[Tanzania: Privatisation or piratisation of our forests?]

The privatisation mania has gripped us like an unpreventable plague. The privatisation list is being expanded inexorably. Whether we admit it or not, and whatever the language we may use to rationalise it, the fact remains that privatisation is thrust down the throats of African governments by the BWIs (Bretton Woods Institutions) and the dominant Western powers. Even the so-called debt relief by the G8 is predicated on privatisation as one of the conditionalities. And the BWIs have a peculiar way of arguing.

The failures of privatisation are used to argue for more privatisation of more resources. The argument goes, "if you don't privatise enough, you cannot reap its benefits". And, of course, the success of privatisation per force calls for more privatisation. Either way, the argument is self-fulfilling.

The first rationale was that loss-making parastatals were a burden on the taxpayer. Privatisation would ensure that they were turned into efficient, tax paying enterprises. Yet, of course, the first parastatals to be privatised, like the breweries, were not loss making. You have to be a genius to make a loss in a beer business. Their "quick successes" in terms of turnover and tax revenues were used to justify other privatisations.

Obviously, no private investor would want to buy a loss making enterprise. So they have to be sold at dirt-cheap prices without liabilities and losses. Liabilities have to be taken over by the state, which means the very taxpayer who was supposed to be rescued from the loss making parastatal in the first place. Invariably, one of the first casualties of privatisation is workers, thousands of whom are made redundant. The new owners refuse to pay retrenchment benefits. The government has to do it, if at all. So the taxpayer assumes another liability while at the same time some of the tax payers fall out of the tax payers list as they join the queues of job-seekers.

No private profiteer would want to put in his capital unless he makes profit, and, not just profits, but high rates of profit. Africa today offers very high rates of return on capital, what with its rich resources and dependent governments. As Mwalimu (Julius Nyere) once said, Africa attracts only missionaries and mercenaries: missionaries to console its poor, and mercenaries to oversee its pillage.

But profit-making assumes certain minimum conditions. It is the state which has to take on the burden of creating the enabling environment for capital to make profits: build the infrastructure and supply water and electricity and telecommunications at cheap rates; control recalcitrant workers; maintain law and order and facilitate various service providers -from the entertainment industry to catering to security companies- to service the new "community of expatriates". It is believed that Africa today has more expatriates than at the time of independence.

But then our water and electricity and telephone parastatals are not efficient. Their tariffs are high. Our markets are below standard; our meat is not hygienic and our tomatoes and onions and oranges do not meet the minimum size. So utilities too have to be denationalized, if not by outright sale, then via leasing and management contracts. Squatters have to be cleared to make way for supermarkets and expatriate villages to supply roasted meat from South Africa and cereals from Switzerland.

But it is not easy to turn around utilities into profit making ventures. Their plants and machinery are outdated. Their billing systems have lots of leakages. Since profits or commissions depend on revenue, more efficient water meters and electric meters have to be imported. Once again the state is called upon to provide enabling finance for rehabilitation. It is obliged to take loans from the World Bank and elsewhere to help the investor to import the necessary machinery. Of course, the loans have to be serviced and repaid from the taxpayer's money -whether the existent or yet-to-be-born. While public debts mount private profits rocket, all in the name of development.

But corporate profit making has to look for new terrains constantly. From producing commodities to turning pubic goods into commodities, the corporate capital moves from manufacturing to public services, education and health and water and energy and from commoditizing land to privatising forests.

Privatisation and commercialisation of forest products is the new trend. A recent story in Tanzanian newspapers reported the deal to lease out the Longuza Teak Plantation to Kilombero Valley Teak Company (KVTC) and is only a tip of the iceberg. Forests have become important to corporate capital not only for timber resources but for bio-resources. By the same token, the implication of delivering forests to corporate capital goes beyond the issues of deforestation, as corporate capital turns them into producers of raw material for their veritable workshops of genetic engineering.

Privatisation of forests and forest products has elicited a lot of resistance in Latin America and Asia and even some developed countries including Canada and the United States. The implication and effects of privatising forests are far reaching. These have been debated and discussed in other countries.

We need to learn from the experience of others and re-assess our own. Let the Longuza incidence open up a wide ranging debate on the issues of privatisation generally, but more particularly, the implications of privatising - in whatever form -one of the most important resource and heritage, our forests.

Let us not deliver our future livelihoods into the hands of corporate pirates.

By Issa Shivji, Pambazuka News, http://www.pambazuka.org/index.php?id=29614