific and the other major international carriers is especially instructive and deserving of greater scrutiny than can be provided here. In the mid-1960s, Air Pacific was formed out of Fiji Airways, established in 1951 to provide services within Viti Levu, Fiji's largest island. For Britton, Air Pacific's passage from a colonial entity, jointly owned and controlled by Qantas, British Airways and Air New Zealand, to a regional airline is explained in characteristic dependency terms, as a neo-colonial arrangement. Thus although the Fiji Government, along with the governments of Tonga, Western Samoa, Nauru and the Gilbert Islands, acquired the majority shareholding progressively, with Fiji having a 2/3 share by 1976, its 'new status as a national airline did not seriously reduce the influence of foreign carriers'.<sup>52</sup> In particular, in the negotiation over reciprocal landing rights, particularly with Australia and New Zealand, Air Pacific remained a minor player.

However, and inadequately treated by Britton, the oil price hikes of the 1970s forced a major change upon Air Pacific, a change which was eventually accepted by regional governments. This change can be described adequately by the expression 'get big or get out'. With the UK government withdrawing from the consortium, at a time when greater capital expenditure was required, Air Pacific was less and less able to act as both an international long-haul carrier, scouring Australia as well as the eastern and western Pacific for tourists, while servicing regional travellers between South Pacific countries. The firm was forced to concentrate, by both international conditions and the growing importance for the Fiji economy of tourism, upon one direction or the other. The downplaying of Fiji as even a transit stop by other international airline companies, which with the new long-range planes

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52 *'Tourism and underdevelopment in Fiji'*, p.57

could over-fly Nadi, increased the certainty that Air Pacific would be pushed into greater concentration upon its long-range carrier role. As the most recent Development Plan for tourism in Fiji explains:

*Air access and capacity between Fiji and her major source markets is precarious. More than fifty per cent of the capacity is operated by Air Pacific. No North American airline operates scheduled passenger services in its own right. No Japanese airline does. Nor does any European airline.*<sup>53</sup>

But if need to employ larger planes, with their greater carrying capacity at a reduced cost per air mile, has pushed Air Pacific into an increased role outside the South Pacific region, at the same time there opened up space for the growth of a flock of regional carriers. Air Fiji, a small company originally owned by local Europeans to provide air-travel within the country, is symptomatic of the effects of the change forced upon Air Pacific to specialise with larger planes. During the early 1990s, the company was taken over by a leading ethnic Fijian businessman-politician, closely associated with the government headed by former army strongman and subsequently civilian Prime Minister Sitiveni Rabuka. It has subsequently grown to become a leading regional carrier, utilising Dash, Fokker and Bandarainte planes which have the capacity to land on shorter airstrips. (An important characteristic of the larger planes developed from the 1970s is that these are unable to land at many airstrips within the region, particularly on small coral atolls where space for lengthening runways is at a premium. Tuvalu, the former Ellice Islands, and Funafuti, the main island of the nation-state is a case in point. The country, for much of the nineteenth and twentieth centuries largely accessible by ship now relies upon Air Fiji flights as the major means of international air travel.)

As well as the growth of general local and regional carriers, including Air Fiji and Sunflower Airlines, several of the exclusive tourist resorts which occupy islands also operate planes. Thus two resorts, Wakaya Island which has recently been rated as one of the most exclusive resorts in the world, and

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53 *Fiji Tourism Development Plan 1998-2005* p.20. Since this Plan was published, Air Pacific's dominance has been challenged to a certain extent by the introduction of regular twice-weekly flights from Sydney to Nausori, the airport for Suva, the national capital, by both Qantas and Ansett. Air Pacific is in turn a joint venture, with Qantas holding a minority share in the airline's operating company and the Fiji Government the majority shareholder. Despite these challenges, and the presence of Qantas on the Air Pacific share register, it is clear that over the last two decades the position described by Britton and other dependencists of foreign airline dominance has disappeared. Now the official concern is the absence of international carriers and the local dominance.

Lomaloma in eastern Fiji owned by President Ratu Mara, employ company planes to collect guests from Nadi, Suva and other airports. The growth of 'eco-tourism' for the wealthy and not so wealthy, which emphasises 'out of the way locations' in its advertising appeals is only likely to accelerate the establishment of small airlines. (As is noted below, the great majority of the small resorts in Fiji, if not Wakaya and several others, are owned by ethnic Fijians.)

The drive to expand the space occupied by the smaller carriers, owned by local firms, does not end here, however. For a major direction being proposed for local tourism, in order to lengthen the periods spent in the South Pacific as well as 'heighten the experience' for international travellers, is to develop packages which would combine visits to resorts in several countries. As the 'Step Change' strategy advocated by the 1998-2005 Fiji Tourism Development Plan suggests, Fiji should be developed in a number of areas as a regional base, for ocean cruises and airlines transporting tourists to other countries in the South Pacific. That is Fiji, and in particular Nadi, should be developed 'as the hub for onward connections to and from other Pacific Island nations and territories'.<sup>54</sup> Needless to say, at least initially the spokes in the wheel will largely be constructed by planes owned and operated by local companies.

## Resorts

A second section of the tourist industry which attracted earlier criticism, as previously noted, was that involved with the supply of accommodation. Once again, it was the domination of ownership of the largest hotels and hotel chains that was the focus of objection, although there was also recognition that by the mid-1980s local businesses had begun to establish a greater presence (see above). Our research, by comparison, has concentrated upon other matters, including:

- a) the increased numbers of beds as well as the size of the largest resorts, with several of the largest now having in excess of four hundred beds, up from a mere 89 at the biggest hotel, the Fiji Mocambo, near Nadi airport, in 1965.<sup>55</sup>

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<sup>54</sup> *Fiji Tourism Development Plan 1998-2005* p.18

<sup>55</sup> Harris, Kerr, Foster and Company Legislative Council of Fiji Council Paper No.32 of 1965 *Report on a Study of the Travel and Tourist Industry of Fiji* (Suva:Government Press, 1965),p.20 Table 19 'Inventory of Hotel Accommodations as of May 1,1965'

- b) the continuing concentration of the largest resorts and hotels in western Viti Levu and the nearby Coral Coast, with their proximity to Nadi airport, which has been the emphasis of government development plans since the mid-1960s at least. While there has been no major change in the proportion of the tourist industry's accommodation in this region, it is nevertheless the case that the concentration of beds in bigger resorts remains largely confined to this area.<sup>56</sup>
- c) the more recent emphasis in development plans upon medium and small resorts, where the presence of local firms as owners and operators is most substantial. When approximately twenty five per cent of all resorts, most of them in the four to six room category, are owned by ethnic Fijians, either individually or by village based organisations, then the attention paid to these in development plans is especially significant.<sup>57</sup>
- d) the means by which local capital is increasing its presence as owners, even of the largest resorts. Early attention has focused upon land-ownership, particularly where resorts lease land through the Native Lands Trust Board from local landowners. While some of the most substantial hotels have been located precisely where freehold land was available, others must pay rents to landowners. Several informants have suggested that in addition to paying rent through 'official channels' ie the NLTB, major hotels also provide parcels of shares to chiefs and other prominent ethnic Fijians, who are thus increasing their presence as owners of resorts in a less prominent, but no less important manner.<sup>58</sup>

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56 *Fiji Tourism Development Plan 1998-2005* pp.12-15. In 1972, 69% or 997 of the 2,575 rooms were in the area from Lautoka to Sigatoka, including Nadi and the offshore Mamanuca Islands. In 1988, the number of rooms had increased to 2,075 of the 4,305 total, or 71%. Eight years later, the proportion had declined only slightly, to 67% or 2,724 out of 5,770 rooms. (All calculations ours:SM and VMD). With the completion of projects now underway, the proportion in this belt of Type A areas (see fn 56 below) is likely to increase slightly again.

57 The 1998-2005 Development Plan divides the country into three areas for the purpose of planning policy. Type A areas include the south and west coasts of Viti Levu as well as the western island groups, with their principal points of access Nadi and to a lesser extent Nausori (Suva) airports. The largest hotels, with international firms and the most substantial local capitals as owners and operators, are all in type A areas. Type B areas, in the north and west of Viti Levu as well as Vanua Levu and Taveuni, are 'more dispersed areas of potential, (requiring) conserving the character and environment' where specific efforts are to be directed in providing 'attraction and infrastructure projects as a basis for future expansion'. In other words, historic buildings and sites require securing against spontaneous expansion by local commercial interests, as with the town of Levuka, the first capital of Fiji. Type C areas, scattered throughout the eastern islands contain not only the exclusive resorts, owned by the most substantial international and local private businessmen and women, but also many small less expensive resorts. The point of the separation is made clear in the Plan, because of the 'clear need for Fiji to become more price competitive and more product competitive in the major parts of the market that could be described as general holiday/leisure visits' (p.24).

58 MacWilliam 'Back to Back They Faced Each Other', documents how Fijian Holdings Ltd has acquired a substantial preference shareholding in one of Fiji's largest resort projects at Denarau, near Nadi.

- e) the importance of contracts with local firms for the provision of a wide range of essential goods for resorts, from cement and timber for initial building to food, entertainment and other services for daily operations.<sup>59</sup> Even the most important foreign-owned resorts put out to tender through the local press the rental and operation of the multiplicity of shops and other businesses conducted through the resort complex. The allocation and subsequent operation of these businesses, businesses which were either much smaller or largely non-existent in even the largest resorts of the 1960s and 1970s, requires examination.<sup>60</sup>
- f) the extent to which the military interventions, and the post-coup drive to advance the position of ethnic Fijian capital through plundering the state extended to tourism, not least in the areas of advertising and promotion, as well as acting as agents for government-owned airlines. Attention also needs to be given to how finance for developing small to medium resorts and related businesses was secured, including through the Fiji Development Bank and other state instrumentalities.

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59 MacWilliam 'Back to Back They Faced Each Other' notes how FHL's building products subsidiary has held substantial contracts for the provision of cement to several major resort projects, including at Denarau.

60 To cite just one instance, the renovated and greatly extended Outrigger Reef Fiji Resort of more than 400 beds to be opened on the Coral Coast near Sigatoka in mid-2000, recently advertised five business outlets in their complex. These are a resort wear shop, a general store, jewellery store, tour desk and car rental agency. The successful tenderers will have access to a market which includes tourists at the Outrigger Resort, part of a major Pacific chain, and a cluster of smaller resorts nearby, currently catered for by a locally owned general store, car hire firm and tour agency. The food and drinks businesses are not to be divested as separate entities but will be retained as part of the principal business. *The Fiji Times* Jan.3,2000,p.27

## Conclusion

Whether local capitalists were the ‘people of Fiji’ Slatter had in mind in her early 1970s critique of tourism must, of course, remain uncertain. However, as outlined here in this initial report of research in progress, the intervening years have seen significant shifts along the lines urged by the dependency thinkers of that period. While the generally unpalatable military interventions caused at least one of the shifts, towards recruiting more Asian tourists and investors, nevertheless the general direction of changes meets some of the most important earlier objections.<sup>61</sup>

However in one respect, in its inability to employ the increasing number of Fijians, particularly the young, who have entered the labour force over the last three decades, the tourist industry is little changed. Significantly, none of the official plans for the development of tourism, including one produced soon after the 1987 military takeover as part of the efforts to rebuild the industry,<sup>62</sup> suggest that tourism will make a serious dent in the numbers of unemployed.

That this characteristic remains even as the shift to a more substantial presence for local capital has taken place should give further pause to any who remain convinced that it is the nationality of the airline, resort and other capitals which is critical. Instead the formation of a relative surplus population, by tourism as much as by other industries, should be considered as a general effect of accumulation, regardless of whether international or local capitals are dominant at any one moment or in any national space, including Fiji.

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61 There is some irony in the part the military interventions of 1987 played in changing the recruiting focus of tourism. Prior to 1987, there were efforts to recruit more visitors from outside the ‘white’ markets of Australia, New Zealand, the USA and the UK. In the desperate drive to rebuild tourism after the coup, governments were forced to make diversification even more important because of the Australian and New Zealand governments’ responses to the army takeover, as well as the widespread opposition of trade unions and other organisations in the two countries. Thus military rule was associated with a ‘yellowing’ of both tourists and the capitals involved in resort ownership. There have been systematic campaigns to recruit visitors in Japan, South Korea and Taiwan. The military interventions of 1987 and the subsequent governments may have done little to increase the actual growth of tourism but initially at least they made more important a diversification of direction for recruiting tourists, a change which should have satisfied the earlier critics. Because of the Australian and New Zealand governments’ responses to the army takeover, as well as the widespread opposition of trade unions and other organisations in the two countries, the Fiji tourist industry was forced to broaden its recruiting drive to attract Asian tourists. (In the late 1980s, these campaigns were coupled with increased investment by firms from these countries, as well as Malaysia, in resorts and other related areas of tourism. The hoped-for size of increases have not eventuated, for either tourist numbers or levels of investment, in part because of the 1990s downturns in South and South-east Asian countries, as well as because of the plight of particular firms. Nevertheless, attention is still regularly directed at the need to increase recruitment of tourists from these countries. See *The Fiji Times* Dec.30.1999,p.4 ‘Japanese Visitors to boost tourism’, a report of a visit to Fiji by a delegation from Japan planning for the visit of 1,000 tourists from that country for 2001 celebrations.

62 Coopers and Lybrand Associates *Government of Fiji Tourism Masterplan Final Report* (Suva:April 1989)

# Beyond Democratic Constitutionalism<sup>63</sup>

## On the Twofold Meaning of Democracy and Democratization

*Lars Rudebeck*

### Introduction

This is a concentrated, interdisciplinary, conceptual essay on the meaning of democracy and democratization. Constitutional issues and issues of popular or citizen sovereignty/autonomy are viewed as two distinct but linked dimensions of actually existing democracy and historical as well as ongoing processes of democratization. The discussion entered into is crucial to the discussion of 'development', to the extent that 'development' is viewed as involving the satisfaction of human and social needs; this in turn raises the question of access to the power to define those needs as well as ways of meeting them – locally, nationally, and globally. Underlying empirical references are mainly African, although most could well have been to almost any place in the world.

### Persisting dilemma

For meaningful communication on theoretically relevant issues to become possible, common concepts are required. Democratic theory is far from such an ideal state of affairs.

One fundamental and persisting dilemma in democratic theory springs from the tension between, on the one hand, democracy conceptualized as a form of rule characterized by *universal suffrage, regular elections and basic civil rights* and, on the other hand, democracy conceptualized as *political equality in actual practice*. Modern political scientists push mostly in the former direction, while ordinary citizens all over the world, in thinking and talking about democracy, seem most often to favour the latter type of interpretation.

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63 This article is a slightly revised version of a text published in *African Sociological Review*, vol 6, no 1, 2002.

The persistence of this dilemma, in the face of all efforts exerted in order to prove the rightness of either position raises the question whether the dilemma, or contradiction, cannot be overcome. There are in principle two ways of doing this. Either one relegates issues assumed by many to be essential to democracy, such as social justice and equality in society at large, to the realm of hypothetical empirical prerequisites or simply correlates, conceptually disconnected from democracy ‘as such’ (Tingsten, 1945; Huntington, 1991); or one holds that democracy can be meaningfully grasped and conceptualized only in the context of its own realization in actual practice — including possibly also the counterfactual conceptualization of partial or total non-democracy in the context of democracy’s non-realization (Bangura, 1992; Held, 1995). The former is the ‘minimalist’ position, predominant in modern political science. The latter position is contextual and thus by necessity broader. It is not absent in political science but tends naturally to be interdisciplinary. Although the economist Amartya Sen’s early seminal work on the causation of poverty (Sen, 1981) does not deal explicitly with democracy, it does provide a logical basis for the latter position by indicating how any political system manifests itself through the ‘entitlements’ that it provides. Dahl (1982, 1989) – a living classic in modern political science – wavers creatively between the two positions.

We shall return in the following to Sen’s and Held’s conceptualizations of entitlements and democracy. At this initial stage of the presentation, however, I summarize the second position by quoting the political scientist Bangura’s political-economy-inspired formulation intended to be of particular relevance to modern Africa (1992: 99-100):

*While it (democracy) is an ideal to be cherished, democracy must make sense to the interests of the contending social groups. These interests do not have to be narrowly defined as economic; they can also be social and political. Linking democracy to the restructuring of the economy allows individuals and organizations to pose the question of democratic governance of public resources much more sharply.*

My own striving is to conceptualize *constitutional issues* and *issues of popular or citizen sovereignty/autonomy* as *two distinct but linked dimensions of actually existing democracy and ongoing processes of democratization*. By viewing democracy simultaneously as institutional norms and relations of

power — culture as well as structure — I thus align myself with the second of the two indicated positions. This is done with reference to my own formulations in a recent essay on popular sovereignty and constitutionalism in democratization (Rudebeck, as revised 1998) as well as in other works (Rudebeck, 1991 and 2001). The implicit or underlying empirical references are mainly African, although most of them could well have been to almost any place in the world.

## Context of discussion and theoretical issues

The historical context is that of the democratizations occurring in various parts of the world during the nineteen-eighties and nineties, with more specific empirical reference to Africa. The issue raised is that of the consolidation/ sustainability or not of the newly introduced democratic systems. This is an analytical issue and, at the same time, a query about ongoing histories. As a significant starting point for the analysis, the following empirical generalization is offered:

*In order for democracy as a form of rule to become sustainable, it appears that constitutionalism would have to be supplemented with a measure of popular sovereignty going beyond the mere introduction of universal suffrage.*

The notion of *constitutionalism*, or *rule of law*, underlying this formulation is quite conventional:

*The institutionalization of government, administration and judiciary, as well as of the freedoms of organization, expression and property, into regular and predictable forms.*

This can obviously be either democratic or non-democratic, but it is difficult to see how a democratic version could be conceptualized without universal suffrage. Thus we get *democratic constitutionalism* — synonymous with the established political-science definition of democracy and formulated as follows:

*Rule based on universal suffrage, regular elections, legal guarantees for free discussion and opposition for everybody, the legally recognised right to associate and organise freely, and institutional safeguards against the arbitrary exercise of power.*

*Popular sovereignty* is defined in a wider, more sociological, sense:

*Shared power defined in terms of social contents, with regard to actual and effective participation in the making of decisions on matters of common concern and significance. This concerns the larger political system as well as daily social life, economic production, places of living and work, and local decision-making.*

Constitutionalism and popular sovereignty, as now defined, are two crucial aspects or dimensions to be distinguished in the historical processes leading up to existing democracy in today's world. Together they make up democracy in the making and in function — in the context of its own realization.

In the European historical experience of democratisation, constitutionalism was generally the project of hitherto dominant social forces yielding to demands for political power-sharing raised by earlier excluded groups and classes. Conversely, popular sovereignty within politics was generally and naturally the project of the mounting social forces, manifesting themselves through a politically oriented civil society. In the process, constitutionalism was democratized — democratic constitutionalism gradually gaining legitimacy as a form of rule integrating at least a measure of popular sovereignty and the relative upholding of the rule of law. Thus 'actually existing democracy' was installed.

Turning our eyes to the countries of Asia, Africa, and Latin America — today's or yesterday's 'third world' — the claim for popular sovereignty was certainly important in earlier anti-colonial struggles, which were both conceived and perceived by the participants themselves as democratic struggles. In the first decades of independence, particularly in Africa, this element of popular sovereignty was, however, not generally underpinned with constitutionalist practice. It was therefore undermined and largely lost. Highly authoritarian single-party and military regimes came to predominate. Coupled with economic stagnation or decline, this paved the way in the nineteen-eighties and nineties, first for structural adjustment reforms under international pressure, and then also for new democratic demands and movements. The origin of the latter was both external, imposed 'democratic conditionality', and internal, rooted mainly in the middle and urbanized strata of society.

Such democratizations have been marked predominantly, although not exclusively, by the constitutional aspect of the process. Popular sovereignty, beyond democratic constitutionalism as such, has so far been weak or some-

times even absent. This means that the power games of hitherto ruling elites are now being played out in new and more democratic constitutional forms, while not necessarily (yet) involving the formerly excluded groups in any deeper sense. Consolidation, therefore, often seems far away.

## Popular sovereignty

While the term *democratic constitutionalism*, as used above, is not likely to be controversial, the term *popular sovereignty* is, on the contrary, not self-evident for the conceptual purposes at hand. The first task is therefore to try to clarify a bit further the meaning of popular sovereignty. This includes questioning the terminology. The second task, which follows from the first one, is to raise the issue of an alternative term/concept. The third task is to discuss possible implications for the conceptualization of democracy and democratization. The key meaning of popular sovereignty in the sense used here is *equalization of power with regard to rule over matters of common concern and significance*.

Democratic constitutionalism alone does not guarantee such equalization. It can come about only if social and economic relations of power are also modified outside the constitutional system — in ‘civil society’ as it were. When this happens, citizens will be able to assume responsibility for the development of their own societies. This in turn is crucial to the legitimization and thus to the consolidation of constitutional democracy as a form of rule. An early original contribution to the civil-society debate of the last decade was by Bangura & Gibbon (1992). Others who have inspired my own thinking on the subject are Phillips (1995), Mamdani (1996), Leys (1996), Therborn (1997), Beckman (1998), Gibbon (1998), Mustapha (1998), and Törnquist (1999).

The use of the term ‘popular sovereignty’ made here may not evoke universal approval. The term is not unambiguous. Many political scientists, in particular, might want to reserve it for the constitutional realm, which would seem to run counter to the distinction emphasized. On the other hand, the two separate dimensions of democracy under consideration do reflect different and originally opposed traditions in democratic theory, as clearly brought out, for instance, by Held (1995: 38-47). The key characteristic of western or liberal democracy is in fact to have combined constitutionalism and popular sovereignty (Hermansson, 1986) — although, as we need to add, at the cost of limiting the latter notion to its constitutional expression in the form of universal suffrage. Another ambiguity might arise from the fact

that the term ‘popular sovereignty’ has often been misused by communist ideologues. This is unfortunate but does not affect my own usage of the term.

Thus, my tentative conclusion is that the use of the term ‘popular sovereignty’ as in the present text can well be justified. Nevertheless, the question still remains whether any better alternative exists. In considering this question, we are greatly helped by the works of David Held and Amartya Sen.

## Autonomy as an alternative to sovereignty

Only in the process of revising my first formulations on democratic constitutionalism and popular sovereignty did I become acquainted with David Held’s concept of ‘equal autonomy’ for citizens founded upon ‘the principle of autonomy’ (Held, 1995: 71, 145-156). The close affinity between this and my own combined notion of constitutional democracy + popular sovereignty ought to be noted: “Contra state sovereignty it (*i.e.* ‘the principle of autonomy’) insists on ‘the people’ determining the conditions of their own association, and contra popular sovereignty it signals the importance of recognizing limits on the power of the people through a regulatory structure that is both constraining and enabling.” (Held 1995: 147). Thus ‘popular autonomy’ or ‘citizen autonomy’, drawing upon Held’s argument on the intrinsicness to democracy of people’s equal autonomy in “the determination of the conditions of their own lives” (1995: 147), might well be conceived of as analogous to ‘popular sovereignty’ in the context of the present argument.

There is furthermore a close link, explicitly noted by Held (1995: 155), between his ‘principle of autonomy’ and Amartya Sen’s concept of ‘entitlement’ (Sen, 1981: 1-8, 45-47) — equal autonomy in Held’s sense resting upon a set of ‘entitlement capacities’ designating “the rules and resources people must be able to draw upon in order to enjoy the opportunity to act as citizens” (Held, 1995: 155). Granted that ‘popular sovereignty’ matched by democratic constitutionalism clearly signifies popular *entitlements* to legitimate power in society and thereby to basic resources, the conceptual link between Sen’s ‘entitlement approach’ and my own argument on democratisation should also stand out.

‘Entitlement’ is another word for legitimate access to resources people need, if they are to be able to act as sovereign or autonomous citizens. Entitlements according to Sen (1981: 46) “depend on the legal, political, economic and social characteristics of the society in question and the person’s

position in it". This is another way of saying that entitlements depend both on constitutional rules and on social structure.

As pointed out, my first dimension, *democratic constitutionalism*, is synonymous with the established political-science definition of democracy. As such, it is reasonably clearcut. In the present exercise it has been taken as uncontroversial as long as it is contained in itself. It has not been accepted, however, as sufficient for a full conceptualization of democracy and democratization. This, I have argued, requires a second dimension to be combined with the first one.

So far our discussion indicates that any one of the following four terms may be used to denote the second dimension of actually existing democracy: namely *popular sovereignty*, *citizen sovereignty*, *popular autonomy* or *citizen autonomy*. No simple or clearcut criteria, allowing for a definite terminological choice between these four, have been found. At least provisionally, a certain indeterminacy will therefore have to be accepted.

### **Democratic constitutionalism and popular sovereignty/autonomy conceptually combined**

According to Held (1995: 159), "an inquiry into the conditions of... realization" of political principles "is an indispensable component" of their "proper understanding". Without such inquiry, "the meaning of political principles remains poorly specified and endless abstract debates about them are encouraged". Questions to be answered on the meaning of the principle of political autonomy include: "What arrangements have to be made, what policies pursued, in order to render citizens free and equal in the determination of the conditions of their association? And how can these be decided upon?" (*ibid.*).

These are questions that need to be asked as well *about the 'principle' of democracy* and its realization. What arrangements have to be made in order to render citizens sovereign/autonomous in the exercise of their democratic rights? If such questions are not posed and answered, the meaning of the principle of democracy will remain poorly specified.

This is precisely what the two-dimensional conceptualization of democracy in its context of realization is about. The abstractions of democratic constitutionalism require popular or citizen sovereignty/autonomy for their concrete realization. Citizens' self-determination requires constitutionalism to survive over time. Neither one of the two dimensions may be sustained on its own. Democratic legality will not be legitimate unless concretely real-

ized. Democratic legitimacy will not be sustained unless bound by rules. Legality and legitimacy are interlocked but not identical (Rudebeck, 2001).

## The form of state

What form of state would facilitate democratic rule as now conceptualized, in for instance Africa today? Raising this question is a logical next step in our discussion, although it will only be hinted at here (cf. Olukoshi, 1998).

A democratically constitutional state where the citizens themselves decide, actually and effectively, on matters of common concern and significance would be characterized by far-reaching subsidiarity and functional decentralization: matters of concern to all citizens would be decided at the most transcendent level, matters agreed to be of concern only to the individual would on the contrary be left to her or him, while the majority of issues would be autonomously worked out by large or small groups of citizens at various levels in between, in forms bound by democratically made law and adapted to the type of issue at stake and number of citizens involved as well as to the cultural context.

Under such a form of state, there would for instance be very limited space for the kind of arbitrary presidential rule so prevalent in Africa today, even under democratic constitutionalism. At the national level, parliamentary rule would generally, by opening up opportunities for public debate on national issues and informed consensus, most probably be more appropriate than presidentialism. The overriding point of such institutional arrangements would be to achieve legitimacy for the democratic form of state by democratically legal means, while securing legality through broadly based social, economic and cultural legitimacy.

## Going beyond the national level

In recent decades the issue of globalisation has begun to enter democratic theory in crucial ways (cf. Held, 1995, i.a.). Democracy requires a people of citizens, a *demos* in the language of classical theory. But the nation-state no longer provides clear definitions – if it ever has – of the people assumed to hold rulers accountable for their acts. People are linked to various territories and often have criss-crossing identities and loyalties. Villagers living in distant areas may be directly affected by decisions made in the metropolises of

the world, by decision-makers far out of reach even for the national governments of the villagers in question.

The globalization of decision-making affects people in all countries and all states of the world, although not equally. It is intimately linked to the issue of control over developmental resources. Democratization, in many countries, implies in the first place equalization of the power to control those developmental resources which can, at all, be controlled from within the given single country. This in itself is highly significant, as countries are usually full of manifold resources as well as people in need of utilising them.

Still, many resources of crucial developmental importance cannot be controlled from within particular countries, as they are in the hands of outside forces, including donors of development assistance. Even if the countries in question were to be perfectly democratised internally, their citizens would still in several ways be in the hands of decision-makers they could not control. This problem obviously affects debt-ridden, poverty-ridden, economically undeveloped and dependent countries, such as many African countries, worse than it affects better-off countries. Sustainable democratization, thus, cannot be limited to the local/national level. Theoretically, the problem now indicated can only be fully resolved by regional and, in the end, global democratization.

The foregoing analysis has only touched indirectly upon the issue of globalization in relation to democratization. One underlying assumption is, nevertheless, that democratization within the various countries of the world might, in the long run, also facilitate the growth of democratic relations beyond the national level.

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# The State and Development in the South

## A review of contemporary debates

*Richard Wamai*

### Introduction

This article reviews the articles covered during the Spring, 2000, seminar arranged for Ph.D students at the University of Helsinki on a collaborative scheme in the Institute of Development Studies; more than fifty articles were read. The seminar was the second in a series on *State and Development* presided by the late Professor and Head of the Institute, Michael Cowen who, however, never lived to see it materialize. The articles covered discuss a similar issue on the role of the state in realizing economic development in the so-called Third World or developing countries in the South (Latin America, East Asia and Africa) but do so from a varied angle. First there is the set of articles steeped in the economics discipline which see the state as either having minimal relevance or as a handicap; this school of thought is deeply rooted in classical economic development theory. Another set provides readership from a more social-political angle and borrow from diverse explanations. The article contributes to the debate by streamlining the varied arguments with the purpose of finding an agreeable proposition about: (1) the historically demonstrated necessity of state participation in capitalist development; (2) the contributing factors to the 'miraculous' development of the NICs; (3) the culprits in the failed take-off of sub-Saharan African economies; (4) the lessons from the NICs; and (5) the future prospects for development in the sub-Sahara which rests on social capital and non-governmental organizations (NGOs).

This paper is titled appropriately because it discusses the overall view of the seminar articles that were discussed. The articles were very interesting especially in the way the participants keenly debated the issues. This paper also comes at a worthy juncture in a recent tragic development at IDS. The institute has benefited from many years of leadership by professor Michael Cowen who passed away suddenly. Professor Cowen has been very useful and encouraging to the institute and to many students; those of us who have known him have been lucky. This article is, therefore, as much as it is a con-

tribution to the debate that Cowen had championed, a special tribute to him and his academic contemporaries. The paper is divided into four sections. Section I summarizes the main themes of the articles covered. The section also discusses some of the more antagonizing issues on the theme of state and development and summarizes the debates of the newly industrialized countries (NICs) of Latin America and East Asia. Section II will discuss the neo-liberal debate in order to crystallize the current thinking in development economics. This section will also discuss what is meant by, or what pertains to, the “developmental state” as well as various concepts of *this* kind of state and also other state concepts used to attribute its role to economic development. In this section we also see the factors that were responsible for the East Asian “miracle”. Section III addresses the handicaps, barriers and limitations discounting the state as a developmental tool in sub-Saharan Africa (SSA). Section IV summarizes the lessons that we learn from the East Asian NICs and assess whether they can be transposed onto other societies, precisely Latin America and SSA. A concluding section looks at the future prospects for development in the South, seen as resting on social capital and non-governmental organizations (NGOs) by many authors.

## State and development: the debates

The modern economic development theory emerged in the late 1940s and 1950s following the influential publication, *Measures for the Development of Underdeveloped Countries*, by the United Nations in 1951. Owing to its significance, consequent thinking about development has always been to view post-colonial societies as destined onto a certain direction towards industrialization following global trends (Preston, 1998: 245; Martinussen, 1997: 38; and Martin, 1991: 27). Further, the project of capitalist industrialization, the process by which this was supposed to happen, required that a visionary mercantilist bourgeoisie emerge. This elite-class combination, with easy access to the state,<sup>64</sup> would be able to assert its whims unto as yet a traditional agrarian society and forge forth a rational and modernising logic that frees labour power from the relations of the community, religion and customs (Kennedy, 1994: 194), and that would be powerful enough to control production and markets. This process interprets the class and state theories,

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64 Marxist theory of modernization presupposes that in pre-capitalist societies, where feudal lords, money lenders and merchants, constituting the aristocrat, controlled land and property (Martinussen, 1997: 87), the capitalistic logic could not gain hold without the organization, constitution, and concentration of power in an instrument to be known as the state, the civil bureaucracy.

namely the Marxist bourgeoisie theory of modernization (Martinussen, 1997: 233). These theories had little in regard to people's participation. Rather, industrialization was to be engineered and governed by a propertied class in an alliance with a selective and exclusionary state (Martinussen, 1997: 233), almost absolutist in nature (Gadzey, 1992: 461): the state stood *above* society (Chowdhury, 1999: 1090). The condition for a marriage was, however, that the state would refrain from all sorts of interference with the dictates of the capitalist logic (Gadzey, op. cit.: 462). This resulted in the understanding known as the classical approach to capitalist industrialization. Neo-classical approaches have maintained a similar stand, albeit with the recognition that the state would play a vital role of providing a stable economic environment on the macro level (see, eg., Martinussen, op. cit.; Wade, 1996; Grabowski, 1994b; and *World Development Report*, 1997). The neo-liberal economic approach has, since the 1970s, altered the foundations of classical economic thinking (Chowdhury, 1999: 1089; cf. Martin, op. cit.: 28): all the articles considered in the seminar are testament to a criticism of the etatist modernization process. Indeed, the seminar was organized to show just how fallible that thesis was:

“Modernization theory perceived the process of change to be taking place at the society level. However, within the paradigm of modernization, the catalytic role of the state as an agent of change in *late development* could hardly remain ignored” (Chowdhury, op. cit.; emphasis added).

In “late developers”, the debate on state and development becomes crucial. The central argument of Chaudhry (1993) rests on the “truism” that the state could never be divorced from the process of economic development and industrialization in the as yet undeveloped countries. Societies in “late developers”, or less developed countries (LDCs), are argued to be traditional/backward or dual (Martinussen, op. cit.: 61-66; see also, Carter, 1995: 596), “praetorian” (Carter, op. cit.: 597) and “affective” in terms of economic-production relations (Martinussen, op. cit.: 246-251). Thus, it is argued, what these societies need first and foremost is a strong, capitalist, developmental state the strengths of which are to be found in the precepts of power of the kind that is “infrastructural” (Grabowski, 1994b) rather than of an authoritarian kind that Huntington's (see also, Gadzey, 1992: 461) proposition for the priority of law, order and the concentration of power implies. “To make the transition to a market economy successfully”, Chaudhry (op.

cit.: 248) argues, developing countries must secure the “absolutely necessary” capacities to: “regulate, define, and enforce property rights, dispense law, tax, and collect information”. This state power, representing administrative and organizational means, would somewhat be used to fend off (1) capitalist power (in money and organization) - of the transnational corporations (TNCs) and local bourgeois alliances - from sabotaging the national cause (ibid.: 6), (2) chaos pendant in the “‘praetorian societies’ in the absence of effective political institutions capable of mediating, refining, and moderating group political action” (Huntington, in Carter, 1995: 597), and (3) to forge a macro-level course with a clear development vision, or “planning”, or “industrial” policy (see especially, Lall, 1996; Bräutigam, 1994; Deyo, 1987; and Amsden, 1997), or “activist” policy (Temple, 1997), or “public” policy (Gore, 1996) (see below).

The debate emanating from the class and state theories emphasize a controversial issue of the inextricability of state-market relationships in developing societies. According to the strand of arguments proffered by Martinussen (1997), what matters is not the extent of penetration the state makes of the market, in size and depth, but the *kinds of relationships* that develop since the state “is the central variable in the study of developing societies” (Chowdhury, op. cit.: 1090). Accordingly, most of the articles under review agree, that the state played a central industrializing role in the NICs. Setting the pace for the debate on East Asia’s phenomenal - ‘miraculous’, to use the World Bank’s (1993) term - industrialization, Lall and Wade attack the prevailing neo-classical paradigm. Like most of the other authors under review here, these two authors come to terms with the distortionary make-believe the neo-liberals would have us have about the insignificant or non-influential effect of government intervention in industrialization. In fact, Wade’s (*Conflicting Perspectives, Partial Insights, Shaky Evidence*, 1992) contribution is a serious critique; witness the following:

“The neo-liberals have tended either to ignore contrary evidence *or* to acknowledge it without thought for its theoretical implications. This selective inattention to data ... and the use of repetition as a chief weapon of argument are two strong signs that the neo-liberal paradigm is in a degenerative stage, taking on attributes of a disciplined delusional system” (ibid.: 279-0; original emphasis)

The validity of this criticism will be judged by the reader upon keen attention to the debate. But perhaps at this point it would be more satisfying to the

reader to comprehend *what* exactly happened in those thirty years (between 1960 and the 1990s) in the East Asian countries, precisely, the Gang-of-Four or *dragons* (Temple, 1997) (South Korea, Taiwan, Hong Kong and Singapore), that saw their economies grow in terms of the four gains espoused by Wade (1992: 277-8): “economic command over world resources, trade performance, industrial transformation and removal of poverty”. But perhaps the question is a *how* since we note that capitalist transformation is conventionally a long process (see, eg., Waterbury, 1999), and, alas, ‘earthly’ rather than ‘divine’ (miraculous). Unfortunately, there is no easy answer to this quest; the articles being reviewed show little agreement as to the factors, and I will discuss these in the following sub-section and in Section II. In doing so, it is hoped that the NICs’ debate will crystallize.

### Debating Latin American and East Asian NICs

The phenomenal industrialization of Taiwan, South Korea, Hong Kong and Singapore has provoked the most heated debate in development literature yet, producing vast amounts of publications. This article, like the IDS seminar, can only delve into part of this mine yard by summarizing some contributions. A number of authors point to comparisons between Latin America and North East Asia (Gereffi, 1990; Ellison and Gereffi, 1990; Jenkins, 1991a & b; Mahon, 1992; and Dietz, 1992; van der Borgh, 1995); Henke (1997), writing on the Caribbean, will be considered among these authors. Van der Borgh (1995) discusses four models that could be pursued as strategies for spearheading development in Latin America. This discussion is quite contemporary and in keeping with measures being tried elsewhere in the LDCs. These include an acceptance by major world and regional players that economic growth and poverty reduction go hand in hand and that people’s participation and empowerment is part of the game.<sup>65</sup> Jenkins (1991a & b) identify two qualities that the state in the East Asian NICs had and which the Latin American states lack: “autonomy” and “effectiveness” (cf. Bruton, 1998: 917). Here, Jenkins is square on the concept of the “developmental state” (see below). He argues that the crucial difference between Latin America and East Asia is the effectiveness - “flexibility, selectivity, coherence and an emphasis on promotion rather than regulation” (1991b: 199) - of government intervention: more effective in the latter and less effective in the former. In other words, the state is frankly *different* in both regions. Gereffi

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65 A recent World Bank’s study indicate that economic growth is associated to political openness such that a more politically open society projects better economic output (Thomas, 2000).

(1990) and Ellison and Gereffi (1990), on the other hand, compares the similarities, differences and factors influencing variation between the two regions. Considering *what* has been achieved by the NICs and the *how* in going about it, a ‘two-paths’ picture emerges whereby East Asia is seen to have pursued an export-oriented process to industrialization (EOI) while Latin America pursued the inverse process: import-substitution investment (ISI), known as the “ECLA [Economic Commission for Latin America] consensus” (Waterbury, 1999). For Gereffi, the global context in which this process was happening and the major economic agents implementing the policy process are crucial. He views the NICs as state-led industrializing countries. It is in this light that he emphasize the need, for the debate on the two regions, to identify the crucial importance of “development strategies” (p. 22-3). Ellison and Gereffi (1990) complement Gereffi in their framework for explaining strategies and determinants of development. They define “development strategies” as “sets of government policies that shape a country’s relationship to the global economy and that affect the domestic allocation of resources among industries and major social groups” (p. 369).

Ellison and Gereffi’s contribution is a concluding article to the book *Manufacturing Miracles. Paths of Industrialization in Latin America and East Asia* (1990), hailed by these authors as “the state of the art in the field of comparative development studies” (p. 399). They put forth a summary explanatory framework of four levels: the world system; national (initial) conditions; institutional conditions; and organizational conditions. They point out the differences in these conditions between the regions. For example, they note that divergencies in world-system integration between the regions “contributed to important differences in the autonomy and capacity of domestic institutions” (p. 376). They also point out to “substantial regional differences in the broader societal role of the military” (p. 385). By including socio-cultural factors in their framework, these two authors make an important and unique addition to development literature. Ellison and Gereffi note that the Confusian tradition “have facilitated the national consensus around high-speed economic growth” in the East Asian NICs whereas the “‘Ibero-Catholic’ heritage has ... imped[ed] economic advancement in [Latin America]” (ibid.: 395). The factor of the Confusian (and Taoist) culture has also been hailed by several other authors (see, eg., Henke, 1997: 56, on *situational* issues; Jomo et al, 1997: 21, on culture; and Preston, 1998: 242, on *locational* issues regarding the historical sociology of the region) (see section II).

Two more authors to be considered are Mahon (1992) and Dietz (1992). Mahon's contribution is similar to that of Gereffi and Ellison and Gereffi (above) as it is essentially comparative. One dimension that should be emphasized here is the exports/imports debate which Mahon make pertinent to understanding the NICs' development process. To wind up this sub-section, I will briefly discuss this factor as seen by the authors. The 1960s debate on realizing development in Third World countries focused on two inversely related models: export-oriented industrialization (EOI) and import substitution industrialization (ISI) (Gadzey, 1992; Lo, 1999; and Amsden, 1989). Economic planning had by this time become the fashionable approach to facilitating the accumulation and deployment of investment capital for this process (Martinussen, 1997: 230; and Chaudhry, 1993: 245); Bruton (1998) notes the rejection of the market solution to confronting development. Mahon (1992), Bruton (op. cit.), Waterbury (1999), Ellison and Gereffi (1990) have all contributed to the 'two-paths' debate; Waterbury has espoused the ISI approach in Latin America to a great depth (see *The Long Gestation and Brief Triumph of Import-Substituting Industrialization*, 1999). Martinussen (op. cit: 76) speak of "industrial programming"; Embong (1999) discuss the Malaysian "state-as-entrepreneur" export program of industrialization; Lall (1996: 114) speak of "selective targeting" (cf. Temple, 1997: 284, on "selective intervention"), i.e., "diverting resources to 'winners' picked by the government" as the "only form supported as a general recommendation" for the EOI programs in the NICs. These approaches sum up as the *capability approach to government intervention* (Lall, 1996).

Associated with the exports/imports debate is an important historical juncture known as the "golden age" of the post-war boom which tremendously expanded international trade (Jomo et al, 1997: 11-12). Bruton (op. cit.) gives an exceptionally lengthy discussion of this environment; the following is a summary of this story. In the 1950s and 1960s most developing countries had pursued ISI policies in order to *form capital* in efforts to galvanize the economy. But severe distortions due to protectionism (through tariffs and exchange mechanisms and trade) culminated in a rallying for change of strategy in the 1970s. Riding on the 'golden age', and capitalizing on *comparative advantage*, Taiwan and South Korea sparked off the new orthodoxy that was heavily state-enabled, in terms of the selectivity pointed to above. By late 1970s, however, this orthodoxy started to wane: "costs of rent-seeking plus cost of distortions ... offered evidence that the government was part of the problem rather than part of the solution" (Bruton, op. cit.: 915). A "New Political Economy" (NPE) based around structural adjustments (SA)

emerged in the 1980s and became the measures by which centralization of planning could be reversed (Chaudhry, 1993); attributed to this policy was the belief that “Korea and Taiwan were *essentially* free-market economies” (ibid.: 258; emphasis added), a view obviously championed by the neo-liberalists, a belief that this review article finds begging.

It is recognized that a certain “ambivalence toward foreign direct investment” (FDI) and increasing sentiments about “political independence” were partly responsible for the NPE policies among whose ardent proponents Bruton names the World Bank, the International Monetary Fund (IMF) and *The Economist* news magazine, among others. The *World Development Report* (henceforth, WDR) of 1987 took honour with the Washington Consensus when it showed that, of 41 countries studied, only Singapore, Hong-Kong and Korea were “strongly outward oriented” (Bruton, op. cit.: 918). Associated with export-led growth were the structural adjustment programs (SAPs); yet these notions were themselves triggered by the economic recession in the 1980s blamed on, among other culprits, the debt crises. Prior to this orthodoxy, “government intervention in planning, financing, and managing industrialization was a special response to economic backwardness” (Chaudhry, op. cit.). Now “state-shrinking” became the popular slogan in which capitalism was to come (if) embedded in democratic governance, hence economic liberalization and political pluralism. The debate on the NICs’ industrialization is a long and highly contentious one. Concluding this story, Dietz (1992: 374) reiterates Jenkins’s argument that the major difference between Latin America and East Asia lies in the *nature of the state* and says that the state in the former region is largely “captured”, serving only “special interests”, whereas it is “developmentalist” and efficient in the latter. Ultimately, the debate holds the view that the role of the state in standing charge on the synergies between EOI and ISI, i.e., state effectiveness, is *absolutely* important in understanding development in the NICs. However, while these measures did succeed more or less in the NICs of East Asia and Latin America they have failed in Africa (Gadzey, 1992: 460). For Gadzey, these neo-liberal strategies failed in Africa simply because *they were not tuned to the realities of state-society relations* in the region.

## The developmental state: where does it come from?

### The contemporary neo-liberal debate

The predominant strands of development economics are championed by the World Bank (see, eg., Berger and Beeson, 1998; Wade, 1996; and Amsden, 1997). In *Lineages of Liberalism and Miracles of Modernization*, Berger and Beeson debate the World Bank's knowledge of international development. Development Economics evolving after World War II gained great impetus from Keynes's response to the depression. Keynes's theory advocated for state intervention in the macro economy in an effort to bring about a 'transformation'. It is in this sense that his views inspired ideological following in policy approach to maximising the national income (Martin, 1991: 32; and Martinussen, 1998: 349). We noted in the beginning that modernization was aimed at deconstructing "traditional institutions and structures and [to] replace them with Western ones" (Martinussen, op. cit.: 348). In other words, modernization was inevitable. In this sense, change or advancement towards the Western model is seen as progress and 'development' (it is important to keep this notion in mind since we note that the meaning of "development" is increasingly being given its rightful attributions to locality, culture and people).

Liberal economic thinking traces its origins to Adam Smith, "the patron saint of neo-classical economics" (Temple, 1997: 279). Adam Smith's "invisible hand" hypothesis produced the development formula, which is "devastatingly simple: unleash the power of market forces and reduce the state's role in the economic sphere, or where that is not possible, at a minimum ensure that state policy is applied equally to all actors" (Dietz, 1992: 373). It is for these reasons that the Bretton Woods' strategies to development have been, until recently, "devoid of politics" (Martinussen, op. cit.: 5). Neo-classical economics have advocated for free trade, minimalist state and *laissez-faire* ideals with the only catch-all phrase being "getting prices right", i.e., government non-interference with prices (Temple, 1997: 284; Gadzey, 1992: 457; and Dietz, 1992: 374). This neo-liberalist reading is the central position of many development mantras today, a thinking that emanates from the comparisons of East Asia and Latin America (see, eg., Dietz, op. cit.; and Berger and Beeson, op. cit.). In these economics the state would take the role of legal, administrative and regulatory player "in protecting collectively held resources (like air), defining the institutional context within which labour and business bargain, protecting consumers, and preventing the emergence of monopolies" (Chaudhry, 1992: 247) as well as providing "comple-

mentary inputs” such as “infrastructure, technology leadership, and human capital” (Dietz, op. cit.: 374). Even Adam Smith recognized this political capacity of the state in market economies and used the term “watchman state” to describe it although he refused to depart from his gospel of non-interference (ibid.; and Chaudhry, op. cit.: 247-8).

The state-or-market debate that arose in the 1980s deals with a pertinent issue about whether it is the market *or* the state that penetrates the society more (Martinussen, op. cit.: 264); the debate is essentially between the “revisionists” and the neo-classicists (Temple, 1997: 285). Martinussen (op. cit.) has discussed this state-or-market debate and finds that it is basically a question of the “division of labour”. The neo-classical stand point is debunked from two points. First, he notes that there are no ‘pure’ divisions between state and market and, secondly, that even markets cannot function without legal and regulatory frameworks which “only governments can provide” (ibid.: 265). As such, the two can and do interact as a matter of *mutual* necessity. What matters, however, are the “kinds of relationships” (ibid.: 266). Criticizing the etatism within neo-classical theories, Chaudhry (op. cit.: 249) emphatically puts across the following point:

“The notion that direct state participation in the economy is a special burden for developing countries not only assumes that markets, with all their legal, regulatory and administrative characteristics, exist but also that the state control is administratively more difficult than the alternative of creating and regulating national markets. But is this true? At a purely administrative level, the involvement of the state as a producer, direct employer, and lender in countries lacking a regulatory infrastructure is simpler than, and thus preferable to, the much more elusive alternative of creating and regulating a market economy”.

However, there is a general agreement on the disenchantment with state performance in many developing countries. The World Bank has not ceased to exorcise state intervention in its *World Development* reports. Consequently, the state is accused of ineffectiveness and inefficiencies in providing public goods, and has failed to provide even the most fundamental ones such as law and order, education and basic health, communication infrastructures such as roads, and property rights (see, eg., WDR, 1997: 2). A vivid example is the case where governments have failed to provide power (and water) thus forcing firms to install generators, thus increasing the costs and lowering production (see, eg., Martinussen, op. cit.: 260) (this situation arose in, for

example, Kenya for the better part of 2000). Indeed, government failure, associated also with corruption, nepotism and crony capitalism, along with these other factors, saw the neo-liberal thinking triumphing once again with reform measures under the SAPs. However, amid alternative “guerilla warfare” (Temple, 1997: 284) that demonstrated the *usefulness* of the state in the development process, these measures nurtured a search for what that kind of state might possibly be. Below I discuss the change from state *minimalism* to state *developmentalism*.

### The developmental state

According to Dietz (1992: 376), economic development requires a “nationalist state with a coherent developmentalist vision”. This State has the capability and power (*autonomy*) to choose the best strategies for development. Instead of “getting prices right” the *developmental state* “gets policies right” (ibid.: 374). The *World Development Report* (1997) on *The State in a Changing World* injects a crucial debate on rethinking the role of the state all over the world. Contributing their analysis of this report, Munro et al (1999: 75) comment on the Bank’s findings that “states have an irreducible role to play in the pursuit and promotion of development”. It emerges that the ‘development’ of society is a *dual process* of (1) industrialization and (2) cumulative welfare growth. In this *Report*, the World Bank proposed its own ‘transformed’ version of the developmentalist state; this development has come about in the Bank’s recognition that “markets and governments are complementary” (WDR, op. cit.: 4; and Munro et al, 1999: 77). Called the “framework state”, its role is “facilitatory” and its central functions would be to provide: (1) “a foundation for lawfulness”; (2) “a benign and stable policy environment”; (3) “basic social services and infrastructure”; (4) “protection for the vulnerable”; and (5) “protection for the natural environment” (WDR, op. cit.: 4). Munro et al, however, look more closely at the *Report* and criticize its shortcomings. Of particular interest to the contributions made by Sorensen, Grabowski and Gadzey is the primacy these authors give to state-society relations. Munro et al (op. cit.: 81) argue, contrary to the *Report*, for the primacy which “is and cannot be” but societal.

The debate on the state has indeed been around for some time; among the articles we are considering, Paul Cammack (*Bringing the State Back in?*, 1989), writing already in the end of the 1980s, a period of crisis in development studies, reveals the prevailing impasse in comparative politics during that time. The renewed vigour in development studies emerges from the need to escape the Marxist and neo-Marxist confusion, which Cammack

here tries to settle, and is particularly concerned with (1) the role politics has played in the “*success*” of the East Asian NICs and (2) the “relationship between development and structural adjustment and stabilization”, and “*failure*” in sub-Saharan Africa (Fine and Stoneman, 1996: 6; original emphasis). Contributing to the debate, Leftwich (1995: 400) suggests that “the special character of the [NICs]” explains their rapid economic growth. This kind of state, he says, “must be understood *politically*” (ibid.: 401; original emphasis; see also Stein, 2000). Leftwich defines the “developmental state” as the one:

“whose politics have concentrated sufficient power, autonomy and capacity at the centre to shape, pursue and encourage the achievement of explicit developmental objectives, whether by establishing and promoting the conditions and direction of economic growth, or by organizing it directly, or a varying combination of both” (ibid.: 401).

Sorensen’s (1993) contribution to the concept agrees with Leftwich’s on some points but generally criticizes the assumptions pertaining to authoritarianism as an essential part. Both authors associate the concept historically with the debate about the success of the East Asian NICs (see also Stein, 2000). For Sorensen (p. 31), a “strong civil society” is a constituent part while for Leftwich (p. 405) civil society must be “weak and subordinated”. In much of the literature there is the view that authoritarian regimes in most of the NICs created a “strong” state which, therefore, was responsible for economic development, by organizing and targeting industry (see, eg., Henke, 1997; Gereffi, 1990; Ellison and Gereffi, 1990: 384. Gadzey, 1992; Sorensen, 1993; Grabowski, 1994b; Leftwich, 1995; and Henderson, 1999); for example, Gereffi (op. cit.: 7) observes that “economic growth in the NICs has gone hand in hand with authoritarian political regimes”. Specifically, Henderson (1999: 339) refers to Korea, Taiwan and Singapore as “authoritative economic bureaucracies”. But perhaps these views are characteristic of history. Discussing the historical logic of capitalism, Gadzey (op. cit.: 461) traces the necessity of authority to the feudalist production system of 17<sup>th</sup> Century Europe. He notes that “as long as there was no clear monopoly on power within the ... system, production never reached levels sufficient to ignite the capitalist process” (ibid.). Lacking rights to property the servants would see their savings exploited by their lords for their own ends. This undermined productivity. Thus, “it took the establishment of strong states backed by a clearly defined central sovereign authority, a standing army, and

a bureaucracy” to ignite the capitalist genre (ibid.). For Gadzey, absolutist concentration of power *is* necessary to unleash the capitalist logic.

The most classic example of the *developmental state* is Japan (Leftwich, op. cit.; and Wade, 1996; see also, Sorensen, op. cit.; and Stein, op. cit.). Leftwich discusses the role of the Japanese Ministry of Finance and the Ministry of International Trade and Industry (MITI) as key autonomous elite bureaucracies important in understanding the concept. A key characteristic of the developmental state is its political and nationalist provenance concerned with the protection and promotion of itself “in a hostile world” (Leftwich, op. cit.: 404; see also, Grabowski, 1994a: 415, on nationalist forces in South Korea, Japan and Taiwan). Other characteristics are: the structural element of autonomy; the policy element of ‘statecraft’; and the capacity element of an *efficient bureaucratic machinery*. The model criteria described by Leftwich is more exhaustive and contains six components. They are (pgs. 405-418): (1) “developmentally-determined senior politicians and bureaucrats, usually close to the executive head of government who was instrumental in establishing the developmental regime and its culture”; (2) relative autonomy “defined to mean that the state has been able to achieve relative independence (or insulation) from the demanding clamour of special interests (whether class, regional or sectoral) and that it both can and does override these interests in the putative national interest”; (3) specific and competent bureaucratic institutions “to organize the critical interactions between the state and economy”; (4) a *crushed*, weakened or *controlled* civil society; (5) that “state power and autonomy [is] consolidated *before* national or foreign capital became influential” (emphasis added); and (6) an intimate connection between “sometimes brutal suppression of civil rights, ... apparent wide measure of legitimacy and ... generally sustained performance in delivering developmental goods”.

Grabowski (1994a and b) also contributes to the debate adding that state power, policy credibility (predictability) and firm discipline are dependent. His choice explanation for the economic success of East Asia lies in the *capability* of the government, that is, its “selective ... intervention which deliberately alters relative prices” (a: 413). This ability is embodied in “state hardness”, i.e., the “will and power to carry out successful intervention” (ibid.). This state power would be “infrastructural” in the sense that the state is able “to penetrate society and organize social relationships” in which “it can *interact*” (ibid., b: 4; emphasis added). Grabowski does not, therefore, dismiss the role of social forces in ‘state-powered’ economic development. Rather, he uses the concept of “embedded autonomy” which he defines as “

an autonomy embedded in a concrete set of social ties which *bind* the state to society and provide institutionalized channels for the continual negotiation and renegotiation of goals and policies” (ibid.: 5; emphasis added). In fact, on this issue a model called the “Positive Capitalist State” (PCS) has been proposed (Gadzey, 1992).

Gadzey’s theory is based on the criticism of state minimalism and state authoritarianism and tries to bridge the two. Accordingly, the PCS is one where the “state processes are channelled into the promotion of grassroots capitalist development” (p. 461); this is seen as *institution-building* or the “‘big-push’” (Stein, 2000: 18-27). Such a state would be developmental because it would (1) preserve the capitalist logic, (2) enable grassroots productive capacities, a ‘bottom-up’ approach and (3) be market oriented. A criticism to this model pertains to how, as Gadzey says, the African elites would “recognize” the logic of capitalism and *leave it to its own dictates* (p. 462; see also the criticism in Stein, op. cit.: 30). Again, even though he observes the growth of entrepreneurialism and ‘petty’ capitalism in many sub-Saharan countries, it is doubtful to what extent such vigour can be sustained owing to the failure of governments to provide the essential basics (see, WDR, 1997: 2). Contributing to the debate, Carter (1995) deliberates on a theory that unsettles Gadzey’s PCS model. Carter introduces the “State Primacy Theory” under which he argues that the nature of the state must be seen as the sole culprit to underdevelopment in Africa. As such, what is needed is a clear understanding of the way it is situated, constituted and deployed. Under these circumstances the PCS model would be null and immaterial. Regardless, the point we ought to see here is the emphasis on social forces and the elementary propositions of a *by-people* development process. Sorensen, however, raises his concerns about the current “thin layer of” democracy emerging in many Third World countries noting that multi-partism is not a guarantee for “more real democracy” (p. 30). But he remains convinced that a strong civil society will produce a more inclusive development. He concludes, noting examples of Zaire (now the Democratic Republic of Congo) and Brazil, that “most authoritarian regimes are so poor at promoting growth and welfare that the prospects for democracy must at least be given the benefit of doubt” (p. 29). To conclude, in a statement that can very well be taken to resolve the dispute between Leftwich and Sorensen, Grabowski (1994b: 9) notes that “the establishment of a strong state (infrastructurally) requires not only the establishment of the institutional mechanisms whereby the state can interact with various groups, but the institutions must also incorporate the focal points or, ... the ideology of the society”. Leftwich is adamant to the

necessary and inalienable role politics play in development economics in late industrializers (cf. Embong, 1999: 84, who states that in these countries, “the state *must* play a leading role”; emphasis added). Fine on the other hand, writing that the *Developmetalist State is Dead* (1999), moves the debate to another level, that of macro-economic foundations generated through ‘social capital’; the kind of state that is authoritarian or with a leadership bourgeoisie, no matter that it is effective, in short, the kind of state that is advocated by Leftwich, is *dead*.

### **Why did the NICs industrialize? The path to prosperity**

As we mentioned in the beginning of this article, there is a great disagreement about the causes of industrialization in the East Asian NICs. But perhaps, the cause of this disagreement is merely ideological. Wade’s (1996) contention about the neo-liberal *belief* is a critique of the failure of mainstream development thinking to see the *whole* picture about what factors were responsible for the East Asian industrialization. An example of neo-liberal conservatism is the refusal by the World Bank to attribute success to the state. In stead, it calls the outcome a “miracle”. Even if it is demonstrated by Embong (1999) and Jomo et al (1997) that the New Economic Policy (NEP) of Malaysia, for example, directed industrialization in that country, the Bank presents the Malaysian, Thai and Indonesian cases as “proof that other developing countries do not need industrial policy to achieve rapid growth” (Jomo et al, op. cit.: 3). The 1993 *East Asian Miracle* report is an intellectual minefield. Some authors found the Bank’s failure to regard the effectiveness of industrial policy as unbelievable; Henke (1997), for instance, finds the conclusions “astonishing”. Gereffi and Wyman’s (1990) edition, *Manufacturing Miracles*, emphasizes that while the growth of manufacturing industries in the NICs is “no windfall achievement” the industrial progress “is not the result of divine grace” (p. 7-8). Wade’s (op. cit.) disenchantment with the neo-liberal belief is well expressed in the characteristic language he uses. He argues that the neo-liberal paradigm is “degenerative”, “delusional”, “ignores”, is “selectively inattentive to data” and uses “repetition as the chief weapon of argument” (p. 279-0). There appears, then, to be a rift between the text book and the policy initiatives of nationalistic governments, for “ideological reasons” (Dietz, 1992: 373). These authors call for a clear look at the factors and dynamics involved for, it is argued, there was no East Asian “model” but rather that each country used different strategies along a “common context” (Lall, 1996: 118). Below I try to consolidate these factors in a brief summary.

Holger Henke (1997) discusses four factors that are responsible for East Asia's development. These are (1) land reform; (2) role of the state; (3) export/import strategies; and (4) situational factors. These will be looked at in turn. *Land reform* constitutes one of the basics of initial conditions (see also, Temple 1997: 287); Ellison and Gereffi (1990: 371) aggregate these conditions as the sum of "national conditions". South Korea and Taiwan are said to be the most outstanding performers of the NICs. Henke (op. cit.: 54) attributes this performance to reforms in their traditional agricultural production systems before the take-off stage, a process that broke "traditional semi-feudal power relations" in the rural areas and "led to higher mechanization and productivity". Due to these advances, excess labour was released from the countryside for the rapidly growing industrial centres in the urban areas. These agrarian reforms, according to Jomo et al (1997: 9) were facilitated in the two countries by "the US presence, the legacy of Japanese colonialism and the preeminence of refugee capital not based on landed interests in the early 1950s". This is, in fact, why the role of Japanese and US presence and aid after the end of WWII are actually considered by some authors as constituting initial conditions (see also, Temple, op. cit.; and Bräutigam, 1994). Lack of agreement as to what constitutes "initial conditions" can be attributed to intellectual flimflam. Ellison and Gereffi (op. cit.), for example, give a large number of these conditions which are "country size, resource endowments, geographical location and proximity to external markets, ocean ports, military rivals, indigenous social structure, political regimes and prevailing economic system" (cf. Jomo et al, 1997: 9-23, for a fuller discussion). Temple (op. cit.) adds another condition to the list which is the "sense of urgency" (see also, Jomo et al, op. cit.: 10); this argument is discerned more easily when one considers especially the onus placed upon the Taiwanese Kuomintang following their fleeing from mainland China. Consequently, the lack of natural resource endowment meant that the imperative for development was high on the agenda of economic nationalism; for example, this argument is used to distinguish the Northeastern Asian countries and those in the Southeast (ibid.) Considering the four 'tigers', Lall (op. cit.) notes the case for geography that for, particularly, Hong Kong its proximity to the port (entreport) was a "unique" initial condition. The case for resources is an interesting one because it argues that endowed with few, and small domestic markets, while at the same time having high population density, the East Asian NICs had little alternative *than* to industrialize by export-manufacturing (see, eg., Temple, op. cit.: 289). Temple, however, has considered the possibility that these initial conditions may not have been so attributive.

They were not the same everywhere and neither did, nor can, they produce similar results in all of the late developers. He nevertheless concedes that three particular advances set ahead the East Asian NICs by the 1960s. These are: “education, income inequality and institutional quality” (ibid.).

The second and most endearing factor is the role of the state. “The task of government is to raise productivity of the investment in both the public and the private sector” (Streeten, 1993: 1285). Most authors agree that the economic role of the state was “a key factor” to the industrialization of the NICs “in terms of the state’s capacity to select and implement successful development strategies” (Ellison and Gereffi, 1990; see also, Streeten, op. cit.; Page, 1994; Martinussen, 1997; Lall, 1996; Leftwich, 1995; and Amsden, 1997). Henke (1997) determines three levels of state influence in the industrialization process in East Asia. The first is the degree of the role the state played in terms of the “perceived external” threat to its security (p. 2). Japan, Taiwan and South Korea are most visible examples. The Cold War, explained as an ‘external threat’, is seen perpetually as a variable in the factor matrix of development (see, eg., Leftwich, 1995: 401; Henke, op. cit.; Jomo et al, op. cit.; Henderson, op. cit.: 346; and Carter, 1995: 613). The role of Japan and the US are crucial geopolitical considerations. As noted by Vogel (in Henke, op. cit), “during the Allied occupation from 1945 to 1952, and throughout the Cold War, the US offered technical advice and assistance in nearly every sphere of life in Japan, Taiwan and South Korea”. Secondly, and on the other hand, in Singapore and Hong Kong, that degree rested on a realization by the elite political leaders that “economic survival would depend on competitiveness and export orientation” (Henke, op. cit.). As was noted earlier, the key determining character of the developmental state was its self national identity built upon the ideology of territorial and political integrity and pride, i.e., nationalism and an *urgent* “wish to ‘catch up’ with the West” (Leftwich, 1995: 401). Nationalism is normally stamped with an ideology, such as the fervour surrounding independence that characterized many newly independent states of SSA in the 1960s in their clarion-call for nation-building. As Jomo et al (1997: 16) note, late industrialization is matter-of-factly enhanced through embracing nationalist economic projects in which “nationalism has been a key legitimizing ideology”, a call well taken by “the developmentalist states of East Asia”. Ellison and Gereffi (1990: 399) also note the “adeptness” of the East Asian NICs “at establishing a dominant national commitment to economic growth as a primary requirement for national security” whereas “economic nationalism in the Latin American NICs has been more narrowly based”. But the most important level of state

involvement is in maintaining law and order, an issue hotly theorized by Samuel Huntington (see, Carter, 1995; Martinussen, 1998; and Chowdhury, 1999). This role while perennially considered affirmative (note, for example, that the World Bank, ascertains this as the *central number one* responsibility of the state, WDR, 1997), it is often associated with heavy handedness as it may result to a strong *authoritarian* and intolerant regimes.

According to Amsden (1997: 473 and 478, respectively), “the force behind the *organization of production* was not simply ‘the market’: “government’s role has been one of joining with the private sector to socially construct competitive assets (resources, capabilities and organizations)” (cf., Streeten, op. cit.). Industrial policies were engineered to generate a productive capacity that would absorb educated personnel (ibid.: 470; see also Embong, 1999: 93, on educational expansion in Malaysia; and Lall, 1996: 119). Even the World Bank agrees that “activist policy” had something to do with economic growth in East Asian NICs (Page, 1994: 615). The *extent* and *role* of government intervention has been the subject of basically all the literature being reviewed here. The intervention debate is the gist of the matter between the neo-liberals (the Anglo-Americans led by the World Bank) and the revisionists (eg., Alice Amsden and Robert Wade). A case is made of “Japan Inc.” whereby MITI was “heavily” involved in that country’s industrialization (Henke, op. cit.: 55); fundamentally, government intervention was a response to inadequate private business and weak indigenous capital. In South Korea and Taiwan government intervention has been *systematic* (Martinussen, 1997: 269) while the success of Singapore is a consequence of an “aggressive ... interventionist policy” (Lall, op. cit.: 118). In these countries, as in Hong Kong, the governments directed FDI to technological development. Lall also gives an example of government influence in industrial activity in Hong Kong noting its role in the “allocation of scarce land, and the setting up [of] industrial support institutions ...” (ibid.). A similar influence is also noted for South Korea where huge industrial conglomerates called “Chaebols” stemmed from industrial policy (see, eg., Henderson, 1999; and Lo, 1999). In conclusion, Jomo et al (1997: 16-18) find that the role of the developmental state is crucial to understanding industrialization in the NICs. Some of the adjectives synonymous with this idea are such as “developmentalist ideology”, “insulated technocratic elite”, “protected national economy”, “selective economic liberalization” and “effective protection to export promotion” (ibid.). These traits constitute some of the elements of the industrial policy for *targeting* manufacturing to international competitiveness.

One other issue connected to political influence in late industrializers is learning and innovation (Lo, 1999; Bruton, 1998: 919; Amsden, 1997: 469; Temple, 1997; Lall, 1996; Chaudhry, 1993: 246; and Wade, 1992). According to Amsden (op. cit.: 469), the NICs experience was an “industrialization based on ‘pure learning’ (borrowing technology that has already been commercialized by foreign firms)”. This statement implies that these economies produced nothing new and, therefore, that they avoided some essential stages in Adam Smith’s theory of production. The state is said to have a high role to play in the learning process by, eg., promoting “collective learning” to increase “productivity growth” (Lo, 1999: 12; see also Page, 1994: 620-2, on the role of government in the accumulation of human capital; Amsden, op. cit.: 470, on industrial policy and production capacity associated with school leavers; and Embong, 1999, on educational expansion in Malaysia). Thus, in stead of innovating, late industrializers can just “learn”, i.e., borrow, adapt and improve on foreign designs. Lall has discussed extensively on the new-knowledge inculcation process. He finds that learning can be expensive and that many firms may be “unwilling to undertake [the process] if they face free competition from those that have already undergone” it (p, 116). As such, government intervention can be justified.

The strategic polices of export orientation and import substituting are the third overall factors named for rapid industrialization in the NICs. The debate is associated with the role of *control* the state played: the choice of strategy between the *two paths* again depends on the degree of state innovation (Henke, op. cit.: 55). It is argued that the growth of manufacturing industries capitalized on using a *comparative advantage* oriented towards external markets. In this regard, “capital-intensive heavy industry products became competitive very quickly in the international market” (Temple, op. cit.: 289). The comparative-advantage hypothesis simply states that a country will tend to specialize on unsophisticated commodities, which require simple learnable skills, for which it has a comparative advantage relative to other countries (see, eg., *ibid.*; and Martinussen, 1998: 21); the country can then easily market these commodities in the international markets. This argument is derived from the situational debate. Associated to a “historical conjuncture”, the period between the 1950s and the 1960s of expanding international trade, known as the “golden age” (Jomo et al, 1997: 11-12), accelerated the NICs’ integration into the global economy (Henke, op. cit.). This period assured the NICs a “growing international market” and “the opportunity to establish new industries for world market production which were no longer viable or desired in the industrial world” (*ibid.*). The comparative ad-

vantage of the East Asian NICs is also noted to have been enhanced by their relatively cheap, skilled and abundant labour force (see, eg., Lo, 1999). But one should not misread the literature on the EOI and ISI question. As the literature shows, the East Asian NICs did not put all their eggs in one basket. It was paramount that a domestic market be nurtured while still remaining competitive in the international markets. In fact, Henke (op. cit.), using the cases of South Korea and Taiwan, finds that the policies were rather “complementary” (cf. Lall, 1996). It was the ingenuity of putting more weight into the choice strategy that proved more “efficient”. In other words, the most effective government was the one that had the ability and intelligence to “respond positively to strategy-switch points” (Dietz, 1992: 376).

The fourth factor under Henke’s typology is situational/locational. In this group we find, firstly, culture. Confucian and Taoist philosophies are argued to have contributed in the long-run to the formula for development in East Asia. The Sino-centric system created tributary relations already before Europe entered the field (Preston, 1998: 242); Preston here is looking at factors rooted more deeply in the historical sociology of the region (see also, Jomo et al, op. cit.: 12-13). The *cultural advantage* is seen as “important” in terms of its “emphasis on diligence, loyalty and respect for authority” (ibid.: 21-2). By the same token, Latin America and SSA are deemed to lack this cultural prudence (see, for example, Collier and Gunning, 1999: 67, on ethnic fractionalization). But while Henke argues that cultural prudence “certainly played a role in the East Asian development process”, he is also cautious that it has been seen as an “obstacle” (p. 56) for “resisting the demands of American ‘predatory liberalism’” (Preston, op. cit.: 245). A second situational factor is “the distinct character of Japanese colonialism” in South Korea and Taiwan and the role of America (Henke, op. cit.; Jomo et al, op. cit.: 9); in fact, Bräutigam (1994: 113-4) discuss colonialism as a *precondition* for growth. It is important to note that these historical factors are hotly topical and that they elucidate a lot of appeal. From the weight of evidence that colonialism established a “long path” to post-independence industrialization in Malaysia (Embong, 1999: 83; and Henke, op. cit., on Taiwan and South Korea), one wonders, for example, why colonialism in the SSA has not brought about similar results (see, eg., Bräutigam, op. cit.: 114). However, Henke (op. cit.: 56) argues that Taiwanese and South Korea’s “industrial structure, infrastructure and agricultural development were highly untypical for colonies and became great assets for them after World War II”.

Japan is also seen as having played a “flying geese” role (Jomo et al, 1997: 28-30). The ‘flying-geese’ model is an interesting addition to the process of

acquiring information and technology owing to spillovers as a result of investment projects. Most literature recognize the role of Japan in the East Asian industrialization (see, eg., *ibid.*; and Wade, 1996). According to Jomo et al (op. cit.: 29), Japan invested in North and South East Asia to secure a stable investment environment for its industry. The model states simply that less advanced countries will imitate more advanced ones, and thus the different levels in development. Japan in this case, having itself been a ““follower”” of the Western more advanced economies of Europe and North America, learned to produce “goods of increasing value, sophistication and complexity”, became a ‘leader’, and was ‘followed’ by other East Asian NICs (*ibid.*: 28-9), for example, by Korea (Lall, op. cit.: 120). Wade (1996) has discussed Japan’s East Asia policy in *The New Asian Industries Development Plan* of 1987 and finds that it had a tremendous influence on industrial policy in the region. This was done mostly through aid and investment patterns which stemmed from the colonial occupation. Likewise, the history of American presence in the region is also noted as a key factor to industrialization. Lo (1999: 9), for example, notes that East Asia were “junior partners of the USA”. The US-backed Kuomintang in Taiwan and investment commitments in South Korea and Japan are notable cases (see, eg., Jomo et al, op. cit.; Henke, op. cit.; and Henderson, 1999); Henderson (op. cit.: 334-5) does, in fact, provide statistics showing high portfolio investments by Japan and the US throughout the region.

### **The state: a conceptual paralysis**

The IDS seminar provoked a mind-boggling debate on the sheer number of state concepts produced by the literature. Here, I try to summarize briefly some of the most endearing ones. Some of these concepts, *developmental(ist)*, *framework*, *positive* and *capitalist* state have already been discussed. Other terms that have been used mostly without focused definitions are *strong* and *hard* state (see, eg., Stein, 2000; Henke, 1997; Grabowski, 1994a; Chaudhry, 1993: 249, on the command economies of the communist regimes; Gadzey, 1992: 461, on the history of Western capitalism during 17<sup>th</sup> Century Europe; and Forrest, 1988, on the quest for state hardness in Africa). The *hard* state is one which is able, willing and powerful enough to maintain autonomy from interests of social forces and therefore becomes a *strong* one in rallying the national cause for the collective good (see especially, Grabowski, op. cit.). *Activist*, *optimal*, and *intelligent* state are put forward by Gadzey (op. cit.: 460-1) to understand the extent and effectiveness of state involvement in economic development; these are used relative to the

East Asian NICs. The *minimalist* and *shrunk* state were noted as the tuff of liberal economics (see, eg., Chaudhry, op. cit.). The *watchman* and *care-taker* state (see, *ibid.*: 248, on the former) are similar in that they both delegate the state to play the simple role of mediating and ‘making sure’ that everything is in order. In this sense the concepts are similar to *facilitatory* and *legislative* state. Adding this picture up, one gets a *three-dimensional state*, which promotes socio-economic development, encourages participation and, most importantly, ensures security (Martinussen, 1998: 276). The state has also been characterized in negative or unpopular terms as *authoritarian*, *arbitrary*, *absolutist* and *predatory* (see, eg., WDR, 1997; Henke, 1997; Grabowski, 1994b; Sahn and Sarris, 1994; Kennedy, 1994; Gadzey, 1992; Gereffi, 1990; Ellison and Gereffi, 1990; and Ahmad, 1985). Arbitrary and predatory refer to a state where resources are utilised in unproductive ventures the result of which is corruption and misappropriation (the “*baobab-tree*” metaphor by Thompson and Thompson (2000: 11) refers more accurately to a state that is predatory). Authoritarian and absolutist states often channel resources to the rulers, as in feudal Europe and the DRC, although there appear a clear distinction between the two. Fatton (1988) also introduces three captivating concepts of the state: *Leviathan*, *Hobbesian* and *Caesarian*. The three are connected and describe a state in which power is held in awe. The concepts relate to power located in a head, such as an individual, in which power and authority is absolute. Fatton uses these concepts to describe politics in Africa. The term *captured* state by Dietz (1992: 374) refers to “a state that has designed economic and social policy to reward special interests”, precisely used for Latin America. The term’s opposite is *autonomous* state used in particular to East Asian NICs. *Bloated* and *soft* state result from political weaknesses especially resulting from bowing to pressure from structurally interested parties (see, eg., Mahon, 1992: 242; Grabowski, 1994a: 415; Doornbos, 1990; 186; and Fatton, 1988).

## Describing African economic performance

This section discusses the barriers and limitations for development in the sub-Saharan region of Africa. As we have seen in previous sections, there are diverse views about where development comes from: the state or the market. Liberalist thinking largely discount the state as a central developmental tool while structuralist and revisionist theories focus their attention on the state. The SSA is a region in a class of its own; poverty has increased in recent times leaving people worse off than they were at the time of inde-

pendence. As Leys (1994: 34) puts it, “what is happening in Africa is a perhaps irreversible decline”. Today, the reasons are becoming more and more evident: debt, AIDS, poverty and environmental catastrophes have become synonymous with *Africa*. For a continent that relies mostly on aid and rain, it is not hard to see why the structuralist and revisionist thinking is more appealing in describing the development tragedy in the continent. It is also not hard to see why development studies have laboured at finding the ways that can best describe the continent’s predicament. In this section, I will assess the arguments presented by some authors, mainly, Collier and Gunning (1999), Kennedy (1994), Sahn and Sarris (1994), Leys (1994), Bräutigam (1994), Doornbos (1990), Forrest (1988), Fatton (1988) and Ahmad (1985). Two debates will be presented. The first will summarize the sets of institutional and ecological variables shown by Collier and Gunning and the second will analyse the more heated debate on the nature of the Third World state.

### **Describing the African economic performance**

Collier and Gunning (1999) describe African nations as slow-growth countries and give six distinctive institutional and environmental variables to show why. These are: (1) lack of social capital; (2) lack of openness to trade; (3) deficient public services; (4) geographical and climatic risk; (5) lack of financial depth and credit; and (6) high aid dependence. Briefly, these variables are assessed. Social capital is used as an ‘umbrella’ variable; it can be seen as an environmental variable and as an institutional variable. In the latter view we can associate it with the public discourse on civic responsibilities such as *trust*. This has ramifications for contract enforcement and learning. Overall, “public social capital consists of the institutions of government that facilitate private activity” (ibid.: 65). Among the handicaps to performance associated with this variable are rent-seeking, clientelism, neo-patrimonialism, corruption and nepotism. Constituting the environmental dimension of the variable is ethno-linguistic fractionalization and inequality. On the ethnic-diversity sub-variable, African countries are said to be “more than twice as fractionalized as other developing countries” and that this condition has certainly cost them “in terms of low level of political rights” (ibid.: 67; see also, Ahmad, 1985: 44). The second variable is a sum of the measures African governments have taken to restrict foreign trade and to protect domestic ‘infant’ firms. These are characterized by quotas, tariffs, foreign-exchange controls and marketing boards. It is noted that by the 1980s Africa had the “highest trade restrictions” in the world (Collier and Gunning, op. cit.: 69). One of the major weapons many African states used

in order to generate capital was the creation of parastatals and marketing boards (see, Kennedy, 1994: 203). Because economic production was, and still is, agriculture, the state, in an attempt to 'capture' the rural peasantry to consolidate hegemony, attempted to organize modalities for peasant production. This was an effort by the state to generate revenue for its own continued hegemony rather than for the welfare of its people. Performances in public service delivery are dependent on the policy environment and nature of civil liberties. Fractionalization and low levels of civil liberties reinforces selectivity in policy environment. This is a well known factor of political manipulations by selfish and corrupt regimes. It also can be associated to pressures of historical conjunctures and international regimes of aid. In particular, the move toward labour-intensive production saw great expansions of the African bureaucracies in the 1970s. Thus, public services such as government hospitals became inflated. Third, although Collier and Gunning note that in the education sector performance has not been so bad off, there has been little investment in infrastructure such as roads and telecommunications.

The fourth variable is the geographical location of the continent said to increase risk. Climatically, much of Africa is unproductive and inhospitable - the "hardest continent for human beings to survive on" other than Antarctica (Thompson and Thompson, 2000: 23). There are several indicators for this. First of all, much of the continent is arid or semi-arid making agriculture that much more risky a venture because of poor soil quality. As noted above, sub-Saharan Africa depends a lot on rainfall. The continent is then prone to drought and famine, as was the situation in much of the Horn in early to mid 1980s and in early 2000. In addition, sub-Saharan Africa enjoys a tropical climate prone to tropical diseases such as malaria, the highest killer in these regions. On the other hand, in arid and semi-arid areas, population density is low and government penetration becomes difficult. As a result most such 'hardship' areas are inaccessible and infrastructural development is poor. Still, vast territories are land-locked (compare with the small countries of the East Asian NICs with easy access to the sea). Even if Africa is endowed with rich natural resources, they are mostly a useless ground for wealth because, for the most part, the prices of such commodities, eg., minerals and agricultural products such as coffee and tea, are exploited and determined by "commodity prices" in foreign markets (Collier and Gunning, op. cit.: 72). It is a well know fact that such terms of trade are volatile and leave African countries without much leverage. Fifthly, "Africa has much less financial variable than other developing countries" (ibid.: 73). Collier and Gunning note that

an attributive result of this is the low levels of currency holdings which affects investments which affects growth.

To put this into perspective, an interesting debate ensues on the very nature of the African production system. Much of African economic production is subsistence. Fatton (1988) introduces the “class and state” question in which we find that, in much of Africa, the society is divided essentially between two classes: the state and the “vacillating mass” (Aijaz 1985: 44). For Aijaz, this ‘state’ is indeed nothing else than a “governing caste” because it is essentially a “consolidation” by a group of “personnel” (ibid.: 50-1). Ahmad finds that the aggregate of these classes, termed “vacillating” in Marxist traditions, are in reality intermediary and constitute the small land-owner and subsistence farmer, the urban merchants and small-scale manufacturers (otherwise known as “*jua-kali*” in Kenya). The point for Ahmad is that these classes are not merely to be dismissed because they “occupy a strategic space in the field of politics” (p. 64). While this is an interesting observation, it defers from the conclusions of Fatton. For Fatton, there is no debate about the class issue, rather, the entire state project is to maintain the ruling class’s hegemonic control of the society and that the two are suspended from each other. One of the intriguing turns in this variable is this political dimension of the mode of production in Africa. Astonishingly, Collier and Gunning do not pursue this line of thinking. The debate of the “uncaptured peasantry”, made famous by Goran Hyden, becomes relevant when we consider all the arguments about the nature of the African state vis its production system. As we note, the “economy of affection” is a ‘gift’ economy where goods and commodities are exchanged *in kind* and assets kept *in liquid* form. In short,

“the uncaptured peasantry operates its own ‘peasant mode of production’ as a separate material and institutional structure. Such a structure constitutes the ‘economy of affection’ which represents an alternative ‘space’ to the dominant state system” (Fatton, op. cit.: 256).

Although Collier and Gunning describe the six variables on a mainly economic, rather than political, perspective, their input is valuable. It is all too often that researchers focus on the larger picture (state and society). The ‘Africa dummy’, as the authors call these variables, creates a “capital-hostile environment” responsible for low returns on investment, said to be “one third lower than in other regions” (Collier and Gunning, op. cit.: 75). The economy of affection is a demonstration of the maintenance of a system incapable of attaining Western capitalism (see, Martinussen, 1998: 246-51,

for a more fuller discussion). The discussion by Collier and Gunning however extensive, nevertheless, fail to address the political question of colonialism. Looking more closely at the literature, we can discern four strands of arguments on the development impasse in Africa. The first is the very nature of the state. The second is the role of colonialism. Third is the state of the world system in terms of international trade, aid and debt. Fourth is the nature of the African societies, closely connected to the state debate. I shall now turn to these broader issues.

### **The nature of the third world state**

“A large part of the blame for so many unfavourable developments, notably stagnating growth and untenable domestic and external account imbalances, can be attributed to the *nature of the Africa state*” (Sahn and Sarris, 1994: 279; emphasis added).

The nation-state in Africa is a creation of the West. Four decades of independence have not divorced it from its colonial histories. Today the nation-state in Africa remains post-colonial and neo-patrimonial; the former is connected to the direct legacy of colonialism and the latter to the direct legacy of relations in traditional societies. Thus, we get two distinct pictures. The first is the implications for colonialism as an integral part of the initial conditions. Connected to this view is these countries' integration into the world economy, leaving them out in the *periphery*. The second is the implications for traditional societies in the governance and productive relations in a post-modern age. In *The Nation-State and Underdevelopment* (1995), Carter wrestles with the nature of the Third World state. He comes up with a new theory, the State Primacy Theory, in an effort to explain the Third World predicament in development.

Carter refutes G. A. Cohen's interpretation of Marx's bourgeoisie/elite theory of (modernization) revolutionary change that economics dictate political relations. Rather, he introduces a likewise revolutionary view that the political structure elects such an economic framework as helps it to reproduce its own hold onto power. The State Primacy Theory argues that the state has primary explanatory factors in determining mode of production/relations rather than, or on top of, international dependence (underdevelopment) theory and class theory of modernization (indigenous bourgeoisie theory). In other words, we need look no further to explain economic performance in the LDCs. The theory takes off against the assumption that economic devel-

opment come from nowhere else than from the *needs of the state*: “states seek economic progress when practicable” (p. 611). Thus, “a stronger Third World state has an interest in developing its own industry within its own ‘modern’ formal economy when it is in a position to do so, for that would offer it the greatest revenue” (ibid.). Carter’s argument here shows that, in spite of much assumption about the ability of African states (leaders) to exert control and hegemony over their territories, they are able to “take punitive action against foreign firms”. As such, it is argued, in such societies, development would be purely *accidental*. The following quotes show why. “It would be a great mistake to place much faith in the nation state as the solution to Third World problems” (ibid.: 604). And because, “bilateral aid primarily serves to prop up regimes that are complicit in the exploitation of their people and the destruction of their environment”, aid is not an option (ibid.). For in fact, “both ‘core states’ and ‘peripheral states’ bear responsibility for the oppression and exploitation of the world’s poor and the environmental degradation that accompanies this” (ibid.: 614; original emphasis).

Aijaz’s historical description of class and nation-state is also fruitful in showing the nature of the Third World state. Using numerous examples, he has shown that the state uses coercive means, such as, regulations, administration and domination, to repress the intermediate classes and to prevent any attempts by others to gain supremacy; it has a hegemonic grip on the society. Yet, in spite of the vast powers political leaders have, the state is still inadequate, loose and ‘weak’ and remains “suspended in mid air” (Fatton, 1994: 256). The state in Africa has also become the arena for personal-political determinism. Since power becomes synonymous with wealth, the two are mutual bed-fellows. Perhaps one of the most interesting character of the African state is its ability to sanction big TNCs and to exert pressure on groups it deems threatening while at the same time being riddled with problems of penetrative political hegemony (Doornbos, 1990: 184). In an exemplary figurative and extraordinary concept, Thompson and Thompson (2000: 11) term the state in Africa as a “baobab tree”: “it’s role has [not] been to help people, but simply to swallow, to consume, to obstruct, to stick its branches aggressively in the air and thrust its roots through the ground, sucking up every available resource”! *Corruption* is very characteristic of the nature of the state. Kleptocracy and lootocracy (outright theft) becomes so entrenched in such a system that national growth stagnates.

Colonialism and its perpetual existence in neo-imperialist forms is heavily blamed for economic disenchantment in Africa: “it set the scenario for disaster” (Thompson and Thompson, op. cit.: 31; see also Stein, 2000:

31). Gadzey (1992: 455) criticizes the prevailing models responsible for development in the NICs for being *insensitive* and *inadequate* to conditions on the ground. Sahn and Sarris (1994: 279; cf. Leys, 1994: 37) note that one of the root causes of the African crises is the attempt to change traditional institutions. Colonialism embarked on a process of modernizing Africa; by weakening traditional institutions and forcing the establishment of new ones, the nation-state was a grand imposition on the continent. The continent's people and histories were cut up like a cake creating multi-ethnic and multilingual states. Pre-colonial institutions had their own values and culture of governance. Independence suddenly laid bare a tool - democracy - which was somewhat misplaced in terms of African ethnic relations. Whereas democracy and participative elections were meant to legitimize authority, such ideological inspirations were never to take shape: because of fractionalizations in society, the elite class of rulers tries to legitimize their rule by perpetuating patron relations of favouritism and nepotism. Most regimes in Africa survive without legitimacy to govern and, often, military cycles to take over the '*strong-man*' position becomes the norm (Aijaz, 1985). As such, most of these countries are in a political-authority crisis (Kennedy, 1994; and Gadzey, 1992). Lack of ideology (direction) is relevant in a very crucial way to understanding the African crisis. As Jomo et al (1997: 16) note, late industrialization is matter-of-factly enhanced through embracing nationalist economic projects in which "nationalism has been a key legitimizing ideology". The fervour of the independence nation-state building rally for nationalism is, however, long dead in the SSA; a unifying ideology is lacking in most of the continent. Jomo et al (ibid.) note that "ethnic and religious heterogeneity have weakened nationalist impulses and related national capacities" in Africa, Southeast Asia and Latin America. As such, *economic nationalism* is non-existent.

Other socio-political theories blame societal weaknesses for growth stagnation and political crises. As Chowdhury (1999: 1091) assert, "the explanation for state ineffectiveness ... remains fundamentally societal". Kennedy (1994: 191, 193) also note that the society is "inappropriate and unsupportive" because "surviving remnants of traditional culture are invariably somewhat restrictive in the early stages of economic transformations". As such, he concludes that the greatest barrier to capitalism in Africa is *political* (p. 212). In Doornbos's and Ahmad's explication of the handicaps to African development, we find an agreement to the fact that the state is, for the most part, *shallow* ('soft' or 'weak') and *highly abstracted from society*. Because of its failure to exercise control and hegemony over society, the state is

handicapped in revenue generation and rule of law. In a rather catchy description of such state of affairs, Carter (1995) quotes Huntington's characterization of the 'praetorian [chaotic] society'. These societies are violent and authoritarian with a situation of fragmented politicization among groups in such a way that "the absence of effective political institutions capable of mediating, refining and moderating group political action" results in a society where "social forces confront each other nakedly" (Carter, op. cit.: 597). The scene is one where the "wealthy bribe, students riot, workers strike, mobs demonstrate and the military coup" (ibid.); anyone familiar with the African political 'experience', as a citizen, for example, will attest to these conditions. In such circumstances of political insecurity, "no amount of serious business endeavour can prevail" (Kennedy, op. cit.). The state has long suppressed class emergence other than the elite which, conveniently becomes the clients of state power and therefore synonymous with the patrons. Coerced and suppressed, political participation, even in the multiparty era, is distorted and unrealized fully. As such, 'social capital' or *social formations are fundamentally weak*.

The world system theory, argues that the modern capitalist production system creates a condition in which the world becomes a single integrated market system. As such, "chronic poverty endemic to most African economies remains linked in a very real way to the underlying dependence of most countries" (Kennedy, op. cit.: 192; emphasis added). As we saw in the liberal and neo-liberalist debates earlier, the way forward for developing countries was to imitate and follow the 'Western path'. This meant that societies had to change their traditionalist values and embrace Western ones. But such trends have been unsuccessful and have, in fact, caused growth regressions in Africa because the methods are dilemmatic. The terms of trade have further weakened African competitiveness in world commodity markets. Thus, the *dependencia* literature has argued that the way forward for developing economies is to 'delink' from this (external) system (see, eg., Leys, op. cit.). Unfortunately, this system is fundamentally embedded in colonial and neo-imperial ties. After the 1960s, massive *debt* was poured onto newly independent states to seed development. Today, debt problems have ravaged the African economies and remains the most notorious and sad indicator of an unfair world (trade) system. Leys, Gadzey and Kennedy find that the debt issue is one of the main culprits to be addressed in turning around African growth. This is now a politically, domestic and international, issue. The IMF and World Bank are also complicit in the issue of dependency and debt. The sweeping SAPs thrown at sub-Saharan Africa in the 1980s show a major in-

fluence of the external policy- environment on these countries. This does not mean that the sub-Saharan African countries have no differences; on the contrary (see, eg., Gadzey, 1992, on useful statistical differences). Most of the literature reviewed on the African debate while pessimistic because of the very nature of the state, and society, find hope in the new engines of NGOs and social movements that people are forming to address their problems.

## Can Africa learn from the NICs? The lessons

Lall (1996) concludes his article by posing the question whether the East Asia ‘miracle’ can be emulated elsewhere. His immediate response is, “perhaps not” (p. 122). However, he finds a glimmer of hope stating that “different economic, institutional and political conditions dictate different strategies, but they do not rule out strategies altogether” (ibid.). Ellison and Gereffi (1990) share this view. In defining “development strategies”, they state that “successful industrial policies must be responsive to the *institutional and cultural contexts of specific countries*, and thus *development strategies are domestically rooted*” (p. 369; emphasis added). They also add that “policy appropriate for one kind of economy cannot be transferred to a radically different kind of economy” (ibid.; see also, Gereffi, 1990: 5). Mahon (1992), on the other hand, dismisses the case for replication by stating that the debt crises facing many Latin American LDCs today eliminates any favourable chances (cf. Leys, 1994: 46, and Kennedy, 1994: 209, on the debt crisis in Africa). At the same time, Amsden (1994) and Lall (1996) critiques the World Bank’s *The East Asian Miracle Report* for failing to suggest the replicability of the East Asian model in other LDCs. In spite of this scepticism, there is still some contribution these and other authors make that Africa could learn from. These *lessons* will be highlighted.

Lesson one is embedded in the conceptual *developmental state* (Dietz, 1992; and Jomo et al, 1997). As we saw earlier, a developmental state can indeed “accelerate the pace of economic growth” (Dietz, op. cit.: 374). The developmental state proves to be crucial in terms of providing a “coherent vision of economic growth” in the face of “externalities, divergencies between social and private rates of return, and market failure” (ibid.). Such a state can further complement infrastructural inputs and production factors. It does this by designing and implementing stealth strategies for ‘capturing’ rent, i.e., *income* in terms of taxation regimes, and deploying this revenue for industrial investment. Still, state rent-seeking practices have to be accompa-

nied by high quality governance and transparency so that the rent is not “captured” by a self-serving state (Dietz, op. cit.). Thus, SSA needs a capacity-wise strong and autonomous state if it is to progress. Such a state is able to build institutions and manage conflict (Stein, 2000: 36). Returning to Kennedy’s argument, we note how, this notion of developmental state is distorted and unrealized (unrealizable, perhaps - see, Stein’s, op. cit., discussion of the impossibility thesis) in SSA. In this region, the state is perennially parasitic and tragic: witness

“the ineffective and often obstructive nature of state power, wielded by often incompetent and corrupt leaders largely hostile to the prospect of emergent and potentially rival classes, and the creation of a more pluralistic, diversified social order” (Kennedy, op. cit.: 212; see also Sahn and Sarris, 1994: 301).

Lesson two, is that since the East Asian success demonstrates wanton contradictions of the neo-liberalist stance on “getting prices right”, late developers should copy the allegedly successful inverse: “getting policies right” (Dietz, op. cit.; see also, Temple, 1997: 289). In other words, African governments should not be worried by price interferences as long as they were *corrected* by ‘right’ policies. But have African governments such policy intelligence, technical expertise or talent? What of leadership and statecraft? Thompson and Thompson (2000) discuss these issues lengthily and find Africa badly wanting. Quite the contrary, African governments have often pursued bad or counterproductive policies (see Brautigam’s, op. cit., comparison of Taiwan and Africa in terms of policy performances (cf. Collier and Gunning, 1999). Dietz, whose analysis is based on comparisons of Latin America and East Asia, finds another lesson (three) that although achievements in the East Asian NICs is directly linked to exports, “export orientation per se is insufficient to guarantee successful growth” (p. 374). All countries in these regions pursued EOI and ISI strategies, albeit at different stages and in different velocity and extents. In stead, what counts is the (lesson four) “ability of the state to recognize ‘strategy switch-points’” and act upon them (ibid.: 375). On this lesson, Henke (1997: 64) clarifies “the importance of a well-defined industrial policy targeting international markets and sources of [FDI]”. As such, industries which show “viability in the international market could be successfully supported by ... incentive schemes”. Consequently, those which do not live up to the comparative advantage performance-expectation should be shut in order that scarce resources are chan-

nelled to the productive ones. Accordingly, these strategies while requiring a strong and autonomous developmental state must follow technological imperatives of production.

Lesson five is the need for “expanding the base of national capital, increasing internal articulation, and achieving technological autonomy” (Dietz, *op. cit.*: 376). Dietz attributes the heavy presence of foreign capital in Latin America, than in East Asia, as one of the causes of the lack of indigenous economic embeddedness. He concludes that “national economies must be built upon national capital” and that “both capital and technology must be ‘nationalized’” (*ibid.*; cf. Jomo et al (1997: 157). Unfortunately, African regimes face difficult tasks to learn because of instabilities in political-power hegemony or as the WDR (1997: 14) put it, “a crisis of statehood - a crisis of capability”. As such, a control and regulatory regime is not in place in many African countries. An infrastructurally powerful state is able to monitor the progress of laid down targets and strategies and arrest failures at an early stage. At the same time that the state in the continent is *antidevelopmental*. One big problem associated with this is the *conditionality regime* under which aid is given. Conditionality often comes with stringency, time schedules as well as penalties. A notable example is the *liberalization* measures. The experiences in South East Asia, Latin America (notably, Mexico) and Russia show that ‘overnight liberalization’ is counterproductive. For this reason, Lo (1999: 13) warns that “developing countries must be extremely cautious in liberalizing their capital accounts”. Brautigam (*op. cit.*: 132) also notes that a more carefully phased liberalization would have been “more sustainable” in the continent. Yet, liberalization would only be a useful tool as far as it attracts FDI (see, Henke, 1997: 64). But the assumption that this investment would be *easy* and *cheap* is illusory. The greater role of FDI may be “a transitory phenomenon that is observed at a relatively early phase of development when domestic capital accumulation, technological capacity and external market access is very weak” (Jomo et al, 1997: 14). Thus, FDI would both raise foreign human resource as well as real investment in export processing zones (EPZs). This would generate foreign exchange earnings while securing foreign technology. The role of government and international agencies in this phase would be to “assist African entrepreneurs to make connections with the producers ... through joint ventures, or even assisted business trips and study tours” (Brautigam, *op. cit.*: 133).

There are many other lessons espoused by Jomo et al (*op. cit.*) which include diversifying foreign investors, strengthening exports as well as privatization. Law and order, cheap labour, free trade, freedom of capital, educa-

tion and training, export promotion and investment, industrial incentives and “cultural and linguistic affinities” are “decisive” in attracting FDI (ibid.). Vast swathes of the African continent are warring, and disease, corruption, drought, political chaos and dictatorial rule do not provide the grounds for a replication of the NICs’ ‘miracle’ model. At the same time, the much-debated ‘African Renaissance’ is now in shambles and the new ‘African Millennium Project’ remains to be assessed. For all purposes, development and industrialization practices must be tuned within cultural-historical specifics of a society and any external assistance must recognize this dogma. As for Thompson and Thompson (2000: 118) the key is in the leadership: the old (“idiot”) leaders must die. For the World Bank, the political society must open up as growth will be more possible (Thomas, 2000). In conclusion:

“if the same state-led institutional pre-conditions and concrete support for market competition and private enterprise are offered in Africa, as have been typical elsewhere, there seem few reasons to suppose that indigenous entrepreneurs in the modern sector will not prove just as capable of rising to the challenge as have their counterparts in a growing number of other Third World countries” (Kennedy, 1994: 213).

## Conclusion: Social capital and NGOs – prospects for the future

Can we accrue a fundamental role to the state in the industrialization in Northeast Asia? Yes. Has the state played a role of similar magnitude in Latin America and Africa? No. Why? Because the three regions are distinctive. Can we close the debate about the state *and/or* the market? No. This article has analysed the wide-ranging debate about the origins of economic development and finds these answers fitting these questions. As seen here, and as was seen in the seminar, the debate is, however, highly contentious. The article has put much weight on the development debate about sub-Saharan Africa because it was most intriguing. The development impasse in Africa has called for new ways of arresting the predicament since the state and the market are found wanting.

“States and markets do not exhaust the players in this game. Private voluntary organizations have come to play an increasing role, next to governments and profit-seeking companies” (Streeten, 1993: 1286).

A large amount of the literature reviewed (Munro et al, 1999; Collier and Gunning, 1999; Carter, 1995; Van Der Borgh, 1995; Sahn and Sarris, 1994; Kennedy, 1994; Leys, 1994; Streeten, 1993; and Doornbos, 1990) finds that a great potential lies on indigenous social capital, on socio-cultural entrepreneurialism, on civil society organizations (CSOs). These authors underline the crucial input these organizations make in socio-economic and political spheres.<sup>66</sup> In the development debates that kicked off the 21st. century, there has been speculation that this might just be the ‘African Century’ (*Can Africa Claim the 21st Century?*, the World Bank, 2000a). If this can be the case, it is plausible to argue that, by the same measure, this might be the ‘NGO Century’ since it is argued that NGOs are Africa’s “hidden resource” (Bratton (1988: 415). A pertinent question is whether, then, civil society, non-governmental organizations, or the Third Sector, poses a *barrier* or *bridge* to development. Can a developmental state emerge within a strong civil society? Leftwich (1995) and Sorensen (1993) find the answer largely in the negative as does Fine (*The Developmental State is Dead - Long Live Social Capital?*, 1999). The concept of social capital is now openly used by the World Bank and reflects renewed optimism for development in the LDCs. Compellingly, the concept is given economics tenure where the ‘social’ is added to ‘capital’ in a new synergism. It is an “economic approach based on utility maximization to all areas of life, including those that are traditionally perceived as lying outside the domain of economics” (Fine, op. cit.: 3). Social capital is associated to organizational welfare and life in the voluntary, or Third, Sector. Within this new institutional economics, individuals possess social capital and optimizes their chances:

“faced with imperfect information, individuals can decide to create or engage in socially structured activity both within and between market and non-market forms of organizations” (ibid.: 4). There is recognition of a need to move toward increased civic engagement and a closer working relationship between the state and society. The *World Development Report* (1997) and the World Bank’s *Civic Engagement: A New Approach to the World Bank Relationship with Civil Society* (2000b) champions this move toward participatory, or ‘alternative’,

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66 Civil society organizations (CSOs) contribute to democracy and development; to democracy by checking the excesses of state power and markets, by freeing governments from the captivity of individuals and groups’ interests, and by pluralizing political activity thereby creating a stable social order. In the development sphere, a stable social order, democracy and good governance create fertile grounds for economic vibrancy; secondly, because CSOs focus on the poorest, more equity can be achieved; thirdly, CSOs *build social capital*; and finally, these organizations exist in the first place to provide services the government has failed to provide.

development. This (kind of) development entrenches the purposefulness of people themselves: they own the process in the sense that they are directly involved in poverty reduction and thus is a development that is sustainable. Economic development cannot be removed from the people and would be meaningless and imposed if people cannot have a say in the process. In this approach, the state is to be brought *closer* to the people and a new partnership forged which “involves bringing the voice of the poor and of marginalized groups [as users] into the very centre of the policy-making process” (WDR, op. cit.: 10). This includes pluralizing the political process and decentralizing power because service delivery and democratization are seen as processes *reinforcing* each other. These synergies and organizational expressions need to be legitimized (Sahn and Sarris, 1994: 303) as alternative structures within the non-state sphere of support and socio-economic development. At the same time, these demands open new ways of state-society interactions.

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# Social Capital and Community-Based Natural Resource Management in Southern Africa

*Tino Johansson*

## Introduction

Many southern African countries have adopted new policies to manage their natural resources in communal areas. The current “decentralization fever” in development thinking has affected central governments which now try to restore management rights back to local communities there. Community-based natural resource management programmes now exist in every country in southern Africa. These programmes help the governments to reduce the costs of natural resource management and promote the sustainable use of local resources in communal areas. Local participation, grassroots empowerment, conservation and sustainable development are the main principles in community-based natural resource management programmes. Although, most programmes receive financial and material support from international NGOs and national governments, only a few of them have really succeeded and reached their goals. This paper presents the problems and obstacles of community-based natural resource management programmes in southern Africa and provides new insights to the subject by applying the concept of social capital into the analysis. The dilemmas of top-down and bottom-up development in community-based natural resource management programmes are also discussed here.

Community-based natural resource management (CBNRM) is currently the catchword in most development programmes which try to achieve sustainable management of natural resources in rural areas, especially in developing countries. It has attracted widespread international attention and been the topic of countless books, scientific journals and periodicals in the late 1990’s and continues to do so in the next few years. The CBNRM approach is an alternative to the unsuccessful fences-and-fines approach to natural re-

source management. Theoretically, the CBNRM approach is a response to the quest of international conservation and development agencies for participatory, bottom-up, “grassroots” and sustainable development. These agencies use huge sums of money and effort to promote and implement community-based conservation and resource management programmes around the world.

Several studies on CBNRM fall under the field of political ecology. Political ecology combines the concerns of ecology with a broadly defined political economy. The political ecology approach has become quite popular among geographers, anthropologists and historians during the 1990’s and it is most closely associated with the classic works of Blaikie (1985) and Blaikie and Brookfield (1987) (Peet and Watts 1993).

The CBNRM approach has become very popular in southern Africa where the governments try to deal with the legacy of colonial conservation practices, including forced removal of rural people from the established national parks, which led to land and resource alienation and created a hostility to conservation among local people there. Currently, each country has its own CBNRM programmes which try to reverse the situation and restore natural resource management rights back to local people living in rural communal areas. The basic principle of these programmes is to create incentives for local communities to promote sustainable management of natural resources in the long run. In southern Africa, the CBNRM programmes have mainly focused on wildlife management in remote communal areas close to protected areas. Wildlife is the backbone of tourism industry which is an important source of income and employment there.

The CBNRM approach tries to solve the conflicts of wildlife conservation by allowing those communities which live in wildlife-rich areas to profit directly (consumptive use) or indirectly (through tourism) from wildlife. The basic idea is that those communities which bear the costs of living with wildlife (damages to crops, cattle and humans) should also benefit from doing so. Income from tourism and other uses of wildlife will be distributed back to the villages and used for local development projects, such as schools, wells etc. The decentralization of natural resource management also serves the interests of central government by reducing the cost of conservation and enforcement of game laws.

CBNRM programmes currently affect the lives of millions of rural people in southern Africa. In Zimbabwe alone, over 600 000 people in 80 wards in

the poorest districts of the country are affected by the CAMPFIRE (Communal Areas Management Programme for Indigenous Resources) programme (Hanks 1996). The CBNRM programmes are usually implemented in agriculturally marginal rural areas where the target groups are the poor and politically powerless subsistence farmers or herders. The approach intends to change their behaviour and practices in order to create incentives for sustainable management of natural resources there. This is a task full of contradictions. Natural resource management is not solely an ecological question but there is always a strong political component present in the setting. Land-ownership and access to a certain resource are highly political affairs and an inseparable part of natural resource management. This issue was often emphasized to me by the late Michael Cowen, the mentor of my Ph.D. thesis. He had lived and worked in eastern Africa for many years and had followed the power struggle of different interest groups of the control and use of natural resources there. He advised me to proceed carefully with my interviews and warned me about the reluctance of certain politically powerful members of those societies to answer my questions. "Remember that wildlife is a million dollar business in Africa and some parties may not be happy that you dredge up that delicate issue," professor Cowen once said to me.

Many previous and recent studies on CBNRM programmes (Wells et al. 1992; Pantzare and Vredin 1993; IIED 1994; Ecotourism Working Group 1995; Hassler 1996; Songorwa 1999) have shown that although these programmes have provided some income for the local people, they have failed to implement a genuine bottom-up, participatory approach, to meet the basic needs of the communities and to create sustainable management of natural resources in the project areas. Some CBNRM programmes, such as CAMPFIRE in Zimbabwe and Selous Conservation Programme (SCP) in Tanzania, have started their work in the late 1980's and have affected the lives of rural people for over twelve years already. Why have the CBNRM programmes mostly failed and not reached their goals, yet? There is a wide array of literature presenting answers to this question from different aspects, so I will not review these causes here in detail. It is not possible to give one simple answer to this complex issue. This article tries to present some ideas and aspects of CBNRM literature and also provide new insights to the subject. I will not use the classical top-down versus bottom-up approach often present in development literature as well as in CBNRM literature (for example, IIED 1994) but apply the concept of social capital into my analysis.

## What is wrong with community-based natural resource management programmes in Southern Africa?

The analysis of recent literature on CBNRM (Evers 1995; Hitchcock 1995; Hassler 1996; Hill 1996; Songorwa 1999, Duffy 2000, Hulme and Murphree 2001) clearly shows that one of the reasons why these programmes, such as CAMPFIRE in Zimbabwe and ADMADE in Zambia, have not created the expected outcomes is their failure to achieve active community level participation. The decentralization of natural resource management often ends at the district level. The authority to manage local natural resources is legally given to the district councils which also control the generated income and distribution of benefits to the villages. There has often been delay in the distribution of incomes back to local communities and the received revenues have been substantially smaller than originally promised or the village and ward levels did not receive revenues at all (Pantzare and Vredin 1993; Hassler 1996; Songorwa 1999). As a result, local people do not trust in the elected members of their district council anymore. According to Marshall Murphree, each level of these organizations tries to take away control from the levels above it and resists the devolution of power to the levels below it (Duffy 2001:108).

Another shortcoming is that decision-making power is limited or non-existent at the community level. All the important decisions regarding natural resource use are made at the district level. Thus, there is no genuine participation in these CBNRM programmes as local people remain passive recipients of hand-outs rather than active members of the community, who have the power to decide on matters which have an effect on their livelihood. It is obvious, that for community participation to take place people need institutions that enable their participation. The development and empowerment of local institutions is an important part of CBNRM strategy (Sibanda and Omwega 1996, Agrawal and Gibson 1999). This means that a further decentralization of natural resource management is needed. Pantzare and Vredin (1993) and IIED (1994) suggest that the CBNRM approach should promote the establishment of ward and village level management institutions. These ward and village committees would allow local people to participate more in decision-making and management of these programmes.

The above failures are often on top of the long list of obstacles in CBNRM programmes studied. This is not to say that such programmes are doomed to failure. Most CBNRM programmes are relatively new, established in the early 1990's. The CAMPFIRE and ADMADE programmes are among the

first CBNRM programmes in southern Africa and were officially established in the mid-1980's. Institution building is a long process and includes many different phases, such as education and provision of facilities. Moreover, people's attitudes and practices cannot be changed in one night. The CBNRM programmes have tried to learn from their past mistakes and from each other, but many constraints still exist. The CBNRM programmes are often too short-term in nature and over-reliant on expatriate expertise and funding (Hecox 1999; Leach et al. 1999). At the first workshop of the Southern African CBNRM research and communications programme, in Kadoma, Zimbabwe in 1999, the participants highlighted the key challenges for the future. These included the unwillingness of government to devolve power and resources to the local level; the need to create incentives for sustainable local natural resource management; and the development of local-level institutions to manage natural resources (CBNRM Unit 1999).

## Rejecting basic assumptions

The main actors in Community-Based Natural Resource Management approach are rural communities living in agriculturally marginalized areas. The content and definition of the term "*community*" often varies with the area of interest of the researcher and many different definitions exist in the literature. Leach et al. (1999) noticed that the CBNRM approach rests on common assumptions about community, environment and the relationship between them. There is a fundamental assumption that a distinct community exists. It is also assumed that a distinct and relatively stable local environment exists. If this local environment is deteriorated, local community is seen as an appropriate body to carry out the restoration of this environment and take care of its sustainable management. The CBNRM has an image of harmonious coexistence and balance between community livelihood and natural resources. These approaches try to restore the harmony which existed in former times until it was broken down by the intrusion of inappropriate management policies from the outside. The rebuilding of traditional, collective resource management institutions or their replacement with new ones, such as village environmental committees, is the intention of the CBNRM approach. The advocates of CBNRM approach often regard community as a small spatial unit with homogenous social structure and as shared norms regulating the use of local natural resources (Agrawal and Gibson 1999). Many empirical studies (e.g. Hassler 1996; Moore 1998) have shown that such assumptions are highly questionable and mistaken.

Recent articles on CBNRM in scientific journals (e.g. Leach et al. 1999; Agrawal and Gibson 1999) have discussed the content and role of communities in this approach and emphasized that we should focus on institutions instead. Both articles pointed out that local communities are dynamic and internally differentiated units where local politics and power relations largely determine which social actors are most capable of making natural resource claims. Leach et al. (1999) presented an environmental entitlements framework to the CBNRM approach. This framework is an extended version of the entitlement analysis, originally developed by Amartya Sen in 1981. Their analysis showed how access to and control over natural resources is mediated by a set of interacting and overlapping institutions, both formal and informal, operating at different levels. Moreover, many institutions did not serve a collective purpose.

Natural resource conflicts which are usually regarded as local invoke multiple interest groups extending far beyond bounded localities. There is a tendency in the literature on natural resource management to view local communities as virtuous peasants and states as vicious despots. This view often leaves unexamined the shifting and political alliances within, among and between rural communities and state bureaucracies. Local natural resource conflicts often occur in the context of localised livelihood practices, the wider structures of state politics and the global circuits of environmentalism (Moore 1998). State interests are analysed, for example, in the article of Kevin A. Hill (1996), who used the CAMPFIRE programme as an empirical test case to prove that “*the establishment of wildlife utilization programs in agriculturally marginal rural areas also serves the interests of the Zimbabwean government to extend its authority in these otherwise neglected areas*”. He showed how decentralization could actually strengthen government’s power. This focus on institutions and access and control of natural resources clearly adds a political perspective to the CBNRM approach and also helps political ecology to answer to its critics (e.g. Zimmerer 1991, cit. Peet and Watts 1993) of having very little politics in its analysis.

In new ecological thinking, environment is seen as a dynamic entity. Environment is constantly transforming and emerging as a result of dynamic ecological processes and disturbances and in interaction with human use. The environment provides a setting for social action but is also a product of such action (Leach et al. 1999).

Where does this recognition of intra-community and environmental dynamics lead us? Obviously, it indicates that empowering local people to

manage their natural resources is more than the decentralization of authority over these resources from the central government to communities. Decentralization of management power to local communities does not eliminate the need for state or regional government involvement, e.g. help in intra-community conflict-resolution, to prevent invasive actions by outsiders and provide technical and financial assistance (Agrawal and Gibson 1999). In other words, top-down efforts are needed to introduce, sustain and institutionalize bottom-up development. According to Michael Woolcock, the most pressing issues for development theory and policy emerge from the interaction between both realms. Norman Uphoff noticed that while both are needed to achieve positive local-level development, we are commonly constrained to think in “either-or” terms (Uphoff, cit. Woolcock 1998: 179). Current development thinking uncritically views decentralization and participation as a premise for better government. This “decentralization fever” assumes that strong civil societies make for good government and suggests that more responsibility should be shifted from central to local governments and NGOs. This view assumes that NGOs and other institutions of civil society are autonomous and independent of the government. Judith Tandler (1997) questioned these views. She studied decentralization in Ceara in northeast Brazil and wrote that “*improvements in local government turned out to be less the result of decentralization than they were of a three-way dynamic among local government, civil society and an active central government*”. She concluded that the causal relationship between good government and civil society were neither unidirectional nor strictly local. The active role of central government sometimes enabled local civil society to perform better (Tandler 1997: 145, 156; Harriss and de Renzio 1997). These questions are inherent in the notion of social capital. Next I will make a brief review of social capital and see what it has to offer for my analysis of CBNRM.

## Introducing the concept of social capital to CBNRM

The concept of social capital entered development literature as a result of the publication of Robert Putnam’s book “*Making Democracy Work*” in 1993. Since then, the concept has got many different definitions and applications in several fields of research, such as economic development, education, democracy and government. Finally, confusion about its meaning has become apparent (Harriss and de Renzio 1997: 920- 921; Woolcock 1998: 193-194). I will not try to analyse the reasons for this confusion or give a comprehensive definition here because it is done elsewhere by renowned scholars.

There are, however, two often quoted definitions of social capital I want to present here, namely those of Putnam (1993) and Coleman (1990). Robert Putnam defined the concept: “*social capital refers to features of social organization, such as trust, norms, and networks, that can improve the efficiency of society by facilitating coordinated actions*” (Putnam 1993, cit. Woolcock 1998: 189). For Putnam, social capital is the property of groups and even of nations, whereas James Coleman argues that social capital is a resource of individuals. Coleman defined the concept: “*social capital is defined by its function. It is not a single entity, but a variety of different entities having two characteristics in common: They all consist of some aspects of social structure, and they facilitate certain actions of the individuals who are within the structure. Like other forms of capital, social capital is productive, making possible the attainment of certain ends that would not be attainable in its absence... A given form of social capital that is valuable in facilitating certain actions may be useless or even harmful for others. Unlike other forms of capital, social capital inheres in the structure of relations between persons and among persons. It is lodged neither in individuals nor in physical implements of production*” (Coleman 1990, cit. Harriss and de Renzio 1997: 922). Coleman’s notion of social capital is an inherent aspect and an unintended outcome of the institutionalization of social relationships in social structure. His definition also includes a warning of negative aspects of social capital (Harriss and de Renzio 1997: 922, 926).

Michael Woolcock’s article “*Social capital and economic development*” inspired me to write this paper. He used a definition of social capital which was a summary of the more specific ones and generally defined social capital as “*the information, trust and norms of reciprocity inhering in one’s social networks*” (Woolcock 1998: 153). His article builds a framework where both top-down and bottom-up development and forms of social capital are presented. The framework is based on the findings of the extensive empirical research and coherent theoretical advances within the “new sociology of economic development”, including ethnic entrepreneurship studies at the micro level and comparative institutionalist studies of state-society relations at the macro level. Woolcock tries to synthesize the insights from these different camps with the help of two key concepts of social capital, namely “*embeddedness*” and “*autonomy*”. The former concept comes originally from Karl Polanyi but was introduced to contemporary sociologists by Granovetter. According to Woolcock, embeddedness and autonomy at the micro level refer to intra-community ties (integration) and extra-community

networks (linkage), whereas at the macro level they refer to state-society relations (synergy) and institutional capacity and credibility (organizational integrity). He uses these concepts to present the dilemmas of bottom-up and top-down development. Each concept has a classic referent and a contemporary exemplar but these are not reviewed here in detail. Social integrity is derived from Durkheim's notions of mechanical and organic solidarity. Simmel presented the idea of linkages and pointed out that the poor communities needed to generate social ties which extend beyond their boundaries and groups if long-term developmental outcomes were to be achieved. The concept of organizational integrity has its origins in Weber (Woolcock 1998: 161-169).

There are different combinations of these four dimensions of social capital which can account for a range of development outcomes from one extreme to another. Woolcock's framework starts from the micro level. He notices that bottom-up development typically functions in and through social relations among people with some common ties. Those communities which have closer social ties and more generalized trust among its members also have a higher endowment of social capital. The dilemma is, however, that more is not necessarily better. "*Amoral familism*" characterizes the presence of social integration but the absence of external linkages. If generalized trust extends only to immediate family members and relatives, long-term development is seldom achieved because all forms of economic exchange are constrained by high transaction costs. Problems with development in sub-Saharan Africa can at least in part be explained with the absence of linkages across civil society. "*Amoral individualism*" is characterized by the absence of both integration and linkage where members are isolated from all forms of social networks. The third case "*anomie*" is often found in urban settings where individuals have many linkages but no social integration. "*Social opportunity*" occurs where strong intra-community ties exist with extensive extra-community linkages. Development then has the premises to proceed. Similarly, Woolcock presents four cases to characterize the level of state-society relations and organizational integrity in top-down development. His point is that communities are not isolated from the larger structures of society but are influenced by the policies and performance of the government. This means that we should also focus on state-society relations and the corporate coherence and capacity of the governments in order to understand the dilemmas of development.

“Developmental states” are characterized by cooperation, accountability and flexibility. There the state-society relations are built on a concrete set of social ties which bind the state to society and provide institutionalized channels for negotiation and policy formation. For sustained economic development, then, each one of the presented concepts must be high (high integration and linkages at the micro level with high synergy and integrity at the macro level) (Woolcock 1998: 170-181). This simplified framework provides an understanding of the need to focus on both realms, namely top-down and bottom-up, when development projects are designed and implemented. This framework is not unproblematic but it outlines particular obstacles of development which can be solved only by rejecting the “*either-or*” approach regarding top-down and bottom-up development in CBNRM.

The rural communities in CBNRM programmes in southern Africa are often very marginalized and lack extra-community linkages whereas intra-community ties are strong. There is often little trust and cooperation between different ethnic groups (see, e.g. Hassler 1996). The state-society relations are also weak or low in these marginalized areas. According to the framework of Michael Woolcock, this is a hindrance for long-term development. However, we must not fall into the trap of basic assumptions and once again generalize that all communities share similar characteristics in southern Africa. The research of CBNRM is usually very case specific. Anyway, I find the social capital framework as a good starting point to study the possibilities and obstacles of community-based natural resource management programmes. That framework combined with the findings presented in the above literature may provide us new ways to tackle with the multi-faceted issue of natural resource management. What can be done to ensure the success of CBNRM programmes in the future?

Clearly, institution-building is one answer to this question. Like Agrawal and Gibson (1999) and Leach et al. (1999) suggested, the central role of institutions in mediating environment-society relationship should be emphasized. The closer look into the environmental entitlements approach reveals that multiple institutions are involved in natural resource management and power relations in communities pervade the institutional dynamics of everyday resource use. This brings us back to the questions like who has access to a certain resource. It is necessary to enhance the capabilities of particular social actors to protect and promote their entitlements in CBNRM programmes. The central government has an important role in this through public policy. Also NGOs play an important role in building the social capital needed for natural resource management by directly investing in adult lit-

eracy, leadership training and so on (Leach et al. 1999). It is clear that communities need the help of central government and joint management programmes are often the best way to proceed. Later on, the government can gradually withdraw its authority as the social capital and institutions within the communities have become strong enough. But this does not mean that communities are left on their own. Extra-community linkages must always be present. Both governments and communities must devote themselves to these programmes, only then there is still hope for the CBNRM programmes in southern Africa.

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# Partnership and Trusteeship in Management of Development Co-Operation Projects

Case of Finnish NGO development co-operation in Tanzania

*Tiina Kontinen*

## Introduction

One of the intellectual legacies left by professor Michael Cowen, together with his colleague Robert W. Shenton, was the innovative use of the concept of trusteeship introduced in *Doctrines of Development* (1996). In this article<sup>67</sup>, I am exploring the possibilities of that very concept for understanding the co-operation between Finnish and Tanzanian non-governmental organisations. I will discuss the difficult issue of partnership in the development co-operation, and more precisely in the field of development co-operation of non-governmental organisations (NGOs). The issue of partnership in relation to NGOs is especially interesting, because in the field of development co-operation, the NGOs are considered to be representatives of the alternative development paradigm based on such notions as participatory development, local ownership and flexibility. However, the contents of the notion of partnerships and the actual practice of partnership have been continuously questioned in the literature. It seems that partnership – if understood as a relationship based on equality in terms of working towards common objectives - is extremely difficult to put into practice.

In the article, I examine the usefulness of the concept of trusteeship in achieving an understanding of the North-South relationship in the context of

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67 The first version of this article was presented in Critical Management Studies Conference 11<sup>th</sup> – 13<sup>th</sup> July 2001 in Hulme Hall, Oxford Place, Manchester. I thank all the participants of the “postcolonialism“-stream for their comments. I would like to express my gratitude also to my supervisors prof. Reijo Miettinen and prof. Juhani Koponen for their critique and comments.

NGO development co-operation. Trusteeship, understood as a conscious effort of one agency to develop the capacities of another, relates the contemporary practice of development co-operation to the historical roots of the idea of development itself and the exercise of trusteeship in the times of colonial governance. With a little case example of my empirical study on the relationships between Finnish and Tanzanian NGOs, I will explore the insights that the concept of trusteeship might offer.

I give an empirical example of the relationships between the Finnish and Tanzanian NGOs following a case of a joint project of two umbrella organisations, JÄRJESTÖ from Finland and SHIRIKA<sup>68</sup> from Tanzania. Finally, I will take a closer look at a specific problem that occurred in the co-operation, namely overspending the budget. I will look at the negotiations of different actors in which this problem was handled. In conclusion, I will argue that despite the rhetoric of partnership used in the project, the notion of trusteeship could be more powerful an analytical tool to help to understand the co-operation. Empirically, the trusteeship emerged during the project at hand in the ways the project was initiated and planned, in the diverse interpretations of the aims of the project and in the solution of the problem of overspending itself.

## Development co-operation and non-governmental organisations

As a consequence of a crisis of the modernisation paradigm in development and the rise of the alternative development paradigm (see Nederveen Pieterse 2001, 16) there was a shift in the development policy, especially in the donor countries. Non-governmental organisations were given a more important role in the development co-operation, and “strengthening the civil society“ gradually became a slogan for the practice of development co-operation. This policy shift was also reflected in the actual fund allocations in development co-operation. The donor funds available for NGOs have increased during the 1990s; for example, the funds provided to the NGO sector by USAID increased from US\$ 496 million in 1991 to US \$ 675.5 million in 1995 (INTRAC 1998, 10).

Simultaneously, the number of NGOs in the developing countries, or the South, increased rapidly. For example, the number of registered NGOs in

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68 Both names are pseudonyms.

Nepal rose from 220 in 1990 to 1210 in 1993 (Edwards & Hulme 1995, 3). Terje Tvedt (1998, 41-43) explores different theoretical stances towards this phenomenon. According to him, the emergence of the NGO sector is traditionally explained by functionalist theories, in which NGOs are understood as a response to the failure of state and private sector to provide goods and services in the context of social diversity. In the current discussion, NGOs are seen as having an increasing role in the field of service provision (e.g. Semboja & Therkildsen 1995), they are seen as an important factor of the arising third sector essential to the democratisation processes (e.g. Hudock 1999) and as important actors in promoting overall development. Tvedt strongly points out that in many countries, for example in Bangladesh (ibid. 50); the rapid increase in the NGOs is influenced by the donor politics that are in favour of NGOs. In situations like this, the market-failure approach might be insufficient to explain the rapid expansion of the NGO sector.

## The context of the North-South NGO relationships: Management of projects

When thinking of the activity of NGOs in the field of development, the typical mode of co-operation is a development project. Projects are planned efforts to improve some aspect of life – efforts that have a fixed time-scale and objectives and goals that are defined in detail. The practice of the development NGOs has been criticised for the fact that the management of the projects has become much more important than the management of the organisations, let alone development, itself (e.g. Edwards 1999, 70-87). The ideal model of an NGO development-co-operation project is part of “being in the system” (Tvedt 1998, 80), since the conditions for donor funding rarely allow funding for funding of Southern organisations themselves.

Thus, in practice, the most usual context of co-operation between Northern and Southern NGOs is the management of development-co-operation projects. Projects are managed together, often making use of managerial tools such as the project cycle and Logical Framework Approach (LFA). While researching projects, it is necessary go beyond these managerial tools and to explore what is happening in the course of a development-co-operation project. The project can be conceptualised as a series of social events and continuous negotiations between different social actors (Long 2001). In approaching these negotiations, I am making use of the concept of activity (Leont’ev 1978; Engeström et.al 1999) and the idea of conceptualising the development-co-operation project as co-construction of an object and net-

work of actors connected to it. In this attempt, I am drawing together the different interests that different actors bring to the process. By following the construction of the object through spatially and temporally divergent negotiations, I try to capture the nature of the relationships and linkages between the Northern and Southern organisations in their joint efforts.

In order to capture some distinctive, essential features of the relationship, I would like to take up two concepts that have been used to depict the relationships between Northern and Southern NGOs. The term partnership has become very popular in the field of development-co-operation since the 1980s. Further I will take up the notion of trusteeship as a counter notion to partnership in an attempt to gain a theoretical understanding of why the idea of partnership relations in the particular context of development seems to be very difficult to put in practice.

## Conceptualizing the relationship

### Partnership

As Helander and Niwagila (1996, 82) point out, the word partnership comes from Latin –pars, partiri, meaning sharing something with somebody. In the contemporary discussion, partnership has become a very popular term in the field of business. In legal relationships between two firms, there has been a trend to change from the traditional vendor-customer relationships to a more long-term, two-way and flexible partnership (e.g., Buono 1997). In everyday language, partnership may refer to a relationship between two persons – lovers, spouses or good friends. In the same vein, partnership has been used as a metaphor for the relationship in Christian groups (Helander & Niwagila, *ibid.*, 83) in the spirit of sharing resources, gifts and talents. Further, the term partnership has been taken upon to describe the relationships between different groups, institutions (e.g., Seppälä 2000), academics (e.g., Hossain 1999) or even states in so-called developed and developing countries, or between North and South (see DAC 1996).

In the field of development, the metaphor of partnership was strongly introduced in *Partners in Development* in 1969 by the Commission on International Development. Gradually the political slogan for a North-South relationship was changed from development aid to development co-operation and partnership. Hatley (1997, 4) states that partnership as a term for describing the relationship between the Northern and Southern counterparts in the field of development co-operation became popular in the early 1980s.

On the other hand, the rise of partnership can be associated with the increase of the numbers of Southern critics of development in the 1980s and their demand of being identified as “partners” rather than “recipients”. (Malena 2000, 11-12). It can be argued that the quest for alternative development – which meant more bottom-up, participatory and self-reliant development – had its impact on the rise of partnership. Partnership has been also the leading idea – or even an imperative (Malena 2000, 28) - for the relationships between Northern and Southern NGOs, that are seen as important representatives of this new, alternative, as well as well as bottom-up thinking of development.

Thus partnership has become the main notion for describing the North-South relationship in development co-operation during the last two decades. Most of the authors in the field of development NGOs agree on what the term partnership – or more precisely authentic partnership (Fowler 1998, 144) or genuine partnership (Hauck & Land 2000) – in itself means. Partnership refers to a relationship of two parties that collaborate to meet each other’s needs (Hatley *ibid.*, 6-7), a relationship that includes trust, respect and equality between the parties (Malhotra 1997, 41), a joint commitment to long-term interaction (Fowler 2000, 3) and jointly agreed purposes and values. This long-term, committed relationship based on shared values and purposes is realised in full transparency and reciprocal accountability under the conditions of understanding each other’s political, economic, cultural and institutional contexts (Malena 2000, 15). However, this notion of partnership has proved to be problematic and difficult to put into practice. As Hudock (2000, 17) puts it, “the term partnership reflects an idealistic notion of what interactions between donors and NGOs should be like, rather than providing an accurate description of what they are actually like”.

The wide gap between the rhetoric and reality of the NGO partnership has been widely acknowledged (e.g., Fowler 2000; Hatley & Malhotra 1997; Lister 2000). The critical comments towards partnership performance in practice have pointed out that when speaking about the relationships between Northern and Southern NGOs, we tend to forget the fact that the relationship most of the times includes the transfer of resources from North to South. This financial aspect of the relationship, in the first place, hinders the emergence of authentic partnership (Fowler 1998, 151). In practice, there are also power differences, lack of trust and reciprocity between the “partners”. The relationship between Northern and Southern NGOs has been described, for example, by means of a patron-client relationship (Smillie 1995, 194), reformer-transformer relationship (Hatley 1997, 22) and colo-

niser-colonised relationship (ibid.25). The inequality of the relationships has also been understood as the continuation of paternalism (Smillie 1995, 185; James 2001, 141) deriving from the colonial times.

It seems that the wide gap between the rhetoric and reality of partnership in the field of development NGOs is hard to bridge. At the same time as the problems of partnership have been diagnosed the remedies for the problems have also been identified: Power should be turned into the hands of Southern partners, the planning and implementation processes should be participatory and open. A real move toward more authentic partnership would include radical transformations of the Northern NGOs themselves (Fowler 1998, 155), strengthening the capacity of the Southern NGOs (Smillie 1995, 196) and realising the contributions made by the Southern NGOs (James 2001, 141). More radically, for example Hudock (2000, 17) suggests that we should do away with the whole obscuring notion of partnership. Fowler (2000,8) also points out, that we should preferably speak about solidarity and co-operation. These notions would better capture the reality of North-South NGO relationships including philanthropy, working towards the shared objectives under the conditions of shared responsibilities, but also understanding the economical conditions and power relationships at stake (Smillie 1995, 196). As also Edwards (1999, 3) points out:

*“co-operation implies reciprocity, (not complete equality), a willingness to give as well as take, the voluntary acceptance of limits and action on all sides rather than one. (...) It is a much more advanced form of helping, which accepts that the best way to support others may simply be to put our own house in order.”*

The claims for more equal and reciprocal relationships in order to promote development have been under discussion at least for two decades<sup>69</sup> – still, in practice the reproduction of the asymmetrical and unequal relationship between North and South seems to be hard to avoid. In order to understand the difficulty of putting “partnership” into action, I argue that we have to take a glance at history. As Mohiddin (1998, 5) points out, the partnership as a form of relationship for the realisation of common objectives existed already a long time ago, between Africa and Europe, between colonial governments and colonised societies. He adds, that it is only the manner by which the part-

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<sup>69</sup> For example Robert Chambers' book "Rural Development. Putting the Last First" in 1983 was very important contribution to the discussion about the non-participatory and paternalistic nature of relationships in development and starting the search for alternative ways of action.

nership is created and the means by which its objectives are realised that have been changing. In his view (*ibid.*, 10), partnership as discussed today in the field of development co-operation is more “an agreement among the donors on shared orientation with developing countries” than actual description of the relationships between developed and developing countries. He reminds us (*ibid.*, 6) that the colonisers presented the colonial rule as partnership for the promotion of mutually beneficial objectives: development and civilisation. The common strives for development have stayed as a basis for relationships for the times of colonisation through the times of development aid to the contemporary era of development partnership.

To approach the problematic field of North–South relationship in this article, I will explore the usefulness of the notion of trusteeship in the analysis of the interaction of Northern and Southern NGOs. The reason for taking up the notions of trusteeship is in its strength to help understand the relationships of Northern and Southern NGOs in wider historical and ideological contexts – that of North–South relationships descending from the era of colonialism and that of the birth of the idea of development and its connections to the birth of industrial capitalism in the 19<sup>th</sup> century Europe.

### Trusteeship

Michael Cowen and Robert Shenton introduce the notion of trusteeship in *Doctrines of Development*<sup>70</sup> (1996). The idea of trusteeship connects the North–South relationship in the field of development to the history of the idea of development itself and opens one possible way of understanding the difficulty of practising partnership. In contrast to the more traditional view of placing the birth of the development thought and practice at the end of the Second World War (see for example Hulme & Turner 1990), Cowen and Shenton (1996, 60) argue that the idea of development was actually invented in the 19<sup>th</sup> century Europe. According to them, the idea of development arose in order to ameliorate the negative consequences of capitalism, such as unemployment, within the European states themselves.

In the heart of the argument of Cowen and Shenton (*ibid.* 21–25) is the birth of the design of social development in the Saint-Simonian thought and later, the positivist thought introduced by the “father of sociology”, Auguste Comte. Cowen and Shenton (*ibid.* 25–26) state that the initial idea of trusteeship began with Comte’s critique toward the right to inherit property which,

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70 The book is nearly 500-paged “archaeology of knowledge” of the idea of development (Williams 2000,1), and in this article it is possible only to introduce one of the basic ideas.

in his view, should be entrusted to the hands of more capable people. Further, Comte's sociology was an attempt to discover the laws of human social evolution and to bring order to the society by scientific practice, exercised by social trustees. Moreover, Comte's attempt was to provide science upon which the progress as development of order under the influence of love could be based. (Ibid. 27). They also argue that the idea of social trusteeship was introduced in Britain by J.S. Mill, who put the issue of education in the center of the idea of development. Cowen and Shenton (ibid. 41) see Mill's accounts as justification for trusteeship of England, for example in India, since in order to create the conditions for education and individuality – development – the governance and guidance by more civilised nations was needed there.

The idea of trusteeship rests on the distinction between immanent and intentional development, since the practice of trusteeship is precisely what brings these two ideas together. Immanent development refers to a spontaneous and natural process of development, which also includes the aspect of destruction – in the same vein as the development of capitalism as understood by Karl Marx. (Cowen & Shenton 1996, 117). Intentional development implies conscious efforts towards improvements. Cowen and Shenton (ibid. 116) state that, originally, the objectives of intentional development derived from the destructive effects of the immanent development of capitalism, such as poverty and unemployment. According to them (ibid. 439), the idea of development “contained the deliberate intention for resolving immediate and pressing problems of poverty left unresolved by progress”.

With the birth of the idea of intentional development, the idea of development as something that happens during a period of history was transformed into a means whereby an epoch could be transformed into another by purpose of those who were entrusted with the future of society (ibid., 24 - 25). In Europe, this trusteeship was exercised by states over their citizenry by means of policy making; in colonies by the colonial states in their governing practices. As already brought up by Mill, practising trusteeship was seen as a duty and even an imperative for the colonisers. Lord Lugard depicts (1965, 606) the task of British governance in Africa that of a trustee to advance the subject races and to develop Africa's material resources for the benefit of mankind.

Cowen and Shenton argue that the idea of trusteeship has been continuing to emerge also in the era of development aid and development co-operation. They (ibid. 453) claim, that also the post-modern malcontents of development (e.g., Marglin & Marglin 1990), in their critique towards modernisation and Eurocentric development approach and their quest for an alternative

development, reproduce the idea of trusteeship. That is done by claiming that a development based on national views, maternal attitude and reflections of the self-identity of the others, would be authentic development. By making this claim, the critics of development involve in the act of trusteeship, speaking again for someone else, and knowing best what is the ideal path of development for the poor people.

In so far, a trusteeship, the “intent which is expressed by one source of agency, to develop the capacities of another” (Cowen & Shenton 1996, ix-x), is an idea that, according to Cowen and Shenton, is continuously being reproduced, even if in the field of development the agency of development has been shifted more and more from governments to non-governmental aid organisations (*ibid.*, 472), it seems to be very difficult to abandon. As we already learned from the discussion about partnership, the capacity building of the Southern partners by the Northern NGOs is seen as an important way to a more authentic partnership. This idea reminds somehow of that of the colonial mandate – in order to achieve equal partnership the Northern NGOs have first to take up the challenge of capacity building of their partners in the South to enable them to be competent partners.

## Trusteeship in action? – Glances on a project of arranging a seminar in partnership of Finnish and Tanzanian umbrella NGOs

### **Researching the co-operation of NGOs in practice**

In the contemporary discussion on development the NGOs, partnership seems to be an everyday notion in the field of research, policy and practice. To tackle the problem of “authentic partnership” and the seemingly inevitable difficulty of putting it into practice, I will explore the strength of the notion of trusteeship in analysing the relationship between Northern and Southern NGOs. In my endeavour, I will test the possibilities of the idea of trusteeship in the context of a small Finnish-Tanzanian NGO development-co-operation project, using a part of the data gathered for my on-going doctoral dissertation on the NGO development co-operation.

Methodologically, I am drawing on the ideas of the activity-theoretical approach (Engeström & al. 1999 ) that provides me with some analytical tools to interpret the “messy practices” in the field of the NGO development co-operation. In the activity-theoretical approach the concept of object (Leont’ev 1978, 62-65) is central. The object of activity refers to the antici-

pated socially useful outcomes of activity –explicit or hidden - toward which the activity of the collective subject is heading, giving overall context to the acts of the people. Activities are characterised as historically emerged systems, in which the object is collectively worked on using material and ideal tools (Engeström 1987). The historically formed division of labour and rules are also characteristics of activity systems (ibid.)

In the co-operation of Northern and Southern NGOs, the work is not realised in the context of one single activity system. Rather, the co-operation could be conceptualised as a network of interacting activity systems, that are searching for a shared object (Engeström 1996) for their co-operation. In this kind of emerging co-operation, it is highly interesting to look into the negotiations and acts that characterise the object and division of labour in a certain empirical and historical context.

## Research setting

The Morogoro region in central Tanzania consists of five districts<sup>71</sup> and have about 1 600 000 inhabitants. The centre of the region is Morogoro, a town of some 200 000 inhabitants. This town with its surrounding villages has also been a centre for the Finnish NGO development activities in the area that started in late 1980s. In the beginning, the projects were based on the individual contacts of the people involved in the development-co-operation projects. Later more formal organisational networks have been established. In the Finnish organisations, the project work has remained on a voluntary basis; few long-term expatriate staff has been used in the projects. As an attempt to co-ordinate the diverse activities an umbrella organisation of the Finnish NGOs working in the area, JÄRJESTÖ, was founded in 1990. There are now 12 Finnish member organisations in JÄRJESTÖ. In Morogoro, another umbrella organisation, SHIRIKA, started in 1998. In 2000, it identified over one hundred NGOs in Morogoro. These NGOs are engaged in various sectors, for example, women's economic development and environmental issues.

The Finnish Service Center for Development Co-operation (KEPA), as a part of its new partnership-programme, posted two liaison officers to Tanzania, one of whom was placed in Morogoro. Later, the liaison office in Dar es Salaam was closed and its functions were transferred to Morogoro. KEPA

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71 Morogoro Urban (about 200 000 inhabitants), Morogoro Rural (560 000), Kilosa (455 000), Kilombero (280 000) and Ulanga (175 800).

also employs one local programme officer<sup>72</sup> to provide services to the Finnish NGOs and their Tanzanian counterparts. According to the progress report of KEPA's office in Morogoro, there were 22 different projects run by Finnish NGOs in the Morogoro area, in 1998. According to the same report, the total volume of funds dedicated to these projects was over FIM 3.000.000 (equal to US\$ 50 000) in 1998. The areas of co-operation are diverse, including activities in education, health and the environmental sector.

During these ten years of the Finnish NGOs' activities in Morogoro, the NGO sector itself in Tanzania has undergone a rapid transformation. The emergence and, as (Mbilinyi 1996, 351) puts it, mushrooming of the NGOs has been typical of Tanzania during the 1990s. To take an example, in the area of agricultural development, according to Rwenyagira and Mattee (1994, 6), the number of NGOs has increased more than six times over less than 10 years. According to the directory of the NGOs published by the Prime Minister's office (1995) there were 813 registered NGOs in Tanzania, at the end of 1994. In May 2000, the number of registered NGOs was exceeding three thousands (United Republic of Tanzania 2000).

## Arranging a seminar together – A beginning of a new partnership?

The case under study<sup>73</sup> is a first joint effort between the Finnish umbrella organisation JÄRJESTÖ and its so-called "partner organisation" in Tanzania, SHIRIKA. The project consisted of arranging a three-day joint seminar in Tanzania. JÄRJESTÖ has a tradition of arranging yearly seminars for its member organisations in Finland. In 2000 the seminar was decided to be arranged in Tanzania and took place on 8-10 June 2000. There were various plenary presentations discussing the NGOs in Tanzania and the development co-operation of Finnish NGOs. There were also two afternoons of parallel workshops in account keeping, NGO-management, LFA-method and PRA-method. Some 50 participants from Tanzania and 17 participants from Finland participated in the seminar.

In the seminar a number of speakers discussed the emergence of a new co-operation, namely partnership between the Finnish and Tanzanian actors. As the chairperson of JÄRJESTÖ stated in her opening speech:

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72 In 2001 another local officer was hired to KEPA office.

73 This case is one of the total four cases of Finnish NGO development co-operation projects in Tanzania that were involved in the research.

*“we have gradually come from development aid to development co-operation, now we are starting the partnership between the Finnish and Tanzanian NGOs. We Finnish NGOs do not want to be donors, we want to be partners.”*

Further, the joint arrangement of the seminar was seen as a beginning of this new partnership between JÄRJESTÖ and SHIRIKA. However, the perceptions and experiences of partnership in the process of arranging the seminar varied. The Finnish partners seemed rather satisfied with the efforts in the process. In contrast, all the members of the preparatory committee in Tanzania expressed some critical comments about the partnership as well. In the following, I depict some of these perceptions uttered in the interviews (n=4) of the preparatory committee members.

In the comments of the members of the organising committee (see table 1 for numbered excerpts), partnership was perceived problematic in relation to the process of arranging the seminar itself. The seminar was understood as mainly fulfilling the objectives of JÄRJESTÖ, whereas the role of SHIRIKA was mostly to give assistance (excerpt 1) – although in the documents and speech the SHIRIKA was said to be playing the main role (ex. 2). The task of SHIRIKA was mainly to take care of the practical arrangement, and the material resources for that were provided by the JÄRJESTÖ. The paradox of being called at the same time authentic partner while simultaneously depending on the Northern partner organisation was reflected in the interviews (ex.2). The organising committee arranged the venue for the seminar, the accommodation and some other practical things according to advice of Finnish partners, but they did not have a much to say about the content of the training provided in the seminar, nor the speakers to be invited to the seminar.

On a more general level, speaking about the partnership of these two particular organisations, the lack of shared planning and negotiation about the content and modes of the partnership was identified as problematic for partnership (ex. 5). After four months of joint effort of arranging the seminar together one of the committee member still suggested shared negotiations about the contents of the partnership (ex.3). When discussing the relationship between SHIRIKA and JÄRJESTÖ metaphors like *marriage between an old man and a young girl*, *bridge building* and *relationship between mother and a little baby* were used. The differences and the roles of the organisations were connected to their locations in the North or developed world, and in the South, or the developing world (ex. 4). Even if taking care of the development of SHIRIKA was considered a duty of JÄRJESTÖ, it

was stated that JÄRJESTÖ's role as developer (ex. 6) was hampered by the lack of knowledge about Tanzanian problems which hinders the partnership to a certain extent (ex 7).

*Table 1. Perceived problematic features in partnership by the Tanzanian partners. Excerpts from the interviews of organizing committee members.*

<b>Problematic features in partnership</b>	<b>Excerpt</b>
SHIRIKA's role as an assistant to JÄRJESTÖ	(1) "[our task was] to organise whatever was to be done here [in Tanzania], but the planning was from Finland, because they had the stake and they had the money (...) SHIRIKA was to deliver" (interview 1).
SHIRIKA's paradoxical role	(2) "if you read the papers, SHIRIKAs role was to be in the leading role, but ... in some of them you find that SHIRIKA has given the role of becoming at least a sister organisation which has the capacity to invite the other, the other part to, it was given a big role, but of course at the same time, the same persons has to give then the capacity of being able to do so" (interview 4)
Lack of shared planning	(3) "The best way is to sit together and to discuss what actually we want and after that then we'll say, okei, we have now the partnership, but mentioning it like this ... we expect, maybe what we expect from partnership is no what they expect for partnership, and now there is a breakdown in communicating this information" (Interview 3).
Partners seen as situated in the First and Third worlds	(4) "... therefore the partnership, JÄRJESTÖ wants partnership with SHRIKA and SHIRIKA accepts, we want partnership with JÄRJESTÖ, because they are in the first world, and we are only in the third world, we can combine efforts that we can at least work together, or work in a partnership" (Interview 1).
Unclear content of partnership	(5) "of course SHIRIKA is enthusiastic, you know it's like, gee, we have a Finnish partner, but it should be asked that why do we actually want this partnership, what do we gain, do we receive anything else, but more work to do ... [laughing]" (interview 2).
The role of Finns as developers	(6) "so when these Finnish people come here, they come with the task of developing something, so even if they wouldn't be self-centered persons as such, they come here with the point that they have to develop something. Then they look around for half an hour and start to propose how things could be done better, it is their duty, because that is why they have come here at the first place" (interview 2).
Lacking knowledge of Finns about the Tanzanian problems	(7) "they [JÄRJESTÖ] don't actually know what we are suffering from, they don't even know why we are not like them, I am sure they don't see why we are not doing as good as themselves and where our setbacks are, so they would like also to come and see, what is wrong with us ..." (interview 3).

These few excerpts show that the problems of partnership introduced already in the literature emerged also in this particular process of arranging the seminar. Partnership was on everybody's lips, but the actual content of it remained unclear and questionable, to say the least. In the process of arranging the seminar, the term "partnership" was introduced by the representatives of JÄRJESTÖ, and gradually also the members of SHIRIKA started to use the term, even if the future content of the co-operation of these two organisations remained unclear. The partnership was more of a rhetoric mean than something experienced in the practice co-operation itself. Thus, partnership was problematic. In the following, I will analyse some of the aspect of the project in order to explore whether the notion of trusteeship might offer some understanding about this problematic nature of partnership. I will have a closer look into the aspects of objects and division of labour, as they emerged at certain stages of the process, in general, and in the handling of a problem of overspending, in particular.

### **Initiating and introducing the idea of arranging a seminar – How and by whom?**

The idea of arranging a seminar in Morogoro had occurred for the first time in 1997 to Finnish NGO activists. In Finland, the preparations for the seminar, for example sending of the fund applications was started in 1999. During that year, the leadership of SHIRIKA changed. The new executive committee of the JÄRJESTÖ's partner organisation, SHIRIKA was informed about the plans regarding the seminar in February 2000 during the visit of a representative of JÄRJESTÖ. At the beginning of the meeting of 23 February 2000, JÄRJESTÖ's-representative stated:

*"Now we have the 10 year anniversary of our existence, and we thought we could have a seminar here in Tanzania, so more Tanzanian people could participate. It should include a component of training also, not only celebrating"*

After that, the representative continued to introduce the member organisations of JÄRJESTÖ. A few minutes later the chairman of the meeting [a Tanzanian] returned to the issue of seminar, asking for more clarification about the planned seminar. As an answer to that question, an forthcoming explanation by the Finnish representative was given:

*“We have planned.. (...) there is a need to improve the quality of the projects. There is two factors, one is how to plan a project and the other is how to do bookkeeping (...) and from Finnish point of view, there are people that are eager to start something together with Tanzanians. The Tanzanian partners could also come from the organisations that are interested, that have ideas that fit the ideas of Finnish people. Because the role of the Finns is not to send money, but to work together”.*

It was in that meeting that the members of SHIRIKA’s current leadership first heard about the seminar. After its short introduction the discussion continued on practical arrangements such as discussing the possible venues for the seminar.

In terms of the object, this short meeting of the “partners” defined it as arranging a seminar in Tanzania in order to celebrate JÄRJESTÖ’s anniversary, to train the Tanzanians to improve the quality of other co-operation projects and to enable Finnish and Tanzanian NGOs to meet each others. In terms of the division of labour, it seems that the task of defining the content of partnership as arranging the seminar, and further the content of the seminar, as training for bookkeeping and project planning, was in the hands of the Finnish partner. It can be argued that the idea of trusteehip – knowing what kind of development in terms of training was needed – emerged in the very first stages of the project.

### **Preparation of the seminar – Joint effort or obeying orders?**

A preparatory committee within SHIRIKA was established and a series of preparatory meetings were held.<sup>74</sup> The preparatory committee consisted of a Tanzanian representative from KEPA, the umbrella organisation of all the Finnish NGOs in the field of the development co-operation<sup>75</sup> and three representatives from SHIRIKA’s executive committee. In addition, a young Finnish volunteer was appointed as a representative of JÄRJESTÖ in the organising committee and she was also acting as a secretary for the committee. The seminar itself was funded partly by the project funding allocated to JÄRJESTÖ from NGO-support budget of the Department for International

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74 The data of this case include participatory observation of the planning process in Morogoro, 23 tape-recorded meetings both in Morogoro and in Finland, and the final interviews of the members of the preparatory committee. For the argument of this article, a detailed analysis of four meetings and four interviews was made.

75 The head office of Kefa is in Helsinki, Finland. In the office of Morogoro at the time of the seminar arrangements, there were two officers: a Finnish liaison officer and a Tanzanian programme officer.

Development Co-operation of the Ministry for Foreign Affairs of Finland and partly by a grant given to SHIRIKA by the Finnish Embassy in Tanzania.

The preparatory committee took care of the practical arrangements of the seminar such as booking the venue and accommodation and invitation of the Tanzanian participants and guests of honour. At the end of the process, they also searched for Tanzanian facilitators for certain subjects, such as PRA. During the preparation, the committee was in a continuous e-mail contact with its Finnish partner organisation. The computer service of the office of Kepa was used for that purpose, since the office of SHIRIKA is located next to Kepa's and Kepa is one of the supporters of SHIRIKA. In the preparatory committee meetings, much time was allocated for discussing the messages coming from Finland, and their possible meanings. Since the degree of independence of the committee was not clear, most of the messages - be they ideas, suggestions or demands - were interpreted as orders that should be obeyed, as such. For example, the suggestion by the Finnish partners about the content of the seminar:

*“Our suggestion for the main themes during the workshop days are: 1) participatory methods in project work, 2) NGO and projects management. The first theme will consist of two parts: a) the use of LFA in project planning, b) other participatory methods. The other theme could include a) bookkeeping, b) Tanzanian NOG policy & Finnish guidelines for NGO co-operation, c) project management.(...) Finnish facilitators will take care of LFA and one Finnish facilitator will be available for project management. All other facilitators should be Tanzanians” (email message from JÄRJESTÖ to SHIRIKA 27<sup>th</sup> April, 2000)*

was interpreted as a “an ultimatum” by the committee, even if it raised some complaints about the possibilities of the committee to define the content of the seminar. In the process of arranging the seminar, the division of labour became an important issue. It was unclear and created a lot of confusion and lost work hours, since the content of the messages from Finland was varied and it proved to be impossible to “obey all the orders” – or suggestions interpreted as orders. I argue, that in the process of preparation, the idea of trusteeship was continuously emerging in the co-operation. In the division of la-

bour, the Finns were conceptualised more “capable” of defining the substance of the seminar, while the Tanzanian partners were asked to do the practical arrangements, such as renting the venue and arranging for the accommodations. In the same vein, varying instructions were obeyed by the committee without questioning, since they came from “more knowledgeable partner in the North”.

### **Why to arrange a seminar? – Divergent views on the purpose of the event**

In the following, I will come back to the issue of the object of this co-operation as it emerged in the actual implementation of the seminar. I will discuss shortly the divergent views towards the aim of the seminar – or object of that particular instance of co-operation in activity theoretical terms. This quick look into the interpretations of the object will depict the project on the level of the whole process and in regard to the content.

As stated above, the idea of arranging the seminar was initiated by JÄRJESTÖ. At the beginning of the project, the aim of the seminar was stated to be the celebration of organisations 10<sup>th</sup> anniversary and, additionally, according to a JÄRJESTÖ’s representative, to train the Tanzanian NGOs:

*“in accounting, it would be because of that... that to be able to give more responsibility to the Tanzanian NGOs, if the money comes from Finland, we have to go with our systems .. so how the accounting is made and also the project planning (...). So we would go through the project ideas of Tanzanian NGOs by using LFA-method “. [interview 10.1.2000]*

The idea of collecting project proposals from the NGOs in Morogoro to be used in the LFA workshops as a basis for joint planning exercises by Finnish and Tanzanian NGOs was communicated to SHIRIKA during the preparations process. The Tanzanian NGOs merely interpreted this request of project proposals as a possibility of getting a partner – or a donor – from Finland for their projects. Project proposals were sent to Finland and distributed to JÄRJESTÖ’s member organisations, who regarded most of them irrelevant for their interests. SHIRIKA and its member organisations understood the

seminar as an important networking event, the most important contents of which would be the discussions between individual Finnish and Tanzanian NGOs. In the process of planning the seminar and during the actual seminar, different participants held at least two points of view that differed in a major way with regard to the seminar: the seminar as (1) *a training event*, the most important aim of which was *to teach the Tanzanian participants the tools of development co-operation*, and as (2) *a networking event the most important aim of which is to find new partnerships and projects between organisations*, and additionally, *to find a Finnish donor* for the activities of the Tanzanian NGOs.

These different points of views had their effect on the expectations and orientations of the participants towards the seminar. Accordingly, there were some disappointments during the actual seminar. Especially those with the expectations for networking were not satisfied with the seminar, as uttered by one of the committee members:

*“people did not interact easily ... why I’m saying that the members of the [Tanzanian] NGOs asked and said that for three days I have stayed here [in the seminar] and I don’t even know the possible partner of my NGO (...) even in the sitting arrangement, people were sitting separately“ (interview 3).*

It is out of the scope of this article to go into the detailed analysis of the interplay of the different points of views on the object during the project, but in the seminar it was obvious, that the concept of training event was realised in the cost of networking. Accordingly, the whole viewpoint of training Tanzanians, by their Finnish partners, to use the project tools used in the development co-operation could be interpreted as an act of trusteeship. The training reconstructed the idea, that the capacity of the Tanzanian partners should be improved in order to improve the development co-operation, or partnership.

In the following chapter, I will come from the project level down to the problem level and depict a process of solving one practical problem in co-operation, namely the overspending of the budget. This gives us a chance to discuss one of the most problematic features in the development partnership – money.

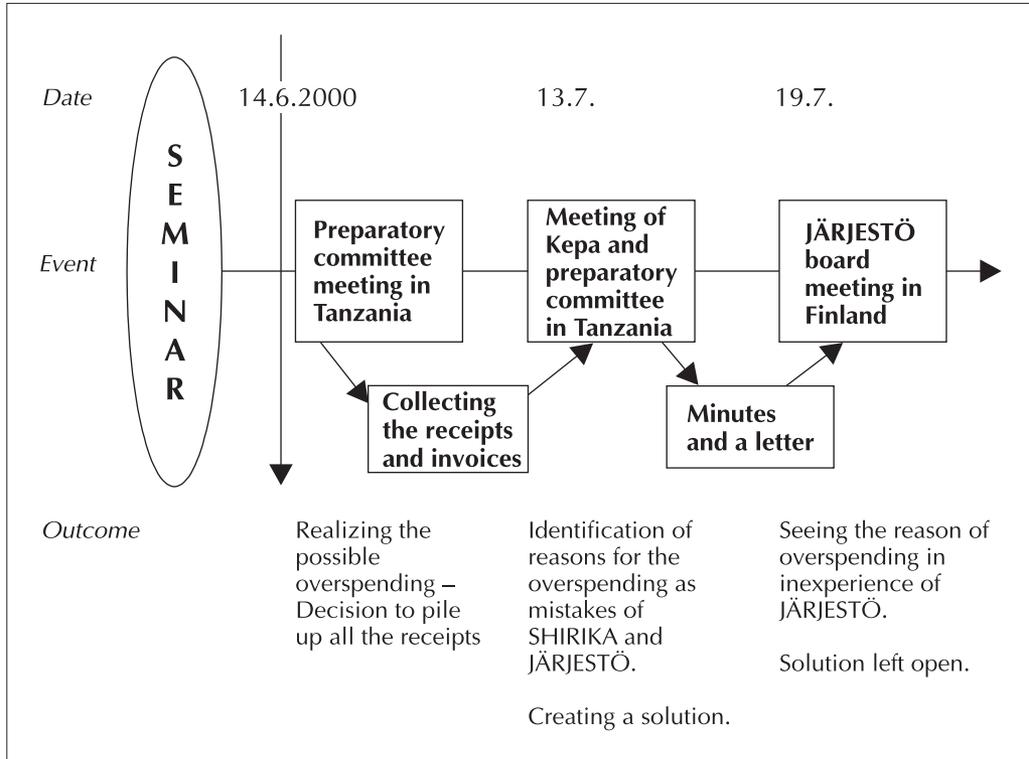


Figure 1. Handling the problem of the overspending.

### **Overspending the budget – the failure of SHIRIKA or a problem of the division of labour?**

The problem of overspending the budget was noticed by JÄRJESTÖ's chairman a couple of days after the seminar in Morogoro. Although it was noticed, there was no joint "emergency meeting" arranged between JÄRJESTÖ and SHIRIKA representatives on the spot. The Finns went home and their Tanzanian partners were busy on other things – actually, another Finnish project. It seemed that the problem of overspending the budget was seen by the Finnish partners as caused by their Tanzanian counterparts and therefore also the search for the solution was left to the Southern partners. A more detailed analysis show, that it was very difficult to appoint anybody to be responsible for the overspending. I argue, than rather than being caused by reluctance of the actors in handling the money, the problem was

emerging as a result of the unclear division of labour in the process of arranging the seminar. Here again, I make reference to the notion of activity and its aspect of division of labour.

In Tanzania, the problem was first discussed by the preparatory committee on 14 June and finally discussed together with the preparatory committee and Kapa liaison officer on 13 July 2000. In Finland, the issue was discussed in the board meeting of JÄRJESTÖ, July 19. The first two-hour meeting on 14 June in Tanzania of the preparatory committee was dedicated to clearing out the expenditure of the seminar. In that meeting, the problem of overspending came as a surprise to the members of the committee. Another one-and-a-half-hour meeting on 13 July in Tanzania was used to solve the problem of overspending the budget. The Finnish liaison officer, who was also leading the discussion, chaired the meeting. In Finland, about 20 minutes of the whole two-hour meeting of the 19 July was used to discuss the seminar. In regard to overspending the budget, the letter written on the basis of the Tanzanian meeting was read. In figure 4 I depict the events that were part of the process of solving this particular problem in co-operation.

In the following, I will give a more detailed description of these events in order to understand, how the problem was solved.

### **Realising the problem**

When the preparatory committee first met after the seminar, on 14 June, the whole grant from the Embassy of Finland was still waiting to be used, and the members of the committee thought that there would actually be surplus. The reason why the overspending came as a surprise was that the Embassy grant was not included in the committee's original seminar budget, since the information about grant have reached the committee only two days before the seminar. It was also a surprise that, for the first time, it was considered that all the expenditure of the seminar should be included in the same budget. Until that meeting, the committee had continuously been separating the Finnish and Tanzanian expenditures, as advised by their partner organisation, JÄRJESTÖ.

In the beginning of the meeting of 14 June, the separation of the budgets was taken for granted, but later it was questioned several times (see table 2 for numbered excerpts). The Excerpt 1 depicts the first time that the issue of separated budget came at issue in the meeting. Later, it was noticed that the separation of the budget did not work anymore, and the seminar expenditure

should be treated as a whole (ex. 2). After agreeing on the single budget, another problem arose. The committee noticed that they did not have knowledge about all the fund allocations for the seminar. SHIRIKA had received a few money allocations from JÄRJESTÖ during the preparation and a grant from the embassy. In addition, there had been some money sent by JÄRJESTÖ to Kepa for the use of the Finnish participants while in Tanzania, the amounts of which the committee had no information about. In the meeting, the committee tried to count the actual money allocated to the whole seminar, but it proved to be impossible. The money had been sent in pieces and with confusing messages (ex.3). The fact that the committee was not fully aware of the funds allocated for the seminar, but at the same time was held as accountable for the money, created some frustration (ex.4) among the committee members. Finally it was decided that to get ahead and to make things clearer, all the expenditures considering the seminar, the receipts and the remaining invoices should be put together to see what was the actual expenditure and after that to:

*“ask all the relevant authorities to clarify how much money was received and to see how much budget there is after that”.*

After the meeting, the embassy grant was used for settling the bills. Even then there remained some unsettled claims. In order to finally clear the problem, there were various attempts to arrange another meeting with the committee and the liaison officer of Kepa. Everyone seemed to be busy, and the meeting was not arranged until 13 July 2000.

### **Identification of the reasons for overspending**

In the meeting of 13 July, all the funds allocated for the seminar were calculated together for the first time. And, for the first time, this was possible because of the presence of the liaison officer of Kepa. During the preparations, all the money transactions were made through Kepa, and the liaison officer of Kepa was the only person having direct access to the funds although he did not know the whole budget for the seminar either. During the preparation process, there were two authorised persons from the committee who could claim funds from the liaison officer on the basis of the committee decisions. As a member of the committee pointed out in the interview:

Table 2. Excerpts from the meetings of preparatory committee in Tanzania after the seminar.

No & date	Theme	Excerpt
(1) Meeting 14 June	Noting that the Finnish and Tanzanian budgets were kept separated during the preparatory process.	<b>Charles:</b> <i>for that matter then, anything that appears Finnish, Finnish transport, Finnish accommodation, then it should not appear in our budget, because we were not budgeting it, we</i> <b>Stella:</b> <i>it should be now here, because now we are making this seminar budget</i> <b>Charles:</b> <i>it means a lot of confusion to our, we were never discussing these in our preparatory committee</i> <b>Frederick:</b> <i>or otherwise we should know how much was allocated to Finnish</i>
(2) Meeting 14 June	Realising that all seminar expenditure should be in a same budget.	<b>Stella:</b> <i>anyway now we are paying, all the money is here, and we are paying also for this kind of things. We are paying for this kind of Finnish guests from Dar es Salaam to Morogoro, so they should be here, they can't be now separated, Finnish meals and Tanzanian meals...</i>
(3) Meeting 14 June	Noting that the committee has no information on amounts allocated to Finns.	<b>Stella:</b> <i>again these [amounts] are different, again it might be that in heir [Järjestö's] minutes they say differently and then they write us that there is that money is for This and this is for this and then we don't know</i>
(4) Meeting 14 June	Frustration of Being Accountable about funds having no information about.	<b>Frederick:</b> <i>so what are we supposed to do? Do we account for the money we have not spent? (...) and there was money that was sent to cover the Finnish participants, to cover the Finnish people</i> <b>John:</b> <i>30 000 finnmaks, there is the document</i> <b>Frederick:</b> <i>now that we are paying for the Finns, so how are we accounting, so where is that money</i>
(5) Meeting 13 July	The Keba liaison officer draws together the difficulties in information exchange about the allocations for seminar budget.	<b>Liaison officer:</b> <i>"we have recorded now here, what have been the difficulties of the budget, you didn't know if you will get the money, you got it in the last days of seminar, so when the seminar was over, you didn't know the exact amounts coming for the seminar, they came in pieces, the information, you didn't know for sure that there was a different budget from Finland, for example up to now I don't know if the chairperson of JÄRJESTÖ was given cash money for herself to be used for the purpose of the seminar"</i>
(6) Meeting 13 July	Keba liaison officer offers a solution to settle the bills.	<b>Liaison officer:</b> <i>SHIRIKA requests this money from Keba, and then on top of that SHIRIKA is writing to JÄRJESTÖ to be refunded funds, because you are responsible for some of the payments there, because in the final end, what was the idea originally, was that SHIRIKA remains with something, now actually SHIRIKA is milked with this thing"</i>

*“I don’t want to call it misunderstanding, but mistrust maybe, that we didn’t actually ... you know... we were actually not responsible for the money we were given, while in the actual fact we didn’t handle the money, per se. We were handling the documents and the transactions...” (interview 3)*

In the meeting of 13 July, some reasons for the overspending were identified. The gravest problem seemed to be that, during the seminar, no individual person was actually responsible for the whole expenditure; there was the JÄRJESTÖ chairman using the money allocated to the seminar; there was the SHIRIKA chairman using the same money; there was the secretary of the committee using the same money. In addition, many of these “uses“ during the seminar were not actual transactions, but additions to the future invoices such as additional photocopying, increasing the amount of facilitator allowances by the JÄRJESTÖ chairman, ordering piles of photographs by the SHIRIKA chairman and receiving a surprisingly high invoice on the transportation of the Finnish participants from Kepa office.

One of the most important reasons leading to this problem was the inadequate knowledge of the whole budget (ex.5). The over expenditure came as a surprise to the committee, since the it had worked in the framework of their own budget that was supposed to cover the costs of the venue, the Tanzanian participants and the Tanzanian facilitators, but not the Finnish participants. This point was made clear at the very beginning of the project in the meeting with JÄRJESTÖ and SHIRIKA on 3 March 2000, where the JÄRJESTÖ representative stated in relation to the budget that: *“you take care of the Tanzanian participants“* and that view was reproduced in a number of messages sent from JÄRJESTÖ to SHIRIKA during the preparatory process.

As a solution to the problem of overspending, the Kepa liaison officer suggested, that Kepa would take care of the remaining bills as a capacity-building support to SHIRIKA (ex.6). A letter indicating this decision and the minutes of the meeting were sent to Finland, to JÄRJESTÖ to be discussed in their future meeting.

### **Discussing the problem of overspending far away in the North**

JÄRJESTÖ board had a meeting on 19 July 2000. The feedback from the seminar was also discussed. The participants expressed their satisfaction with the content of the seminar. The problem of overspending was touched

upon briefly, and mainly in the light of the mistakes made by the Tanzanians. The problems anyhow were regarded as good places for learning for the Tanzanians, as expressed by one of the board members:

*“if we think from SHIRIKA’s perspective, it was surely one of the aims in this project, that SHIRIKA would take the main responsibility and could learn how to manage this kind of things (...) so I think that they have learned something in this process, after all, we have been doing some capacity building for them“*

In the meeting there were three attempts to start the reflection about the reasons of the overspending in the light of the process of preparation and on the basis of the minutes sent from the SHIRIKA’s meeting, but they did not lead to further discussion about the relationships or the modes of co-operation between these two organisations during the preparation of the seminar. In the same vein, JÄRJESTÖ refused to take any financial responsibility and decided to request Kepa to cover the gap in the budget. The discussion about the seminar was concluded in the following way:

Liza: *okei, we’ll see how Kepa will cooperate, in what spirit ... but summa summarum, the overexpenditure was quite small in comparison with the whole budget*

Mark: *there was no major mistake, just some little things*

Liza: *some issues of principle ...I suppose that for sure those people would gradually learn, that in an NGO you just can’t throw money to these kinds of things*

Mary: *yes, and we, too*

Liza: *yes, we too*

Mary: *I mean things like transparency*

Liza: *oh yes ... but without the [Finnish] volunteer this [arranging the seminar] would not have been possible [meeting continues with other issues]*

The handling of the problem shows interesting features. In Tanzania, where the bills were actually in the hands of SHIRIKA, the problem had to be discussed and solved somehow. A detailed analysis of different expenditure and the causes for overspending was made. Kepa offered to cover the overspending since SHIRIKA, as an organisation, did not have any funds and it

was regarded not appropriate to make the committee members to pay the gap from their own pocket, since all the expenditure was used on the purpose of the seminar. In contrast, in Finland there was made neither analysis nor reflection of the causes other than those associating it with the failure of SHIRIKA.

## Conclusion

During the project of arranging the seminar in Morogoro the concept of partnership proved to be a riddle. It was used more like a rhetorical term than a description of an actual practice of co-operation. We could achieve some understanding about the ambiguity by approaching the data from the point of view of trusteeship.

I argue that in the process of arranging the seminar, the trusteeship was constructed by the both Northern and Southern actors in their practices. I have pointed out, that the idea of trusteeship emerged at least in four aspects of the process: 1) in the way the project was initiated; 2) in the gap between the rhetoric and practices in the co-operation between SHIRIKA and JÄRJESTÖ in the process of the seminar preparation; 3) in the diverging interpretations of the aims of the seminar during the actual implementation of the plan and, finally, 4) in the search for solution about overspending.

The project idea was initiated and the contents of the seminar were planned in Finland. The underlying idea of the training in the seminar was to teach the Tanzanians the tools, that the Finnish NGOs and, more generally, the whole development co-operation system, uses in the project planning and implementation. The preparatory committee of SHIRIKA in Tanzania merely acted as an executor of orders coming from Finland about the arrangement of the seminar. In the seminar itself, the training aspect was rather strong and repeated the pattern of the Finnish participants training the Tanzanian ones, while the networking and free communication between the Finns and Tanzanians remained on a modest level. Overspending the budget was understood by the Finnish party more as a failure of the Tanzanian counterparts, resulting from their inexperience. Reasons for the problem of overspending as emerging during the preparation process were not reflected upon. With a closer look into the process, the project seemed quite paradoxical. While the aim of the project, as defined by the Finnish actors, was to teach the Tanzanian partners the proper way of project planning and ac-

counting, the project itself was an example of non-participatory planning and bad budgeting and accounting practices.

I argue that the historically formed nature of the North-South relationships, including the idea of trusteeship, as introduced by Cowen and Shenton, is still present and continuously reconstructed also in NGO development co-operation projects. Interestingly enough, the echo of Lord Lugard's statement in 1922 (1965, 275) that:

*“the empire is based on the relations of the family, and not those of the syndicate. The African, who shares with us its benefits, must learn that it is his duty and his privilege to share its burdens. This ideal should be more adequately explained to him“*

might be recognised in the conclusion of JÄRJESTÖ's board meeting of 19 November in the discussion of the future co-operation with SHIRIKA:

*“if we start a new project with SHIRIKA, the project that SHIRIKA itself has proposed (...) so, what if we should support SHIRIKA itself for a couple of years first, and see how this co-operation is going on (...) before giving any economic responsibility to SHIRIKA we have to be sure. We really have to be sure we have explained them carefully the systems of accountability in these projects, before we can trust, or give any responsibility“*

To better understand the North-South relationships, we should perhaps take seriously the proposition of forgetting about the notion of partnership and give more effort to an analytical understanding of the idea of trusteeship and its enabling and constraining implications on the practices of development co-operation. One can ask, whether the contradiction of colonialism in that it both needs to civilise its others and to fix them in perpetual otherness (Loomba 1998, 173), has remained there all the way from colonial governance to NGO development management.

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