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Economic battlefield

Africans have won the moral argument on debt: now they must win a much tougher one - over access to markets in rich countries

Two days of violence between demonstrators and police at the annual meeting of the World Bank and International Monetary Fund in the Czech capital, Prague, on 26-27 September left African delegates bemused and frustrated. 'On whose behalf are they demonstrating?' asked **Emmanuel Tumusiime-Mutebile**, Uganda's Permanent Secretary in the Ministry of Finance. 'They want the IMF and World Bank closed down. We don't.'

Uganda, whose economy was growing at more than 6 per cent a year throughout the 1990s, was the first country to benefit from the Bank's and Fund's debt-cutting plan for Heavily Indebted Poor Countries (HIPC). While Tumusiime-Mutebile praised anti-debt campaigning groups such as Jubilee 2000, which has publicised the issue globally, he said the solidarity of some other protest groups was misplaced. They should be pushing rich countries to drop their trade barriers, not demanding the end of the Bank and Fund, he said (AC Vol 41 Nos 11 & 12).

Groups such as Jubilee 2000 and Friends of the Earth, both of which meet regularly with Bank and Fund officials, distanced themselves from the more radical Initiative Against Economic Globalisation (Inpeg) which led moves to surround and lock-in delegates in the congress centre in Prague's Vysehrad suburb. Attitudes to the protests - Jubilee 2000 had organised a peaceful funeral march two days earlier to commemorate casualties of the debt crisis - showed the difference between the new brand of campaigning non-governmental organisations which want to influence policy-making directly and the old-style street demonstration and civil disobedience groups.

Captive conference

Among the latter, the Inpeg militants successfully disrupted the Bank-IMF meetings. Thousands of delegates were trapped in the centre while others cowered in their hotels. More than 30 police and twice as many demonstrators were injured after Molotov cocktails and cobblestones were thrown across police lines. The police countered with tear gas and water cannon, defending a bridge linking the congress centre with central Prague. A few bankers and government officials were roughed up in the process. **Britain's** International Development Minister, **Clare Short** who, prior to winning ministerial office in 1997 announced herself opposed to globalisation, dismissed the demonstrators as 'Luddites'. Now it wasn't a question of accepting or rejecting globalisation, it was a question of making it work for the poor, she said.

World Bank President **James Wolfensohn** was more charitable, saying the protesters should become recruits to the battle against world poverty but called for mutual respect in policy arguments. A day earlier, the media-savvy Wolfensohn had a public meeting with U2 rock star and debt campaigner **Bono** to allay concern that the Bank and Fund were losing momentum on debt reduction. Many delegates argued that the anti-globalisation protesters would distract attention and wider public support for dealing with immediate development and poverty issues.

'What we want is for the rich countries to let us compete... to open their markets to our produce. They spend US\$300 billion on agricultural subsidies which keep our exports out... if these demonstrators want to help they should go back and ask their governments to end the subsidies,' Tumusiime-Mutebile said. Such views were shared by many African delegates frustrated by the slow pace of debt reduction (see Box) but who saw the issue as just the first step in a long-term economic revival. They rejected calls for the IMF to get out of Africa - whether made by radical demonstrators in Prague or by conservatives in the **United States** Congress. **Zambia's** reform-minded Finance Minister, **Katele Kalumba**, said ministers had plenty of legitimate criticisms of the IMF's policies which were being listened to but that it still provided a vital source of financial support for many countries.

Both Tumusiime-Mutebile and Kalumba want trade issues to be pushed up the agenda, as does Wolfensohn. Developed countries must dismantle trade barriers to poor countries. 'Our estimates indicate that the annual costs of all trade barriers by industrial countries are more than double total

When push comes to shove

Eventually one government minister's patience snapped with the nit-picking technical debate on mechanisms of debt relief for the world's poorest countries. **Canada's** Finance Minister, **Paul Martin**, seemed to have grown tired of the posturing and politicking that was snagging the debt reduction process and called for an immediate moratorium on debt repayments for the Heavily Indebted Poor Countries (HIPC) at the IMF and World Bank meeting in Prague.

Rich countries of the Group of Seven meeting last year in Cologne, **Germany**, overhauled and simplified HIPC debt reduction, promising faster and deeper debt relief. They pledged at least 24 HIPC countries would be approved for debt relief by the end of 2000. They also doubled the size of finance available for debt relief to US\$28 billion. But their timetable has slipped badly over the past year. 'At a time of unprecedented prosperity in many industrialised economies, it is unacceptable that the promised debt relief has not been delivered,' Martin told his fellow G7 ministers.

So far, only ten countries have been approved for debt relief: **Benin, Bolivia, Burkina Faso, Honduras, Mali, Mauritania, Mozambique, Tanzania, Senegal** and **Uganda**. As even the 'enhanced HIPC process' was too slow, Martin wanted an immediate debt moratorium to free resources for the poor countries' social priorities and poverty reduction strategies.

Canada is owed about \$1 bn. by HIPC countries. Martin said his proposals would exclude **Congo-Kinshasa, Liberia** and **Sudan**, which Ottawa regards as not committed to the principles of good governance. Other G7 ministers greeted his proposal with a diplomatic silence. 'He said what he had to say,' one G7 spokesman commented tersely. In an oblique reply, **United States** Treasury Secretary **Larry Summers** told the Bank-IMF meeting that it was more important to 'get debt relief right' than to rush it through. By this, he explained that he meant that the savings from debt relief would be used for the maximum social and economic benefit.

Last year's Cologne proposal stipulated that countries wanting to

qualify for debt relief would have to design their own poverty reduction strategy to be approved by the IMF and World Bank. Many HIPC countries facing short term economic and political crises lack the institutional capacity to develop such strategy papers quickly; these governments must also show that the strategy has been discussed with and has the support of civil society. This condition, while regarded as positive in the long run, has resulted in further delays to the debt relief process.

The Fund and the Bank, which are offering to cut about a third of the debt owed to them by HIPC countries, regard Martin's moratorium as impractical. They said there wasn't enough money in the HIPC Trust Fund to finance current pledged levels of debt relief, let alone new open-ended commitments. Western countries' reluctance to finance adequately the HIPC Trust Fund contrasts sharply with their rhetorical positions. Both the USA and **Britain** have pledged to write off 'up to 100 per cent' of debts owed them by eligible HIPC countries. President **Bill Clinton** is a personal enthusiast of debt relief but approval for US contribution to the Trust Fund is currently held up in Congress. Most alarmingly, research by the UK-based agency Oxfam indicates the enhanced HIPC will still leave most of the eligible countries paying more on debt service than they do on education and health. The worst case is **Zambia**, which faces a debt hump in the next two years which will take about 40 per cent of export earnings for debt service. At the Development Committee meeting in Prague, Bank President **Jim Wolfensohn** said Zambia's position would be addressed as a matter of urgency.

Against the backdrop of mass demonstrations in the **Czech** capital, debt campaigners regarded the meeting as failing to break any new ground on debt. All the new proposals - Martin's moratorium, Jubilee 2000's call for a 100 per cent write-off of IMF-World Bank debt and Oxfam's call for a 10 per cent cap on all debt serviced by HIPC eligible countries - were summarily dismissed by the G7. But Prague will not be the end of this tortuous story.

development assistance', the Bank President said in his opening speech as the cobblestones flew outside. The new Chairman of the World Bank's and IMF's Development Committee and **India's** Finance Minister, **Yashwant Sinha**, was more strident, accusing the USA and European Union of double standards: most rich countries use agricultural subsidies and protectionist policies while forcing poor countries to abandon them.

Now the average tariffs levied by industrialised countries on exports from developing countries are four times higher than those levied on other industrialised countries, Sinha said. Industrial countries had formulated many new reasons for blocking developing country exports such as environment, labour and sanitary standards, and treatment of animals, he noted. India, along with **Zimbabwe** and **South Africa**, has strongly opposed the World Trade Organisation's proposed Multilateral Agreement on Investment, which imposes trade penalties on countries which appear to discriminate in favour of specific investors. Oxfam's economic analyst, **Kevin Watkins**, estimates that for each American dollar received by poor countries in development aid, they lose \$14 because of trade barriers on their exports to rich countries.

Faced with such barriers and continuing weak prices for many agricultural commodities, most African ministers are making trade strategy top priority. Africa's loss of market share since the Independence years in the 1960s has been catastrophic: it has lost an average of \$70 bn. a year in market share over the past 30 years - a figure which has hardly been offset by the rise and fall in foreign aid to African states in that period. African exporters have made a

major impact in just one new area: oil and gas. Although South and East Asian states have seen the terms of trade move against them, they have been able to adjust to the losses, attract investment to new industries, improve skills and training, and diversify into new areas.

There are still far too few Africans breaking through those barriers. So Africa's share of world trade has slipped from over 3 per cent 30 years ago to just over 2 per cent today. Now with the East Asian recovery and strong growth holding up in the Western economies, Africa's growth prospects are slipping down the league again, reflecting its trading weaknesses. This year, the IMF projects African economies will grow at 3.5 per cent, rising to 4.5 per cent next year. Three of the biggest economies - **Algeria, Nigeria** and **South Africa** - are projected to grow between 3.5 per cent and 4 per cent. **Egypt's** is projected to maintain strong growth at 5 per cent.

Of the rest, **Cameroon, Ghana, Mozambique, Tanzania** and **Uganda** are projected to maintain growth rates of over 5 per cent while the economies of **Congo-Kinshasa, Côte d'Ivoire, Ethiopia, Eritrea, Kenya, Morocco** and **Zimbabwe** are projected to stagnate or decline. This dents the prospects for most African economies over the next five years. The Bank and IMF estimate that African economies will have to grow at 5 per cent a year just to stop the number of people in poverty from increasing. To meet the United Nations' target of halving poverty in Africa by 2015, its economies would have to grow on average by 7 per cent a year for the next 14 years. Average income per head in Africa is now lower than it was

at the end of the 1960s. The short term prospects for recovery look grim if to the above is added the highest rate of population increase in the world (2.7 per cent), the high ratio of dependents to workers and the scourge of HIV/AIDS, which has infected some 24 million people in Africa and is reckoned to cut economic growth in a country by half a per cent a year on average.

It is a measure of Africa's economic malaise that the Bank and Fund release such statistics and accompanying gloomy analysis. Similarly, their recently found enthusiasm for cooperating with UN Agencies, the African Development Bank and others indicates their perception of the depth of the crisis. Equally, it is clear that as the biggest financial institution lending to Africa, the World Bank is going to eclipse both the IMF, under its new **German** Managing Director **Horst Köhler**, and the cash-strapped ADB.

After five years of sometimes dizzying change, there are still big questions about the Bank's strategies in Africa. Yet at least it is more prepared to take criticism than at any stage since its foundation. More than any past President, Wolfensohn has opened up the Bank and attacked its culture of secrecy and has consulted civil society groups. After his first hectic five years and the attendant casualties, Wolfensohn says he will consolidate and concentrate on implementation in his final term.

Critics to the left, critics to the right

Almost all of his initiatives at the much reorganised and reformed Bank have proved controversial. Critics from the left accuse him of carving out a market niche for the Bank and abandoning its traditional financing role as the institution's relevance is threatened by global economic change: much of what it used to lend for is now financed by private capital. Critics on the right say the Bank is trying to do far too much and thus doing it badly: they see no reason why it should lend to middle-income countries capable of raising finance in the market. The NGOs and activist groups, for years excluded from Bank decision-making, now play an increasingly important role in both its offices in the USA and Europe and, more significantly, in its operations in Africa and other developing regions. However, that opening-up quickly hit political limits: 'At the end of the day, we lend to governments, not to NGOs', Wolfensohn said and it is governments which must take the final policy decisions.

For many NGOs, Wolfensohn has turned the Bank into a development supermarket: it offers greater access to outsiders but uses its greater credibility to get its way politically in policy debates and on day-to-day issues. The Knowledge Bank initiative, one of his first innovations back in 1995, is now under fire for its plans to create an all-embracing \$60 mn. internet information service about poverty and development in which all governmental organisations and NGOs would be invited to take space. Critics, such as the British-based Bretton Woods project, fear that the Bank will exert tight editorial control while marginalising those who don't participate.

Wolfensohn's anti-corruption campaign has been caught between those clinging to the shreds of official sovereignty - the cancellation of a Bank-funded water project in Ghana last year for example - and those frustrated by the continuing reluctance of Bank officials to identify and act against corrupt officials. Others accuse the Bank of being highly selective on corruption: why did it get tough in Ghana but led moves to resume multilateral lending to Kenya, where the government has a longer and worse record of graft than President **Jerry Rawlings'** regime? Still others suspect special pleading on behalf of some corrupt officials in the Bank's own

ranks.

Yet a decade ago, most Bank officials had taken vows of silence on the 'C word', fearful of annoying lending governments or their own managerial hierarchy. Now the Bank puts out anti-corruption handbooks and works closely with lobbies such as the Berlin-based Transparency International. Many Bank staff are far more willing to point out corruption publicly; Bank letters commenting on it to government departments are now reprinted in local newspapers.

In policy terms, the most significant Wolfensohn reform is the Comprehensive Development Framework. In theory, this puts the onus on the borrowing governments to draw up their own reform and anti-poverty policies and pick what credits and technical assistance they need from the Bank, the IMF and the UN system - instead of all the multilateral and bilateral agencies besieging individual governments with parallel or overlapping proposals.

So far, though, the policy is only at pilot stage. Fierce debate rages over the extent to which it gives governments more control over their national development strategy or merely encourages them to mould their policies to suit Bank priorities. What is beyond doubt is that the reformed World Bank has reopened the debate about poverty and development in Africa to an unprecedented extent. The central question remains whether its new strategy is going to improve the latest grim statistics on Africa's economic health.

CÔTE D'IVOIRE

Gueï goes it alone

The army and the OAU are both at odds with the General

The head of the military junta, General **Robert Gueï**, says the generals who ranked second and third in his regime tried to have him murdered. And when seven heads of state of the Organisation of African Unity offered to help him out of his difficulties, Gueï's aides made it clear that the OAU was wasting its breath.

On 18 September, an attack was made on Gueï's Abidjan home. Nobody claimed responsibility for it; two of Gueï's defenders were killed but the attackers suffered no casualties. Several soldiers of the Presidential Guard were promptly arrested. Four days later, Generals **Lassana Palenfo** and **Abdoulaye Coulibaly** were dismissed from the government. Palenfo, the Minister of Security, ranked number two in the military junta headed by Gueï since his successful coup last December (AC Vol 41 No 15). Coulibaly was Transport Minister and ranked number three. Both are northerners and Muslims, regarded as close to Gueï's arch (but not only) rival at the presidential poll due on 22 October - the northern, Muslim **Alassane Dramane Ouattara** (ADO), leader of the *Rassemblement des Républicains*.

On 22 September, the government changes were described as a 'technical' reshuffle. On 25 September, an official communique on state television announced that the two sacked generals had been behind the attempt to murder Gueï, had fled and were wanted. (Palenfo, as Chairman of the national Olympic Committee was in **Australia** at the time.)

The OAU was meanwhile trying to do its best. Its leaders were already worrying about the October election. Côte d'Ivoire's new constitution, prepared by Gueï's people and approved by referendum in July, was carefully drafted to make Alassane Ouattara, his main

rival, ineligible. A clause specifies that presidential candidates must have been born to a father and a mother of Ivorian origin and must never have claimed any other national status (AC Vol 41 No 13). Under this rule, Ouattara's position is doubtful.

The Supreme Court, headed by Gueï's former legal advisor, **Tia Koné**, is due within a few days - at latest by 7 October - to declare which of Gueï's 17 would-be opponents is eligible to stand. The court could, moreover, find arguments for ruling out the candidates of the two other main parties. The *Parti Démocratique de la Côte d'Ivoire* - formerly the ruling single party - backs **Emile-Constant Bombet**, President **Henri Konan Bédié**'s Interior Minister until Gueï's coup; he could be disqualified because he stands accused of embezzlement. **Laurent Gbagbo** of the *Front Populaire Ivoirien* (FPI) had not resigned from public office six months before the vote, as the constitution requires.

If the three main politician candidates were excluded, the presidential poll would be transformed into a plebiscite for Gueï, with a few minor actors to add verisimilitude. Such a farce would, to put it mildly, disappoint the main donors on whose goodwill the economy greatly depends and many of whose senior officials know and respect Ouattara, from his time as a Deputy Managing Director of the International Monetary Fund. The European Union would be particularly offended, since it has offered to pay 60 per cent of the cost of the election, provided it is transparent and democratic.

Wrecking the election would have even more dangerous effects throughout West Africa. Gueï's increasingly frantic electoral ploys have included verbal attacks on the communities that make up the nation's huge foreign workforce, especially on those from **Burkina Faso**, the country whose nationality Ouattara has held. Regional tension was the OAU's main concern and the reason why its Group of Ten (**Algeria, South Africa, Nigeria, Togo, Mali, Senegal, Burkina, Ghana, Gabon, Djibouti**) called a summit meeting in Lomé on 24 September, inviting Gueï to attend. He refused and sent his Prime Minister, **Seydou Elimane Diarra**. Disappointed, seven OAU leaders decided to go themselves to Abidjan, to talk to Gueï and the leaders of the three main parties. Seven heads of state, including the heavyweights **Thabo Mbeki, Olusegun Obasanjo, Abdelaziz Bouteflika** and **Abdoulaye Wade**, arrived in Abidjan on 24 September while the affair of the sacked generals was at its height. Gueï received them, replied noncommittally to their questions and had his officials make clear that he would pay no attention to their concerns.

The OAU statesmen had suggested that a transitional council should be established, including representatives of all political tendencies, and that the presidential election should be postponed until after parliamentary elections. The political parties said they would think about it; Gueï's Communications Minister, Commandant **Henri-César Sama**, said the proposals were 'in contradiction of everything the junta has done' and representatives of various bodies were given the chance, on state television, to denounce the OAU's 'interference'.

Gueï seems to be digging in for a fight and picking his defenders. The new Security Minister, replacing Palenfo, is a *Gendarmerie* general, **Augustin Assaud Akawa**, and Transport went to another general, **Mathias Doué**, previously Youth and Sport Minister; coup veteran Doué also gained the title of Minister of State, which places him second in the ministerial pecking order, after the Premier. Justice Minister **Essy N'Gatta** was replaced by Colonel **Pascal Konan Yao**, hitherto one of the two members of Gueï's military National Committee of Public Safety who held no ministerial office (the sole non-minister now is Lieutenant **Boka**

Yapi).

Faced with what he called an 'extremely serious crisis' and knowing that the army is largely led and manned by northerners, Gueï has increased the power of the *Gendarmerie*, whose rise began after the army mutiny of 4-5 July. Unflinching support by gendarmes then saved Gueï's life; Col. **Georges Déon**, who led Gueï's saviours, has been growing in influence ever since.

The former head of presidential security, Cdt. **Oulata Gaudi**, brought home from exile in **Britain** just after Gueï's successful coup last December, tried for several months to gain influence over the July mutineers, led by Col. **Ibrahim Coulibaly**. But he had formerly been a member of Ouattara's bodyguard and in early September, he was sent off to work in the country's Embassy in Ottawa, **Canada**. To strengthen his security precautions and reorganise the armed services after the attempt on his life, Gueï has now called in Gen. **Jeannou Lacaze**, who was formerly Chief of Staff of the **French** army, who arrived three days after the events, accompanied by six men travelling 'privately'. This has caused apparent fury in the French Foreign Ministry and intense speculation elsewhere.

SOUTH AFRICA

Blame for the bombs

The government blames Islamists for a wave of terrorism in Cape Town

In the Cape Town area in the past 27 months, 21 bombings have caused three deaths and injured at least 130 people. In Cape Town itself, a major tourist resort, there have been eight blasts this year. The government has now announced that it knows the culprits: a small Islamist organisation called *Qibla*, and its offshoot People Against Gangsterism (or 'Gangs') and Drugs (PAGAD). The police say they are ready to move in in force. Less predictably, officials from President **Thabo Mbeki** downwards have declared that there is a strong parallel with the situation in **Algeria** and that Pretoria is acting on the Algerian government's advice to deal with Islamic extremism before it gets out of hand.

Not everyone takes this seriously and insiders say that some security and intelligence chiefs are trying to persuade their masters to change their minds. Firstly, the sceptics question the claim by some police chiefs that they know *Qibla* and PAGAD are behind the urban terrorism (AC Vol 39 No 15). They suggest that the underworld of Western Cape Province, said to number 170,000, is more complex than appears on the surface and that protection rackets may account for some of the bombs. A PAGAD spokesperson took listeners aback by saying that of 728 incidents involving pipe-bombings, drive-by shootings and arson in 1998, 'only 200' were linked to PAGAD.

The sceptics worry that a head-on confrontation with *Qibla* and PAGAD could internationalise what is still local terrorism, by mobilising pro-*Qibla*/PAGAD groups in Islamic countries. One security chief says that 'Islamic politics is a hornet's nest we should keep our heads well out of'. Other officers say that targeting PAGAD might alienate Cape Town's Muslim community: this would presumably depend on how the authorities handled the issue, since most Muslims are unlikely to support such a minority group. Others fear tackling PAGAD would give it undeserved lustre among young men who seek a cause and a fight.

The apartheid regime had infiltrated PAGAD, as it infiltrated all organisations it perceived as subversive. However, **Steve Tshwete**, the new Safety and Security Minister, says PAGAD now operates on a small cell system and informants are scarce. (The Institute for Security Studies in Pretoria adds that the various law-enforcement agencies compete rather than cooperate.) Yet Justice Minister **Penuel Maduna** is adamant that *Qibla* is the core of the G-Force (PAGAD's security wing, said to have 100 members) and the G-Force is at the core of PAGAD. Maduna's spokesperson added that a delegation representing Justice, the Office of Public Prosecutions and the police recently left for Algeria, to look at how its government has dealt with an eight-year terrorist war, in which 150,000 people have died (according to official figures): 'We believe that SA could benefit from Algeria's experience'. Officials may know a great deal about PAGAD but they also acknowledge the usual problem in such cases: a shortage of evidence which will stand up in court.

Mbeki underscored the Algerian link. He agreed that PAGAD had captured some public popularity by crusading against crime: a public relations masterpiece, although police say many PAGAD leaders are gangsters and drug-barons. Then he pointed out that Algeria's terror campaign had started slowly, until it threatened to engulf the entire state. 'The Algerians have been insistent, in their advice to us, that we must take the situation seriously', he said. 'It is clear that in the Western Cape, we are faced with a group of people who do not accept the democratic order. They therefore are intent on ensuring that democratic order is at least destabilised. We have to respond to this. We will do whatever needs to be done to make sure the resources are found'.

North African links

Pretoria's present Ambassador to Algiers, **Moe Shaik**, is an able former African National Congress and government intelligence agent, who was transferred to the Department of Foreign Affairs and spent a year in **Germany**. He is making a special study of Algeria's Islamist insurgency and has nudged along the increasingly warm relationship that has developed between Mbeki and his Algerian counterpart, **Abdelaziz Bouteflika**. Mbeki, as chairperson of both the Commonwealth and the Non-Aligned Movement, has been at several international gatherings with Bouteflika, who chairs the Organisation of African Unity. At the latest 'G8' meeting of 'Northern' countries in Tokyo, they acted as spokespeople for the 'South'.

Accompanied by, among others, his defence and security chiefs, Mbeki visited Algeria on 22 September and spent the weekend at a meeting of the two countries' Joint Commission, designed to promote economic, political and other relations.

The turning point was the assassination this month of **Pieter Theron**, a white magistrate who was trying a PAGAD-related case, in a drive-by shooting outside his Cape Town home. Minister of Correctional Services **Ben Skosana** says an inquiry is being conducted into press reports that the murder was planned from the city's Pollsmoor Prison. Fourteen PAGAD members awaiting trial there have now been dispersed to other gaols. Mbeki accompanied Tshwete and Maduna to Theron's funeral.

The two ministers insist that *Qibla* and PAGAD are the culprits. Tshwete emphasises that 42 PAGAD members have been convicted on charges of urban violence and that a further 78 related cases are before the courts (although not a single bomber has yet been convicted). Three men said to be top PAGAD enforcers are awaiting trial on 124 charges and at least three witnesses against

them have been killed. Western Cape Premier **Gerald Morkel** had a narrow escape this month when a bomb exploded outside a building where he was to perform an opening ceremony.

Classically, PAGAD is playing the 'we speak for Muslims card' though it is doubtful how many of the 600,000 or so Muslim South Africans (half of them in the Western Cape) would agree. PAGAD claims 'nationwide structures' and says it has asked *moulanas* at mosques to inform congregations about pending anti-terrorism legislation and has invited local Muslim radio stations to spread awareness and build 'mass opposition' to the proposed laws.

Tailed by Scorpions

Tshwete says PAGAD intimidates conservative Muslims and claims it has not yet managed to make effective bombs from farm fertilisers, so that its devices fail to detonate properly. A recent bomb was made with ammonium nitrate. The police are getting help from the **United States** Federal Bureau of Investigation. **British** police officers (made expert by their experiences of terrorism in Northern Ireland, where fighters also run drugs rackets), are helping to train the elite 'Scorpions'. The head of the Scorpions' operations section is headed by **Pete Richter**, a one-time ANC intelligence operative who, until recently, was Deputy Director General of the National Intelligence Agency (NIA). The Scorpions are chasing the bombers, along with everybody else in SA's security and intelligence world - the NIA, the Defence Intelligence section (mainly special forces from the army's reconnaissance commandos) and the police Criminal Intelligence Department.

Tshwete blames PAGAD for all the Cape Town bombings over the past 27 months. 'Security data at our disposal indicates there is only one direction from which the bombs came and that is PAGAD. Our friends in Algeria have instructed us that if we are not taking a bold stand, we might soon be facing a similar situation to them. That is how it started there'.

Tshwete and other government strategists think they perceive the unmistakable trademarks of Islamic extremism: the description of some government policies, such as enabling abortion and pushing equality for gay people, as 'satanic'; the destabilising effect of bombings, which would be of no interest to protection and other gangs; the martyr-like readiness to match every state move with a counter-move; slogans such as 'One Prosecutor, One Bullet'. Targets have included police stations, a court, a synagogue, gay bars, restaurants, the airport and a city street. Tshwete says anyone with a US association can be a target; a bomb killed two people and injured 25 at Planet Hollywood, an American-owned restaurant popular with, among others, young Jews. Many bombings have been in Cape Town's historically white areas.

Shadow of the past

The statutory SA Law Commission, headed by the Chief Justice, has proposed new legislation, which is now open for comment. It proposes 14-day detention without trial for anyone suspected of harbouring information about bombers. There is as yet no proposal to ban individuals, as the apartheid regime did, but human rights activists say draconian legislation could lead back, step by step, to the old official terror methods. The deadline for submissions on the draft legislation was 29 September. PAGAD said it would make no proposals and postponed its national conference, due to be held in KwaZulu/Natal this month, because its leaders are under surveillance and want to remain at their posts as the situation develops.

Police and intelligence sources say *Qibla*, a shadowy Cape

Town-based Islamist group headed by **Achmat Cassiem** - an unsmiling, assertively religious man - first went public in the early 1980s, aligning itself with the Pan Africanist Congress (PAC), the smaller of the rival liberation movements but formally accredited by the OAU. This link might have improved access by the (almost exclusively black) PAC to the mixed-race Cape Town community but nothing came of that and Cassiem was gaoled for a period in Robben Island prison.

Intelligence sources claim that *Qibla* developed links with *Hizbollah*, the **Iranian**-backed Islamist organisation in **Lebanon**, through which it received some money and training in insurgency. The apartheid government's National Intelligence Service penetrated *Qibla* fairly effectively. When the ANC came to power in 1994, *Qibla* shifted its focus onto the frustrations of Muslim and other coloured residents of the Cape Flats on the eastern edge of Cape Town, where inept and often corrupt local police failed to do much about gangsterism and other organised crime. PAGAD, whose mission was to deal lawlessly with the drug-dealers whom the law did not touch, was launched largely at *Qibla*'s initiative in the mid-1990s. It won immediate and substantial support among middle-class, educated coloureds, particularly among Muslims with their high social discipline. *Qibla* had tapped into a rich vein of anger and was well placed to exploit it. Its striking capacity was in the G-Force, thought to have been led at first by **Ebrahim Jeneker**, a middle-class, mixed-race family man, now in gaol. Its achievements included the gruesome televised mob killing and public burning of a Cape gangster (and Muslim), **Rashaad Staggie**, on 4 August, 1996.

As PAGAD took the fight to the gangsters, its reputation and its membership grew. So did its bravado. During UK Prime Minister **Tony Blair**'s visit to SA last year PAGAD's Chief of National Security, **Sallie Abader**, publicly threatened to make Western Cape Province ungovernable. Several prominent PAGAD G-Force members are in gaol for attacks on gangsters. They include **Dawood Osman**, convicted on four murder and two attempted murder charges for a shootout with gangsters at Cape Town's Waterfront, and **Nasieg Petersen**, convicted on seven charges of attempted murder, following an attack on a drug dealer's house. Jeneker, allegedly the head of G-Force, faces 124 charges, including the murder of a police captain, **Bennie Lategan**, who had been investigating PAGAD-related cases. No PAGAD member has been convicted of the 22 recent bombings.

ZIMBABWE

Union is strength

A dilemma for the trades unions' new party: to represent the electors or the workers?

The Movement for Democratic Change, offspring of the Zimbabwe Congress of Trade Unions, amazed everybody by winning 57 of the 120 seats contested at the parliamentary elections in June (AC Vol 41 Nos 14 & 15). Now the union federation must choose whether to have its own policies or become an appendage of the political movement which it helped to create. At the same time, the ZCTU's leaders must choose to be either national politicians or workers' advocates. All this will be fought out at the union congress due in late October.

Most informed observers reckon that the MDC's supporters were

simply voting for change, both in the political system and in President **Robert Mugabe**'s Zimbabwe African National Union-Patriotic Front. Yet the MDC rode to victory on the back of the ZCTU, under its Secretary General, **Morgan Tsvangirai**, and President, **Gibson Sibanda**. Sibanda is now an MDC member of parliament and its deputy President, while MDC President Tsvangirai, who failed to be elected after a recount, has appealed to the courts to order a rerun of the vote. Tsvangirai and Sibanda have given up their union jobs and want the ZCTU's new executive, to be elected next month, to be pro-MDC.

However, the ZCTU's acting Secretary General, **Isidore Zindoga**, wants to keep the two organisations apart. He argues that the ZCTU exists to defend the workers' interests, not those of any political party. He insists that parties must compete for the ZCTU's support on issues, not personalities, and reminds trades unionists of the first five years after Independence in 1980, when the ZCTU was an arm of the ruling ZANU-PF and failed to deliver.

Zindoga says that the labour movement backed the MDC to democratise society and create healthy political competition: ZANU had become arrogant and the nation as well as the workers needed good governance and much less corruption. Now that the MDC has established plurality, the ZCTU must stick to its core business of defending the workers and advancing their living standards.

Remember your roots

A dozen of the MDC's 57 new MPs went straight into parliament from jobs in the ZCTU. Some unionists argue that they should continue to serve the workers' interests. The ZCTU's monthly publication, *The Worker*, has printed some telling comments from readers: 'They should know first and foremost that they are in Parliament because of the workers. They can be out if the workers deem that necessary.' Another said: 'Although the MDC is a broad-based political party with a lot of academics and human rights' advocates, its core leadership comes from the labour movement and we expect them not to forget where they came from'.

Naturally the MDC wants to maintain its links with the ZCTU. Yet Zindoga argues that a broad-based party cannot speak for the workers. For example, he points out, the MDC's chief economic advisor, **Eddie Cross**, is an industrialist who cannot possibly champion the workers' cause. He wants the labour movement to use the parliamentarians who are also trades unionists to push its cause, while remaining independent of the party.

If it formed a government, the MDC might be forced to compromise on policies which the labour movement thinks essential - such as subsidies on transport, education and health, which the International Monetary Fund might want to reduce. The IMF and World Bank might call for cuts in the civil service; the labour movement wants cuts in government spending, involving perhaps the army and the cabinet, but far from wanting to see civil servants fired, it wants more teachers and medical staff.

The ZCTU does not want to see the strategic parastatal companies privatised. That includes the Zimbabwe Electricity Supply Authority, Grain Marketing Board and National Railways of Zimbabwe (but Air Zimbabwe can be privatised, because few workers fly). The Zimbabwe United Passenger Company (Zupco), deregulated but not yet privatised, should again get subsidies, it says, because affordable transport to and from work is a basic need. Zindoga wants the parastatals professionally and transparently managed but argues that competition does not necessarily bring efficiency.

The MDC, though, can argue that its objectives are very close to the ZCTU's. Its manifesto says that in its first five years, it would focus

Changing floors

Union officials now MPs for the Movement for Democratic Change:

- **Gibson Sibanda**, ex-President, Zimbabwe Congress of Trade Unions.
- **Pauline Mpariwa Gwanyanya**, ZCTU ex-National Council member.
- **Tapiwa Mashakada**, former ZCTU economist and General Secretary, National Engineering Employment Council.
- **Esaph Mdlongwa**, ex-National Executive member, Zimbabwe Associated Railworkers' Union.
- **Gilbert Shoko**, Domestic Workers' Union.
- **Thokozani Khupe**, ZARU.
- **Bethel Makwembere**, ZCTU regional officer, Gweru.
- **Tichaona Munyanyi**, Tobacco Industry Workers' Union.
- **Edwin Mushoriwa**, Bankers' Union.
- **Milton Gwetu**, ZCTU regional officer, Bulawayo.
- **Sydney Mukwecheni**, ZARU.
- **Blessing Chebundo**, Chemical Workers.

on restoring economic stability, growth and job creation, 'people-driven' land reform, accountable and open government, fighting corruption and guaranteeing health, education and shelter. It wants investment in human and natural resources, sustainable fiscal and monetary policies, investment and employment growth with income security. It would broaden the tax base and target social intervention and poverty alleviation, with industrialisation policies that add value to raw materials and encourage exports. It would also develop small and medium enterprises, including in the non-formal sectors.

The governing African National Congress in next-door **South Africa** proclaims much the same aims but that does not stop it from quarrelling with its traditional partners in the SA Congress of Trade Unions. The MDC, another broad-based coalition, already faces disagreements within its ranks. Party leader Tsvangirai has clashed with the MP for Highfield, **Munyaradzi Gwisai**, a lawyer, over the land issue. On paper, the policy disagreements are slim but they increase the party's interest in who gets the ZCTU's top posts.

Whispering in the corridors

MDC National Chairman **Isaac Matongo** did not stand for Parliament and is the ZCTU's acting President. As a skilled organiser and political agitator, he would have been favourite to take over Sibanda's job as Chairperson. His poor English would prevent him from representing the organisation, though, especially abroad. Moreover, he is no longer employed and with no union to back him, he does not qualify as a delegate to the congress. **Shangwa Chifamba** and **Enna Chitsa** are also disqualified, Chifamba by poor health and Chitsa by having no job.

The favourite candidate for the ZCTU presidency right now appears to be a former President of the Railway Artisans' Union, **Wellington Chibebe**. Yet candidates are nominated by unions, the size of whose delegations is determined by the size of their memberships; Chibebe's small union has only two of the 160 or so delegates expected this year (assuming that all affiliated unions have paid their dues).

Robson Mangombe of the Textile Workers' Union has eight delegates behind him but his union is in a loose federation with the Clothing Union and with the Leather Union, which Zindoga leads. The three unions together have 19 delegates. **Lovemore Matombo** of the Posts and Telecommunications Union (seven delegates) is said to be a contender. **Kenneth Chipato** of the National Air Workers' Union

is ruled out because, it is said, he is linked to ZANU-PF.

The big contest will be for the secretary general's post. Zindoga says he already does the job and needs only to be endorsed or rejected by the congress. However, many trades unionists think the secretary general, as a full-time employee, must be formally elected by congress. Even if the popular Chibebe is nominated, he will probably also be nominated for the presidency and as the presidential vote comes first, his election would put him out of the running as secretary general.

Other potential secretaries general are **Gift Chimankire** of the Posts and Telecommunications Workers' Union, **Remus Makuwaza** of the Chemical Workers, **Nicholas Mudzengerere** of the Hotel and Catering Workers, **Collen Gwiyo** of the Bank Workers and **Gideon Shoko** of the Railworkers. Zindoga, Chimankire, Makuwaza, Mudzengerere, Chibebe, Chipato and Mangombe are all members of ZCTU's 15-member National Executive Council (as are Matongo, Chifamba and Chitsa).

Insiders say trades unionists would prefer a secretary general who does not hold office in the MDC. Chimankire, otherwise a strong contender, is the party's deputy Secretary General. Makuwaza and Mudzengerere also hold office in the party; like Tsvangirai, they lost in June's elections and are contesting their results.

Zindoga vehemently denies claims that he is aligned with ZANU-PF, saying some MDC leaders formerly had closer links with the ruling party: 'I have devoted my life from 1972 solely to trade union politics. And if anything, I would rather do without this dirty job.' When asked why he considered the secretary general's job so dirty, Zindoga said it involved too much politics and very little nitty gritty union work.

One safe pair of hands in the present executive seems to belong to the Treasurer, **Enock Gwayagwaya**. There will be a lot of lobbying before the union elections, though. The unions that matter are the Commercial Workers' Union (16 delegates), Catering (14), National Engineering (13), Urban and Mining (eleven each) and the Railworkers with ten. It is whispered that the Mining and Urban unions are in arrears, so disqualified from voting unless they pay up - and that both the MDC and ZANU might be willing to fund unions' arrears, if that might sway some voters.

ZANU-PF is desperate to infiltrate the labour movement. The Zimbabwe Federation of Labour, which it tried to facilitate as a rival to the ZCTU, remains largely a one-union, one-person federation, the visible person being **Alfred Makwarimba**, who was head of the ZCTU in the early 1980s, when it was an arm of ZANU-PF.

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Pointers

UK/NIGERIA

Kanu help?

Nwankwo Kanu of Nigeria, the current African Player of the Year who now plys his trade in **Britain** after spells in **Holland** and **Italy**, is telling British newspapers that he is unhappy and playing below par at Arsenal Football Club, the famous Premiership team of North London, because he is lonely.

Kanu (24), who courted controversy when he opted to stay with Arsenal rather than travel to Sydney, **Australia**, to play for Nigeria's Super Eagles in the Olympics, says he wants to bring members of his family over to Britain from his home town, Owerri, but all his efforts have failed. 'This is the first time I've been to a country where your family are not allowed to come over with you,' he told the *Daily Mirror*. 'It's very hard for me. I don't know all the reasons but it's very frustrating because I just want the people I love around me.'

The British High Commission in Nigeria received two visa applications on 13 August 1999 from the lanky (1.97 metre) striker - neither, it seems, made on behalf of his immediate family. Both were refused, with consular officials reportedly uneasy over two young cousins.

The High Commission's harsh visa regime was tightened even further after in 1996 the *Financial Times* revealed fraudulent and corrupt practices in the consular section, amounting to tens of millions of pounds and stretching back to the adoption of the visa system in 1988.

It is unclear what advice Kanu's club has offered him, though Arsenal Vice-Chairman **David Dein** is a former commodities trader with some experience of the often arcane bureaucracy of diplomatic missions in West Africa. After a meeting on 4 April this year with senior officials, including Foreign and Commonwealth Office Minister **Keith Vaz** (niceties not usually available to more conventional failed visa applicants) Kanu, who recently signed a new contract reportedly worth £25,000 (US\$38,000) a week, appears to have concluded further efforts would be fruitless. However, *Africa Confidential* understands that any future visa application he makes to the High Commission will be received 'without prejudice'. In the meantime, a similar application from another Nigerian player is being processed.

The moustachioed goal-hound has overcome setbacks - including cardiac surgery that threatened to end his career four years ago. Gunners fans must be hoping for a change of heart at the Home Office. The unofficial Kanu website (www.kanu.org.uk) is canvassing opinion and preparing a petition to be presented to Home Office Minister **Barbara Roche**.

TANZANIA

Bad timing

A verdict is expected in the notorious treason trial before the parliamentary elections due on 29 October. The case, having aroused an international scandal, is now forcing the courts to decide whether Tanzania is a single nation or merely a sharing of separate sovereignties for the mainland, former Tanganyika, and the islands of Zanzibar.

The 18 defendants have all spent two and a half years in gaol and belong to the mainly Zanzibari opposition Civic United Front; four are MPs, five more are candidates this time. In January, Zanzibar Attorney General **Mohamed Ali Omar** said the trial was 'nothing but politics': he was sacked. Then 45 mainland MPs of the governing Chama Cha Mapinduzi urged Zanzibar's CCM President, **Salmin Amour**, to stop the trial (AC Vol 41 No 5). It continued.

The defence lawyers then pointed out that, whatever the merits of the treason charges, they had been brought under the Zanzibar Penal Decree of the 1950s, when Zanzibar was a nation with its own Sultan. There could be no treason against a state which did not exist, they said. Tanzania's deputy chief Judge, **Garab Tumaka** (a **Nigerian**) rejected that argument.

The three-judge Appeal Court, whose verdict is now expected, called in three expert 'friends of the court'; one, **Jwani Mwaikusa**, said no offence existed; the others disagreed.

The CUF has threatened violence if the appeal fails and extra troops have been sent to the islands. The affair, especially the prolonged detentions, embarrasses President **Ben Mkapa**, who has tried hard to clean up his country. Many of his supporters on the mainland are also ashamed but can't help remembering that the CCM could lose its parliamentary majority without Amour and his Zanzibari CCM MPs. Yet, if political expediency seemed to sway the Appeal Court's decision, it would damage confidence among the foreign investors whom Mkapa wants to attract.

DIAMONDS/ITALY

Dirty laundry

An arms and diamond trader linked to diamond-laundering in **Liberia** (AC Vol 41 No 13) has been gaoled in **Italy** for possession of cocaine. **Leonard Minin**, a **Ukrainian**, was sent down for two years by a court in Monza on 27 September. He had been arrested at three in the morning on 5 August in a hotel room in the company of five prostitutes (from four continents), a large number of diamonds and a quantity of cocaine.

We hear that one of the women had reported him to the police amid claims that she had not been paid for her services earlier in the week. When police raided the room in the Hotel Europa in Cinisello Balsamo near Milan, they did not initially

realise they were dealing with an international gem dealer. Minin, it seems, is a true internationalist. Born in Odessa (in 1947), he has his official residence in Monrovia but likes to live in Tel Aviv, **Israel**. Liberia under President **Charles Taylor** is viewed as perhaps the world centre for laundering 'conflict diamonds' from **Sierra Leone**, **Angola** and even **Congo-Kinshasa**.

When the Italian authorities learned who they were dealing with, the intelligence services rapidly became involved and Minin's trial was held *in camera*, officially so that he could have a quick trial. The story, it seems, may not be over yet.

MALAWI

Naming names

President **Bakili Muluzi** pleads for cancellation of Malawi's US\$2.5 billion international debt. Meanwhile Parliament's Public Accounts Committee has described the embezzlement of millions of government money, naming and holding responsible five ministers (and about a dozen MPs). Ministers are said to have employed their own dubious or even non-existent firms for school buildings, rural hospitals, water boreholes and road works. The opposition is calling for Muluzi's resignation and NGOs, for donors to freeze aid.

The PAC's preliminary report shows the Education Ministry lost \$2.5 million on dubious contracts. The Anti-Corruption Bureau (ACB) has arrested **Sam Safuli**, the Ministry's former Principal Secretary, and six contractors. Before taking action, Muluzi says he is waiting for a final PAC report and findings from the ACB. So is the Director of Public Prosecutions, **Fahad Assani**. Police spokesman **Oliver Soko** said: 'Cabinet ministers are very important persons. They cannot just be arrested like ordinary citizens.' International Monetary Fund Representative **Thomas Gibson** said the IMF hoped the government would 'act on all these cases' or donors would 'wonder whether it's really necessary at all to bring their money to this country knowing it will end up in people's pockets'.

The Chronicle newspaper has printed what it says is a damning report by Safuli; Muluzi has sued the paper for defamation; *The Chronicle* says it will see him in court. The opposition Malawi Congress Party says the President should resign.

The ministers named in the PAC report are **Brown Mpinganjira**, Transport and Public Works Minister, ex-Education Minister, organising secretary of the governing United Democratic Front, close friend of and likely successor to Muluzi; **Cassim Chilumpha**, Education Minister, former Finance Minister, UDF publicity secretary, presidential hopeful (the ACB has arrested a relative of his, **Alice Jeffrey**); **Peter Chupa**, Labour and Vocational Training, formerly Public Works; **Thengo Maloya**, Lands, presidential relative; **Clement Stambuli**, Information, whose company won water-drilling contracts all over Malawi.