

ECONOMIC POLICY AND AGRARIAN CRISIS IN SUB-SAHARAN AFRICA: THE CASE OF ZAIRE FROM 1960 TO 1990

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ABSTRACT Food crisis in Sub-Saharan Africa has been explained in terms of demographic pressure, natural calamities, deterioration of trade, external debt burden, etc. However, the analysis of Zairean case these last years shows that the agrarian crisis has been generated and reinforced by an inadequate economic policy which emphasizes the mining sector to the prejudice of the peasant agriculture.

Key Words: Economic policy; Agrarian crisis; Sub-Saharan Africa; Zaire.

INTRODUCTION: FACTORS EXPLAINING AGRARIAN CRISIS IN AFRICA

Many African countries are hit by an unprecedented agrarian crisis. During these years, about 20 countries in Sub-Saharan Africa have been confronted with the starvation or famine problems, while the malnutrition, in particular among children, is almost a generalized phenomenon. Sub-Saharan Africa is the only region in the world where per capita food production has declined by 1.3% (Gakou, 1987) over the past twenty years. Table 1 provides interesting data about the per capita food production in Sub-Saharan countries.

The countries in Group A have an average index of per capita food production (106) higher than the index of the basic year (1969–1971 = 100). However, they have recorded high annual demographic growth rates (3.9%). Among the countries of Group B, the average demographic growth rate is 2.4% per year, while the average index of per capita food production (90) has decreased compared to the basic period. Zaire belongs to this group with an index per capita food production of 92 and demographic rate of 2.8% per year. In Zairean case, foodstuffs, except cassava, have not recorded any progression, but on the contrary, a diminution of total production in absolute terms. The situation is the worst in countries of Group C with a demographic growth rate of 2.9% per year and a food production index below 80 compared to the basic period.

Many studies have emphasized the population growth for the explanation of this food crisis and have privileged the family planning policies as a means to overcome the situation (see Jansen, 1987). However, demographic pressure cannot be considered as the main factor of the agrarian crisis because Africa has 25% of the world's potential arable land, while its population represents only 10% of the world population. Also the situation in Group A countries denies the Malthusian

Table 1. Indices of per capita food production (1969-1971 = 100) and population growth rate in 1982.

		Indices of food production	Population growth rate (%)
Group A	Guinea	101	2.3
	Ivory Coast	123	3.6
	Kenya	102	4.1
	Liberia	106	3.2
	Malawi	102	6.3
	Rwanda	103	4.1
	Ave.	106	3.9
Group B	Benin	97	2.8
	Burundi	96	2.4
	Cameroon	97	1.9
	Madagascar	81	2.6
	Nigeria	84	3.4
	Sierra Leone	90	1.8
	Sudan	96	2.2
	Tanzania	88	2.3
	Burkina Fasso	90	1.8
	Zaire	92	2.8
	Zambia	83	2.3
	Zimbabwe	82	2.7
	Ave.	90	2.4
Group C	Angola	70	2.6
	Ethiopia	68	2.7
	Ghana	65	3.2
	Mali	69	2.5
	Mozambique	72	3.2
	Niger	72	2.8
	Senegal	76	3.5
	Togo	79	2.1
	Uganda	79	3.5
	Ave.	72	2.9

Source: Sakamoto, 1985: 45.

correlation between demographic growth and food supplies in Sub-Saharan Africa.

Different factors have been pointed out to explain this food or agrarian crisis in Africa. Commins (1986:6) has ranged the academic and professional literature on this topic in externalist-internalist categories: "Broadly speaking, externalists are inclined to place primary emphasis on causal factors outside Africa and, therefore, beyond the jurisdiction of its political systems, while internalists place greater emphasis on the policy of African governments."

Derriennic's analysis of the famine in Sahel has demonstrated that from 1965 to 1974 the global food output exceeded the domestic consumption in this region, but the peasant community could not stock the surplus in anticipation of poor harvests and climatic perturbations which have been a normal situation in the Sahel in the past. Famine occurs because of a set of dominations and extractions (taxes, governmental marketing boards, low agricultural prices, etc.) which lock the peasant community in a vicious circle of dependency and poverty (Derriennic, 1977). Other fac-

tors such as the decline of trade for primary products in the world market, the burden of external debt, natural calamities (drought), environmental degradation (deforestation), civil wars, etc. have been widely commented by different authors (Borton & Clay, 1988).

In this paper, I intend to understand the agrarian crisis in Sub-Saharan Africa through the case study of Zaire. In fact the actual situation of Zairean agriculture is very similar to other mining countries where agriculture has been weakened for the benefit of the mining production. In these countries, economic crisis is mainly an agricultural crisis. Zaire is now running into debt (about 7 billion dollars), partially for food imports which now cover more than 40% of the national food requirements (against only 1% before 1960).

Further, Zairean agriculture contributed to 50% of the GDP before independence. Today, it accounts for less than 15%. This decrease is also observed about export earnings and labor. This situation explains the steady dependence of Zairean economy on copper exports. It also explains the paradox of a country potentially very rich but whose people are among the poorest in Africa with a per capita income estimated at 260 dollars per year.

I will analyze the economic policy followed in Zaire and its impact on the current agrarian crisis. I am particularly concerned with the allocation of public resources to different economic sectors, the objectives pursued by policy makers and the economic achievements. By placing agriculture in a general context of the economic policy, I can explain the current situation of this sector, its problems and perspectives.

Tinbergen (1967:6) wrote, "the economic policy consists of the deliberate manipulation of a number of means in order to attain certain aims." In this paper the economic policy is viewed as a set of measures to attain objectives of development preliminarily defined. In this sense, an adequate analysis of the economic policy of a given country should comport the following three components: (1) the objectives pursued by policy makers; (2) the means devoted to attain these objectives; and (3) the comparison of targets and achievements.

Political stability is an important environmental prerequisite to the economic development in developing countries, such as Zaire, where the economic policy and its realization rely almost exclusively on the initiative and leadership of the state. Zaire achieved its political stability in 1966–1967. Since then there would have been sufficient time to define and undertake a rational economic policy in order to evade underdevelopment and material poverty. The following analysis of Zairean economic policy is based on the way resources are allocated to different sectors and on economic results achieved. Official declarations and development plans should be considered as aspiration or explicit objectives to attain. This analysis is conform to the recommendations of Rudloff (1968) who suggested that the correct comprehension of a given economic policy requires adequate answers to the following three questions: (1) who decides about the economic policy; (2) what are the objectives of the economic policy; and (3) means available to attain these objectives.

With regard to developing countries, we should also ask who is to benefit from achievements of the economic policy. The reason is that "in the present developing countries, a tremendous gap exists between the policy-makers' world of economy

and the people's world of economy. Calculations which are rational to the economic planners are not necessarily rational to the people whose participation is crucial for the achievement of the plans" (Inukai, 1979:6). This study hypothesizes that the wrong economic policy to expand the mining sector, to invest inappropriately in the manufacturing industry and to ignore completely the peasant agriculture in the allocation of available resources, constitutes the right explanation for the current agrarian crisis in Zaire. This economic policy has mainly benefited the politico-commercial bourgeoisie rather than common people, in particular those in the peasant agriculture –i.e. the small-scale farming relying on simple manual tools and making a living from farm work.

Macgaffy (1987) classified Zairean politico-commercial bourgeoisie into three strata. The first stratum comprises the few persons at the head of the most important economic enterprises or in control of the political and military organization, while the second is composed of persons occupying almost all important administrative, political and economic positions. The third category is the aspirant bourgeoisie including thousands of middle-level officials and administrators, university graduates and professors.

Some researchers prefer the term "political aristocracy" to national bourgeoisie to refer to the dominant class in Africa. Callaghy (1984) considers that the ruling class is not a bourgeoisie in any true sense because it is not a productive social class. It is a political aristocracy because its basic values, its power and its economic base result from its relationship to the state. However, the middle class has an important role in the process of economic development. This class is still in formation in Zaire and when I refer to the politico-commercial bourgeoisie in this paper, I do not include these entrepreneurs whose dynamism can be clearly observed in Macgaffy's study (1987) of distinguishing entrepreneurs and parasites in Kisangani.

First, I analyze Zairean economic policy from a historic point of view considering economic objectives, the strategy utilized to attain each of them and the results in each sector. I will then clarify the mechanisms connecting this economic policy with the current agrarian crisis.

ZAIREAN ECONOMIC POLICY FROM A HISTORICAL POINT OF VIEW

I. The Colonial Period and Early Independence Years

Before the partition of Africa during the nineteenth century, the geographic space occupied by Zaire today had a wide variety of political organizations. According to Futter (1983:28) "some groups, such as the Luba, have a tradition of statehood going back a thousand years." Strong and politically well organized kingdoms, such as Lunda, Kuba, and Chiokwe, had achieved important realizations in commerce, agriculture and craft industry. During the European penetration from the fifteenth century to the colonization in 1880, the slave trade reduced local dynamism and caused a severe technological arrest. Rodney (1974) justly argued that European powers have underdeveloped Africa through the slave trade.

From 1880 to 1908, Zaire, known as the Congo Free State, was a personal property of King Leopold II of Belgium. This period has been characterized by the pillage of the country's resources and the transfer of commodities (rubber, ivory, etc.) to Belgium without any counterpart. The cruelty of European officials during this period raised international disapprobation which led to direct colonization by Belgium.

During the direct colonization by Belgium (1908–1960), Zaire was assigned a precise role of producing minerals and agricultural raw materials and of buying manufactured goods from the metropolis. The result of this policy was the formation of peripheral economy, essentially extrovert and dependent. These economic structures created according to the colonial division of labor still characterize Zairean economy. Dependence on raw material exports, implementation of import-substitution industries and agrarian crisis constitute a colonial legacy in Zaire.

Zairean independence in 1960 came with political troubles and disorders. In this chaotic economic context characterized by high inflation rates and disorganization of the state's finances, different economic sectors recorded divergent evolution. Agricultural production collapsed and the commercial agricultural output represented only 64% of 1959 level by 1965. Also problems linked to import capacities favored the national industry but high inflation prevented the import of equipment and raw materials because of the lack of foreign currency. The mining sector generally recorded an important increase despite an important foreign exchange loss through diamond smuggling. For instance in 1964, it was calculated that as much as 81% of Zairean official production was fraudulently exported (Macgaffy, 1987). Zaire achieved its political stability in 1965–1966. With the stabilization of economy and political condition, the Mobutu Regime (Second Republic) could define economic objectives in order to attain the national development.

II. Economic Policy during the 1966–1990 Period

The main objectives of development defined by Zairean state since 1966 have been economic independence, expansion of the mining sector, strengthening of the import-substitution industries and development of agriculture. Below I will consider the meaning of each objective, means used to achieve them and evaluation of the results.

1. Economic Independence

(1) Meaning of this objective

Colonization molded Third World countries, in particular the Sub-Saharan Africa, in dependent economies in several ways. This dependency was, above all, commercial in the sense that colonies had to import from and export to European metropolises. It also reverted a financial aspect that both public and private foreign investments were provided by the same metropolises. Further, colonies had to rely on colonizers for technicians and qualified manpower. As Esseks (1975) noted, just before African countries became independent, economic choices about what to pro-

duce, where to invest, what must be considered as priority concerning imports, exports, prices, educational system, employment, etc. were dictated by foreigners.

We can better understand efforts of some African countries to break the dependence in this context which is a colonial legacy. In many African countries the political independence is meaningless without economic emancipation from former colonizer. Schumacher (1974:171) argued that the economic sovereignty is the most important component of the economic development: The roots of the economic development "lie ... in a national consciousness of self-reliance."

A country is considered economically independent when it freely decides about its economic partners, about the utilization of its natural resources and about the appropriate economic policy to follow according to national interests. Zaire presents all characteristics of a dependent economy: Dependence on few export items, in particular on the copper; dependence on UEBL (Union Economique Belgo-Luxembourgeoise) and on some countries of the European Community. Zaire is also financially dependent because foreign capital and investments are almost exclusively from Belgium, France and the United States.

Figures 1 and 2 illustrate the dependence of Zairean economy through its foreign trade. African countries can overcome this dependence by intensifying regional trade through existing economic unions such as CPGL (Communauté Economique des Pays de Grands Lacs), UDEAC (Union Douanière de l'Afrique Centrale), etc. and by diversifying commercial partners with a special emphasis on developing

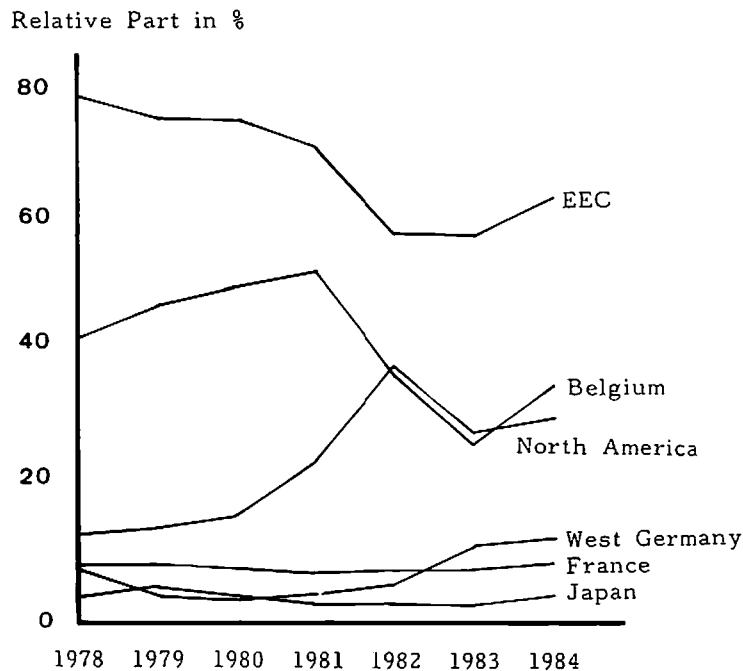


Fig. 1. Destination of Zairean exports (1978-1984).
(Source: Banque du Zaïre, 1985: 199)

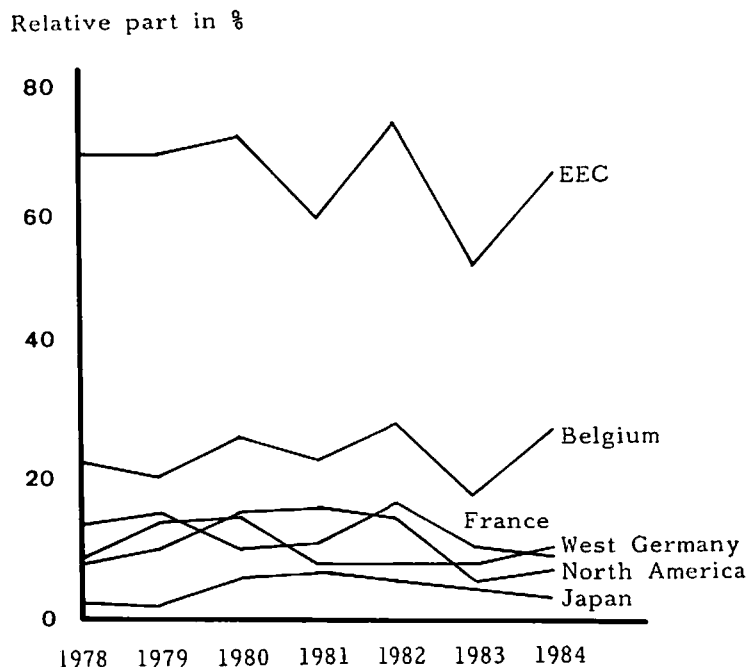


Fig. 2. Provenance of Zairean imports (1978-1984).
(Source: Banque du Zaïre, 1985: 200)

Table 2. Repartition of imports (Thousands of SDR).

	1978	1980	1982	1984	1985	1987
Food	93,630	64,303	38,110	51,954	23,666	103,872
Consumer goods	45,169	61,931	23,511	37,186	36,288	88,483
Raw materials	94,147	95,156	81,928	119,769	100,141	136,948
Equipment goods	76,430	80,680	66,084	111,103	78,258	136,919
Energy	83,565	157,042	56,662	72,687	82,454	28,853
Others	149,083	179,634	168,759	275,454	458,774	275,704
Total	542,084	638,746	435,054	668,153	779,581	860,857
Relative part of food imports in %	17.28	10.06	8.75	10.59	3.00	12.06

Source: Banque du Zaïre, 1985: 218, 1989: 206.

countries.

Table 2 shows the composition of Zairean imports from 1978 to 1987. Food imports represented 17.28% of the total imports in 1978, 10.06% in 1980, 7.77% in 1984 and 12.06% in 1987. The origin of food imports is not specified in official reports; however, it seems that the European Community and the United States are the most important providers according to the general trend of Zairean foreign trade.

To overcome economic dependence, the Zairean state tried to reinforce its control over the country's resources. However, the weakness of the First Republic (1960-1965) did not enable the state to negotiate efficiently on crucial matters such

as the colonial debt, the status of chartered companies and other corporations in which the colonial state held shares. The Second Republic achieved political unity and engaged in a struggle for economic independence in 1966–1967. To achieve this objective, the state has undertaken some actions, the most important of which are the nationalization of the mining sector and the Zaireanization and radicalization measures.

(2) Means to achieve economic independence

(a) Nationalization of the mining sector

Until 1966, Zairean mining production, in particular the copper production, was controlled by UMHK (Union Minière du Haut Katanga), a Belgian private enterprise. The Zairean state decided the transfer to Zaire of all public enterprises which had been managed by Belgium. The powerful UMHK rejected this decision and the Zairean state reacted by disbanding UMHK in Zaire. The Shaba mining exploitation was nationalized by creating Gecamines (Générale des carrières et des mines), entirely owned by the state.

The nationalization of UMHK had a strong impact on Zairean economy considering the strategic importance of the Shaba minerals. For instance, by 1965 UMHK produced 300,000 metric tons of copper (6.2% of the world production), 10,000 tons of cobalt (60% of the world production), 174,000 tons of zinc concentrates, and precious metals such as cadmium, germanium, gold, silver, etc. Until 1960, UMHK was a major producer of uranium. The first nuclear weapons were made from the ore supplied by this firm.

UMHK also controlled an important array of subsidiaries in Zaire and in Belgium, e.g. coal mines, hydroelectric infrastructures, plants producing sulfuric acid, explosives and caustic soda, flour mills, etc. UMHK provided 50% of the state revenues and 70% of foreign exchange. UMHK vast financial empire was justly considered as a state within a state which owned its cities, medical centers and hospitals, educational system, police, supply centers, etc. Thus, one can understand why the nationalization of this enterprise was pivotal to the concept of economic independence in Zaire.

(b) Zaireanization and radicalization

Zaireanization, also called November 30th measures, was decided in 1973. Its objective appeared to be breathtaking bid for economic independence. It affected foreign (mainly Greek, Portuguese and Pakistani) assets in commerce, plantation sector, small industries and property holding enterprises.

Zaireanization can be considered as part of a broader African trend toward displacing foreigners from commerce. In this, Zaire followed other African states such as Ghana, Sierra Leone, Zambia, Nigeria, Uganda, etc. which took the same decisions between 1968 and 1973. These measures attempted to assure the primacy of nationals in commerce and small industries.

In December 1974, the ruling political class decided to further the expropriation of foreign assets by nationalizing big units which were not subjected to Zaireanization measures. This second phase of the nationalization measures, known as “radicalization”, concerned about 120 enterprises in the following sectors: Transport, mines, petroleum, ranches, hotels, banks, construction and quarrying, metallurgy and breweries. These enterprises were put under the state’s control. The

most hit of these measures were Belgians.

(3) Achievements

Below I will compare achievements with targets previously determined in order to understand success or failure of Zairean economic policy with regard to its economic independence.

Though Gecamines became a 100% state corporation, the mining sector is still controlled by expatriates through supply and maintenance of technology. Zairean cadres are available mostly in administrative, accounting and medical services. Further, foreign capital firmly controls the marketing and prices of the copper in the world market. Also, a substantial part of Zairean copper production is still refined at Hoboken refineries in Belgium. Thus it is clear that the nationalization of UMHK did not provide the full control of the mining sector to the state because crucial decisions concerning prices, volume of production, commercial partners, etc. still escape Zairean control.

Zaireanization and radicalization were truly revolutionary decisions with regard to their goal of amputating foreign domination over the national economy. However, they were at once denatured by mismanagement and incompetence of persons who benefited from them. The beneficiaries, also called "acqueurs," were top political cadres, administrators and influential businessmen. Economic results of these measures proved to be a social and economic disaster: The production decreased sharply in diverse sectors; many cases of shortages, layoffs, pay arrearage, tax evasion, abandonment of business, etc. were recorded and "acqueur" denomination became a pejorative category in the social consciousness.

In late 1975, the Zairean state was virtually in bankrupt and had to appeal to Western powers and international institutions for salvation. The *sine qua non* condition imposed by the creditors was the retrocession of nationalized assets to the former foreign owners. Zaireanization and radicalization have produced effects exactly opposite to the target of economic sovereignty. The dependence of Zaire has been strengthened and today the state has almost nothing to say about economic choices which are dictated by the IMF and other external lenders.

2. Expansion of the Mining Sector

The second objective pursued by the Zairean state during the period 1966–1990 concerns expansion of the mining production. I will discuss the meaning of this objective, the strategy intended to achieve it, and evaluation of results of this policy.

(1) Meaning of this objective

Most developing countries export minerals and cash crops which generally constitute more than 90% of their total export returns. These countries receive their foreign exchange from the mining and plantation sectors. Zaire possesses important quantities of minerals. It is the first producer of diamond and cobalt in the world, the sixth producer of copper, also a producer of zinc, oil, manganese, etc. Today, the mining sector provides 80% of Zairean export earnings. Taxes paid only by Gecamines contribute for an average of 50% to the state's annual budget. Table 3 shows the evolution of Zairean exports and the place occupied by different economic sectors. These data reveal that in 1950 the mining sector furnished about the same amount of foreign currency as agriculture. After 1960, however, there has

Table 3. The contribution of different economic sectors in Zairean export returns from 1950 to 1987 (in %).

	1950	1956	1970	1975	1980	1984	1987
Mining exports	49.82	65.86	83.39	81.72	84.72	67.71	76.47
Copper	23.90	40.27	65.95	55.43	43.76	29.05	60.02
Cobalt	5.41	7.16	5.97	10.60	20.30	11.06	—
Diamond	3.71	4.95	5.09	7.00	4.25	9.79	11.38
Agricultural Exports	48.87	33.02	15.95	15.65	11.86	13.66	11.40
Coffee	9.23	8.19	5.57	6.19	8.04	10.27	7.94
Caoutchouc	1.39	3.81	1.83	1.33	0.74	0.87	0.54
Oil palm products	15.88	8.67	4.60	4.68	1.03	0.54	0.09
Industrial exports	1.31	1.21	0.66	1.37	3.42	18.63	12.11
Others	—	—	—	1.26	—	—	0.02
Total	100	100	100	100	100	100	100

Source: Banque Centrale du Congo Belge et du Rwanda-Urundi, 1960: 84-87; Banque du Zaïre, 1986: 217, 1989: 205.

been a reversing tendency and the mining sector is now the principal source of Zairean foreign exchange.

Indeed, it has been argued in Zaire that expansion of the mining production is the only way to earn more foreign currency which will be used to import equipment, to industrialize the country and to modernize agriculture. From the late 1960's to the present, the economic policy of the state has been centered on expanding the mining production.

(2) Means of implementation

An important investment program was implemented to provide an adequate infrastructure to the mining production and to create new enterprises devoted to copper exploitation. At first, projects such as the Inga dam and the Inga-Shaba power transmission line were undertaken to supply the mining Province of Shaba with additional electric power for expanding copper production and allowing Gecamines to realize its development program. The Inga dam project costed 140 million dollars in phase-I, and produced 300 megawatts in 1972. Inga II (700 megawatts) was made available in 1977. Inga-Shaba electric power is considered the cheapest in the world. This power line, which transmits electricity from Inga dam to the Shaba mining region (1,800 km), cost 1 billion dollars (about 1/5 of the total external debt of Zaire in the early 1980s).

Beside these projects, other undertakings aimed to increase copper output. For example, I may mention the creation of SMTF (Société Minière de Tenke Fungurumu) consortium. The initial capital belonged to the Zairean state (20%) and to private partners, mainly American, French and Japanese (80%). The target of this firm was to produce 100,000 tons of copper per year. Its cost was estimated at 400-500 million dollars in 1976; but it increased at 1.2 billion dollars in 1979 (Young & Turner, 1985). Further, the "Société de Développement Industriel et des Mines du Zaïre" (Sodimiza) began an annual production of 50,000 tons of copper in 1972. Sodimiza was found by the Nippon Mining Company (85%). Zaire held only 15% of equities. The cost of this investment was estimated at 90 million dollars.

Gecamines also undertook an expansion program. A two-stage development

plan was initiated to raise copper production capacity from 360,000 to 460,000 tons (first stage: 1970–1975) and from 460,000 to 570,000 tons (second stage: 1975–1979). The cobalt production capacity was to be raised from 16,000 tons in 1975 to 18,000 tons in 1979, and that of zinc from 130,000 tons in 1975 to 150,000 tons in 1979. All these investments were financed with foreign loans.

(3) Achievements

Results yielded in this field were very poor. SMTF, after an initial investment of

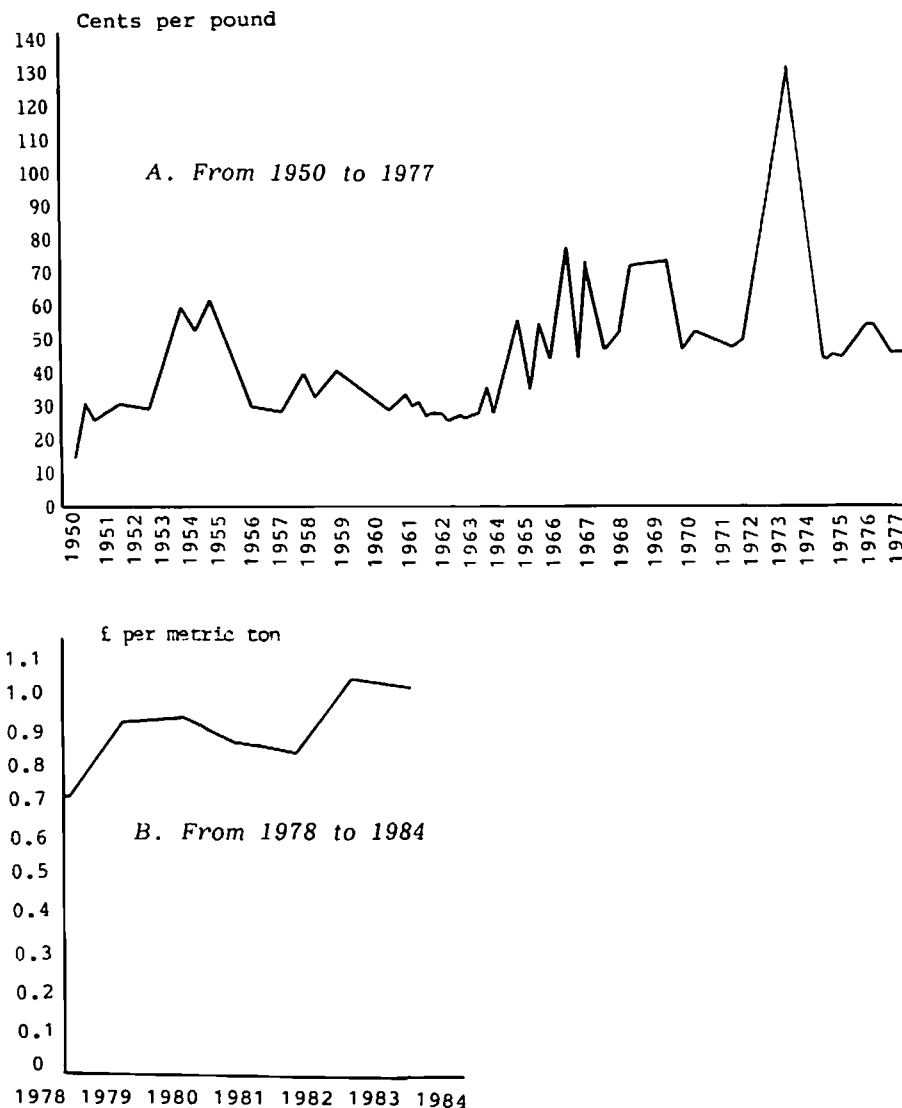


Fig. 3. The copper price movement.

(Source: A-Young & Turner, 1985: 308; B-Gamela et al., 1987: 67)

200 million dollars, suspended operation in 1976. In 1983, the Japanese consortium also abandoned operation of its Zairean mines. Gecamines was unable to complete the second stage of its expansion program. All these enterprises were hit by the prolonged slump of the copper market since 1975.

These investments in the mining sector, totaling more than 3 billion dollars of foreign loans, greatly escalated the dependence of Zairean economy on the copper. Also, most of the projects financed with foreign loans were an opportunity for personal wealth accumulation. Verhaegen (1978) rightly categorized such projects as technological imperialism, which shed light on the import of inappropriate, useless and costly technology, which was fragile and not adapted to the real needs of development and to the conditions of society. It happened, Verhaegen argued, by the coincidence of interests between the supplier of technology and the hegemonic class within Zaire.

The copper production cannot constitute an engine of development because of the instability of the mineral prices in the international market. Figure 3 shows the copper price fluctuation from 1950 to 1977 (Young & Turner, 1985) and from 1978 to 1984 (Gamela et al., 1987). This instability cannot allow a correct and comprehensive development planning based on the copper revenues. However, in the five year plan (1986–1990), the zairean government (Département du Plan, 1986:78) decided to finance the mining sector with 33,823 million zaires (against 19,886 million for agriculture). It proves that Zairean policy makers still give priority to the expansion of the mining sector, despite the evidence that mineral export earnings are unstable and lack enough dynamism to induce national development in a self-reliance perspective.

3. Import-Substitution Industry

The third objective consists of implanting and extending the import-substitution industry in Zaire.

(1) Meaning of this objective

Industrialization has been considered an engine of development in many Third World countries. There is a strong correlation between industrialization and economic development. This positive correlation can be verified by the economic history of Western developed countries since their industrial revolution. Many scientists and political leaders have strongly recommended developing countries to build their own industry so as to overcome underdevelopment.

Import-substitution, which consists of creating local industries for producing goods previously imported, is advocated as an adequate way to achieve industrialization in developing countries. This kind of industry has been thought to be able to provide an industrial base to a country by producing commodities which already have a market. This industry enables a country to save its foreign currency which can be used to expand other sectors, in particular agriculture.

Zairean manufacturing industry consists of multiple firms producing consumption goods such as soft drinks, beer, food, chemicals, building materials, cement, wire, textiles, tobacco, intermediate goods, etc. This industry was established from the 1920s and received a great stimulus during the colonial period. During the last twenty years of the colonial rule, manufacturing was the fastest growing sector

reaching 8% of the GDP by 1958. The Second Republic also gave a high priority to this sector and by the early 1970s manufacturing was about 11% of the GDP.

(2) Means of implementation

From the colonial period to the present, Zairean attempts of industrialization fill in the import-substitution category. A new wave of manufacturing investments was carried out in the 1969–1976 period. Vehicles assembly plants were established by General Motors, Leyland and Renault. Goodyear also established a tire factory and Continental Grains opened a flour mill in the city port of Matadi.

German Krupp contributed to the implantation of a 13-million-dollars oil palm and soap enterprise in Gemena (Province de l'Equateur), while another German firm built a new cement facility with a capacity of 350,000 tons per year. In the same way, a steel mill was constructed at Maluku (Kinshasa). Its capacity was estimated at 250,000 tons per year; it was expected to exploit national iron deposits (Banalia, Isiro, Ubundu and Luebo). The cost of this investment was estimated at 250 million dollars. It was entirely financed by the state with technical assistance from Italy and Germany. Other new enterprises were built in established fields, in particular textiles (Sotexki: Société Textile de Kisangani) and tobacco (BAT: British American Tobacco).

(3) Achievements

Some Zairean economists (Kankwenda, 1978; Mawa, 1978) have emphasized the weakness of the import-substitution enterprises to satisfy national requirements and their deep dependence on foreign technologies and capital. The dependence of these industries is at first commercial because 50% of the raw materials they use are imported. Thus, they experience severe production difficulties when the payment crisis hit the country. This dependence is also technological because equipment, knowledge and technicians operating in this sector belong to private and public foreign institutions. Import-substitution industries operate at high costs (import of raw materials and technology) and their products are relatively expensive compared to imports. Young & Turner (1985) showed that tires produced in Zaire by Goodyear were 40% more expensive; textiles, 20–40 %; etc. than imported ones.

4. Agricultural Development Policy

(1) Meaning of this objective

Since 1968, agriculture has been qualified in the state's declaration as "priority of priorities." The government has defined some objectives and undertaken diverse actions to achieve them. Agricultural objectives were to cope with the chronic crisis with regard to the national self-sufficiency in food production, to attain regular supply of national industries with local raw materials, to maximize export earnings from agriculture, and to improve living conditions in rural areas.

(2) Means of implementation

About national food self-sufficiency, the Ministry of Agriculture has defined a program aimed to improve the formation of its technicians and extension workers. Also some offices were created (Programme National Maïs, Programme National Manioc, Programme National Riz, etc.) to palliate the inefficiency of agricultural research led by INERA (Institut National d'Etude et Recherche Agronomique). In the same way, the Zairean state adopted World Bank's recommendations of "in-

tegrated agricultural development" to introduce technological package of fertilizers, improved seeds and equipment among small-scale farmers. The government also relied on Protestant and Catholic missionaries to introduce appropriate technology, animal-drawn cultivation and cooperatives in rural areas.

With regard to cash crops and large-scale farming, the government decided to increase financing facilities by creating an agricultural credit bank called BCA (Banque de Crédit Agricole), and by improving financial resources of existent institutions such as SOFIDE (Société Financière de Développement). It was also decided to allow the repatriation of profit made by foreign investors who had already benefited from important fiscal exonerations.

For the peasants' welfare in rural settlements, it was decided to liberalize agricultural prices in order to increase the producers' purchasing power. It was thought that the market prices would be in favour of small-scale farmers and would ultimately increase the commercial production.

(3) Achievements

Results recorded by the state in the agricultural sector were far below expectations. About food self-sufficiency, achievements show that this objective has not been reached because Zaire still relies on important food imports. Before 1960 Zaire reached self-sufficiency, while today the country imports about 40% of its food consumption. Despite food imports, the national requirements are not fulfilled. In particular the situation is worst for meat and fish with respectively 4.18 kg and 4 kg per year as an average consumption, while the FAO norms are 25 kg for meat and 21 kg for fish (DADR, 1987).

With regard to agricultural raw materials for supply of national industries, achievements are also far below expectations. For instance, the national textile industries need 60,000 tons of cotton per year, but the peasant production is only 21,000 tons. The situation is similar for other agricultural raw materials such as palm oil, rubber, sugar cane, etc. Contrary to the aimed maximization of export earnings from agriculture, the actual situation shows that agricultural part still continues to decrease. While the average contribution of this sector was around 40% before 1960, today it fluctuates between 20.2% (1976) and 9% (1982). In governmental policy, the mining takes priority over agriculture and generates about 80% of total export returns. Therefore investments are almost exclusively orientated towards the mining industry. Lastly, impoverishment of rural areas proves to be contrary to the governmental objective of improving the standard of living in rural areas. Indeed, the gap between prices paid to producers and prices of manufactured goods cannot allow peasants to improve their purchasing power and to evade material poverty.

ECONOMIC POLICY AND AGRARIAN CRISIS

Below, I will show how the current agrarian crisis in Zaire is a direct consequence of the wrong economic policy, which neglects agriculture to the benefit of mining sector and furthers underdevelopment and material poverty. Zaire has abundant arable land. Today only 5% of this arable land is estimated under cultiva-

tion. The current levels of output are far below the productive capacity. Before 1960, Zaire achieved food self-sufficiency and agriculture contributed an average of 40 % to the export earnings. This sector also recorded an average annual growth rate of 5.4%. Today, Zaire is relying on food imports and the commercial balance for agricultural commodities has often been negative. How can we explain this tendency in spite of official declarations explicitly recognizing agriculture as “the priority of priorities”? I consider the current agrarian crisis in Zaire as a normal consequence of the state’s economic policy.

At first, the vast investment program aimed at expanding mining production has raised the external debt from almost zero in 1970 to more than 7 billion dollars today. Clearly, after the execution of this program, nothing was left to finance agriculture. Before 1960, about 5% of the budget went to agriculture, while today only 1–2% is devoted to this sector. It should be also noted that about 90% of these expenditures were salaries of the agricultural administration whose services to peasants were actually questionable. Also before 1960 agriculture accounted for more than 15% of total investment, while today the figure is generally around 3.5%. Neither the state nor private investors found agricultural investments attractive.

Only the infrastructure devoted to export minerals has been improved or maintained in good shapes. The maintenance of a rural road network has been completely neglected. This situation explains the paradoxical fact that “from 1974 to 1977, when as much as one-third of desperately short foreign exchange was spent to import food for cities, large amount of maize rotted in the countryside” (Young & Turner, 1985:321–322). Further, the agricultural research network created by the colonial administration, was almost completely dislocated and bureaucracy has

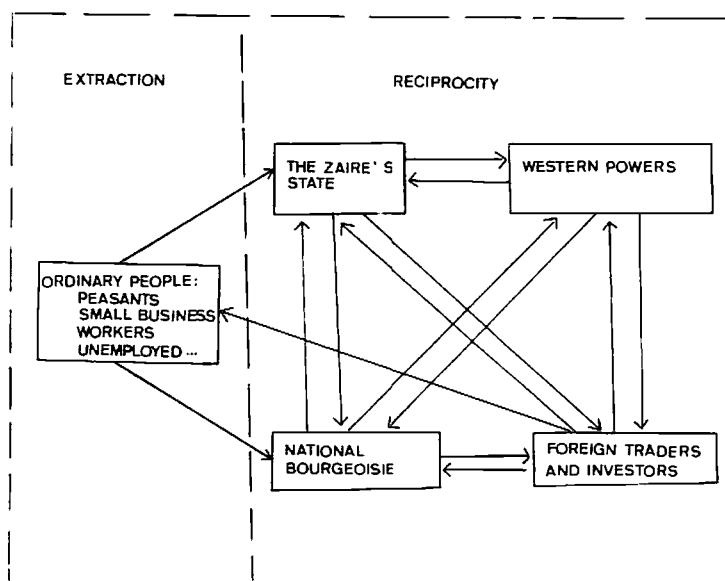


Fig. 4. Reciprocity and extraction relationship between different interest groups in Zairean economy.

replaced scientific research in the stations of INERA.

Beside the state's inability to deliver positive agricultural services, the agricultural policy, in particular in the pricing system, has clearly demonstrated negative impact on agricultural production. In fact agricultural prices, as during the colonial period, have been maintained at low levels in rural areas, while the prices of manufactured goods remain very high. The state's policy of according monopolies of buying to some private or public institutions resulted in the transfer of net revenues from peasants to traders and exporters of cash crops.

The agrarian crisis in Zaire is not an accidental situation but results from the economic policy as it has been defined and achieved up to the present. The current economic crisis should not be considered as a cyclic crisis which characterizes capitalist economies, but as a structural phenomenon explained by the economic policy followed in the country. Figure 4 and Table 4 explain the way in which the state has defined and achieved the economic policy according to the interests of the dominant groups. These interest groups have reciprocal relationship and their interests coincide in many ways. The alliance among these groups is crucial in the process of extracting the country's resources and in maximizing their respective profits.

This analysis is supported by conclusions of some commentators (Macgaffy, 1987) on Zaire, who consider the economic crisis in terms of unequal exchange in which a political-administrative bourgeoisie assists the multinationals to transfer wealth to industrialized countries, and hold the view that underdevelopment and dependency are self-perpetuating. They see Zairean dependency as primarily

Table 4. Analysis of interest groups in the Zairean economy.

Dominant interest groups	Targets or expectations from other partners.
Zairean state	<ul style="list-style-type: none"> a. Western Powers: political and military support; technology; financial aid and loans. b. Foreign trade & Investors: technology; financial means. c. National bourgeoisie: legitimacy; ruling class of the state.
National bourgeoisie	<ul style="list-style-type: none"> a. Western Powers: technology; political and military support to control the state; financial means. b. Foreign trade & Investors: technology; financial means; joint venture. c. State: instrument of wealth accumulation through corruption, embezzlement, high salaries and policy making.
Foreign trade & investors	<ul style="list-style-type: none"> a. Western Powers: to maintain pressure on the state in order to secure their business and to obtain other advantages. b. State: guarantee against nationalization; maximization of profits by maintaining low salaries, low prices and compulsory cultivation of cash crops; fiscal exonerations, etc. c. National bourgeoisie: joint venture to evade nationalization threat; supply of inappropriate and costly technology.
Western powers	<ul style="list-style-type: none"> a. State: regular source of cheap raw materials; market for manufactured goods and technology; political vassal. b. National bourgeoisie: political devotion; high profits through technology transfer, debt repayment and cheap raw materials. c. Foreign trade & Investors: extension of the market of national industries and manpower; exploitation of minerals and other resources.

technological. In this view, the state-based class controls the economic activity of the country; foreign technical and military cooperation (and even intervention) gives this class the means to maintain power. From this perspective, Callaghy (1984:56) concludes that "the cause of Zairean failure is the project of self-aggrandizement of the state-based class as it pursues its narrow personal and class interests." However, there have been some clashes between these partners. For example, the nationalization of UMHK was the result of conflict of interests between the state (and the ruling bourgeoisie) and Belgium (and foreign investors). Also Zaireanization and radicalization can be considered as an attempt of the national bourgeoisie to replace the foreign trade.

The state exerts its exploitation of the peasant agriculture through compulsory cultivation of cash-crops, taxes and links with the commercial bourgeoisie. State officials are perceived by the peasant community as a coercive power acting against local interests. This negative perception has been strengthened by the fact that state officials do not belong to the local community. In this context, the state does not encourage peasant organizations, which are perceived as a threat or a challenge to its power. The dominant social classes cannot allow the constitution of peasant regional or village interest groups. Thus, attempts to promote agricultural cooperatives and other local organizations are not supported by the dominant coalition. Meanwhile, as Young & Turner (1985) argued, Zairean civil society is a helpless spectator. It is asked to shoulder the cost of transactions between the state and its external political partners and economic creditors. Consequently, the exploitation of the common people by the above described alliance has provoked the current agrarian crisis.

CONCLUSION

The current economic crisis which hit Zaire since the middle of the 1970s is, first of all, an agrarian crisis. This agrarian crisis explains the paradoxical situation of a country potentially very rich but whose people are among the poorest in Africa. The state's economic policy has strongly linked Zairean economy to the copper, and has strengthened the dependency towards foreign investors and international financial institutions. This economic policy resulted in a complete failure: Most of the projects financed in the frame of this policy have been abandoned. This has been the case for the Maluku steel mill, SMTF, Sodimiza, etc. Today the country is even unable to repay regularly the interests of its foreign debt.

Though they previously aimed to achieve the economic sovereignty, the mining investments have enriched only a thin minority to the prejudice of the majority of Zairean population. The wealth accumulated through corruption, embezzlement and exploitation of the common people is mostly kept abroad or ostentatiously consumed; thus, lost to the Zairean economy. Young & Turner (1985) have estimated that taking together the external debt and the corrupt drainage of public resources in one form or another (probably 5 billion dollars over the decade) the Zairean economy got a loss roughly equal to a quarter of the recorded gross national product.

Macgaffy (1987:49) noted that "the powerful ruling class benefited from the crisis because decreased supply and acute scarcity resulted in rampant speculation, which favored those who controlled strategic points in the distribution network. Thus agricultural production is not encouraged because imports allow opportunities for huge profits." Gould (1979) also noted that viewing mismanagement as a constraint on development misrepresents reality; it may be part of a conscious self-enrichment strategy on the part of those in control of public bureaucracy.

In the current economic context, the common people do not participate actively in the national economy and do not equitably share the national product. Thus, to overcome underdevelopment in Zaire requires the definition and achievement of an economic policy actually emphasizing agriculture, in particular the peasant agriculture, which still continues to be the main component of national development.

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