

The State and Development in Southern Africa: A Comparative Analysis of Botswana and Mauritius with Angola, Malawi and Zambia

OSEI HWEDI

Introduction

African countries inherited economies that are backward, skewed and underdeveloped as a result of Western colonial rule. Since independence, African states have embarked on the transformation of inherited economic structures with varying degrees of success. The debate about the role of the state in development in Africa reached its peak in the 1970s. Following independence in the 1960s, state involvement in the economy was welcomed, partly due to the lack of indigenous private entrepreneurs and partly due to economic distortions created by colonialism. However, the dismal performance of African economies resulting in the "economic crisis" in the 1970s, necessitated a reappraisal of the role of the state in the economy in the 1980s. The predominant view now, especially by neo-liberals, including international financial institutions (IFIs), is that the state in Africa and other developing countries should reduce its role in economic development.¹ Leftwich and White, taking the opposite view, argue that state intervention is necessary for development to take place because development requires not less state, as the World Bank contends, but better state action, and this is most likely from a developmental state.²

The question, therefore, is: what kind of state intervention is conducive to the promotion of development? This paper examines and compares the role of the state in development in Angola, Botswana, Malawi, Mauritius and Zambia in order to understand why states like Mauritius and Botswana are successful developmental states and other states like Angola, Malawi and Zambia are non-developmental, and hindrances to development. Sandbrook, makes the argument that Africa needs active, developmental states capable of complementing and directing market forces.³ In contrast to the neo-liberals, Leftwich⁴ argues that the single most important factor for the generation and sustenance of development is a developmental state, with six features including a determined developmental elite; relative autonomy; a powerful, competent and insulated economic bureaucracy, a weak and subordinated civil society, effective management of non-state economic interests, and repression, legitimacy, and performance. Thus, a developmental state has the capability for sustained economic growth (i.e. high gross domestic product (GDP)), and development (i.e. welfare services to the mass of the population), qualities that Mauritius and Botswana have.

<http://www.africa.ufl.edu/asq/v5/v5i1a2.pdf>

THE ROLE OF THE STATE IN DEVELOPMENT IN THE FIVE COUNTRIES:

Mauritius: Real Successful Development?

Mauritius has one of the most successful economies in Africa. In general, Mauritius has modeled its development on the East Asian countries in terms of export-led growth based on manufacturing complemented by generous tax incentives.⁵ Between 1990 and 1994, its GDP grew by a yearly average of 5.3 percent compared to 0.9 percent for sub-Saharan Africa.⁶ In spite of being a small island, with a population of 1.3 million people of diverse racial and ethnic origins, Mauritius has enjoyed a high GDP per capita of \$13,172 and a low unemployment rate of five percent.⁷ Successful development is unique in view of the fact that the three dominant parties - the Labour Party (LP), Movement Militant Mauricien (MMM), and Movement Socialist Militant (MSM) - are socialist in ideological orientation. The three parties have alternated power since 1970, exist in a functioning multi-party democracy, and have allowed for a free market economy.⁸

Mauritius's economic success is attributed to three important factors. Since the 1970s, the government has implemented policies that have provided a conducive environment to the private sector to be the propeller of the economy. Of special importance has been the government's successful implementation of five successive stand-by arrangements and two structural adjustment programmes between 1980 and 1986, which put in place the preconditions for sustainable export-led growth. These measures were part of the process of liberalizing the economy, especially trade and the exchange rate, gave sufficient incentives to foreign private investors, and coincided with the global economic recovery of 1983. Together, the measures boosted output and therefore exports, and by 1990 the economy attained full employment, reaching a goal that has had top priority since independence in 1968.⁹

The restructuring targeted all sectors of the economy. In the agricultural sector, the government's reform programs included a reduction of export taxes on transfers of agricultural land and abolition of restrictions on sugarmill closures. In industry, the government eliminated restrictions on imports and reduced tariffs and promoted foreign private investment in the Export Processing Zones (EPZ) by providing fiscal and financial incentives. In 1983, the government established the Mauritius Export Development and Investment Authority (MEDIA) to undertake investment missions and export promotions to boost the number of foreign investors and amount exported, respectively.¹⁰ With regard to tourism, the government resorted to aggressive advertising, improvement of hotel capacity, and improvement of air access policy.¹¹

In addition, the devaluation of the Mauritian rupee created a realistic exchange rate that helped to make exports internationally competitive. Traditionally, the government supplemented the rupee as part of its wage policy to ensure the competitiveness of Mauritian exports. Similarly, the adoption of a real rate of interest helped increase gross domestic savings that were used for development programs and reduced the need for foreign borrowing and the debt service burden, which fell from 20 to 6.8 percent in the 1980s.¹²

Another source of economic success is the high demand, ready market, and favorable terms of trade for Mauritian exports in developed countries. Mauritian exports have benefited greatly

from the sugar protocol under the Lome Convention with the European Economic Community (EEC), now the European Community (EC). Under this law, Mauritius sells 80 percent of its sugar exports to the EC at a price three times higher than the world market price. The government has prudently utilized the revenue earned from sugar exports for diversification into manufacturing, especially by the EPZ. Like sugar, apparel exports have received special treatment because they are not subjected to import duties and quota restrictions for entering the EC market. There are no quota restrictions in the US market because Mauritian exports have not exceeded the requirement of one percent of US production. The Lome Convention has significantly contributed to the growth in exports of manufactured goods in Mauritius because the EC buys 70 percent while the US absorbs 30 percent of its manufactured goods.¹³

Finally, availability of cheap labor has fitted neatly into the government's labor intensive export-oriented strategy of development. The unemployed, which includes a large pool of women, have been absorbed into the EPZ and has greatly contributed to the growth of employment opportunities. For example, it accounted for 70 percent of the 21,000 jobs created in the economy in 1987 and helped increase income.¹⁴

Social progress has been the most remarkable achievement of investment export revenue from sugar and manufactured goods as well as domestic savings. Through the national development plans, the government has been able to provide social services to most of the population. Of even greater significance is the provision of education, health facilities, housing and improved life expectancy. Primary school enrollment is 90 percent of children and secondary school enrollment rose from 26 percent in the 1960s to 45 percent in the late 1980s.¹⁵ Also, there has been improvement in life expectancy from 61 years in the mid-1960s, to 68 years in 1987, to 71 years in 1994. The infant mortality rate decreased from 67 per thousand to 24 per thousand in the same period. Similarly, the adult literacy rate stood at 82 percent in 1994. These contribute to the decline in income inequality in Mauritius.¹⁶

Botswana: Successful Development?

Botswana has one of the world's best rates of economic growth, surpassing that of Mauritius, Korea and other Asian tigers - the newly industrializing countries (NICs). During the 1980s it had the fastest economic growth rate in the world, with an average of 10 percent, despite six years of drought that affected the cattle industry.¹⁷ It has a very low debt of \$0.7 billion, with debt servicing accounting for four percent of exports and enormous foreign reserves. Botswana has a relatively small population but large resource base with a per capita income of \$ 5,367.¹⁸ The current economic prosperity of Botswana contrasts sharply with the situation at independence, when the state was viewed by most analysts as a very poor country dependent on foreign grants to finance its budget.¹⁹ The transformation of Botswana from a poor agricultural country to a buoyant thriving economy makes it a developmental state.

The government has been able to transform and sustain high levels of growth because of its mineral resources, especially diamonds, which became the base of the economy in the late 1960s. Mining revenues account for 50 percent of the GDP, surpassing the beef industry.²⁰ With the revenue from diamond exports, the state invested in other mineral industries including

copper and soda ash. It also diversified into manufacturing, particularly vehicles like Hyundai (which collapsed in 1999), textile and soap industries, and tourism.

More impressive is the investment of diamond revenues in social and infrastructural services with rapid expansion of education, health facilities, housing and roads in both rural and urban areas. Ninety percent of the children are enrolled in primary school, and primary health care is available to 80 percent of the rural population who are within 15 kilometers radius of a health clinic.²¹ Similarly, households with access to potable water increased from 56 to 83 percent between 1981 and 1994. Poverty has declined considerably. The numbers of the national population who are poor and very poor declined from 59 to 47 percent between 1985/86 and 1993/94, and the numbers of poor and very poor households declined from 49 to 38 percent during the same period.²² Moreover, the creation of state institutions, for example, for water and housing, has facilitated the delivery of services. Additionally, increases in government revenues from diamond exports has facilitated job creation, with the government becoming the largest employer in the country.

Although Botswana's liberalized economy and its reputation of a stable democracy have allowed for a greater role by private foreign capital in both mining and manufacturing and helped attract foreign investment these factors alone cannot explain the economic progress in Botswana.²³ This is because other factors played equally important roles. First, are the high demand and prices for diamonds on the world market, except for 1981/82 and 1992, have allowed the government to accumulate huge savings and trade surplus. Similarly, beef exports have given the government additional revenue for development programs. The Beef Protocol with the EC enables Botswana beef exports to earn substantial revenue because prices are above world market levels. The EC has granted a 90 percent rebate of the variable levy to all Afro-Caribbean Pacific (ACP) beef exports and buys the largest amount of beef from Botswana compared to other Southern African countries.

Second, is the commitment to development by the political and bureaucratic elite who have pursued realistic foreign exchange, fiscal, and monetary and wage policies, all of which are attractive to private foreign investment and conducive to national development.²⁴ Related to this is the close collaboration between the bureaucracy and politicians to harness resources and implement developmental goals, a relationship lacking in Angola, Malawi and Zambia, and other developing countries. This 'partnership' between the political and bureaucratic elite for development has allowed politicians to seek and accept economic advice from technocrats, especially where national development plans and budgets are concerned. The politicians' support for planning and finance has been expressed by placing the two in one Ministry of Finance and Development Planning (MFDP) in the Vice-President's office.²⁵ This has ensured congruence between planning and budgeting, effective implementation of goals, and planning and channelling private foreign investment in accordance with national goals.

Third, economic success is attributed to the efficient, politically neutral and stable bureaucracy that has meant proper utilization and allocation of resources by avoiding over-expenditure, foreign debt, and rampant inflation, while maintaining high stable growth rates. While Botswana has been cited by Wallis as having an efficient bureaucracy because of recruitment and retention of expatriates (especially economists for planning purposes which in

turn means a slower rate of localization), the efficiency of the bureaucracy can also be attributed to relatively low levels of corruption among the senior bureaucratic (and political) elite.²⁶

Finally, the quality of leadership and careful management of diamond revenues has greatly maximized Botswana's chances of economic development. Related to this are the skill and tact displayed by the Botswana elite in successfully negotiating with de Beers Diamond Company for 50-50 percent share ownership in Botswana diamond mines in 1975 instead of the previous 85-15 percent ownership. The 50-50 share holding gives the state influence over wage policy to allow for flexible changes in minimum wages, licensing, and operations of the mines as well as authorization to expand when necessary to the benefit of both the nation and de Beers.²⁷

Angola: Economy in Shambles?

Angola is richly endowed with vast oil, mineral, and agricultural resources that give it tremendous potential for economic development. Its development is based on exports of petroleum and oil products, diamonds, and coffee. At independence in 1975, the Angolan state opted to transform the inherited colonial economy into a socialist one, excluding the oil industry, which continued to operate on capitalist principles.

The oil industry is the backbone of the economy having displaced diamonds and coffee in the 1970s. The government, through its national oil policy, created the national oil company called Sociedade Nacional de Combustiveis de Angola (SONANGOL), with exclusive concessions for oil exploration and production rights. Its assigned task was to coordinate and control petroleum production in the country. This pragmatic arrangement in the oil sector ensured revenues to the government. A 1978 statute allowed foreign oil companies to operate in Angola, either on the basis of a production-sharing agreement or a joint-venture arrangement, with 51 percent shares for SONANGOL through such companies as CABGOC and Texaco. These two provisions by SONANGOL have won the confidence of foreign oil companies, with more than 15 currently operating in Angola.²⁸

In the agricultural sector coffee plantations left by the Portuguese, who fled after independence, were nationalized with production by peasants and private estates permitted on a small scale.²⁹ In the diamond industry, the MPLA government nationalized the Portuguese government's diamond company by acquiring 38 percent of its shares and the shares of other small holders in 1977 and 1979, thereby accumulating a total of 77.21 percent shares. However, the government relied on contractual agreements with foreign companies to mine and sell diamonds on the world market. Since 1986, a state diamond company, Empresa Nacional de Diamantes de Angola (ENDIAMA), has marketed the diamonds.

The revenue from petroleum exports has given the state tremendous resources with which to develop the economy and has given Angola the semblance of a rich, thriving economy. This is a facade, however, because after 24 years of civil war with its concurrent high defence expenditures of 20 percent of the GDP, the Angolan economy is in shambles. Oil revenue contributed 41.5 percent to the total GDP in 1991 and 79 percent to the total revenue in the 1992 budget. In spite of Angola having a 1993 GDP of \$8.4 billion, and being placed in the middle-income group of countries in the world, the state has not been able to promote economic development. In 1993, for example, its external debt amounted to \$10.9 billion, accompanied by

the highest mortality rate in the world of children under five years (292 per 1000), severe food shortages, infrastructural destruction, and little diversification into manufacturing.³⁰ Although the civil war has been the most important factor in diverting resources from development, socialist centralized planning, subsidies, price controls, collectivization in agriculture, control of infrastructural facilities, and corruption have also contributed to the collapse of the Angolan economy.

The civil war, waged since independence in 1975 to the present, between the ruling *Movimento Popular de Libertacao de Angola* (MPLA) and *Uniao Nacional para a Independencia Total de Angola* (UNITA), has denied the state the peaceful environment necessary for economic development. In 1993, the government mortgaged three years of future oil revenue (on very unfavorable terms) to purchase military supplies, to finance the war against UNITA, resulting in further loss of revenue for development.³¹ However, in fairness to the government, it is difficult to ascertain whether or not Angola would have experienced successful development in the absence of civil war, because there are other equally important impediments to its development.

The civil war negatively impacted on diamond mining when the mines were bombarded by UNITA forces and mining was temporarily halted as large diamond areas were seized. The war and smuggling of diamonds have deprived the state of revenue from diamond mining. The war has also caused serious destruction of infrastructural facilities including bridges, roads and railroads, making it difficult to transport supplies to producers and commodities to the market. Similarly, the war has reduced production in agriculture as farmers have abandoned the sector, fleeing war and the risks associated with land mines. The production of both food export crops (e.g. coffee) has been reduced causing severe food shortages resulting in famine. Angola has become dependent on expensive food imports and food aid to avoid famine conditions and the food shortages have given rise to a thriving black market.

In addition, socialist economic policies that encourage state participation in the economy have hampered rather than facilitated the process of economic development. The state's involvement in the economy has meant a heavy role by bureaucrats. The lack of economic discipline among top leaders has resulted in a lack of congruence between plans and budgets, thus making it hard to realize the goals of development. Furthermore, state control of ports and shipping has led to their collapse because the Portuguese colonialists trained very few Angolans at the time of independence and the MPLA state was unable to retain expatriate personnel.³² Public services like education, health, water supply, sewage, and electricity also ground to a halt in the late 1980s due to lack of funds, and bureaucratic impediments.³³ State companies such as utilities and those in productive areas have operated at a loss, primarily because of a lack of managerial autonomy to set profitable prices and economic production levels and political control by ministers. Subsidies given by the central government to companies to cover their losses are one example of the inefficient use of public resources.³⁴

Corruption by top MPLA political and military leadership has resulted in state resources being used for personal aggrandisement or allocated inefficiently. In most cases there was duplication of purchases because of a lack of co-ordination and accountability for use of state funds among senior government officials.³⁵ Undoubtedly, corruption goes on unabated because of the government's inability to prosecute the offending officials. Fourth, the fall in world oil

prices in the 1980s worsened the economic situation especially in the absence of government savings during the time of high oil prices. The government's earnings from oil exports declined from \$2,000 million in 1985 to \$700 million in 1987.³⁶ To resuscitate the economy, the government was forced to introduce economic reforms. In 1987, the government announced the Economic and Financial Restructuring Program, also known as the Saneamento Economico e Financeiro (SEF). Unfortunately, the reforms were not implemented because of a lack of commitment by top MPLA officials sympathetic to a socialist pattern of development, and the dismissal of the Minister of Finance, the architect of the SEF program.³⁷

Persistent economic problems and poor results from its socialist policies forced the government to resume the SEF in 1990. However, the resumption of the war with UNITA in 1992, following UNITA's refusal to recognize the electoral results, again blocked implementation of reforms as the MPLA was primarily preoccupied with defense matters. Finally, in 1994, SEF was launched in an effort to revitalize the economy. Some reforms were undertaken. For example, in 1984, the government embarked on a program to increase food production to achieve food self-sufficiency by converting state farms into small-holder peasant associations in rural areas. Through agricultural stations, the government provided support in the form of fertilizer and seeds to peasants with limited success. Similarly, in 1990, the government embarked on the privatization of state-owned coffee plantations to boost output by selling 33 plantations to foreign companies. The sale proved expensive due to the old age of the trees and unattractive due to the war.³⁸

Malawi: Frail Economy?

Malawi opted to give priority to agriculture by promoting economic development through the increase of export earnings on tobacco and tea, and to attain food self-sufficiency through increasing maize production. The state pursued a mix of private enterprise and state participation by providing economic infrastructure and investment in new economic activities such as sugar estates. To promote 'balanced' development, the government controlled and directed private sector investment, foreign trade and the location of business ventures. Its control of retail prices and workers' wages was to contain domestic inflation, reduce labour costs as an incentive to investors to use labor-intensive technology, and make exports competitive in international markets and attract foreign investment. Therefore, the government restrained the formation and operation of trade unions. In order to ensure an efficient and effective bureaucracy conducive to development, the government retained British expatriates who occupied 79 percent of senior posts at independence in 1964 because of inadequate local skills. Thereafter, the government adopted a policy of slow indigenization of the public service, as had Botswana.³⁹

A three-pronged approach was embarked upon to promote development. President for Life, Banda, encouraged senior party and government officials to participate in estate agriculture. The state purchased some foreign-owned estates for distribution to small-scale producers. Parastatal companies (e.g. the Malawi Development Corporation (MDC), Agricultural Development Corporation (ADMARC), and Press Holdings) and joint ventures with foreign investors were encouraged in both the agricultural and manufacturing sectors. In

reality, President Banda overwhelmingly controlled the Malawian economy as the sole shareholder of Press Holdings, whose total gross turnover was one third of the GDP and employed 10 percent of modern sector workers in the 1970s.⁴⁰ In addition, the government created public utility companies to service productive sectors, especially electricity, roads, railways, and provided training for both public and private industry. The government also supported small farmers through, among other programs, four integrated rural development projects largely financed by foreign donors such as the World Bank and Britain.

The Malawian state experienced rapid economic growth after independence and there was an increase in socio-economic infrastructure. The four primary goals set forth in the Development Plans of 1965 and 1969 were realized by the end of the 1970s, as agricultural production expanded rapidly for domestic consumption and exports, infrastructural facilities were built for agricultural exports, educational institutions were constructed and enrollment increased to provide skilled manpower for the civil service and private sector, and the growth of the private sector was encouraged as the basis of development.⁴¹ Malawi's share of world exports increased from 2.2 percent in 1965-67 to 3.3 percent in 1977-79, while tea exports rose from 2.4 to 3.8 percent.⁴² Concurrent with rising exports, Malawi attained self-sufficiency in food production, especially maize. With economic growth averaging 7 percent per annum in 1970, Malawi was able to eliminate dependence on foreign development assistance by 1972-73, and reallocate capital to such sectors as manufacturing. Similarly, investment in education paid dividends as it was able to indigenize many positions held by expatriates with qualified Malawian personnel in the 1970s.⁴³

The impressive growth performance of the 1960s through the early 1970s is attributed to a combination of a realistic exchange rate policy due to devaluation of the local currency which made exports competitive on the world market, government avoidance of luxury imports, and conservative fiscal and monetary policies which allowed the mobilization and utilization of domestic resources, reduced dependence on foreign aid, and attracted foreign investment.⁴⁴ An efficient civil service certainly helped in achievement of a good economic record, as did its non-involvement in the liberation wars in Angola, Mozambique and South Africa.

By the late 1970s, Malawi ceased to be a developmental state as the economy faced severe difficulties stemming from a decline in export prices on the world market, failure to build up reserves during years of good export earnings, poor judgement in policy formulation and implementation (e.g. giving priority to big private farmers instead of small farmers), expenditure on imported consumables, and accumulation of external debt. Consequently, the government was unable to finance its own development and resumed dependence on foreign development finance.⁴⁵

Persistent economic problems made Malawi adopt the World Bank (WB) and International Monetary Fund (IMF) structural adjustment programmes (SAPs) in 1980 to liberalize the economy. However, SAPs exacerbated the economic decline primarily because the same few export crops - tobacco, sugar, and tea - with low prices on the world market, were given support by the state in terms of credit and marketing. Again, small farmers were denied an incentive to improve production.

Zambia: Struggling Economy?

Zambia's economy is dependent on copper mining, which accounts for 90 percent of its export earnings and serves as an engine of growth. At independence in 1964, the leadership was committed to the promotion of economic development and restructuring the economy by adopting a mix of public and private participation. State intervention in the economy was set in motion with the 1968 Mulungushi Reforms, which permitted the government to acquire 51 percent shares from private retail, transport, and manufacturing firms through the Industrial Development Corporation (INDECO), a parastatal. The Matero Reforms of 1969 resulted in the government purchasing 51 percent shares from the mining companies, Anglo American Corporation and Roan Selection Trust, leading to partial nationalization of the copper industry.⁴⁶ Consequently, the state controlled 80 percent of the economy through parastatals involved in mining, energy, transport, tourism, finance, agriculture, services, commerce, trade, manufacturing and construction.

In spite of its impressive national development plans, the Zambian state failed to realize most of the goals embodied in the plans. Admittedly, Zambia experienced reasonable growth rates in the 1960s and early 1970s, primarily due to high copper production and prices, as well as increases in maize and manufacturing outputs. Consequently, until 1970, Zambia had an export surplus from copper and accumulated huge foreign reserves due to high copper prices on the London Metal Exchange (LME). The GDP grew at an average annual rate of between 2 and 3.4 percent from 1972-76.⁴⁷ However, the economy went into decline in 1974 as copper prices plummeted on the world market, and by 1976 copper earnings contributed only 3 percent to the Zambian treasury. Primarily because of the fall in world copper prices, the economy has still not recovered.

However, state intervention in the economy, discrepancies between planned objectives and resource allocations as well as implementation, and lack of commitment to planning also contributed to poor economic performance. This in turn contributed to balance of payments problems, making it difficult for the government to import goods and service its external debt, and reducing government expenditure on development. Since 1974, budget deficits have become the norm.⁴⁸ However, other factors are also to blame for Zambia's poor economic performance. First, lack of accumulation of savings by the government during periods of high copper prices (1965-70) to cushion the impact of any fall in copper prices worsened the economic situation since the mid-1970s. Instead, government increased expenditure on socio-economic services like health, education and infrastructure, imported luxury goods and compensated workers with high wages, especially mine workers.

Second, the highly capital-intensive technology utilized in mining and manufacturing meant that parastatals contributed little to employment creation, eradication of poverty, and improvement in standards of living for the mass population. Mismanagement and corruption further reduced the effectiveness and viability of parastatal enterprises and government bureaucracy. The fact that very few officials were prosecuted encouraged corrupt and inefficient practices.⁴⁹ Third, Zambia's support for liberation movements in southern Africa seriously affected the implementation of development plans as resources were diverted from productive to infrastructural facilities, including the Tanzania Zambia Railway (TAZARA).

In 1983, the government, following recommendations of the IMF and WB, undertook economic policy reforms to rejuvenate the economy through deregulation of prices, auction of foreign exchange, reduction of subsidies to consumers and parastatal companies as part of budget deficit reduction, increase in agricultural output, and liberalization of marketing of agricultural commodities as well as devaluation of the local currency. However, such reforms worsened rather than improved the economy, as both agricultural and manufacturing outputs and exports failed to increase significantly due to inadequate incentives for farmers and the poor competitiveness of manufactured goods on the world market. The country borrowed heavily from international institutions, especially multilateral institutions on a non-concessionary basis. Consequently, since the 1970s, Zambia has become one of the most indebted countries in the world relative to its GDP. In 1990, for example, the debt was \$7.2 billion, equal to 185 percent of the GDP and 719 percent of export earnings, making debt the most important cause of economic stagnation, with 67 percent of households poor and 58 percent extremely poor in 1991.⁵⁰

SUCCESS AND FAILURE - A DISCUSSION

Botswana and Mauritius continue to perform well economically compared to the other three countries. The Human Development Index (HDI), which is a combined measure of national income, life expectancy and educational levels, ranks 175 countries from the highest to the lowest level of human development. The HDI places Mauritius at number 61 in the high level of human development and Botswana at 97 in the medium level, with Zambia at 143, Angola at 157 and Malawi at 161, in the lowest level of human development.⁵¹ This means that Zambia, Angola and Malawi have failed to promote development beneficial to the general populace. Why? It is the discrepancy between policy decisions and implementation and how public resources are utilized and allocated, which differentiate developmental states, like Mauritius and Botswana, from non-developmental ones such as Angola, Malawi and Zambia.

Explaining why some developing countries have grown rapidly while others have not, Bradford has identified the adoption of a positive development philosophy with a policy framework that leads through market mechanisms to efficient allocation and utilization of resources.⁵² This suggests that complementarity between the states and market forces has paved the way for the promotion of national development and the importance of politics in Botswana and Mauritius. Thus, the congruence between political systems and choices of economic policies is very important. As democracies, the governments of Botswana and Mauritius are most inclined to select sound economic policies to efficiently allocate and utilize resources to satisfy the majority of the population. It is the commitment to development by both the political and bureaucratic elites that underlies the pursuance of realistic economic policies and good management of economies, relatively low corruption which explains their ability to take advantage of EC and US preferential treatment and high demand and prices on the world market. The governments' sensitivity to relatively equitable distribution of public resources ensures political stability. Their reputations as stable, legitimate democratic governments have endeared the two countries to foreign investors. These characteristics are lacking in the other three countries.

Angola, Malawi, and Zambia, which were authoritarian one-party states, moved towards political liberalism with multiparty elections in the 1990s. As a result, they are more preoccupied with problems of consolidating democracy and rejuvenating ailing economies. Prospects do not look promising since they still retain some elements of authoritarianism including repression of political opposition, lack of responsiveness, accountability and transparency, corruption and misuse of public resources. They face even dimmer prospects in view of the breakdown in international negotiations, under the auspices of the World Trade Organization (WTO), for export concessions for developing countries. In contrast, Botswana and Mauritius have multiparty democratic systems which have survived for a very long period of time, allowing for popular acceptance and acquisition of legitimacy by ruling governments, and relatively better prospects for growth due to a stable high demand for Botswana diamonds and high prices for Mauritian manufactured goods, guaranteeing sufficient revenues to meet electorates' demands.

Conclusion

Botswana and Mauritius have successful records of economic development primarily because of their democratic systems of government which, due to the need for accountability and responsiveness to electorates, are compelled to select appropriate economic policies for efficient allocation and utilization of resources, and to provide sufficient incentives to foreign investors to propel development. This logically means that for Angola, Malawi and Zambia to be developmental states, they have to adopt fully-fledged democratic state structures, which are legitimate and popularly accepted by society as in Botswana and Mauritius. Angola, Malawi and Zambia, as relatively newly democratizing countries, have a long way to go toward consolidation to create political environments conducive to successful development. Thus, Botswana and Mauritius as successful models of 'popular, responsive democracy and 'distributive' capitalist economic development might not be easily emulated because the factors which account for their successes are only partially present in the three countries and the rest of 'non-democratic' Africa.

Notes

1. Judith Streak, "The Counter-counterrevolution in development theory on the role of the state in development: Inferences for South Africa?", *Development Southern Africa*, 14 (3), October 1997, pp.307-25.
2. Adrian Leftwich, "Bringing Politics Back In: Towards a Model of the Developmental State", *Journal of Development Studies*, 31(3), 1995, pp. 400-435; Gordon White, "Developmental States and Socialist Industrialisation in the Third World", *Journal of Development Studies*, 21(3), April 1985, pp. 92-100.
3. Richard Sandbrook, *The Politics of Africa's Economic Recovery*. Cambridge University Press, Cambridge, 1993, p. 58.
4. Leftwich, "Bringing Politics", pp. 405, 420.
5. *The Economist*, 20 August 1988, p. 32.

6. The Economist, 14 December 1996
7. United Nations Development Programme (UNDP), Human Development Report, 1997. Oxford University Press, New York, 1997, p. 146.
8. Mail and Guardian, 20-26 February 1998; The Economist, 1 October 1998.
9. The World Bank, Mauritius: Managing Success. Washington, D.C: The World Bank, 1989, pp. 4, 10; UNDP, Human Development, p. 92.
10. The Botswana Guardian, 25 September 1992, p. 14.
11. World Bank, Mauritius: Managing, pp. 5,10,54.
12. Ibid, pp. 5,16-17,22.
13. Ibid, pp. xii,xiii,8,12.
14. Ibid, p.23
15. Ibid, p. 25.
16. UNDP, Human Development, p. 146; UNDP, Human Development Report 1996, Oxford University Press, New York, 1996, p.93.
17. Roy Laishley, "Botswana:new challenges to success", Africa Recovery, December1992-February 1993, p.16.
18. UNDP, Human Development, pp. 147,191.
19. Laishley, Botswana:new", p.16
20. Republic of Botswana, National Development Plan 1997/8-2002/03. Government Printer, Gaborone, August 1997, p. 17.
21. Ibid, p.17.
22. Pelani Siwawa-Ndai, "Some facts and Figures about the Quality of Life in Botswana", in Doreen Nteta, Janet Hermans with Pavla Jeskova, Poverty and Plenty:The Botswana Experience. Botswana Society, Gaborone, 1997, p. 28; Botswana Institute for Development Policy Analysis (BIDPA), Study of Poverty and Poverty Alleviation in Botswana, vol.1, Ministry Finance and Development Planning, Gaborone, 1997, p.21.
23. Laishley, "Botswana:new", p.20.
24. Catherine Hill and D. Nelson Mokgethi, "Botswana:Macroeconomic Management of Commodity Booms, 1975-86", in The World Bank, Successful Development in Africa, The World Bank, Washington,DC, 1989.
25. Malcom Wallis, Bureaucracy. Macmillan Press, London, 1989.
26. Ibid, p.52.
27. Leftwich, "Bringing Politics", p.418.
28. Shawn McCormick, The Angolan Economy. The Centre for Strategic and International Studies, Washington,DC, 1994, 38-39.
29. Ibid, p.18.
30. Ibid,pp.viii,7,43.
31. Ibid, p. 7
32. Ibid, p.2.
33. Anthony Pereira, "The Neglected Tragedy: The Return to War in Angola, 1992-93", Journal of Modern African Studies, 32(1), 1994, p. 12.
34. Country Profile Angola. The Economist Intelligence Unit, London, 1995-96, p. 19.
35. McCormick, The Angolan, pp.3-4.

36. Anthony Pazzanita, "The Conflict Resolution Process in Angola", *Journal of Modern African Studies*, 29(10), 1991, p.92.
37. McCormick, *The Angolan*, pp.3-4.
38. *Ibid*, pp.7,19.
39. Republic of Malawi, *Statement of Development Policies, 1987-96*. Government Printer, Zomba, 1987, pp4-6; Ravi Gulhati, *Malawi:Promising Reforms, Bad Luck*. World Bank, Washington,DC, 3(13), 1989.
40. Gulhati, *Malawi:Promising*, p. 17.
41. Government of Malawi, *Development Plan, 1965-69*. Government Printer, Zomba, 1965, pp.5-6.
42. Gulhati, *Malawi:Promising*, p.8.
43. Republic of Malawi, *Statement of Development*, p.6.
44. Gulhati, *Malawi:Promising*, p.8.
45. *Ibid*, p.7.
46. Republic of Zambia, *Zambia's Economic Revolution*. Government Printer, Lusaka, 1968; Republic of Zambia, *Towards Complete Independence*. Government Printer, Lusaka, 1969; Republic of Zambia, *This Completes Economic Reforms: Now Zambia is Ours*. Government Printer, Lusaka, 1970.
47. Republic of Zambia, *Third National Development Plan, 1979-83*. Government Printer, Lusaka, October, 1979, p.9.
48. Ben Turok, *Mixed Economy in Focus: Zambia*. Institute for African Alternatives, London, 1989, p.48.
49. *Ibid*, pp.157-58; Dennis Chiwele and Christopher Colcolough, "Economic Crisis, Adjustment and the Effectiveness of the Public Sector in Zambia", in Charles Harvey (ed), *Constraints on the Success of Structural Adjustment Programmes in Africa*. Macmillan Press, London, 1996.
50. Oliver Saasa and Jerker Carlsson, *The Aid Relationship in Zambia: A Conflict Scenario*. The Nordic Africa Institute, Uppsala, 1996, p.42.
51. UNDP, *Human Development*,1997.
52. Colin Bradford, "East Asian "Models": Myths and Lessons?", in Jerry Lewis and Valerie Kallab, *Development Strategies Reconsidered*. Transaction Books, New Brunswick, 1986, p. 118.

Reference Style: The following is the suggested format for referencing this article:

Osei Hwedi, 2001. "The State and Development in Southern Africa: A Comparative Analysis of Botswana and Mauritius with Angola, Malawi and Zambia. *African Studies Quarterly* 5(1): 1. [online] URL: <http://web.africa.ufl.edu/asq/v5/v5i1a2.htm>