

POLITICAL/SOCIAL ECONOMICS OF ADVERSITY

Problematics, Perspectives, Priorities In Africa

At The Millennium

(Articulated Reflections On Selected Issues)

Reginald Herbold Green

**No worst there is none
Save that the winds blow wilder...**

- G.M. Hopkins

**Efficiency matters... in a poor
economy waste is a sin.**

- Mwalimu J.K. Nyerere

**Time past and time future
Are both, perhaps, contained in time present.
If all time is eternally present,
All time is irredeemable.
Redeem the time.**

- T.S. Eliott

**As Krishna to Arjuna on the field of battle
Not farewell but fare forward,
Voyagers.**

- Pali Canon

World Council of Churches (WCC) Seminar, Geneva October 1999

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Problematics, Perspectives, Priorities In Africa At The Millennium

(An Articulated Introduction To Key Themes)

Reginald Herbold Green

PRELUDE

Why should Churches be involved with economists and economics? Such are not the Kingdom of Heaven, are they? That is a not unusual and a most persistent question.

The answer can perhaps be summed up in two additional questions:

- a. Since the world is the Lord's and all that therein is, are economic issues of major significance in that world and to most human beings?
- b. Do economists have anything useful and/or illuminating to say about economics?

If the answer is yes to both questions then Christians and Churches do need to address economic issues and enter into discourse with economists because of - not instead of or in addition to - the Gospel agenda.

Doubtless - like all issues of justice, equity and power in the historic, present, future created world - that course of action entails risks. It also poses problems of divisions of labour. Churches' expertise and authority is (or ought to be) on norms, relationships, limits and processes not detached economic analysis and policymaking as such. The need for access to and comprehension of the latter to inform the former is one thing; the case for a 'Christian econometrics' is something else again (and rather less plausible except as part of a theocratic *anschaung*).

The inverse of the foregoing line of contention is that economists, as economists, are not particularly expert on overall human goals or values. To the extent neo-liberalism claims to be a complete value system it is a socio-political value model (e.g. von Mises and von Hayek neither

seen as of much importance as an economist) not an economic one. Even many leading neo-liberal economists, e.g. Milton Friedman, would agree with that proposition.

Economics does contend that other things being equal more material resource availability is usually better than less - a proposition hardly inconsistent with not living by bread alone nor with feeding the 5,000 very efficiently indeed? Economists do speak of efficiency but, when careful, relate it to achieving specified ends. These ends are very often exogenous to (taken from outside) the economic processual analysis. If one specifies that all households should have entitlements (rights to goods and services - public as well as private) at or above some minimum that specification means that the same tools of economic analysis and the same economic relationships will specify different policies, programmes and institutions in respect both to production and to safety nets than if maximising production and its rate of growth were the only goals. There is no need to devise completely new sets of economic relationships or analytical tools to introduce and to identify resource efficient means to justice, peace or sustainability (integrity of creation). The actual problem lies in defining JPC in precise enough terms to allow formulation of resource (human, institutional, processual, material financial) input/goal achievement processes operationally. To the extent discourse with economists forces applied theologians to do that it is, in practice, doing them a considerable service. Nothing discredits Christian economic proposals more than failure to relate goals to practicable means of attaining them or to entering into detailed, highly technical economic policy formulations while displaying apparent expertise. For example a serious Jubilee proposition in respect to poor country debt needs to specify what levels of writedown are needed to be meaningful and the practicability of achieving/implementing/financing them. It is, however, both unnecessary and probably unwise to enter into detailed controversy on highly technical, detailed issues of economic analyses of - e.g. - alternative financing mechanisms for Bank/Fund writedowns - say from profits flow by actual gold sales, by gold revaluation without actual sale or with nominal sales to central banks. The latter choices are not devoid of equity/distribution issues - e.g. lower gold prices are very hard on e.g. Tanzania, Zimbabwe, Papua-New Guinea, Ghana, Mali, South Africa which is not a desirable side effect. Indeed no likely level of debt writeoff would offset a \$50 per ounce fall in the world gold price to Mali, Ghana or Tanzania. But while Christian coalitions for debt writeoff in these countries do need to argue their cases against the gold sale option on equity grounds there is no need for a Jubilee Coalition to develop expertise on alternative financing means but

every reason not to specify are choice unless it has done so. Similar dilemmas exist in respect to child labour. In Bangkok, Manila, Cebu City and Davao poor households whose children work have higher school enrolment rates and lower child malnutrition than those in which they do not. Therefore a blanket ban on such labour - however well intended and even however desirable as a 2025 goal - is not an optimal short term campaign issue as opposed to as more selective regulation and standards setting campaign varying in specifics with specific contexts, a point UNICEF has, perhaps rather quietly, taken.

Yes, Christians should be concerned with economics and in discourse with economists. Poverty is the overriding issue for a very large portion of humanity and economics is very much relevant to poverty (including exclusion) and ways to reducing it. But no, economic analysis neither is (nor ought to be) a substitute for as opposed to be a potentially useful tool for exploring and informing applied theology nor is it a tool that can be used without bothering to understand it nor with the expectation of certain precise answers. "What is a just price?", for example, is a question which poses very difficult normative and economic analytical issues - as Christians from Saint Thomas to the Jubilee Coalition have discovered.

I

PROLEGEMONA

1. African economic, social and political performance for the past two decades has been, on average dismal, with differing headlines for the two decades:
 - a. 1980-1989 **Economic Calamities and Governance Decay**
 - b. 1990-1999 **War Catastrophes and Malgovernance**
2. Africa is **not** homogenous let alone monolithic: Botswana is not Lesotho, nor Tanzania, Uganda nor Mali, Burkina Faso nor Somaliland, Somalia. Regionally SADCC is not IGAD. Neither economic potential nor external contexts fully explain the divergences - a sign of hope - although they do influence them (e.g. Lesotho has not the fiscal and forex flows to

become Botswana-II). Similarly there are many positive exceptions nationally - e.g. child nutrition in Tanzania - and much more broadly - e.g. child vaccination and immunisation.

3. Therefore while there are **challenges** affecting many countries (e.g. expanding humanly acceptable livelihoods is no easier in Botswana than in Mozambique) their **interactions**, the **potential** for and **priorities** among actions and the socio political and political dynamics of particular countries vary radically and structurally not cosmetically nor marginally.
4. The issue/theme clusters used to organise these reflections are:
 - a. **Poverty and Livelihood**
 - b. **Peace and Governance**
 - c. **Growth and Macro Economic Parameters**
 - d. **Africans and External Allies.**

The basic normative presupposition is that set out by Mwalimu Nyerere that the only **justification of and judgement on development**, (broadly defined) **is human beings perceived as its subjects and operators not its objects and targets.**

II

POVERTY AND LIVELIHOOD

5. Most Africans (90%) are relatively poor by world standards. Over 50% are poor by standard estimates of personal consumption; 35% plus are absolutely poor (60% of expenditure needed for minimum nutritionally viable diet/no margin to absorb shocks without severe deprivation); 20% + abjectly poor/'destitute' (barely surviving/at severe risk of death from any further adverse shocks). These are the worst proportions for any region in the world (passing South Asia as its poverty fell and SSA's rose) and - despite some sharp falls since 1990 (e.g. Ghana, Mozambique, Tanzania, Somaliland - the overall trend is, at best, stagnant.

6. Poverty in Africa - as elsewhere - has differing subsets of characteristics and durations:
- a. **stochastic** - shock caused and potentially (but not necessarily) largely reversed (e.g. one year droughts);
 - b. **cyclical** - related to 'sustained' economic stagnation (in the absence of war, year after year falls in **total** real output are rare) or decline;
 - c. **catastrophic** - war prevention of production and/or commerce (especially in rural areas);
 - d. **chronic** - linked to disabilities and/or age which cripple household productivity;
 - e. **endemic** - nationally mismatch of households and livelihood opportunities, at household level too high a ratio of mouths to feed to healthy/skilled hands to produce/earn.

However in the absence of livelihood/asset recovery a, b, c tend to collapse into d (via malnutrition and low access to inadequate health services) and/or e (via inability to mobilise complementary resources for the hands to use).

7. A checklist of identifiable groups which usually comprise most poor people includes:
- a. **refugees and internally displaced persons** (up to half the rural population in war zones);
 - b. **single able bodied adult** households of four or more members (in practice predominately female headed)
 - c. **aged (60+) person headed** households;
 - d. **handicapped person headed** households;
 - e. **child headed** households (predominately resulting from war and/or Aids);
 - f. households with **2 or more 'new' children** as a result of war or Aids orphaning;
 - g. **weak indigenous minority** households (e.g. San/Basarwa of Namibia/Botswana, Swahili/'Bantu' of Somalia, Sudanic groups in SE Ethiopia e.g. Gambella).

- h. **'isolated'** (physically, socially or from access to land) households who either have no/or nearly no access to the resources (especially land but sometimes tools and livestock) to complement their hands in producing little access to transport/markets to make production effective and/or to human contacts/institutions/social capital networks which relate with them as human beings (cf plight of 'Bantu' under apartheid in the Old South Africa and the - in Somali terminology - Swahili 'Bantu' of Somalia).
 - i. **'Vulnerable'** households when calamities (drought, recession, flood, accident, household members' illness) or catastrophes (war, destructive civil disorder, household members' criminal or substance/pastime abuses) have pitched into poverty.
8. These are not in themselves analytical nor causal categories - albeit they contain strong clues as to underlying causes and dynamics. Nor are they separate - often they overlap as with a displaced, female headed San household in the Kalahari desert. They are **potentially operational** ones because they allow identification of poor people, of problematic characteristics and of possible programmatic interventions whether by civil society or governance (historic, local or national). Many research approaches produce highly suggestive 'typical' poverty profiles which relate characteristics, but do not necessarily identify key dynamic interactions nor - especially - **actual poor households/isolated individuals/groups with whom policy could interact.**
9. Another aspect are the normative, social and political divides among **inequality, inequity** and **iniquity** as causes of poverty. General poverty in a context of personal, household, civil society and state priority to reducing it and of relatively equitable access to opportunities to do so is not destabilising and may be mobilising; even inequality if seen as largely the result of effort, performance, good luck is, up to a point, often also socio-politically acceptable; iniquity in gaining by occult means despite or (worse) because of mass poverty is violently destabilising vide the differences between Tanzania and Kenya or Nigeria.

10. The main themes in addressing poverty are:

a. livelihood enhancement

b. basic services access (including for this purpose law-order-justice, physical and market infrastructure)

c. safety net provision

d. gender (both from a human equity and an economic efficiency perspective).

11. In poor countries (and in SSA only Seychelles, Mauritius and Botswana can conceivably be categorised as non poor) **livelihood enhancement** not redistribution must be the central and the driving means toward poverty reduction. Total domestic resources and the high cost of redistributing by taking away - as opposed to out of growth - mean domestic resources reallocation is a 'bridge out' road. International transfers per capita to Africa have declined 50% in real terms over the decade and can be projected to continue on that route (however normatively wrong that may be). Investment for profit is only likely (or humanly useful) in a context of livelihood expansion and augmentation.

12. **Livelihoods** in Africa (and elsewhere) are **complex** both as to multiple sources with different roles (e.g. secure base versus upside potential) and dynamics and as to intra household time, income receipt and expenditure obligation budgeting. None is uniform across urban/rural nor across zones and none is static over time. Since 1970 women's directly productive (income including household food, shelter, fuel and water) activity has risen absolutely and as a proportion of total. Overall household labour input has - on the whole - risen with the recovery of average household consumption (often to near previous peak levels even when output per capita has not fully recovered) probably implying much the same per capita personal consumption, less taxes, less savings, less access to public services and lower 'payoff per hour worked as opposed to earlier 1970's or 1960's peaks. However, the averages contain very wide scatters -not least between armed conflict plagued and peaceful countries.

13. **Rural livelihood** enhancement (for the family small farming sector) in Africa is often relatively straightforward intellectually and - if given priority - in terms of provision of

resource input level requirement. The basic problems are institutional, articulation - testing - feedback and user consultation before, during and in monitoring of implementation. In most of SSA 50% increases in average rural income could be gained along these routes in 5 to 7 years.

14. **Urban livelihoods**, partly because they are usually more multi source, are harder to analyse and to programme in articulated strategy. Some elements - reduction of pointless or expensive (in time as well as finance terms) regulation, access to commercial credit, market access are known in general but not on broad fronts of specifics. Others relate to the fact that the dominant large city income source is wages as is the dominant market for 'informal' goods and services so that a dynamic formal wage sector is key to a dynamic set of 'informal' income flows.
15. **Food** is a two faceted issue. The first requirement is physical supply - often not nationally achievable physically in calamity years or catastrophe situations - and the second household entitlement (production, earnings or safety net) which is usually shaky to near absent for over 20% in 'normal' years and exacerbated by droughts, floods, civil disorder and war. Without adequate physical food there cannot be rapid reduction of malnutrition. Without adequate entitlements (including safety nets as well as production) physical food is not sufficient. Reducing malnutrition (like basic services) provides direct human welfare gains but is equally crucial to present and future productivity. The physical supply requirement (which may nationally be met best by exporting - e.g. - meat and/or fish and importing grain as in Botswana, Somaliland, Namibia) is at present met globally but it is in permanent medium term peril, the 1945-95 4% plus annual trend growth of food output is unprecedented and cannot continue without sustained and accelerated research and extension based productivity gains.
16. **Production/earned livelihoods** alone are not enough - particularly in calamity/catastrophe zones and years;
 - a. **old aged** households heads;
 - b. poor families taking in '**new**' (orphaned) children;

- c. **handicapped and child headed** families;
- d. **single adult headed** households of 4 or more
- e. **persons and households afflicted by calamities or catastrophes**

will in general need **income transfers**. Increasingly - partly for social transformation reasons but equally because of household and community safety net overload - historic safety nets are eroding generally or cannot bear the full weight of larger numbers of persons in these categories.

17. What can be done varies widely with output per capita, economic and demographic structures and state revenue to output ratios and links. Among the possibilities in some countries are:
- a. universal **old age pension** (perhaps only for South Africa, Namibia, Seychelles, Mauritius, Botswana to date);
 - b. rural drought (or other calamity) **survival and sustaining of ability to produce again** (or cash for work to buy food) entitlement mechanisms;
 - c. catastrophe **survival** (and post war **rehabilitation**) **support for refugees and internally displaced persons**;
 - d. selective urban very **low income supplement** schemes linked to readily identifiable age, disability or mother/child underweight and no weight criterion (as implement with some success in Mozambique);
 - e. **support for households willing to include** (usually kin) **orphans** (especially where HIV has destroyed often adequate previous mechanisms);
 - f. encouraging/supporting **social sector (not least religious bodies) care** for smaller, more diverse, less readily identifiable immiserised household/person calamities..

18. **Basic services** (broadly defined) are key both to **production now** and potential for **production growth tomorrow**. The main heads include:

- a. law, order, peace and stability in the sense of personal freedom to engage in ordinary activities without fear of violent interference (by anybody from invader through bandit to state official) and with courts, police, army to protect that freedom and halt violations plus freedom from frequent radical institutional and policy changes totally upending life and livelihood patterns (e.g. substituting private for coop or state agricultural marketing without ascertaining the private enterprises do have physical, personnel and financial/access to credit capacities to do the job);
- b. primary and adult applied education;
- c. primary (including preventative and educational) health services;
- d. accessible, pure water and environmental sanitation;
- e. basic local (both rural and poor urban neighbourhood) physical infrastructure;
- f. effective access to at least moderately competitive markets (even if this requires commercial lending to non-poor business units because without them the rural poor are doomed to remain poor);
- g. production orientated extension and research services (especially but not only agricultural);
- h. consequential secondary and tertiary education and health and other sector requirements (e.g. teaching hospitals, teacher training colleges, water technician institutes).

These are key to both household and macro economic production and productivity enhancement and thus to direct and enabling climate/context empowerment of poor people.

19. Among basic services water and health may deserve special attention. **Water** is usually given a step child status - almost literally in UN circles where *faute de mieux* UNICEF has taken over the lead role. There are three cases for water:

- a. improved **health** in respect to water borne diseases and environmental sanitation.
- b. massive labour time savings - predominantly by women and girls - from reduced (by up to 3 hours a day) water collection time;
- c. consequential higher **productivity** for women and girls, improvement in **school attendance and completion** ratios for girls and reduced women's work (overloads).
Unfortunately many water ministries are too gender insensitive to note these cases, even though it is institutionally in their interest to do so.

In practice neither the third nor, especially, the second consideration is usually integrated into water sector, let alone overall, strategic planning.

20. Within **health service/health education cluster** five sub areas stand out

- a. vaccination/immunisation (including moving toward malaria and HIV vaccines)
- b. nutrition (especially but not only under 5) education/organisation/support
- c. basic health services (including education/prevention) relating to the 90% of cases, excluding HIV, Malaria, Bilharzia preventable or treatable at low cost.
- d. malaria (plus bilharzia)
- e. HIV.

In respect of the **first three** there are enough successes to demonstrate that the ways forward are understood and enough state plus community/civil society/external actor funding to make broad progress is attainable if given top priority.

Malaria and **bilharzia** are more problematic. Breakthroughs to prevention are probably less than a decade away but need continued African (plus Asian and Latin American) pressure and at least symbolic contribution to funding because these are tropical and primarily poor people's plagues. Malaria is Africa's greatest killer (especially among under 5's), though AIDS related deaths, will soon surpass it and bilharzia is already probably the greatest drag on rural health (in morbidity terms) and productivity in several areas and countries. Both are

rising rapidly and need renewed attention to known (if less than fully effective) prevention and control means until vaccines are achieved.

21. **HIV/AIDS** has yet to be faced squarely probably because the perspectives are so depressing and the chances of a breakthrough to effective prevention or poor person accessible control within a decade so low. That is not conducive to achieving what can be achieved in catastrophe limitation. The most likely scenario is (over two decades) a rise of adult HIV positivity to 25% of adult Africans and to 20% of infants (who die by two) with significant decreases in life expectancy and in mouths to feed to healthy hands to earn ratios and massive increases in orphans and under (unless malaria deaths are reduced 90%) 5 mortality. No breakthrough to effective prevention or long term disease management at poor person accessible costs can yet be foreseen.

What can be done?

- a. **education for comprehension and prevention** (which - as Uganda experience indicates - can be effective in parallel with the fear generated by personally having knowing persons who have died);
- b. **facilitation** (including financial) of **new family entry for orphans**;
- c. **facilitation of/support for family and civil society palliative and hospice care**;
- d. using **all available means** (including WTO and WIPO emergency clauses) to **force generic production/low cost licensing of HIV management drugs to low and lower middle income countries**. To date efforts by - notably South Africa and Thailand - have been iniquitously blocked by pharmaceutical producers backed by the USA and by the shameful silence (until very recently) of WHO and UNDP, and UNICEF's low key approach;
- e. backing **research toward vaccines** (including human controlled trial on condition HIV strains most relevant to Africa are included). The money to 'justify' corporate research on vaccines is in the Northern market. Ensuring poor Africans will benefit requires piggybacking main African HIV strain tests on those more directly relevant to the North.

It is useless to expect companies to invest massively in low return drugs; it is practicable to mobilise academic and public sector personnel and funding to complement theirs with built in conditions on subsequent pricing.

22. **HIV/Aids is neither Armageddon nor Sodom and Gomorrah** (either physically or morally). **Denial of reality** (because it is so horrid) and **dubious blame casting/scapegoating could make it so**. The **moral imperatives** are promoting practicable means to reduce infection, reduced suffering of doomed persons, better lives for orphans and progress toward affordable HIV management and prevention. Those who specialise in condemning the afflicted and those heedlessly rushing into risk lack both charity in the Pauline sense and relevance to alleviating, containing and reversing the tidal wave of personal, social and economic costs. E.g., the issue is neither whether condoms are moral (they rarely cause promiscuity) nor a silver bullet (clearly no) but whether in specific contexts they can be part of a containment strategy.
23. **Gender** issues are not in fact limited to poverty but are less ill grouped with the poverty cluster than with conflict or macro economics. **Operationally - as opposed to intellectually and strategically - gender issues are usually not well addressed by parallel women's programmes**. Given resource constraints, actual divisions and interactions of labour and the political weakness of new institutions, these have a tendency to become "Dolls for the girls to play with while the men get on with the real business" as two senior female Southern African macro finance professionals rather caustically put it. The need for a **focal point institution** to do applied research and analysis; to devise strategic gender objectives with suggestions as to how to make them integral to overall "mainline" programming and also to monitor results needs to be kept separate for who operates what programmes in which who participates. For example Tanzania's improved child nutrition plus programme (the plus having - at the initiative of its village committees - become women's economic opportunities) is coordinated on the technical front by the National Nutrition Institute, served by joint Health and Food and Agriculture programmes at District level and operated by Village Committees with UNICEF catalytic and technical support. It does reduce child malnutrition (often dramatically and holding the gains in dearth years) and, in most cases, women's economic activities. Many - perhaps a majority - of the directly engaged government personnel are women as are virtually

all of the village level operators but it is a main stream institution programme focused on key objectives in a gender separate way not, a specific 'women's programmes'. Similarly in rural public works, Botswana - after efforts at persuasion produced limited results - required equal access to be proven by 35% female workers and got it with no signs of lack of candidates or social opposition. But there is no separate women's work programme - which would rather hamper the impact in respect to demonstrating the case for equal access to employment. *Per contra* gender sensitivity may result in men focused sub-programmes. Family planning/child spacing education was (often still is) overwhelming delivered to women. Yet many women assert (and researchers note) men dominate relevant decisions. As a result family planning education is increasingly being directed to men too.

24. As illustrated earlier in respect to water, the **specific impact of apparently technical measures on women is not necessarily self evident**. Much depends on actual divisions of labour and on intra household income/labour budgeting patterns and dynamics. e.g. a shift from hand hoeing to animal (or tractor) ploughing usually reduces women's and increases men's workload. Increased labour requirements from women on male controlled crops grown to be sold do not necessarily disadvantage women (especially if oxen or donkeys in parallel replace hoes). Many women can and do negotiate for more labour on their household food or secondary cash crops and/or charge wages (directly or indirectly) for additional time.
25. That said, **gender and poverty issues are ill researched and, usually, neither adequately politically focused nor pushed**. Most poverty among female headed households relates either to high months to hands ratios and/or absence of acquired skills, not to feminisation of poverty as such. Universal primary and applied education and safety nets look more practicable ways forward than micro women only initiatives (albeit in agricultural and other production support programmes should be keyed to actual potential user groups with specific capacities, needs and obstacles, some of which groups will be dominantly female, or male).

III.

WAR, DISORDER, GOVERNANCE and HUMAN WELFARE

26. The **largest single cause of human misery and of poverty in Africa is war**. Extended, disabling social conflict short of war may well be the second largest. The largest single cause of both today (now that the only evident classic "liberation war" is that of the Sahara Democratic Republic and the Ethiopian/Eritrean the only classic border/prestige war) is **deficient** (mis, mal or non) **governance**.
27. The **political economic aspects of acceptable governance** are not that divergent in nature from those usually termed social or political:
- a. **accountability** (including both numerical and verbal accounts);
 - b. **transparency**;
 - c. **honesty**;
 - d. **competence and comprehensibility**;
 - e. **capacity to deliver** desired services in user friendly forms.
28. **Law, Order and Peace**, as defined earlier, is a precondition to sustained human and economic development. Certainly it is not by itself enough and its terminology may be co-opted by men of straw who use it as a cover for repression, injustice, state sponsored disorder and selective lawlessness. But **without** law and order which is visible, accessible and friendly to ordinary women in the field, men in the street and children en route to school - basically border defense, civilian police and magistrates' courts - **there cannot and will not be much else**. True are cannot eat law and order but scores of millions of Africans will bear witness that without it there will never be enough to eat.
29. **Armed conflict** (war, complex political emergencies, conflict - as are prefers) afflicts or has in the immediate post afflicted about half of African states, led to excess deaths of the order of 10,000,000 since 1980 as well as cumulative output loss of the order of \$150,000 million.

These estimates exclude long term, deep broad civil disorder and repression just short of open, general war in - notably - South Africa and Nigeria.

30. As with HIV there is **no reason for Africans to be defensive about citations of war** - usually (most un) civil war - of atrocities or of genocide. They are real. They can only be overcome by primarily African initiatives and follow through. Further - while this is neither a defense of nor a lessening the seriousness of African cases - at least half the major 1980-1999 wars are outside Africa. San Salvador and Peru, Colombia and Kosovo/Serbia, Bosnia-Herzegovina and Georgia/Abkazia, Russia/Chechenya and Afghanistan, Sri Lanka and Myanmar as well as East Timor and Indonesia, Turkey-Iraq-Iran and the Kurdish people are assuredly **not in Africa**. There are only two war free continents: Antartica (with the headstart of no permanent human inhabitants) and Australia with North America marginal depending on how one views regional insurgencies in Mexico and whether Guatemala - Honduras - El Salvador - Nicaragua are North or South American. Nor is there much help in saying **outsiders play on cleavages** to turn conflicts violent for their own reasons - true as that is. **Only Africans can close the cleavages** and - in practice - **only Africans can make peace**. UN or bilateral Northern recolonisation under whatever name is unacceptable in the North as well as in Africa, if for different reasons.
31. The standard - or older - view that **wars are costly in macro economic and human terms** as well as for most households remains valid. The basic drives to war are hope for future gain and fear of future loss (economic or even of life) not narrowly defined present gains or losses. True some two legged flightless vultures of adversity do profit by war as - in their own minds - do some insurgents swept out of unemployment or marginalisation and some officers. But most supposed beneficiaries are adaptive copers who could, would and frequently would prefer to adapt to peace. For most ex-combatants **demobilisation with reintegration** is likely to be and to be seen as preferable to war without end (or for other ranks with an ever present end in sight).
32. Ending armed conflict - to be sustainable - must link to **reconciliation, rehabilitation, reconstruction** not in the sense of literal recreation of the immediate prewar period which contained the seeds of war but in the context of the earlier poverty and governance points. At

the level of articulation **rehabilitation** and **reconstruction** are largely special (and more difficult context) poverty reduction and governance improvement strategies.

33. **Reconciliation** is somewhat different. In Tanzania one can assume broad two way communication, trust and interaction between governance and communities (peoples). In Acholiland (Gulu and Kitgum Districts) in Uganda since 1986 and especially up to late 1997 no such assumptions were valid. That a breakthrough is now probably under way is the best news for Gulu (and in some ways Kampala) for over a decade. That it has been spearheaded by the Acholi Religious Leaders' (Anglican, Catholic, Muslim) Peace Initiative is a point religious leaders in general (especially in war torn lands) should reflect upon especially given the role of the Christian Peace Coalition (Anglican, Catholic, Methodist, Presbyterian) of Mozambique in the process leading to the Rome Agreement and on to their endorsement in the elections. Why are effective initiatives of this kind still the unusual rather than the normal? How can neighbouring religious groups/leaders assist those in afflicted zones? In much of Africa **religious bodies are the most important ones crosscutting rich/poor, ethnicity, core/marginalised, government/civil society and even state/insurgent categories**. If their trumpets are silent who else can blow down the walled citadel of conflict?
34. **Government** (central, provincial/state and local) - **civil society** (e.g. religious groups, trade and peasant unions, community bodies, women's and youth bodies, domestic NGOs and cause organisations) relations are crucial to decent governance, to mutual understanding of governors/elected and electorates/governed, to participation and accountability and to resource mobilisation and efficient use by both sets of institutions. Neither side in Africa has addressed the issues involved holistically and strategically and, too often, tactical differences have led to mutually counterproductive stand-offs. Religious groups have frequently been relatively hands off in respect to positive actions beyond faith and relief and governments slow to recognise their relevance to secular affairs - neither a stance evidently fully consistent with 'the world is the Lord's and all that therein is'.

IV

MACRO POLITICAL ECONOMICS FOR PEOPLE

35. **Growth matters, especially for poor people.** Like law and order it is **never sufficient** but - at least in poor countries - **always necessary** for almost any type of **human development**. It is no accident that Thailand, Malaysia and Indonesia (which did not illustrate great adherence to preferences for the poor, for safety nets nor for open/accountable governance) did reduce proportionate personal consumption and basic service access poverty very rapidly over 1977-97. Africa badly needs **6% trend, annual real output increases (3% plus per capita)** if personal consumption, basic service access, safety net, productive investment and governance levels are to change radically and sustainably. Even excluding war cases the present trend is at best 4% (and at worst 2.5%), which with 2.5% plus population growth is inadequate..
36. Not **all macro economic** policies especially starting from serious disequilibrium are - or can be - **pleasant or popular**. It does not require an authoritarian to believe that - Mwalimu Nyerere linked it to asserting that human beings were the sole ends and evaluators and the principal means to development and added the corollary that **economic efficiency matters, waste is a sin**.
37. **Government revenue matters.** Without it capacity - especially as to basic services and safety nets - cannot be extended to all (or almost all) poor people not at a pace consistent with 6% overall growth. This is not necessarily a matter of raising tax rates so much as of improving collection and of devising overall (not necessarily tax by tax) structures which are broadly progressive. In many African states too few, too poorly trained and paid, too little honest collectors in ill equipped systems with too many and too complex taxes fail to collect at least a third of what existing rates and marginal tax bases should provide. The beneficiaries are rarely poor people (nor are efficient business people particularly likely to be the main winners either) but rather human variants on the ominous, huge, saturnine carrion eating Nile storks.

38. That point leads to a brutal reality: **Pay, Professionalism, Probity and Productivity** in the Public Service are **not separable**. Unless public service wages for - e.g. - constables, nurses, primary school teachers, extension workers and rural water technicians (usually nearly 2/3 of public servants) are at or rising toward 2/3 to 100% of absolute poverty lines for urban households of 5 or 6, neither adequate probity, professionalism nor productivity can be achieved. **Need** (not greed) will force absenteeism, conflict of interest, direct collection of user (or evader for tax officers) fee collection. And the schools of hapless minnows will provide cover for the sharks of greed based corruption. The external response of partly filling holes by providing a few technical assistance persons at 10 times the cost of qualified citizens and international NGOs, (at average cost 3 times as high to substitute for local and central government service provision) is economic lunacy as well as deeply debilitating and corrosive of African states and of domestic social actors.
39. Government **expenditure per capita on basic services in constant prices** in SSA as a whole appears to have fallen **by half**. The lesser overall expenditure decline has been eaten up by **war** and **debt service**. Numbers employed are too few, too ill trained, too ill paid to achieve minimum competent governance levels e.g. to educate all of Mali's primary school pupils in classes of 45 would require at least quadrupling primary school teachers and doubling the non-uniformed public service. The only major savings are from **peace** and **lower debt service** (Jubilee or other).
40. The need for **more efficient spending** (human oriented and even potentially sound policies can be very poor payoff in practice (e.g. most of Tanzania's in direct support of agriculture). Different emphasis in service provision (primarily to moving rapidly to universal basic public service and safety net cover) are central and easy to state, or even to outline, but much harder to articulate, operate, review and preserve from special interest erosion (especially when it purports to be on behalf of poor people as all lenders - public or private - to Tanzanian small farming households have special pleaded for over 35 years). With focus and efficiency \$40 per capita for basic services and \$10 (on average) for safety nets on recurrent budget i.e. \$50 per capita which implies a total government budget of \$60-70 recurrent excluding debt service which at 20% tax/output ratio is possible with output of \$400 per person, \$25 net external support and \$35-40 per capita investment budget. **Only the very poorest SSA**

economies literally **could not reach these parameters in 5 to 10 years if they achieved 6% growth, poor person friendly governance and peace.**

41. **Exports matter.** The only foreign exchange flows basically under the control of a country and its people are those derived from **exports** (including remittances of overseas workers). The alternative of enterprise investment is uncertain - and often expensive - while that of external assistance is secularly declining, condition ridden and often demeaning. That is not the opinion of would be globalising capitalists alone - Mwalimu and his great Finance Minister Amir Jamal argued those propositions from 1970. Exclusion from global economic advance was the key danger as perceived by Mwalimu both in the 1960's and - with the South Commission - in the 1990's. There is no inherent reason exports need be anti poor people - as producers, wage earners and recipients of export enterprise surplus financed public services and safety nets (e.g. Botswana) they can be beneficiaries. The scandal of the Niger Delta is **what Nigeria has done with its oil revenues** and the **laxness of its regulation of pollution** far more basically that it is of company payments or policies (deplorable as the latter have been in respect to air, water and soil pollution).
42. **External context** is an area only marginally under African control. But even that marginal influence - by Africans and their state/social actors and by external friends of Africa is not now being used effectively. Some possibilities are:
- a. **restructuring external support/aid** (which will on balance continue to decline in real per capita terms) away from high cost expatriates and very large scale infrastructure toward basic services on both recurrent and capital accounts (including initial R-R-R and basic salaries enhancement);
 - b. building on present mobilisation, publicity and - to a point - financial gains from the Jubilee campaign which (except in its unwise entry into how the North should finance writedowns) is a template for focused, genuinely North-South pressure for focused, at least in part attainable objectives;
 - c. using Jubilee to craft parallel WTO, ILO (a better forum to set minimum labour standards for WTO), WIPO/WHO campaigns focused on red South (African priorities)

and, where appropriate, separate from New Jerusalem or Zero Growth Ecological purism. e.g. biotechnology to increase iron or protein content and/or reduce drought vulnerability would benefit primary Africa and Asia. This implies finance via the International Crop Research Institutes (ICRISAT including Ibadan in Africa) whether the actual research is GM company or Institute done and licensing/royalties at levels allowing actual African access. Similar considerations apply to HIV and Malaria vaccine research. Because **no African state uses** the maximum tariff - infrastructure support - research - subsidy - dumping barriers it is **now allowed** by WTO, it is disingenuous to say the main threat to farmers is WTO liberalisation - disingenuous and a smokescreen for domestic resource allocation to other ends.

d. negotiating genuine **contracts** to meet specified targets relevant to ozone layer, species diversity, global warming concerns in return for specified external resource provision for African priority environmental protection (by anti erosion, desertification, air pollution) overlapping and consistent - but not identical with global (real Northwestern?) priorities.

43. The above agenda will not tip the global context from extreme African unfriendliness - it could reduce the imbalance. However desirable, calling for a full stop to globalisation, doubling aid transfers and allowing fully unilateral preferential access to all markets for all African states will not work - as nakedly evidenced at the end of the Uruguay WTO Round and both governmental and INGO current approaches to the proposed Seattle Round.

44. **Regionalism** - or sub regional Pan Africanism - represents a renaissance, an opportunity and a challenge to states and social sector actors alike. Compared to 1980 there is substantial progress on economic coordination, calamity management/famine prevention, security (sometimes defined to include food, livelihood and freedom from crime) but very unevenly and imperfectly. To date this has been more sub-regional -notably in SADC and ECOWAS - than continental where UNECA has declined, the OAU given some verbal but very little applied leadership and the ADB been all too occupied with survival. Greater participation - with survival. Greater participation - with social actors and the private sector - has begun to take root (especially in SADC), but none of the parties appears to have either a strategic agenda nor clear views on what interaction can achieve beyond vague general affirmations.

Given the limited resources of African states, the real potential for specialisation and division of labour (not only in markets and marketed production) and the evident potential for sub-regional security provision and governance standard setting there is a priority case to conceptualise, to extend and deepen dialogue and to sharpen action. African Regionalism and Sub Regionalism are ultimately about Self Determination, Self Reliance and Self Respect. As such they are central to macro issues, to peace and security, to good governance and - at least indirectly and by sharing best practice - to poverty reduction.

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October 1999

Ref: RHG/br/lab/pseawcc.doc 02.11.99