

Richard L. Sklar, Corporate Power in an African State: The Political Impact of Multinational Mining Companies in Zambia. Berkeley & Los Angeles: University of California Press, 1975. 245 pp.
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Professor Sklar's latest book, Corporate Power in An African State, is a remarkable and valuable work in many respects. One of the most outstanding achievements of the author is the high quality of scholarship he attains: the subject matter is well digested and compressed into a few themes, the literature on Zambia's mineral resources is ably reviewed, and the rapidly accumulating wisdom on the activities of multinational corporations in other parts of the world is brought to bear on and to illuminate what is otherwise a little studied area. The book, in short, is well written. Apart from its aesthetic qualities Sklar's book is valuable on account of the importance of its subject matter to our understanding of problems arising from the exploitation of Zambia's natural resources by foreign capital. Up to 95 per cent of Zambia's exports, 54 per cent of its gross domestic product, and 60 per cent of government revenues depend on minerals, mainly copper. The book, therefore, is concerned with an industry that literally makes the Zambian economy tick. No topic could be more pertinent to Zambians and to the citizens of other developing countries.

The first three chapters are essentially a definition and history of the subject matter. The history and growth of the mining industry in Zambia is surveyed briefly but without loss of salient detail. What comes out most distinctly is the agility with which the mining giants managed to adapt to an apparently radical and aggressive African government, after some forty years of phenomenal expansion under a protective colonial regime. This ability to adapt to changing political circumstances of multinational companies is the central theme of the book. Aside from the death of the parasitic British South Africa Company, which had few mourners even among foreign corporations, we must

conclude that the fact of independence meant little more to the Anglo-American Corporation and the Roan Selection Trust than the change of the skin pigmentation of the politicians they had to deal with. For these two companies the real shock came five years after independence with the Matero Economic Reforms which turned mining operations into joint ventures in which the Zambian Government assumed a majority of the equity. Sklar gives us an excellent exposition of the complexities of the corporate structure which emerged in Zambia as a result of the reforms. He is not nearly as successful, in my view, in assessing where the effective control of the giant industry lies after the implementation of the participation measures. An attempt surely should be made to measure the formal structures created against the objectives of the reforms outlined in Kaunda's Matero Speech. In Chapter 3 we get little more than oblique allusions insinuating that the reforms could not be expected to achieve substantial economic autonomy for Zambia: "So long as Zambia relies upon capitalist enterprise for development it will be necessary to co-operate with the established international companies. The established mining groups may be cajoled and maneuvered into new positions, but they are too big and influential to be beaten at their own game" (p. 95). Such a judgment requires further amplification, for the crucial point of the criticisms -- which have since led to a revision of the reforms -- was that the government had not in reality acquired effective powers to determine the level and direction of investment, and hence development, in the industry; that it had been outwitted by the mining companies. It has also been pointed out that despite the fact that Government had become owner of the mines it was still powerless to implement its cherished policy of the Zambianisation of personnel employed in the mining industry.

Chapter five, entitled the claims of ideology, is somewhat disappointing. When one has read through the forty-five pages one quickly realises that the author was not dealing with fundamental issues of ideology but rather offering a historical account of how Zambia has coped with the crises created by the vulnerability of its routes to the sea, while at the same time demonstrating that the mining companies have a record of genuine compliance and cooperation. It can be argued that none of Zambia's actions were motivated by ideological considerations. Rather, it was attempting to comply with its international obligations as a member of the United Nations and the Organisation of African Unity. In carrying out these obligations Zambia took cautious and pragmatic steps to see that it did not cut its own throat nor that of any of its African neighbours. For example, trade with Rhodesia continued, though at a diminishing

rate, for about 4 years after UDI and Zambia continued to use Rhodesian railways until Smith's arrogant action of unilaterally closing the boarder and seeking to dictate Zambian policy. Zambia made arrangements to increase the volume of Zairian minerals carried by Zambian and Rhodesian railways so that Zambian cargo could in turn replace Zaire's on the Benguela railways. This looks more like the action of a pragmatic nation jealously asserting its sovereignty than one doggedly following the ideological path.

Moreover, it should be borne in mind that by the time the Rhodesian border was closed the Tanzania-Zambia railway had reached the Zambian border so that Zambia could in fact defy Smith without committing suicide. The construction of that railway, too, was not primarily motivated by ideological considerations but by a prudent realisation that Zambian communications with her overseas markets were woefully defective. Even if there was a black government in Salisbury it would still have made economic and political sense to construct more outlets to the sea to meet the growing volume of trade produced by a rapidly developing country. The experience of the war in independent Angola has underscored the wisdom of creating more trade-route options. Consideration is therefore now being given to building a new railway link through the Eastern Province of Zambia and the Tete Province of Mozambique. There is little ideology in this and far more hard economics. The multinationals should be able to appreciate such reasoning even if they would not be expected to accept the expense in the short run.

Similarly it must also be remembered that Zambia benefited by UDI which gave it a political reason to do what it ought to have done in any case - develop its own industries, albeit at greater expense. Therefore the other liberation issues, e.g., developing its own coal mines instead of depending on Wankie coal and coke were similarly justified by the dictates of common sense. The wisdom of that decision, if not the political urgency, would have remained even if Smith had not declared UDI. In other words the rerouting exercise, the change of trade patterns with Rhodesia, and the resultant increase in capital costs to the mining companies, were necessary in order to extricate Zambia from the status of economic serfdom to Rhodesia. Seen in that light, the differences of policy are less significant than the author would have us believe. It should be noted that the author fails to discuss whether the Zambian philosophy termed "humanism" has any relevance to the country's relations with multinational companies.

It is in Chapter six that the author comes to grips with issues of general application and proffers

his own theories - what he call "the doctrine of domicile" and the "class analysis" of the effects of the multinationals on the society and politics of the country in which they operate. The doctrine of domicile is primarily grounded upon the observation that local subsidiaries of the multinationals reluctantly adopt postures of subserviance to the Zambian national policy of supporting liberation movements while, at the same time, affiliates elsewhere "adopt similar postures of good corporate citizenship in the white supremacist states of Southern Africa." This might provide a good example of the saying that multinationals are "all purse and no conscience," but a difference with the foreign policy of a host government which does not prevent the corporations from making handsome profits in the country could hardly be expected to produce a major conflict of interest. It can certainly not support a general theory of domicile. A more pertinent illustration of that theory is the compliance by the multinationals with the government policy of rationalising the operations of the two companies. However none of these facts would seem to justify a conclusion that the corporations had lost effective control to the state - a conclusion the author seems hesitant to make. He argues rather that real, as opposed to formal, control lies in the hands of the offspring of the marriage between the state and the multinational corporations, viz., the managerial bourgeoisie. This is a plausible theory and a potentially powerful tool of analysis. Unfortunately this thesis is left to the last twenty-two pages of the book and is not much elaborated. The result is that too much importance is probably attached to the apparent conflicts between stated government policy and the wayward propensities of the managers, for the managerial class is in truth the ruling class in Zambia, with no real conflict of interest. The populist party at lower levels has neither power nor economic influence.

Having said all this I must repeat, in conclusion, that the book is immensely valuable in its material and in pointing out avenues for further debate. It ought to be prescribed reading for Zambian policy makers, for the student of natural resources and, indeed, for all concerned citizens. It is a book well worth its price.