

Britain demands greater political control over Africa: the case of Malawi

David Rowan

14 December 2000

Clare Short, Britain's Minister for International Development, introduced a white paper this week entitled *Eliminating World Poverty: making globalisation work for the poor*. Backed personally by Prime Minister Tony Blair, the paper is supposed to be a response to anti-globalisation protests at Seattle, Washington, Prague and at last weekend's European Union summit in Nice. It declares that, "If the poorest people and countries can be included in the global economy on more beneficial terms, it could lead to a rapid reduction in global poverty".

Focusing particularly on Africa, the paper promises money to "help African countries trade more effectively", "a new facility to attract private money to improve the continent's infrastructure" and pledges to end "the practice of tying aid to the purchase of goods and services from British companies." Yet the total amount of financial aid the paper proposes to spend tackling the issue of poverty throughout Africa is a derisory £50 million.

Recent developments in Malawi throw some light on what the Labour government really intends for Africa, and show that what Clare Short is proposing means Britain exercising a high degree of control over nominally independent African governments.

At the beginning of November, President Bakili Muluzi of Malawi sacked his entire 33-member cabinet. This was the culmination of a series of events that involved the direct involvement of Western governments, especially Britain.

Just before a series of financial scandals had come to light implicating leading figures in the Muluzi regime. In September, parts of a report compiled by Malawi's Public Accounts Committee (PAC) were leaked to the press. This gave details of how \$2.5m of funds allocated for the building of schools and infrastructure

was channelled into organisations run by the families and associates of cabinet ministers and used to finance election campaigns.

The PAC and the Anti-Corruption Bureau (ACB) were set up in Malawi with Western funding to monitor the economy, working closely with the World Bank and International Monetary Fund and Transparency International. Described as a "corruption watchdog" Transparency International is a Non-Governmental Organisation (NGO) that also receives funds from the World Bank and most Western governments.

Both the PAC and the ACB have been given the job of ensuring that the stipulations laid down in loan packages by the IMF and World Bank are strictly adhered to. Their role is effectively to whip Muluzi and his ministers into line. Darius Mans, World Bank director for Malawi, recently praised the ACB for its "professionalism and fearless investigation of government corruption regardless of who was implicated".

At the end of October, the *Telegraph* newspaper in Britain ran several reports on the Malawi government's purchase of a fleet of Mercedes cars costing \$2.5m. It also gave details of a closed meeting that took place in mid-October between the British High Commissioner for Malawi, George Finalyson, and high-ranking Malawian officials. According to the *Telegraph*, Finalyson used the meeting to warn Muluzi that a British House of Commons Select Committee would probe the purchase further if Muluzi failed to take action against the ministers involved.

After the meeting Finalyson said: "We will not back those leaders that are unwilling to make tough decisions. We will not subsidise economic mismanagement. These are evils that have failed Africa and we will not back failure".

Muluzi initially rejected Finalyson's veiled threats. He said that Malawi was no longer a colony that could be "manipulated". But within days his position had changed and he was insisting that corrupt cabinet ministers and high-ranking officials would not be shielded against prosecution.

The Malawian government relies entirely on Western aid agencies, which provide up to 50 percent of its budgetary support. In 1995-96 the World Bank and IMF began a series of loans to Malawi that were tied to the implementation of structural adjustment programmes. A four-year privatisation programme was set up that has led to 35 out of a proposed 100 state-owned companies being privatised up to the present. Recent reports suggest that the IMF, World Bank and other major donors to Malawi feel that the privatisation programme is behind schedule. Malawi currently owes \$2.5bn to the foreign banks.

The "tough decisions" that Finlayson is demanding of Muluzi and his government concern the privatisation of Malawi's power utility ESCOM, the national carrier Air Malawi, plus the country's telecommunications industry, water supplies and railways.

The privatisation programme has already had a disastrous effect on the lives of the Malawian population. A report by the country's National Statistics Office states that 65.3 percent of Malawians live in abject poverty and 29 percent are so poor that they are barely surviving.

The Malawian currency, the Kwacha, was devalued by 22 percent in October. This has led to yet further price increases in food and especially in fuel, which is rising every month. The price of paraffin, used mostly by poorer families, has risen by 37.9 percent, petrol by 14.6 percent and diesel by 26.7 percent. Bus fares have risen 30 percent. Students recently clashed with police when it was announced that education fees would rise by 3,000 percent.

The purchase of the 39 Mercedes cars is being used by Britain to engineer hostility to any aid being given to this impoverished country, and to gain greater economic control over Malawi's resources.

The British government itself is deeply implicated in Malawian corruption. It financed the recent election that confirmed Muluzi in power to the tune of £1.39 million. As the *World Socialist Web Site* reported at the time, the election was characterised by blatant

corruption. Muluzi appeared on Malawian television handing out fistfuls of money to singing and dancing supporters. (see: Fraudulent elections in Malawi <http://www.wsws.org/articles/1999/jul1999/malw-j02.shtml>)

Despite violent intimidation, Western observers said the elections were "substantially free, fair and acceptable". At that time the British government had no problem with corruption. Since then Muluzi has disappointed his Western backers as he has met opposition from students and other sections of the population who are being driven into a desperate condition by his measures.

Britain is stepping up the pressure on Muluzi as corporate interests demand their share of Malawi's utilities and substantial mineral deposits. The new policy put forward in Clare Short's paper clearly shows that in light of recent experiences in Africa, the West is no longer prepared to accept even the semblance of autonomous government but wants direct control of even day-to-day expenditure.

The decision to stop tying aid to contracts with British companies reflects the fact that aid has already been cut to a minimum and that the opening up of Africa to international finance capital is now the priority. While aid at one time provided lucrative contracts for British companies, the richest pickings are now to be found in services such as the utilities and in mineral extraction, which is what Clare Short's proposals are intended to facilitate. The result will mean driving millions more Africans into poverty.



To contact the WSWS and the
Socialist Equality Party visit:

wsws.org/contact