AFRICA 1975-90: The Economics of Boom, Decline, Conflict and Survival

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> Rabbit what are you doing?
> I'm going out to kill the elephant.
> Can you really do that?
> Well, I'll try... and try again!
>
> \- Wasukuma Proverb

Introductory Summary

Over 1975-80 Africa has passed through three main economic periods: 1975-79, 1980-84, 1985-89. The first was characterised by the rapid recovery of the majority of African economies from 1974 drought/first oil shock declines and over 1976-79 by four years of 5% average GDP growth. This was in fact the best four years in recorded economic statistics for Africa and the only one for which its growth rate was above the South average. In retrospect it is clear that this growth was overly dependent on the proceeds of the 1985-86 beverage price boom and of oil export earnings, as well as on a rapid build-up of external debt. Even at the time, it was clear the averages masked very poor performance by several economies including Ghana, Zaire and Ethiopia

1980-84 was a period of nearly uniform economic disaster - the only clear-cut exceptions being Botswana and Mauritius. The second oil shock, sharp increases in world interest rates, general primary product terms of trade deterioration, drought and war were among the main causes. These interacted with state personnel and financial capacities which had narrow margins to handle increased strains and whose efficiency deteriorated radically under repeated shocks. Further, over 1980-82 most African economies (like the IMF, The World Bank and OECD) assumed rapid global growth recovery in 1981/82 or at the latest 82/83 and therefore tried to repeat the "riding out the storm" tactics that had served them well over

1974/76. When the external context instead continued to worsen they faced the need for more radical cuts in imports and public investment/services with much higher external debt than if adjustment had been begun in 1979/80.

1985-89 has again been more mixed. The 1976-79 5% growth rates of GDP have not been regained but the 1.5% to 2% of 1980-84 have been pushed back to about a 3% trend - albeit with wide annual, sub-regional and national fluctuations. Whether this performance constitutes a base for sustained recovery and transformation is unclear. With 1990 GDP/capita 20% to 25% below 1980 even recovery has a long way to go and even "successful adjustors" tend to have 3% to 5% GDP growth imply 2000 to 2020 for regaining 1980 positions. Clearly adjustment fatigue will force policy changes - for better or worse - well before that date.

The 1980s was characterised not simply by slow GDP growth but also by increases in the proportion of Africans living in absolute poverty to 30% (virtually tied with India for the highest proportion in the world); rising food insecurity at both household and national levels; decreasing access to adequate livelihoods (in employment or self-employment); accelerating ecological damage (erosion, deforestation, neo-desertification); near stagnation in Under 5 mortality rates and life expectancies at birth (respectively the highest and lowest of all regions) and, largely as a result of impoverishment and insecurity, rising population growth rates.

Brief overviews of Africa must be treated with caution. 52 countries with over 500 million people (47 with over 400 million excluding North Africa or 53 with 650 million including South Africa) are not readily homogenised into meaningful averages nor simple qualitative descriptions and analyses. As it happens most of the differences are inter country: North African performance (and despite higher GDP per capita economic structures) are not radically different from middle income Sub-Saharan African economies. South Africa because of apartheid has a radically different income distribution - as well as a more industrially focused structure of production. However, its 1980-89 economic performance has been moderately worse than that of SSA with rather greater bureaucratic controls and rather more self-inflicted damage from luxury consumption and nationally chosen high levels of military expenditure.

More serious SSA data are very bad. Estimates of GDP are rarely better than plus or minus 20% and more serious, those of GDP growth are subject to plus or minus 2% or more and for population growth up to 1%. At present GDP growth is probably marginally underestimated on average (grossly so when USA $ conversions are used because of massive post 1983 real devaluations in a majority of countries and population growth overestimated (e.g. the 1987 Tanzania Census shows a 2.75% population growth rate over 1977-87 versus the 3.3% estimated from careless comparison of the non-comparable 1967 and 1977 censi). However, the broad parameters are visible despite the uncertainties and the actual position is grim for a majority of Africans even if slightly less so than the available data might suggest.

The late 1980s has seen a broadening area of strategic and policy agreement. For example, grossly over-valued currencies have few backers and neither do short, sharp shock stabilisation schemes with no attention to real household income or basic (re-styled human investment) services consequences.

The UN Economic Commission for Africa's African Alternative Framework to Structural Adjustment Programmes is at least 90% compatible with the World Bank's Long Term Perspective Study - From Crisis to Sustainable Growth. Reduction of absolute poverty has returned to the World Bank's strategic priorities in the 1990 World Development Report and entered the ECA's with the Khartoum Human Dimension Conference in 1988 and its Declaration subsequently blessed by OAU and ECA summits. There are sharp disagreements on phasing, timing, relative priorities and trade-offs but the broad body of strategic analysis has moved far away both from the neo-liberalism of the Bank's 1981 Berg Report and the Marxian phrased (and less frequently substantively intended) neo-mercantilist platforms held by many African governments at that date.

It is convenient to look at Africa in 1989/90 and its 1991/2000 prospects in a framework of four issue clusters: Public Sector Capacity and Governance; Sectoral Bottlenecks; Poverty and External Economic Relations.

Public Sector Capacity: Security, Governance, Participation

For those African countries afflicted, war, or the live threat of war is the greatest single barrier to growth, development or poverty reduction. In the case of Southern Africa the 1980-88 direct and indirect GDP losses from war totalled $65,000 million including Namibia or over twice attained GDP (as well as nearly 1,600,000 lives). Since Southern Africa has already regained a 3.5% to 4.0% growth trend the potential peace dividend could be a 6% annual growth rate.

Only the Southern African costs have been estimated seriously - because they flow primarily from external aggression and the main state financer and manager of that aggression is South Africa. But the costs of interlocking civil, empire breakup (in the classic meaning of empire) and border wars to the Horn (Ethiopia/Eritrea, Sudan, Somalia, Djibouti) over the last decade has probably been in the $20,000-25,000 million range or 1.3 to 1.7 times actual 1988 GDP and has had (because of famines rendered massively fatal by war) a higher death toll than in Southern Africa.

Civil wars in Liberia, Uganda, Zaire; the mixed civil war with external manipulation in Chad and the liberation struggle of the Sahara Democratic Republic have also crippled the economies affected and had a direct/indirect death toll of at least 1,500,000.

War - fought within national boundaries - is the extreme of insecurity. But law and order in the sense of being able to go about one's daily livelihood and life without threat is weak (in varying degrees) in many non-war states. The economic costs of weak law and order and of civil disorder (whatever its causes) are high. Security is not a sufficient condition for development but it is a necessary one.

Governance is usually viewed as a political issue but several aspects are economic or have direct economic consequences. First, it is idle to talk about good governance if state financial and personnel resources are inadequate to the task or poorly deployed. The World Bank's Long Term Perspective Study suggests that after eliminating enterprise subsidies and concentrating on basic services and infrastructure SSA states will need to raise *per capita* expenditure in real terms 40% to 50% by 2000 - and implicitly to raise middle and high level personnel by 25% to 30%. that is such a daunting challenge as to require prioritisation away from nonessential services and from all but selected crucial public enterprises for which private or joint venture alternatives are non-existent or clearly unsatisfactory.

Second, accountability requires accounts. African public sector accounts usually range from weak to deplorable, especially in providing the interim information flows needed within a (government or enterprise) financial year for adequate financial management.

Third, participation in governance is likely (by providing data and monitoring) to increase efficiency of resource use, morale (and therefore productivity) and willingness of communities to augment state resource for basic services and small scale infrastructure. Multi partyism is neither a sufficient nor a necessary condition - competitiveness of elections, a real chance of defeating incumbents and governmental responsiveness to public wishes and opinions are crucial.

Sectoral Bottlenecks and Transformation Needs

Macro economic strategy - especially when concentrated on fiscal, monetary and exchange rate policy is not enough. The four most crucial sectors are agriculture, transport and communications, manufacturing and energy.

Agriculture remains the key to a majority of African households livelihoods and food security as well as a major source of export earnings and industrial inputs. Since 1965 its growth has lagged that of population. The 1980s improvement to 2.5% a year seems to be made up of 2% food (versus 1.8% in the 1970s and somewhat over 2% in the late 1960s) and 3% export/industrial crops (versus negative in the 1970s and over 3% in the late 1960s). For sustained recovery and less inadequate nutritional levels combined with reduced dependence on food aid 4% is needed annually over 1990-2010. For export/industrial production 5% is needed to avoid continued import strangulation and manufactured blockage albeit on exports major shifts, e.g. into horticulture, are needed since for Africa as a whole more tea, coffee, cocoa, sugar and perhaps cotton, tobacco and oilseed exports would - given African market shares and world price elasticities - be likely to reduce, not raise, total net export earnings.

Most output growth over the past quarter century has come from cultivating/grazing more hectarage. In most countries this cannot be counted on a continued, let alone a radically enhanced, contribution to growth. At the margin farming has pushed into sub-marginal (soil quality and/or assured rainfall deficient) areas and pushed pastoralism out into even more sub-marginal tracts. The apparent low cultivated to arable land ratios are misleading because long rotation "fallow" (under bush or forest) land is not vacant given known/viable technologies and can be up to four times the area actually cultivated at any one time. A second constraint is women's workload - often 14 to 16 hours a day in rural SSA. No more time can be put into agriculture unless it can be saved elsewhere.

In the short run major productivity breakthroughs are unlikely - the shelf of research/techniques adapted, field tested and cost efficient is very poorly stocked. That posits an urgent priority for such research now but for late 1990s and 2000s pay off. In the short run better access to markets, transport, seeds, hand and animal drawn tools and fertilisers can raise output. So can extending the best locally/nationally used techniques (often adapted 'traditional' and unknown to the Research Extension establishment) and by freeing women's time for agriculture by improving access to basic health services, water and fuel which together can take up to 8 hours a day at present.

<u>Transport and communications</u> in SSA have gone backwards since 1979. Deferred maintenance and war have wrecked many once adequate routes. Other rural areas never did have adequate access to transport - nor, therefore, to markets. Poor communications internally impede data flow and reduce state and enterprise managerial efficiency - again as the result of gaps in nominal coverage plus maintenance so long deferred as to lead to endemic breakdowns. Externally, telecommunications have improved in the 1980s (as has air service) but remain below standards needed for efficient participation in global trade.

To regain 1970s basic transport standards, fill the most glaring gaps and to attain minimal adequate domestic and external communications will - on World Bank estimates - require rapid increases to 2000 investment/maintenance and a build-up of (cost and low income household effective but still uncommon) labour intensive rural road-tracks-bridges-culverts construction and labour intensive maintenance more generally (as now being begun in Mozambique's urban infrastructure rehabilitation project).

Industry in Africa after 7% annual growth in the 1970s and near stagnation over the first half of the 1980s has returned to 3% to 4% annual growth. For 4% to 5% GDP growth and structural transformation at least 6% is needed.

Without doubt the unit costs, output trends and structures of the industrial sectors of most African economies (Zimbabwe, Botswana, Mauritius, Tunisia, Algeria and possibly Malawi and Egypt are exceptions) are unsound. Why, is a more complex issue varying from country to country, industry to industry and plant to plant.

One cause is long deferred maintenance leading to low capacity utilisation and high breakdown costs. A second is heavy dependence on borrowed capital in a context of high interest rates and - for external borrowings - high real devaluation costs. A third is low capacity utilisation not foreseen (nor until 1980-82 reasonably foreseeable) as a result of import capacity collapse - a factor whose GDP multiplier loss is greater when the direct import component is high.

Related to this is low growth of agricultural raw material production limiting import substitution and/or capacity utilisation. Fourth is plants too large for national markets either from the start or given the 1980s collapse of market growth. Fifth are white elephants which either initially or with changed world relative prices cannot ever be viable. Sixth are unit labour costs but here a dichotomy exists. In much of Francophone Africa these appear to relate to too high real wages and - especially - salaries. But in much of Anglophone and Lusophone Africa the reverse is true - real wages and salaries are below the minimum "efficiency wage". As a result absenteeism, low morale, disincentive to improve skills and theft make lower wages per worker raise labour costs per unit of output.

Evidently the appropriate remedies for these causes vary. Only for "white elephants" is speedy liquidation unambiguously sound. Nor for the rest is instant trade liberalisation - as opposed to phased liberalisation starting with inputs and giving time for recuperation (as launched by Zimbabwe in 1990) - likely to be optimal.

Three new lines of strategic focus appear appropriate. First, pre-export processing and manufacturing (e.g. cocoa paste-powder-butter-oil; sawn timber-veneer-plywood-furniture parts; leather-shoe parts-finished leather goods). Second, broad market consumer, intermediate, construction and simple capital goods. Third, agro-industry broadening demand for domestic agricultural products (and increasing rural effective demand for manufactures). The second and third categories would usually be helped by and often require regional/sub-regional markets. For them to flourish economic integration/coordination must go beyond tariff preferences to look at knowledge, communications, transport, guidance toward specialisation (and away from duplicative surplus capacity). And countries - e.g. Kenya, Zimbabwe - must remember that the basic purpose of exports is to secure imports and that their SSA markets have not great ability to raise regional imports if they have to pay in hard currency. Vigorous sustained trade expansion requires attention to identifying potential imports (which can include transport, energy and raw materials) and making them actual.

Energy poses two quite different problems. The first is excessive dependence on petroleum (in different ways for importers and exporters). For importers this points toward increased use of hydroelectric potential (not least on a regional basis as is tentatively beginning in Southern Africa), coal (when available) and natural gas (found in several states with no proved liquid hydrocarbons). For exporters it implies diversification - including, but not limited to, natural gas and its ammonia/urea product complex and simple petrochemicals and building up equalisation reserves in foreign exchange in good years (e.g. 1990/91) to cushion adjustment to price collapses as in 1986 and 1988/89.

The other problem - the larger one in terms of energy used and households affected directly - is wood fuel. Deforestation is making wood/charcoal costlier in cities, increasing rural women's workload to collect it and contributing to erosion and neo-desertification. Household and community agro-forestry can - over time - reverse this trend, usually by mixing fuel, building material, fodder and food providing trees. Pure plantations may be suitable for urban fuelling and for pulp mills but are an inappropriate technical fix for the ecological-rural household fuel scissors.

Poverty: Access, Productivity and People

By the most conservative estimates 30% of Sub-Saharan and about 27½% of all African (including Northern and South Africa) are absolutely poor as set out in the 1990 World Development Report. On the slightly less austere basis used in an earlier draft the proportion came to 40%. On either definition it is rising; a characteristic unique to Africa (both SSA and all Africa) and sharply divergent from Asia including its large low income countries.

Nationally absolute poverty ranges from as high as 60% (e.g. Mozambique, Ethiopia, probably Malawi) to under 20% (e.g. Mauritius, Seychelles, Cape Verde and Botswana). While there is a high negative correlation with war; the positive one with output per capita is uneven. States with demonstrated policy concern with relative equality or with ensuring minimum access to income and services for all citizens, e.g. Tanzania, Mozambique, Cape Verde, Botswana, Mauritius and Zimbabwe do better on poverty indices than GDP per capita would suggest and those with no such applied concern (whatever their rhetoric) e.g. Malawi, Nigeria, Zambia, South Africa, Sudan and Ethiopia outside the core highland provinces do significantly worse.

The causes of absolute poverty are twofold: lack of access to land, employment and/or skills (structural poverty) and lack of rehabilitation support and/or safety nets during or after disasters, e.g. drought and war at macro level, illness, fire injury or death at household (conjunctural). However, in the absence of livelihood rehabilitation, conjunctural poverty relatively rapidly becomes structural and permanent for most of those afflicted.

While higher output per person is no guarantee of falling absolute poverty; falling GDP per capita in low productivity economies is a virtual guarantee of rising absolute poverty absolutely and as a proportion of households. The 1980-90 fall of 20% to 25% in average African real GDP is a major cause of rising poverty; the return to rising output per person of about half the economies in recent years is a sign of hope.

Strategies for reducing absolute poverty rest on four legs: enabling poor people to be more productive; achieving universal access to basic services (health, education, water, extension); improving basic infrastructure and providing safety nets (family, community or state) for those who cannot (temporarily or permanently) produce more. This is no longer an area of massive disagreement in principle. However, only the basic services and infrastructure components are usually well articulated. How to devote efforts to raising small farmer micro enterprise and formal or informal employee ability to produce is neither well researched nor effectively pursued. Safety nets are - except for survival relief backed by food aid - sill, on balance fraying, with overload and social change breaking family strands faster than new community or state ones can be devised and built up.

Food insecurity is an aspect of poverty and of vulnerability to being plunged into it. Moderate and severe child malnutrition in Africa ranges from 25% to nearly 70% (and severe from 2% to 20%). Food imports have risen dramatically to about 6% of all calories (but up to 20% in the most serious food deficit cases like Mozambique) and - more crucial - are dominantly food aid because with few exceptions massive food deficits relate to overall economic disaster not successful specialisation in non-food products.

Because SSA (indeed Africa) has very limited applicable knowledge on how to raise productivity rapidly by technological change, short term measures need to focus on input supply, market access and effective mobilisation and use of food aid nationally and small farmer enabling, disaster victim livelihood rehabilitation and employment (including labour intensive public works) augmentation in respect to household food security entitlements from production (of food or income exchangeable for it).

Women - especially female-headed households (perhaps 20% of all African households) - are disproportionately represented in the absolutely poor and food insecure categories. Women's workload in rural areas and low access to skills and/or employment to be productive in urban, are major barriers to increasing food production and poor urban household incomes. Concern about gender divisions of labour, women's exclusion from decisions and unequal access to land-skills-employment is not in Africa simply egalitarian, humanitarian or - in any narrow sense feminist. It is central to reduction of national and household food insecurity and of the numbers of households existing in absolute poverty and - in many cases - to substantial increases in the rate of growth of production.

Articulation of action lags the acceptance of the need for it. Data on female-headed households - let alone their perceptions of their needs and capabilities - is limited; provision of vocational training, of extension services and of employment is still often unable (almost literally) to see women. However, drives toward universal literacy and basic education and health services do benefit women disproportionately because they have had the least access to them and because the burden of caring for the sick falls primarily on them. Similarly accessible pure water supplies and woodfuel save primarily women and girls' time with clear potential both for improving child care and for freeing time for production at peak agricultural seasons. In many African countries these realities are being perceived and acted upon and women's self-organisation for production is advancing. While the driving force is frequently women's groups, progress is clearly less slow and painful when the state does allocate resources, provides an enabling legal framework and seeks to alter traditional limiting perceptions on women's roles.

Africa is the most environmentally at risk continent. Deforestation (including bushes and shrubs), erosion and neo-desertification are advancing at alarming rates with some damaging climatic shifts (e.g. the length and intensity of the harmattan on the West African coast) already brutally evident. The key cause for most environmental damage is need and the worst damagers poor households who must destroy now to survive now even thought they know (and care) that their actions limit and endanger their and their children's future livelihoods.

The implications for strategy are clear. Inputs of knowledge, tools and fertiliser to enable poor farming households to grow more without damaging the land are crucial. Low tillage, inter-cropping and reducing naked soil surfaces are examples. Similarly household, co-op and small community tree and bush planting based on meeting fuel, building material, fodder and food needs can - as demonstrated in a number of Ethiopian and Tanzanian cases - achieve rapid support because it demonstrably enhances present livelihoods as well as protecting future by erosion control and reduction of neo-desertification dangers.

But despite some knowledge and successes the environmental battle is still being lost. One reason is the rapid expansion of cropping into sub-marginal, ecologically fragile areas and the consequential pushing of livestock raising into even more drought prone and vulnerable ecological zones. Both increase food insecurity from crop failure and animal losses and both threaten to continue the rising trend of eco-destruction.

Their basic cause is rapid population growth in the absence of parallel ability to intensify agriculture and reduce required fallow year ratios. African population growth is estimated at around 3% albeit this is probably an overestimate (just as pre-1965 estimates were usually underestimates). Even if 2.75% is the real rate, it is excessive in respect to ecology, resources for providing basic services and women's health.

To date population policy has focused on birth control or - more in line with actual African perceptions - birth spacing/family planning. This has had some success, especially in middle income countries and among middle income groups. It is, however, incomplete. Falling infant mortality, rising female literacy, reduced food insecurity and more assured old age security (historically and in Africa) are closely associated with birth rate declines. Action to promote them (as part of a general drive to reduce absolute poverty) would create the conditions in which providing access to family planning knowledge and technology would be far more desired and effective than it can be today.

The economic impact of AIDS on SSA is clearly serious and growing. In most countries between 3% and 20% of the people are probably serio-positive (HIV). That percentage is still rising. In several countries' hospitals AIDS/AIDS Related Diseases are the largest cause of death for the 15-50 age group. Over the 1990s there are likely to be up to 5 million AIDS orphans (40% doomed from birth) and 10 million AIDS deaths. The human, household economic and social costs are only too evident.

The impact on population and labour force is less clear. Effective action against malnutrition and malaria could reduce deaths more than AIDS is likely to raise them. How fast practices conducive to HIV transmission are changing is unclear as is the future trajectory of infection without such changes. So too is the date of development of an effective vaccine. Visions of more than local depopulation are as unrealistic as those which say AIDS is basically northern and of minor concern to Africa.

External Economic Relationships: Pessimistic Problematic

The world economy since 1960 has - with brief exceptions - evolved in ways distinctly unhelpful to Africa. In the 1980s the purchasing power in terms of imports of most major African non-oil exports fell by 50% and for oil (granted from a high starting point) the slump to mid-1990 was almost as great. Many economies have lost up to a tenth of the purchasing power of their national product and a third of their import capacity within three year periods as a result.

While African exports in physical terms have grown by perhaps 3% a year in the 1980s after stagnating or falling in the 1970s, for most this has not been enough to offset terms of trade shifts so that earned import capacity has fallen.

Because private and commercial capital inflows have over the same period gone negative and debt service actually paid risen by 1989 to $17.8 billion (23% of $76 billion exports) even the 4% annual real rise of Official Development Assistance disbursements and the build-up of massive arrears (only about half pre-rescheduling debt service is in fact being paid) has averted import cuts for most African economies - of up to 50% for some countries in some years. This has brought capacity to invest, maintain and operate productive and infrastructural capacity down to levels which in several cases can only be termed import capacity strangled.

Worse, there are no clear ways out. Terms of trade for most African exports cannot realistically be expected to recover significantly in the 1990s. For many, world price elasticities are so low that for Africa as a whole, larger export volume would mean lower export earnings. This brutal fact has been repeatedly underplayed by the World Bank and in the Fraser Commission's UNCTAD Report.

To regain sustainable external balance - even with slowly rising ODA flows and rescheduling of debt - SSA economies need to develop new exports. In general these lie in processing or manufacturing suitable raw materials (e.g. logs, hides and skins, cacao beans) before export; exploiting potential for new better prospect raw material based exports (e.g. horticulture, fertilisers based on natural gas) and selected other manufactured products (including capital goods) primarily but not wholly to regional markets. In practice neither strategies, data bases nor institutions for such an export transformation have been begun in most African countries.

External debt now stands at nearly $300 billion (SSA $175 billion, Northern Africa $100 billion, RSA $25 billion). If fully serviced it would eat up over $30 billion of total exports of somewhat over $80 billion.

Clearly full debt service is an 'alternative' to survival let alone growth. The present uneasy compromise of 50% to 60% servicing, 20% to 25% rescheduling and 15% to 25% arrears build-up cannot last even if it is less damaging than either open default or full payment. At least 50% on average (from 0% for Botswana, Libya and Mauritius to near 100% for Mozambique, Tanzania and Sudan) is necessary if sustained recovery in African growth and growth of industrial economy exports to Africa (especially SSA) is to be achieved. In the interim, broader (including all debt de jure or de facto), softer (little or no current payment for several years), longer (all 1990s payments due in one rescheduling for the most debt distressed), would save scarce personnel time and enable coherent forward planning by African governments and their external cooperating partners.

Gross ODA to SSA has risen about 4% a year in the 1980s to $15 billion and for all Africa to perhaps $22.5 billion. At net level it is of the order of $12.5 and $17.5 billion respectively. Within those totals perhaps 30% is technical assistance - largely spent on donor personnel - and 20% disaster relief.

That ODA has averted worse economic decline in SSA is not really open to dispute. Nor indeed is the need for its growth by 50% in the 1990s. But its nature and make-up at present are far from optimal. Too much is provided and operated by donors on their perceptions of what is needed and of setting out to do it without truly channelling through African regional, national and local institutions. Too much TA is providing donor nationals to do and too little is training Africans (especially in Africa). As a result ODA - however intended - often decapacitates creating the need for its own continuation rather than contributing to national institutional, decision-taking and personnel capacities allowing stabilisation and gradual reduction of dependence on ODA.

Does Africa Have An Economic Future?

The economic record of Africa (SSA, Northern Africa, RSA alike) in the 1980s has been dismal in respect to growth, external balance, poverty and food security. The best that can be said is that most Africans and most economies have survived and for a majority of economies (but probably not of Africans) the latter half of the 1980s saw a clawing back to stabilisation, partial recovery and adjustment and - perhaps - renewed growth of output per head.

But it is unreasonable to project the 1980s on for the 1990s. First, over 1965-1972 and 1976-1979 most African economies were growing economically in per capita terms. Second, in the second half of the 1980s many regained that position even if tenuously and with great vulnerability to exogenous shocks (e.g. the post Iraqi aggression against Kuwait oil price explosion).

But two more factors may be more crucial. On each of the sub-themes covered, a growing body of agreement on direction and on practical first steps now exists and is being acted on by over half of African States and donor agencies. The questions are of articulation, sequence, second steps and volume of resources needed with the frequent deadlocks of the 1980s apparently increasingly breaking up. Second, in most cases positive innovations with promising initial results can be seen, e.g. in security nets in Botswana and Mozambique, in small farmer support and enablement via IFAD, in effective African based research in Zimbabwe and Kenya nationally, the Southern African Development Coordination Conference regionally and the International Centre for Insect Pathology and Environment continentally; in export diversification in Mauritius and Zimbabwe; in imaginative regional development coordination by SADCC and the overlapping Preferential Trade Area of Eastern and Southern Africa.

The 1990s are not assured to be a decade of renewed economic progress for Africa. The positive signs are too partial, tentative and fragile for that and the external environment still to uncertain and even menacing.

But peace could raise GDP growth ½% on average; better trade development another ½%; agricultural and poverty reduction (including enabling women) 1%; manufacturing and infrastructure rehabilitation and development perhaps as much; more accountable, efficient and participatory governance at least ½%; restructuring ODA to enable rather than substitute for African capacity at least ½%. The total potential gain is 4.0% which if totally realised (unlikely for all countries) would bring Africa's growth to 6% to 7% a year and on half achievement (quite possible) to 4.5% to 5%. That would not create a continent of milk and honey but it would restore a forward dynamic and enable most Africans to be better off in 2000 than in 1990.

Perhaps even such tentative optimism is open to doubt. But Africans and those committed to working with them have no other option - a rerun of the 1980s is too terrible to accept as a basis for action. In 1990 it is possible to draw some comfort from the oldest recorded piece of European African studies; Pliny's 2000 year old warning: "Out of Africa there is always something new".

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