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Business associations and growth coalitions in Sub-Saharan Africa

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ABSTRACT

Why are 'growth coalitions' involving business interest groups and governments so rare in Africa? How has democratisation affected the possibilities for growth coalitions? In three cases with varying degrees of democracy – Mauritius, Zambia, and Zimbabwe – we find that hypotheses about growth coalitions that place importance on the organisation of the business sector are generally borne out. Yet even when the business community is organised in an 'ideal' manner, growth coalitions still depend on factors within the state: leadership, ideas, and capacity. Democratisation has a mixed effect. We find that in the case of Zambia, business–state relations did not improve despite a pro-democracy stance by business and the pro-business agenda of the democratic government coming to power in 1991. In Zimbabwe, the erosion of democracy reduced business access to state elites, breaking up a growth coalition that initially showed considerable promise. In Mauritius, the strengthening of democracy has paralleled the deepening of the growth coalition, and both have been reinforced by a strong economy. Our study shows that growth coalitions are possible in Africa; the key lies in determining the conditions under which such coalitions can be sustained in Africa's fragile polities.

INTRODUCTION

In 1968, Albert O. Hirschman (1968: 28) argued that the transition from import-substitution industrialisation to a more competitive export orientation depended on business influence: 'Only a cohesive, vocal,

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and highly influential national bourgeoisie is likely to carry industrialisation beyond relatively safe import-substitution to the risky export-oriented stage.' From another perspective, but with the same emphasis, the literature on the development of capitalism in Africa argued that the transformation of African economies would be stalled until the capitalist class was able to establish a 'class project' centred on 'establishing the general conditions needed for further accumulation to be possible' (Leys 1994: 21).

Both perspectives assume that capitalists/business interests can promote the kinds of growth-oriented policies that lead to economic transformation. However, the early literature on the politics of reform dismissed this idea. Drawing on public choice theories, most argued that business interest groups were dominated by short-term, rent-seeking concerns, or that collective action problems made it difficult or impossible for businesses to act in concert (see Nelson 1989; Bates & Krueger 1993; Williamson 1993). Interest groups were 'divisive and parasitic' (Toye 1992: 185). Losers would organise to resist reforms, while winners would not recognise their good fortune for some time, and thus would be difficult to organise into a pro-reform coalition.

Over the last decade, however, new research on business interest associations (BIAs) in developing countries has again argued that 'good, growth-enhancing relations between business and government elites are possible' (Maxfield & Schneider 1997: 5; see also Lucas 1997). Growth coalitions arise when these relations take the form of active cooperation towards the goal of policies that both parties expect will foster investment and increases in productivity. These 'general conditions' for accumulation are themselves controversial, particularly in the context of Africa's structural adjustment programmes and uncertainty exists even among economists over the right 'recipe' for growth. We recognise this. By 'general conditions' we mean, in particular, macroeconomic balance, a stable (and not overvalued) exchange rate, incentives for exporters and innovators (including rebate systems for imported inputs), modest government deficits and thus low inflation, lower interest rates, etc. Trade liberalisation and privatisation may be part of this package, but there is much less consensus about the growth potential inherent in these reforms.

Much of the research on growth coalitions has focused on Asia, where studies of 'inclusionary institutions' pointed out that business–government relations often facilitated economic transformation (Doner 1992; Laothamatas 1992). Asian governments and their private sector associations were 'embedded' in networks of social relations that provided 'institutionalised channels' for policy negotiation (Evans 1995: 12). This literature suggests that business interests are more likely to push for macroeconomic stabilisation and an export-friendly trade regime when the business class has matured in number and experience and broadened to the point when it represents a sizeable portion of the productive economy; when its associations broadly represent the range of business interests in the country (possibly through a peak association) and have technical capacity, credibility, and a resource base; and when government and business associations have institutionalised regular consultation. The literature also suggests that democratisation should either help business associations express their interests (as part of civil society) or at least, not impede better relations.[1]

Our cases provide evidence that growth coalitions can emerge in Africa; the challenge may lie in sustaining them. We argue in this article that the hypotheses from the literature on the importance of BIA representativeness, capacity, and consultative institutions hold up in Africa. However, even when the business community is organised in an 'ideal' manner, sustaining growth coalitions depends largely on other factors: state leadership, ideology, and capacity, and the actual choice and sequencing of the chosen policies. Furthermore, we find that, as expected, a consolidated democracy (Mauritius) did have more deeply institutionalised and productive consultation with business associations than did the fragile and less 'legitimate' democracies of Zimbabwe and Zambia, where BIAs represented more of a potential threat to state authority than a potential partner. Although democratisation initially may appear to improve business associations' access to state elites, it can actually reduce it, as in Zambia. In Zimbabwe, democratic back-sliding helped erode business input into economic policy. Finally, we find that new growth coalitions do need winners in order to be sustained. Winners emerged in Mauritius, but continued economic crisis in Zambia and Zimbabwe produced few winners, and those that did benefit were politically marginal and unable to rally support for better policies. While this is not the focus of our research, one problem may lie in the particular package of policies that is being promoted in Africa, its sequencing, and its impact on business, compared with the kinds of policies that underpinned growth coalitions in Asia.

RESEARCH ON GOVERNMENT, BUSINESS ASSOCIATIONS, AND POLICY

Much of the new research on business–state relations in developing countries points to the organisation of the business sector as an important factor in building 'growth coalitions'. Three characteristics of business interest associations seem to be important: the capacity of groups to credibly engage the state in technical policy discussions; the size, composition, and resources of the group; and their access to selective, non-public benefits that are linked to performance. When state capacity is matched by equal capacity in the private sector, 'greater mutual confidence and respect', and thus trust, are likely results (Thorpe 1997: 6). Capacity gives BIAs credibility in negotiating with government over economic policies; organisational and political resources are important both for reaching consensus among the membership, and for lobbying the highest levels of government (Skålnes 1995). The more representative an association is, encompassing a wide range of businesses, the more likely it is to support policies that are generally good for economic stability and growth rather than narrower, rent-seeking goals (Maxfield & Schneider 1997: 21; see also Olson 1982: 48–52). Use of selective and non-public benefits also may make it easier for groups to engage in collective action (Olson 1965). Linking those benefits to performance avoids the potential they provide for simple rent-seeking. For example, if an association is given the right to broker export quotas among its members, association leaders have an incentive to support policies that foster exports, while members have an incentive to fall in line behind their association if they are to gain access to these non-public goods. Or, privileged information on government policy and how it is likely to affect business might be more easily accessed through business association ties with government officials.[2]

The material base of the business class is also likely to affect its ability to join a 'growth coalition'. In general, a business class that traditionally depended on rents and other politically bestowed incomes is likely to resist restructuring more than a class that accumulated wealth through entrepreneurial skill and technical innovations (Leys 1994: 21). Business interests concentrated in export-dependent sectors will have more of an incentive to push a recalcitrant state to support policies that would further their engagement with the global economy (Killick 1998: 75–6). The same may be true in the rare instances in Africa where a local business class has 'exhausted' the easy phase of import substitution and is ready to turn outward. Finally, the literature is mixed on whether or not democracy is a prerequisite for growth coalitions. Although Charles Lindblom (1977) argued that benefits accrue to business classes within democratic contexts, successful cases in East Asia and in Chile were clearly not democratic when their growth coalitions formed (MacIntyre 1994; Silva 1996). Democratisation may spark the emergence of a growth coalition between business actors who are disgruntled with the authoritarian status quo, and opposition politicians (Conaghan 1992).

Several features of Africa's political economy suggest that many countries will find it difficult to develop growth coalitions. Many economies are dominated by mining, petroleum, or other industrial commodity production, others receive more income in foreign aid than in corporate or income taxes. Few governments rely on local manufacturing as their political and social support base, many were founded on statist and/or socialist beliefs, and some remain suspicious of domestic capital as a possible base for opposition.[3] Building a local industrial base takes many decades in the best of circumstances. In Africa, the prolonged economic crisis and the resultant crises of governance have thwarted what might have been the slow but eventual development of an increasingly capable state and a growing business class.

Very few studies have focused directly on business associations in Africa, but those that do exist have generally come to pessimistic conclusions on the potential for growth coalitions. Tangri (1992: 97–112) charted the absence of mechanisms for communication and access that helped perpetuate misgivings and mutual distrust between the government and business in Ghana. Moore and Hamalai (1993) noted that Nigerian business associations actively tried to influence the course of the military government's structural adjustment programme, but were unable to present a unified front. Herbst (1993: 54–5) argued that the business community in Ghana was 'ambivalent' about the exchange rate reforms and, because of weaknesses in resources and organisation, lacked the capacity to persuade the government or lobby for their position. Heilman and Lucas (1997) compared the growth of business associations in Kano, Nigeria and in Tanzania, using a framework that examined the strength and role of business associations as part of a social movement towards capitalism. Their article found little evidence of business associations pressing for broad-based macroeconomic stabilisation, but documented extensive interest in trade protection, targeted interventions, and indigenisation laws.

Heilbrunn's (1997) analysis of women's trading associations in Togo and Benin makes a number of interesting points regarding their political role in the democratisation struggle, but there is almost no evidence of the associations' impact on general economic policy, aside from some targeted concern with taxation and trade restrictions.

Anecdotal evidence suggests that some business associations have been active in trying to press for stabilisation, support for exports, and other growth-friendly policies. Exporters in several African countries lobbied for stabilisation policies in the 1980s (Martin 1991). Rapley (1994) found that the Ivorian Chamber of Industry and private interest groups increased their activism in the 1970s, pushing for policies supporting export-oriented manufacturing. Herbst (1994: 193) noted briefly that in Ghana (and elsewhere) 'business groups began to emerge as strong constituencies for structural adjustment'. A recent World Bank (Devarajan *et al*. 2001) study suggested that the Uganda Manufacturers Association was closely involved in the broad set of reforms undertaken there, while exporters represented in Kenya's Export Promotion Council (established in 1992) have new access to export policy debates (Devarajan *et al*. 2001). Finally, Zimbabwe, the subject of several detailed examinations of business associations, also reveals an important role for BIAs. Skålnes (1995: 145), for example, judged the government-interest group cooperation embedded in Zimbabwe's tripartite (labour, business, government) negotiating forum as 'essential to the success of economic reform' (see also Jenkins 1997: 575–602).

In the case studies below, we show that the situation is more complex than the existing literature suggests. We have selected three countries with varying degrees of 'democracy'. The possibilities for growth coalitions have been decidedly different in each, but we argue that the reasons for this do not fall neatly into a pattern of 'more democracy, better growth coalitions'. In Mauritius, a strong growth coalition exists, and this situation has endured for several decades, helping to underpin the status of Mauritius as the 'tiger of the Indian Ocean'. In the Zambian case, the weakness of the private sector *vis-à-vis* the state bureaucracy, and the fact that the reforms did not provide new 'winners', has meant that a growth coalition could not be sustained. The private sector has remained a small part of the productive economy in Zambia, which limits the lobbying effectiveness of business. Recent years have seen the virtual collapse of both the economy and the close relations between government and business. A similar scenario obtains in Zimbabwe. Yet Zimbabwe presents an interesting third case because the business community had achieved measurable influence with the present government, successfully contributing to the adoption of liberalisation in the early 1990s. However, previously close business–state relations have been undermined by economic collapse, racial disparities in business ownership (both real and imagined), and the adoption of an anti-market populism by a Mugabe regime desperate to cling to power. Democracy may, or may not, be necessary, but it is clearly not sufficient to promote a growth coalition oriented towards better economic performance.

BUSINESS AND GOVERNMENT IN MAURITIUS

Mauritians involved on both sides of the business–government divide attribute some of the country's success to their dense network of good relations. At independence in 1968, Mauritius was a monocrop economy with British parliamentary institutions and considerable cultural pluralism. Dependent on sugar exports for 88 per cent of its foreign exchange, the government realised that the country was too small to support much import substitution industrialisation. Mauritius established export-processing zones (EPZs) in 1971 to promote employment and diversification, while maintaining protection for industries producing for the domestic market. The leadership in Mauritius was probably the first in Sub-Saharan Africa to become convinced of the necessity of reform, after the oil price shocks and high interest rates of the mid and late 1970s. A successful series of stabilisation and structural adjustment policies in the early and mid 1980s paved the way for the country's strong growth towards the end of that decade and through the 1990s. Free education, health care, and a universal old-age pension help the population adjust to the pressures of globalisation, while elections and regular party turnover help manage conflict.

Business in Mauritius has been well organised for a long time. The oldest business associations are the Mauritius Chamber of Commerce and Industry (MCCI), founded in 1850 to organise the country's trading interests and – until the establishment in 1995 of the Association of Mauritius Manufacturers – its import-substitution industrialists, and the Mauritius Chamber of Agriculture, founded in 1853 to represent the large-scale sugar plantations and mills. Both enjoyed considerable influence in the colonial government. There was no separate manufacturers' association until free zone exporters ('winners' from the new emphasis on manufactured exports) established the

Mauritius Export Processing Zone Association (MEPZA), in 1976, five years after the establishment of the free zone. The entire business sector is represented in consultations with government through the Joint Economic Council (JEC), formed in the late 1960s, whose members are the directors of the major business associations. Over the years the JEC has become institutionalised as a strong and legitimate 'peak' association for business in Mauritius, an encompassing group that represents all the major sectors and works out broadly agreeable positions on economic policy.

Beginning in 1970, public–private sector meetings started to become institutionalised at a very high level. According to the JEC, 'there is an unwritten law that the JEC meets the government twice a year, in December and in August'.[4] These consultations expanded dramatically at the time Mauritius seriously began a prolonged period of structural adjustment after the 1982 elections. Although the new government (as usual, a coalition) selected Paul Bérenger, a former radical Marxist, as finance minister, the Chamber reported that Bérenger's commitment to consultation with civil society meant that relations with the new government were much closer than they had expected:

> The Chamber is represented on numerous joint-sector committees. It is thus in a position to contribute to the orientation of public policies while its officials remain in constant touch with their public sector colleagues. In fact, since the new political set-up, the Chamber has always been consulted in advance of the introduction of new legislation. (MCCI 1982: 5)

These trends continued, with most business associations surveyed in 1999 stating that they continued to be consulted in advance of most changes in rules or policies affecting their members.

During the adjustment period (1979–87), the MCCI strongly supported a 'liberal' policy environment, despite the fact that many of its members were import substitution industrialists. When at the end of this period the government seemed a bit less committed to liberalisation, the Chamber pointed out the importance of maintaining 'liberalisation of trade and the progressive dismantling of unnecessary economic controls ... As for our Chamber, we shall, more than ever before, advocate and preach liberalism as the only path towards progress and maturity' (MCCI 1988: 15). The Chamber was able to take this position because the import substitution industrialisation (ISI) sector remained fairly small and concentrated in food processing, furniture, and other basic consumer goods, and because there were many domestic price controls that kept local prices repressed. Removing price controls generally benefited both importers and local producers, and was thus easy to agree upon. Liberalisation for some imported goods was more contentious, but very gradual, and at the same time, the unevenness of the tariff structure showed that many local industries were able to maintain protection and sometimes even increase it.[5] The thrust of the reforms was to create a stable, export-oriented economy, still characterised by many interventions (food subsidies, price controls, tariffs, and directed credit) but friendly to investment and accumulation. Liberalisation happened only very gradually, and with conscious trade-offs.

Collaboration and consultation continue to be part of the character of policy-making in Mauritius, while democracy has strengthened through seven elections and several party turnovers. This collaboration is clearly based on credibility and trust that have built up over many years, partly through joint membership in numerous trade delegations and negotiations. Some also comes from being members of the same network: the head of the JEC and the deputy head of the MCCI are both former technocrats from the Ministry of Economic Development. The head of the JEC and the deputy head of the MCCI used to work together in the Ministry of Economic Development. These relationships help to build trust, but trust also depends on capacity.

In its 1969 annual report, the MCCI (1969: 4) noted that 'our advice is often sought … we always try to demonstrate our competence and our objectivity'. The Chamber, with thirteen university graduates on its staff, has used its professional economists to submit credible proposals on monetary and fiscal policy to the government during the drafting of the budget for at least the past twenty years (MCCI 1982). JEC director Makoond described the trend towards greater capacity building in the JEC and the business associations as led by the development of capacity in the public sector:

> The private sector wanted to become more professional because of their involvement in technical discussions about macroeconomic management [during the adjustment period]. They also had to become more transparent. The government was getting technocrats; the organised private sector needed them too. This better, more technical approach to government–private sector relations is also part of Mauritius's integration with the rest of the world. It was becoming clearer and clearer that promotion of sectors wasn't enough and we needed more input into broad strategic policy. We saw this when we were involved in the negotiations over GATT. This pushed technical people to the foreground.[6]

The same incentives were operating in the Mauritius Employers Federation, whose director commented that during the 1980s, 'The public sector became professional; the private sector became professional. We kept up.'[7]

The head of the Association of Mauritius Manufacturers (representing ISI firms) argued that the fact that business organisations contain multiple interests is important, particularly because it ensures positions that benefit the economy broadly, and not special interests: 'when the organised private sector encompasses the main interests, like the JEC, their positions need to be moderate, reasonable, palatable and sellable'. But he emphasised that representativeness has to be seen in the context of the high degree of organisation and cohesion in the private sector: 'The business organisations can enforce a position from their members. They carry a mandate from their members. Raj Makoond [the JEC director] doesn't speak on things that he doesn't have a mandate on. Some people still go personally to the ministers, but *this has changed*.'[8]

The JEC's (1999) top three priorities in a memo prepared for consultations on the government's 1999 budget were '(1) ensure a stable macro economic environment; (2) foster greater fiscal discipline and restore financial health; and (3) integrate all sectors of the economy in order to reduce distortions and improve efficiency of investment'. These goals mean that some in the business community will lose the advantages that segmented incentives afford, but that the overall health of the business environment will be strengthened. Many firms in Mauritius have multiple business interests: sugar exporters may also own hotels and local bottling plants. These multiple interests create a demand for overall macroeconomic stability combined with policies that do not discriminate against exports. Policies like this promote growth, and the organised business community in Mauritius is solidly behind them, and able to effectively promote its views to a government that takes careful note. How does thirty-five years of a lively democracy fit into this picture? Democracy provides the framework that legitimises consultation; it also requires that business concerns not dominate the policy process exclusively. Labour and other interest groups also have a vote, and a voice. Change probably comes more gradually because of the requirements of multiple constituencies. This means that growth coalitions are tempered by redistribution coalitions; the ultimate policy results are likely to be more credible and more sustainable, for having to pass democratic muster.

BUSINESS–GOVERNMENT RELATIONS IN ZAMBIA

From independence in 1964 to 1991 Zambia was ruled by one party, the United National Independence Party (UNIP). Based on revenues from the copper industry, Zambia embraced large-scale capital intensive import industrialisation (ISI) and by 1970 all major economic activities were nationalised.[9] Low copper prices after 1975 crushed government revenues and led to a huge foreign debt. After two decades of economic decline, and a series of abortive structural adjustment programmes, Zambia returned to multiparty rule in 1991. The Movement for Multiparty Democracy (MMD), a coalition of trade unions and business interests, promised to completely revamp the state-controlled economy and won an overwhelming electoral victory. The 1991 elections provided the basis for a growth coalition between re-energised Zambian business associations and the MMD government. But the anticipated partnership between business and government proved still-born for two main reasons. First, after a few years, the initial business support for the economic reforms waned. The deteriorating economic conditions – caused by both poor implementation and poor sequencing of the economic reform programme – affected the manufacturing industry particularly harshly. Second, the inconsistent implementation of the economic reforms from 1993/94 onwards indicated that the MMD government, like its predecessor, lacked autonomy from powerful vested interests in the state bureaucracy. In Zambia, the weakness of the private sector *vis-à-vis* the state bureaucracy, and the fact that the reforms did not provide 'new winners', meant that the nascent growth coalition could not be sustained. As in Hirschman's (1968) analysis of Latin America, the absence of a cohesive, vocal and influential bourgeoisie in Zambia has meant that business has lacked the capacity to lobby for consistent economic policy reform. Despite the new government's strong mandate to reverse economic decline, the economy continued to slide throughout the 1990s, and Zambia's economic reform process continued to be driven and formulated by demands from the international donor community.

The chamber movement in Zambia dates back to colonial times. However, it is only in the last decade that black Zambian businesses have been in the majority in the main associations. The first Chamber of Commerce in Zambia, the Lusaka Chamber, was founded in 1933, much later than in Mauritius. Other chambers formed in various industrial and commercial centres in the country, until in 1938 when the Associated Chambers of Commerce and Industry (ASCOM) was established as an umbrella organisation to coordinate activities between the local chambers. ASCOM changed its name several times as its mission expanded, and in 1992 became the Zambia Association of Chambers of Commerce and Industry (ZACCI). ZACCI and the Zambia Association of Manufacturers (ZAM, founded in the mid-1980s), together with the Zambian National Farmers Union (ZNFU, until 1991 the Commercial Farmers Bureau) have since the early 1990s been the main business associations in Zambia.

Although Zambia was not a democracy, business interests were granted some real influence in the former one-party regime. Due to the limited opportunities for Africans to enter into enterprise under the colonial administration, a Zambian entrepreneurial class was created with the support of the state in the postcolonial period (Baylies & Szeftel 1982: 187–213). Zambian businessmen became beneficiaries of state intervention and investments. The relationship between the state and business interests was largely based on individual connections and networks; businessmen remained UNIP members because it was easier to use party ties to circumvent rules than to change the system. As a result of the state's dominant position in the Zambian economy, however, economic interest groups had limited scope for capacity building and little direct influence on policy.

With the political transition in 1991, the relationship between business and government changed. In the first years after the 1991 elections, formal meetings between government and ZACCI (and ZAM) were scheduled throughout the year. This included bi-monthly 'dialogue' meetings with the Ministry of Commerce, Trade and Industry and quarterly 'inter-ministerial' meetings meant to bring together representatives from ministries involved in policy areas of interest to the members of business associations. To aid the development of business association capacity, the World Bank and some of the major bilateral donors included economic and technical support to the BIAs as part of their aid allocations. By 1993, ZACCI had a permanent staffed secretariat, an executive director, an economist and eight support personnel. Including six chambers of commerce, thirty-five corporate members and seven trade associations (including ZAM), the membership was approximately 500.

The MMD government changed its policy direction in late 1993 when President Chiluba dismissed many of the so-called 'reform minded ministers'. The ministers of finance, trade, and agriculture were replaced by less senior individuals and increasingly, the cabinet became filled with ministers associated with the former (UNIP) regime. Thereafter, MMD's economic policies, which in the first few years had signalled a fundamental break with the UNIP era, became inconsistent. For example, despite several exogenous shocks and uneven implementation, the MMD government has maintained an open trade regime; Zambia put the COMESA Free Trade Agreement into effect in October 2000, one of the first countries in the region to do so. In contrast, the government has not liberalised agriculture consistently: sporadic government involvement in the marketing of fertiliser and maize has contributed to market insecurity and an underperforming agricultural sector. The privatisation process presents a similar story. Although the initial pace of privatisation was impressive, the delayed sale of the most economically significant asset, Zambia Consolidated Copper Mines (ZCCM) proved extremely costly (see Rakner *et al.* 2001).

As policies became more erratic after 1993, the positive relationship between business and the MMD government gradually gave way to mutual distrust and more sporadic meetings. The BIAs began to criticise the inconsistent implementation of structural reforms in the areas of trade and agricultural liberalisation, and privatisation. ZACCI and ZAM initially endorsed trade liberalisation, as part of their general support of MMD's economic reform project. However, in 1993 ZAM initiated a high-profile public campaign against the government's open trade regime, arguing that the increased competition from imported goods was effectively eradicating the Zambian manufacturing industry. ZACCI's position was less clear, with a membership including both exporters and manufacturers, but increasingly, ZACCI sided with ZAM in their criticism of MMD's trade policies. In terms of privatisation, neither ZACCI nor ZAM put pressure on government to speed up the sale of the inefficient state-dominated mining industry. In addition, both ZACCI and ZAM began to question the privatisation process, arguing that black Zambian business people reaped few benefits from privatisation.

The main Zambian business associations withdrew their support for parts of the economic reform programme as the effects of trade liberalisation and privatisation were felt by their members, many of whom had been beneficiaries of the state-controlled economy. The government was clearly more concerned about crafting a policy regime for trade that would win approval abroad, from donors and foreign investors. According to the Deutsche Presse-Agentur's comments on the 2000 African Competitiveness Report: 'The Zambian government's determination to uphold an open trade regime *in the face of opposition from segments of the private sector* remains one of the country's major attractions for foreign investment' (emphasis added). Yet in agriculture, domestic concerns remained predominant: ZNFU lobbied hard for government withdrawal from maize production, but the government continued to intervene sporadically, particularly in electoral cycles. Likewise, the delayed privatisation of the mines should be attributed to forces *within* the MMD government and state bureaucracy rather than business concern (Rakner *et al.* 2001). Generally, as MMD started to consolidate its political power-base, it increasingly disregarded domestic business views and interests. In part, the changing attitude towards business relates to the fact that business could not provide the government with meaningful political or economic support. The precarious nature of Zambian business meant that it could provide few benefits (in the form of employment provision, tax revenues, etc.) to the state. Moreover, representing less than 20 per cent of formal sector employment, the private sector does not constitute either an electoral threat or a useful political ally for MMD. The minister of agriculture, responsible for carrying out the agricultural reforms in the period 1993–96, expressed the government's position in clear terms with regard to the main agricultural association, ZNFU: 'The organisations like ZNFU have a contradictory agenda. And nothing we could do would be right for them. As a result, I did not work with them. I saw my role as getting the policy going. I did not have to work with these guys as the commercial farmer's vote does not carry very much.'[10]

In the second Chiluba administration (1996–2001) the institutionalised contacts between business and government begun in 1991 were discontinued. ZACCI became completely marginalised due to a dramatic fall in membership due principally to the effects of economic policies on its members (manufacturing declined by 8 per cent in 1993 and 7 per cent in 1994). 'Encompassingness' is low; there is no equivalent of Mauritius's Joint Economic Council. Limited staff, the small number of corporate members, and the absence of qualified economic journalists contribute to the weakness of the 'business voice' in Zambian public debates. Generally, the democratic transitions in the early 1990s granted increased autonomy for associations representing business, agriculture and labour. But this autonomy has not translated into an increased political space for interest groups, greater interaction with government, or influence over government policy-making. Despite ten years of market reforms, the government is still the main actor in the Zambian economy. Due to the continued small size of the private sector, all economic interest groups are cautious about lending any official support to opposition parties.[11] Predictably, therefore, in the 2001 election campaign, concerns of business did not feature very prominently.

BUSINESS AND GOVERNMENT IN ZIMBABWE

The Zimbabwe case occupies something of a middle ground between Mauritius and Zambia. Like Mauritius, Zimbabwe provides one of the few African examples in which the business community demonstrated organised and effective support for liberalisation, and the incumbent regime responded. However, like Zambia, Zimbabwean business discovered that its influence on policy was short-lived, that the government's own commitment to liberalisation was fleeting, and that support for these reforms from *within* the business community eventually fragmented. These interrelated dimensions help to explain the depressed state of economic affairs in Zimbabwe today and the near-complete marginality of the business community to the policy-making process.

Zimbabwe has a rich history of associational life. Most of the major business associations have their origins in European colonial rule, and several are dominated by white Zimbabweans to this day.[12] Major BIAs exist in each sector, as well as peak associations, such as the Zimbabwe National Chamber of Commerce (ZNCC), but there is no equivalent of the Mauritian Joint Economic Council. Mining interests are organised in the Chamber of Mines, and employers are represented by the Employers Confederation of Zimbabwe. The country also has a large Commercial Farmers Union (CFU), mainly comprising some 4000 white commercial farmers.

The major player in the successful negotiations over adjustment policies in the late 1980s was the Confederation of Zimbabwe Industries (CZI). Known until independence as the Association of Rhodesian Industries, CZI is an 'encompassing' umbrella organisation representing manufacturing interests (predominantly large, white-owned firms) in a number of sectors. Under the settler state until 1980, white business interests groups in Zimbabwe gained ample experience with capacity building, and with exercising influence on economic policy. Black Zimbabweans were substantially underrepresented in business. Ironically, the prominent role of settler-dominated BIAs did not diminish with the advent of nominally socialist black rule; although *black* ownership of private businesses was not encouraged at that time, white capitalism continued largely unfettered.

Zimbabwe's economy is more diversified, and the manufacturing sector more highly developed than in most other parts of Africa, in part because of Ian Smith's 1965 unilateral declaration of independence, and the country's subsequent isolation as a result of international sanctions. By 1980, manufacturing contributed a comparatively high 25 per cent of value-added, mainly from import substitution (ISI) activities such as food, beverages and tobacco, textiles and clothing, but including some machinery and transport equipment and chemicals. Export revenues in 1980 were divided among gold, ferro-alloys and nickel (23 per cent), other primary commodities, especially tobacco (39 per cent) and exports of manufactured goods (38 per cent) (World Bank 1997).

Most businesses were content with the ISI status quo until the early 1980s, when the new government was hit by the triple shocks of low prices for commodity exports, drought, and high world interest rates, just as important segments of manufacturing began moving into exports.[13] Yet as the post-independence government expanded government spending, the high government deficit and monetary financing led to inflation. Zimbabwe's currency became overvalued, hurting exporters of minerals and the new exporters. Mining interests called for devaluation as early as 1982 (Skålnes 1995: 106). By the late 1980s, CZI members also saw that they had much to lose and little to gain from the prevailing economic status quo. Clothing and textile exporters pushed the government to alleviate their plight, and industrialists as a whole sought freer access to both imported inputs and export markets. The government's reluctance to accede to a World Bank structural adjustment programme led exporters and those who sought to access export markets to initiate consultations within the country's major business associations, in an attempt to develop alternative policies that would 'promote industrialisation and employment without threatening local industries' (Nicholas 1994: 108).

In 1987, as the Zimbabwean economy slid into its second recession since 1980, other actors joined CZI in calling for liberalisation. As Skålnes (1995: 126) reported:

> The CZI called for tax cuts, a reduced deficit, and increased public capital formation. Economists began to criticise the extensive use of controls and the local financial newspaper expressed the view that there was now a need for 'deeper structural adjustments' and a new foreign investment policy. At the 1987 annual congress, the CZI … called for a 'planned, selective and gradual

approach [to trade liberalisation] in conjunction with tariffs … Competing imports will have to be carefully handled to ensure gradual exposure.

In its attempt to forge a policy package that would take into account the need for liberalisation but also the need for gradualism, the CZI worked together with the other major business associations (the CFU, the Chamber of Mines, the ZNCC, and the Zimbabwe Tobacco Association) in an informal umbrella group called the Zimbabwe Association of Business Organisations (ZABO). However, ZABO failed to effectively present a unified front and 'joint representations to government' were rare (Skålnes 1995: 102). Absent a clear agenda, a permanent secretariat, and sufficient internal cohesion, ZABO's 'role was mostly limited to serving as a debating forum' for much of its short existence (*ibid.*).[14] These enduring divisions within the business community worked to the advantage of a government determined to keep the scales tilted in the state's favour. However, ZABO's foremost achievement was the submission to government in April 1988 of a jointly authored letter that called for phased-in trade liberalisation and the relaxation of price, wage and investment controls, as well as of restrictions on labour practices deemed harmful to business interests, which did illustrate the relative unanimity of business opinion in favour of reform (Skålnes 1995: 128; World Bank 1995: 18, n.5). Together with other BIAs, acting both in their individual capacities and jointly through ZABO, CZI took the lead in arguing the case for liberalisation.

The CZI drew on analyses prepared by the World Bank in order to strengthen its case for the necessity of adjustment. Believing liberalisation to be a solution to market and liquidity problems, the major Zimbabwean associations thus enjoyed a prominent role in Zimbabwe's decision to adopt a structural adjustment programme (SAP), and had an ideological ally in Bernard Chidzero, minister of finance.[15] Over time, the combination of economic deterioration and continued dialogue with the private sector and with the World Bank seems to have precipitated a shift of ideas within the government.[16] Although he maintained at least a rhetorical commitment to socialism, President Mugabe agreed to adopt the neoliberal reform programme, ESAP.

If we were to stop the Zimbabwe case in 1990, we would have a story of business associations effectively promoting largely growth-oriented policies, forging a nascent 'growth coalition' with technocrats and political elites in the Zimbabwe government. However, the 1990s led to the breakdown of the incipient growth coalition, economic collapse, and political instability. By the mid-1990s business enthusiasm for ESAP had waned sharply. The initial devaluation benefited exporters, but higher input costs hurt ISI producers, who were also hit by competition due to hasty trade liberalisation. The enthusiasm for reform had in part been based on ignorance, rather than on a rational assessment of likely programme components and associated costs and benefits. Moreover, 'Few if any industrialists appreciated what a structural adjustment programme, including trade liberalisation, would involve' (Robinson 1993: 13). Industrialists' support for reform was based more on their 'exasperation' about 'endless bureaucratic procedures and delays' regarding access to and allocation of foreign currency (*ibid.*). As the pain began to hit, industry's calls for gradualism were ignored.[17] At the same time, the government's fiscal deficit continued to mount, leading to high interest rates, inflation, and debt.

The BIAs reasonably expected that the cooperative relationship they had developed with the state, and importantly with the minister of finance, would continue, thereby allowing them possibly to temper the harsher effects of government policies. However, as economic turmoil increased, the government grew increasingly autocratic. Business associations complained persistently that consultation between business and government was, at best, limited.[18] As early as 1991, manufacturers were encountering unrelenting crises (Braunnerhjelm & Fors 1995). Manufacturing value added declined 1 per cent per year from 1990 to 1998, while GDP grew only 2 per cent in the same period. Cumulatively, these events precipitated a decline in CZI membership of nearly 500.[19] Organisational difficulties further inhibited CZI's ability to influence the Zimbabwean government. Facing declining revenues, institutional capacity and influence, it is not surprising that CZI lost some of its earlier enthusiasm for ESAP.

By the mid-1990s, the liberalisation programme itself had begun to unravel. Mugabe abandoned his favourable position on reform in favour of anti-white and anti-Western populism, and the interactions between government technocrats and industrialists diminished still further. For its part, the government became less content, at least publicly, to allow the private sector to continue to be the province of the settler community, as it had been prior to ESAP. Initially it appeared as if indigenous business organisations might be the beneficiaries, but this was not the case (Taylor 1999: n.50).

Ultimately, few business actors, white or black, benefited from Zimbabwe's ESAP programme. To be certain, manufacturers gained an appreciation for the 'market' during the first five-year phase of adjustment; however, many also learned to resent the consequences of market competition, particularly trade liberalisation. Nevertheless, although individual firms clamoured for protection and reversal of the more painful policies, BIAs opposed any return to economic statism. Particularly after 1997, Zimbabwe's manufacturers clearly needed the benefits of a national organisation within which business could make joint representations to the government. However, ZABO was moribund, and a tripartite National Economic Consultative Forum, created in 1997, never got off the ground.[20] In addition, cross-sectoral collective action, and especially cooperation between black BIAs and those dominated by whites, was at an all-time low.

The Zimbabwean business community's inability to maintain its fledgling growth coalition lies partly in its own internal tensions. However, the fissures in the business community – including both racial and sectoral cleavages – were ably exploited by the Zimbabwean state, creating a vicious circle of conflict. The state showed regular disregard for coordinated business input and collaboration, despite conditions of economic collapse that demanded coordinated solutions. The government's penchant for autonomous decision-making and the isolation of the state from associations of civil society progressively deepened through the late 1990s and into the present (see Taylor 1999).

The Zimbabwe case suggests that the shift in policy in the late 1980s that resulted in the 1991 adoption of reform came about as a result of a short-lived growth coalition among CZI and its affiliates, technocrats in the government, and external donors. Domestic business interest groups were willing to engage in dialogue with the state that helped to foster an 'idea shift' on the part of key government officials, who came to identify with the position already held by the reform-minded Finance Minister Chidzero. In conjunction with domestic and international actors, some government officials began to share many of the private sector's concerns about continued protectionism and state controls. However, although formal and informal exchanges between business and the state were extremely useful for formulating the basis for a growth-oriented policy regime, they were not sufficient to implement – or modify – such a regime. Zimbabwe's economic policies suffered from flaws in both design and implementation, state failures and business failures. Where reform should have resulted in export expansion, it resulted in widespread de-industrialisation. Where it was expected to facilitate a lasting growth coalition, it degenerated into a racialised and frequently violent populist contest in which many business groups were cast as enemies of the state.

Although precise causality cannot be established, the Mugabe regime's political behaviour is clearly related to the marked economic decline in the late 1990s, which stemmed from economic mismanagement and corruption, and military intervention in Congo, among other things, as well as mis-specified policies, such as excessively rapid trade liberalisation. Some BIA representatives have speculated that many of the difficulties associated with economic reforms could have been avoided if business–state consultation had been maintained.[21] Arguably, this might have helped forestall ZANU-PF's slide into authoritarianism. In any event, the decline of democracy and economic stability in Zimbabwe corresponded with the unravelling of the growth coalition and contributed to a vicious cycle that made further interaction between the state and BIAs increasingly unlikely.

Economic decline and democratic backsliding have exacerbated tensions between the business community – whites and most blacks – and the government, perhaps destroying the prospects for a renewed growth coalition. Two essential features of business–state collaboration, *credibility and trust*, have all but disappeared in Zimbabwe. This suggests that even in nascent cases of business–state cooperation, as in Zimbabwe *circa* 1988, growth coalitions (no matter their potential development value) may be sacrificed for political ends.

GROWTH COALITIONS IN AFRICA: WHAT FACTORS SUPPORT SYNERGY?

Our cases suggest that many of the same factors facilitating growth coalitions in other developing areas are important in Africa. We review these briefly here, and then concentrate on the additional factors suggested by our cases: the role of capacity and ideas in the state; the issue of ethnicity; the role of democracy, and the nature of the reforms.

The organisation and material base of business interests

The literature suggests that business interest groups themselves will be more likely and able to support restructuring and growth-oriented policies if they are broadly representative of the business sector, can discipline their membership through selective benefits that are linked to economic performance, have technically trained staff and leadership, and access to resources. Multistranded, formal consultative structures and/or less formal policy networks and various forms of 'embeddedness' should play a role in the most promising cases. We found these hypotheses also to be true in our cases.

The importance of representativeness and capacity (particularly having technocrats in the leadership and on the staff of the associations) were clearly borne out in the case of Mauritius's Joint Economic Council. Selective benefits also operated in Mauritius, where members of the JEC had privileged access to the government, and were likely to receive important economic information at an early stage. Representativeness and capacity were probably also important in Zimbabwe, where the major successes in negotiating with the government came when the private sector worked through the encompassing Zimbabwe Association of Business Organisations (ZABO). However, ZABO's collective strength was short-lived and gave way to sectoral interests as reforms began to bite. Thus, ZABO's inability to deliver selective benefits after liberalisation contributed to the institution's demise.

Institutionalised structures offer regular opportunities for important stakeholders to meet with government officials to discuss and debate economic policies, and to develop a 'shared project' in promoting growth. In both Zambia and Zimbabwe, such fora were given rhetorical support but were not sustained. In Mauritius, the importance of state–society linkages and networks was strongly borne out. People move in and out of government and the private sector (particularly the private sector's business associations), and the ties strengthen the networks of which they are part. In Zimbabwe, several attempts at collaboration also relied on networks and drew on an overall increase in technical skills among both state and societal actors. However, these networks, built on an emerging common business language, were undermined by deeper racial cleavages. Unlike Mauritius and, to a large extent, Zimbabwe, the economic reform process in Zambia was initiated and significantly driven by the need to satisfy the conditions of the international donor community.[22] In the initial stages donor support created an enabling environment for government–business relations. However, as the political agenda of the MMD government shifted to short-term political objectives, the meetings between business, government and the donor community were discontinued.

The state as a coalition partner: capacity and ideas matter

Capacity in the business sector is very important, but the business sector needs a partner in the state. Growth coalitions are more likely when state elites and bureaucrats have greater technical expertise and can articulate a vision and viable strategy of how to support growth.

State capacity varied in all three countries, and affected the development of growth coalitions. In Mauritius, the realisation of the need to manage economic crisis pushed the government to deepen its technical capacity in order to negotiate with the IMF and the World Bank. This stimulated a deepening of capacity among the business associations, and their mutual respect and trust were increased. In contrast, three decades of economic decline has seriously eroded the Zambian state of capacity through sharply reduced benefits for state employees and brain-drain. In the Zimbabwe case, a few well-placed technocrats helped drive the state's interest in listening to the private sector views. In turn, the capacity of the state and the bureaucracy were clearly enhanced by access to key business actors. However, the Zimbabwe case illustrates that capacity can be fleeting; it requires strong institutions to maintain it in the face of political pressure. In the final analysis, state capacity has to be accompanied by a set of beliefs that a growth-friendly policy package will be of political benefit to leaders, that it will build rather than diminish their economic and social power base. In Africa, however, these beliefs (and realities) are likely to be complicated by aspects of race, class, and ethnicity.

Ethnicity, class, and interests

When business groups and governments are each dominated by separate ethnic groups, effective relations may be more difficult to forge, but growth coalitions are not impossible. This is an important issue for Africa, where (as in all three of our cases) the business class is frequently racially or ethnically separate from the dominant political class. In multiethnic Mauritius, where politics is dominated by people with an Indian (Hindu) background, and business tends to be Franco-Mauritian, Muslim, Chinese, and Creole (Afro-Mauritian), ethnic differences seem to have made little difference in the course of building constructive ties. Some of the more successful economies in Southeast Asia are multiethnic: Malaysia, Indonesia, Singapore and Thailand all have substantial ethnic minorities, and class divisions based on race and ethnicity, yet they have still managed to build effective growth coalitions. In Zimbabwe, the short-lived growth coalition of the late 1980s consisted of black political actors and white capital. However, the political elite viewed the nascent indigenous capitalist class as a potential rival for state power, and came to regard the white settler class as a political liability. 'Good' economic policies intensify both of these potential threats, creating a disincentive for improvements.

The Zambian case also illustrates this point clearly. Few members of the Zambian intellectual, political, bureaucratic and economic elite are convinced that a market economy and a large private sector will benefit their interests. The main actors in the private market are of Asian and, to a lesser extent, European origin. Their political weakness gives them a strong incentive to 'support the government of the day'.

Democracy and business interests

Democracy is expected to offer greater space for interest group contestation, interaction and influence over government decision-making processes. We found that Mauritius, a consolidated democracy, did have deeply institutionalised consultation with business associations. However, democracy is neither necessary nor sufficient for such consultation. In authoritarian regimes in which business is essential to the maintenance of regime strength, close consultation can result in mutual benefits for state and business alike.

Democracy may reduce state autonomy, which is presumed to be important in order for the state to avoid 'capture'. However, as Barbara Geddes (1994: 81–2) points out, 'the kind of autonomy that actually contributes to better economic performance is not autonomy from interest groups but instead autonomy from politically motivated pressures to distribute the resources needed for effective policy-making and implementation'. Less democratic states may be bound by fewer institutions of restraint. As a 1999 Zimbabwe newspaper editorial commented: 'The public will need no reminding that misguided populist policies are responsible for their current sorry state' (*Zimbabwe Independent* 4.6.1999: 4). Since 1994, the Zambian executive has proven its autonomy from all potential restraining forces, including the international donor community, the parliament and its auditor general, the Bank of Zambia, the courts and the private sector, permitting the Zambian government to place concerns of political office above macroeconomic stability and economic development.

At present, Zambia and Zimbabwe represent the worst of both worlds: quasi-democracies without growth coalitions. Our analysis suggests that weakly institutionalised electoral democracies may reduce the political influence of business. The lack of institutionalised ties between business associations, political parties and the legislature, in addition to the weak autonomy of horizontal institutions that promote accountability (e.g. courts, the auditor general, anti-corruption units and central banks), further reduces the role of business. When the private sector is marginal, and business interests are numerically weak, they do not constitute potentially important political allies to the government in power. With little reliance on the private sector, Zambia used its state-dominated mining sector to extract rents, and Zimbabwe could resort to radical populism. The hope that democracy will allow businesses with a longer time horizon to gain voice and build 'the general conditions needed for further accumulation' will be thwarted unless the private sector is able to expand. The Zambian case suggests that half-hearted democratisation can actually reduce business associations' access to state elites, while in Zimbabwe, democratic backsliding contributed to the erosion of business input into economic policy.

Structural adjustment, trade liberalisation, and growth coalitions

Over and over again in our research we were struck by the problems that rapid trade liberalisation presented to the sustainability of growth coalitions. The reasons for this are quite simple. First, rapid trade liberalisation does little to make local industry more competitive in the short run; without time to adjust, businesses simply fail. This eliminates one very significant source of investment, the accumulated profits of local firms. Second, businesses that are, or expect to be, 'winners' from trade liberalisation are likely to be those that are already exporting, yet few African businesses are in this position as reforms begin. In Asia, with its long history of export-oriented manufacturing, 'reforms' entailed adjustments to get greater productivity and competitiveness out of a model that had already achieved widespread acceptance. Significantly lower tariffs were not adopted in Taiwan, for example, until more than two decades *after* the government adopted reforms to promote exports (Wade 1990). Building exporters (or, creating winners) before creating losers seems a much more sensible strategy. Mauritius has done this. The sugar export-oriented businesses there have been in place for several centuries; it was this sector that provided much of the investment in the newer export-oriented manufacturing firms. Significant trade liberalisation has yet to be carried out in Mauritius.

Boosting winners through targeted export-friendly policies before creating losers through trade liberalisation might have helped in Zambia and Zimbabwe. The potential and actual winners from new policies were always a small minority compared with the actual and potential losers in Zambia, but over time this balance might have shifted. In Zimbabwe, private economic activity was not as overwhelmingly export-oriented, but the (white) business class had been in place for several generations, and had been exporting agricultural products; industrialists were moving into exporting as reform was placed on the agenda. This underpinned their interest in trade liberalisation and other adjustment policies that would ease exporting, even though they were not able to translate this interest into sustained policy change. When trade liberalisation was adopted, it proved to be much more rapid and debilitating than local firms had expected. The loss of tariff revenues did not help the government's deteriorating fiscal position (nor did expenditures on the war in the Congo). In the deteriorating economy, winners failed to emerge, and the foundation of the growth coalition was fatally undermined.

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In very few African countries have business interest groups become part of the solution to the economic crisis that plagues the continent. Business groups have yet to establish themselves as strong advocates of growth-oriented policies, even when policy changes would clearly advance their interests as a group. There are many reasons for this. Some have to do with the structure of the economy and the interests forged and opportunities presented by that structure. At the most basic level, business classes that developed primarily through state sponsorship and specialised access to state benefits are likely to be slower to push for the elimination of 'obstacles to sustained capital accumulation' (Leys 1994: 21) that would benefit business in general. Zambia clearly supports this, Zimbabwe to a lesser extent. Also important are the development of state and business association capacity; the presence of institutionalised structures that bring state, business and other key stakeholders together to discuss and debate economic policies; and the conviction by the political elites that growth-enhancing reforms are desirable. It may be that the key interest groups in economic policy reform are in the state itself, and particularly in the political leadership. Business associations are not going to be effective advocates for reform in the face of an intransigent executive, as the cases of Zimbabwe and Zambia suggest.

Finally, there is the issue of time and the sequencing of policy reform. The business class in Asia grew strong through import substitution industrialisation policies that started in the 1930s, twenty to thirty years before similar strategies were attempted in Africa. As Colin Leys

(1994: 12) has argued: 'The formation of a politically influential and productive capitalist class, with a solid and mature bourgeois culture to support and focus its economic and political projects, has never been the work of a generation or two'. In Mauritius, the business class was formed through plantation agriculture in the eighteenth century. In the Ivory Coast, where educated Africans had the opportunity to enter the plantation sector during the colonial period, avenues to advancement opened up outside the state, and enabled the indigenous business class to expand into manufacturing in the 1960s, moving significantly into exporting in the 1980s (Rapley 1994). The European businesses in Mauritius, Zimbabwe and Zambia formed the backbone of business association strength during the post-colonial period. After independence, non-European businesses could join these associations and take advantage of their pre-existing capacity, and their 'close working relationship with government' (Nicholas 1994: 104) rather than building slowly from a low base, as in many other countries. However, in many African countries, even this potential 'shortcut' to indigenous class development has been undermined by economic hardship and political interference (Taylor 1999).

More research on these issues is clearly needed in order to compare a larger number of cases, and to explore the existing cases more deeply. As a start, however, they offer evidence as to the reasons why some African states have been able – even if only at times – to move towards an effective, consultative relationship with their private sectors, and some have not; the impact of democracy on these relationships, and the reasons why incipient 'growth coalitions' may turn out to be only temporary.

NOTES

1. Although the civil society and democracy literature assumes that political liberalisation will help all societal groups better express their interests, in Africa business actors tend to be indifferent to democratic reforms, with a few exceptions. See Bratton & van de Walle (1997); Rakner (2001).
2. Selective benefits can also be offered independently of the government, for example, access to market research or other information controlled by the association. When the benefits are offered by the government, as one reviewer of this article pointed out, they are a good sign that the basis for a growth coalition may already be present.
3. For excellent analyses of the obstacles to capitalist and industrial development in Africa, see Boone (1991); Kennedy (1988, 1994); Berman & Leys (1994). Lucas (1997) explicitly considers growth coalitions.
4. Interview, JEC, Port Louis, 12.7.1999.
5. Milner & McKay (1996) point out that protection for beverages and tobacco, furniture, and electrical equipment actually increased between 1980 and 1990, while average effective protection for machinery declined from 62 per cent to 3 per cent, and for optical goods from 266 per cent to 9 per cent.
6. Interview, JEC, Port Louis, 12.7.1999.

7. Interview, Mauritius Employers Federation, Port Louis, 29.6.1999.

8. Interview, Association of Mauritian Manufacturers, Réduit, 7.7.1999 (emphasis added).

9. For an excellent account of the impact of the mining industry on Zambia's economic decline, see Shafer 1994.

10. Personal communication, Simon Zukas, Minister of Agriculture, Food and Fisheries 1993–6, 13.12.1996.

11. The only case observed in which an opposition party promoted a platform based on sectoral interests was the agriculturally based LIMA party, emerging in the run-up to the 1996 elections. Underscoring the observation made above, LIMA failed to attract the support even of rural farmers.

12. The precursor of the Zimbabwe National Chamber of Commerce (ZNCC), for example, dates back to 1894, shortly after European settlement of the territory.

13. For example, white-owned firms in the textile and clothing export sector, which had its origin in import substitution in the 1930s, made up just 6 per cent of exports in 1982/83, and 19 percent in 1997. By 1990, these firms accounted for almost one out of four manufacturing jobs and also provided an important market for peasant growers of cotton (Ostergaard 1994: 123).

14. ZABO effectively dissolved in the mid-1990s.

15. Prior to independence, Chidzero held posts in UNCTAD and the UN Economic Commission for Africa. However, it is unclear precisely when the pragmatic Chidzero articulated a pro-structural adjustment stance, though it was likely *after* 1987 (Skålnes 1995: 131; see also pp. 118–49).

16. This was signalled by the shuffling of several ministerial-level advocates of autarchy into less important ministries, and their replacement with more 'free market' advocates, and the assignment of key civil servants to economics training courses conducted by the World Bank (Skålnes 1995: 136).

17. Interview, Ministry of Finance, Monitoring and Implementation Unit, Harare, 6.3.1996; World Bank 1995: 13.

18. Government's typical approach was to deliver policy positions to the business community as *faits accomplis* that the latter often found difficult to digest (ZNCC 1995: 35).

19. The CZI had approximately 700 members by 1999. Author interview, CZI senior economist, 9.7.1999. The widespread suffering by its members in the competitive marketplace was unanticipated. So too was the marked decline in CZI's own institutional relevance and priorities. Liberalisation deprived CZI of a number of its historical functions and imperilled many members.

20. Interview, Danny Dube, ZNCC advisor, Harare, 8.7.1999; see also *Zimbabwe Independent*, 7.1.2000.

21. Interview, Danny Dube, Harare, 8.7.1999.

22. Some authors, notably Stoneman 1989, suggest that reform in Zimbabwe was the result of similar pressures.

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