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OCCASIONAL PAPER

**Africa, 1975-95:
The Political Economy of Boom,
Decline, Conflict, Survival - and Revival?**

*by
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*Rabbit what are you doing?
I'm going to kill the elephant.
Can you really do that?
Well, I'll try... and try again!*

- Wasukuma Proverb

Inquest, Autopsy or Inquiry? To UNPAAERD and After

The September 1991 inquest into the United Nations Programme of Action for African Economic Recovery and Development, 1986-90, (UNPAAERD), based on the OAU's African Priority Programme for Economic Reconstruction (APPER), will be another review of the past, another revised re-evaluation of trends and causes, another set of prognostications of the future and another round of prescriptions for ways and means. This is becoming a semi-decennial exercise - festival hardly seems an appropriate term - beginning in 1979-81, repeated in 1984-86 and now again over 1989-91. The most favourable verdicts on the first two exercises are that they shed some light on some problems, proposed grab-bags of pills (some appropriate, and some akin to bleeding malaria patients) and, possibly, prevented a widespread catastrophe from becoming a general cataclysm. The sense of *déjà vu* and the scepticisms - for varying reasons - as to the value, either of the reviews or of the strategies they evoked, are depressingly widespread.

In 1979 the African States were (oddly, as they were at the end of their best average GDP growth period) concerned that growth was too slow and (with more insight) that it was neither becoming more self-sustaining nor transforming either production and trade or poverty levels. The sub-Saharan African (SSA) members of the World Bank asked for a study on how to overcome these limitations. The 1981 Berg Report (*Accelerated Development*) rather inaccurately wrote off the whole of the 1970s as an economic failure and correctly (if only partially for the right reasons) forecast increasing pressures in the 1980s. Its prescriptions for curing the weaknesses it perceived were somewhat eclectic, but the cutting edge was liberalisation of trade linked to reduction of state consumption in a context of a general freeing of markets domestically, plus a doubling of foreign aid externally.

By the mid-1980s it was evident that macroeconomic liberalisation plus IMF-style demand compression were, by themselves, unacceptable to many African States, were frequently unsustainable when tried and did not lead to substantial structural adjustment and accelerated growth on the supply side.

Further, the world economic environment - in respect to terms of trade, availability of commercial and export credit and aid flows - was evolving in a very unfavourable way and contrary to the Bank's 1981 projections. The African initiative embodied in APPER and largely endorsed by the UN as UNPAAERD at the Special Session of the General Assembly in 1986, sought to strike a bargain: increased African efficiency in resource use (with a rather more varied set of tools than the initial Bank model, but one that the Bank, by 1986, was at least willing to consider in specific cases) in return for a substantial increase in soft resource transfers and significant debt service relief.

By the end of the 1980s the failure of the strategy was clear - or thought to be clear. First, the decline in GDP per capita had, at best, been halted but at a price in austerity and effort that left African 'adjustment fatigue' face to face with external 'aid fatigue'. Absolute poverty had worsened. While the Bank and some African States had integrated human investment/basic services and absolute poverty reduction/production by poor people, into their strategic approaches, articulation performance lagged. Second, resource transfers and increased export earnings, plus debt write-offs, had not, on average, allowed significant restoration of imports. Third, revised estimates of resource needs (not least in the Bank's 1989 *Long-Term Perspective Study*) showed a need to double average real per capita state spending in the poorest states (and boost it at least a quarter on average), to create an enabling/sustaining climate for enterprise - and household-led, production growth. At the same, time state budgetary and national saving constraints were - with a few exceptions - showing little signs of significant loosening. Fourth, the bankruptcy of an export strategy based on more of the same had become clear (not least in the Côte d'Ivoire-Ghana smashing of the world cocoa market and reduction of their own export receipts by a near doubling of production over 1983-90). On the other hand, no alternative had been designed (nor even seriously sought, whether by the Bank, UNCTAD or more than three or four SSA governments).

On the UNPAAERD 'bargain' whatever the divergences in detail, a number of the key actors and agencies (somewhat discreetly) and independent commentators (somewhat more robustly) agree that:

- Most SSA governments did undertake substantial economic reform and adjustment programmes often at very high social and political, as well as economic, cost. The African side of the bargain was - in many cases - kept;
- Real, net, soft resource transfers per capita fell from 1984 through 1990. Debt rescheduling/write-offs, by and large, prevented avalanches of open defaults and import interruptions rather than reducing overhangs or allowing serious forward financial planning free from the constraints of

debt burdens. These burdens, at best, crippled public services and infrastructural maintenance/investment and, at worst, posed choices as stark as servicing debt or financing basic food security and medical services. Mwalimu Nyerere's question as to whether SSA States should service external debt at the cost of starving children was rhetorical. But it remained rhetorical only because no African State (except perhaps, fleetingly, Malawi) chose to pay at such a price. Full debt service was, and remains, compatible with economic and human survival in a minority of SSA countries only. On balance, the total debt, arrears and average level of debt distress have risen;

- the external economic environment behaved much worse than projected, with terms of trade losses exceeding net inward real resource transfers plus debt write-downs. Counting these trade gains, Northern industrial economies were the recipients of net resource flows from Africa not (as presumably envisaged in UNPAAERD) the other way around.

Very clearly, the 1991 review of UNPAAERD will be marked by voices (and not only African voices) saying: Africa honoured the contract, the North defaulted. The official Northern perception is very different; it tends to sidestep the disastrous market developments and (with limited credibility) claim that African corruption and bad governance were the basic constraints on aid flows and constitute African non-compliance with UNPAAERD. However true either case may be (or indeed elements of each - no independent analyst could make much of a defence for some African States, or the policies of others, any more than of the actual operations of many technical 'assistance' and aid programmes), they are not a useful starting point for serious negotiation. A dialogue (or parallel diatribes) carried out on those bases can only lead to tears. If the purpose of understanding the past is to avoid repeating it, candid acceptance that there is more than enough blame for all to share, coupled with serious attempts to alter the future, might be more productive.

That conclusion is perhaps a triumph of hope over experience, but 1991 has some things going for Africa that 1981 did not. Far fewer economies are in, or entering, free fall. The two main regional war clusters - Southern Africa and the Horn - seem to be moving toward lessening levels of violence, with reductions in economic and human loss. Debt write-offs of adequate scope and magnitude - following the Polish and Egyptian precedents, as well as the Costa Rican 'Brady Plan' example - are, apparently, about to come onto the negotiating agenda.

Perhaps most crucial, there is a fairly broad area of general agreement on medium-term strategic policy and programme components for economic rehabilitation and transformation, even if divergences in detail and priority still vary. Equally significant, the areas of lesser consensus - poverty reduction

and export development - have become areas of mutual uncertainty rather than hardline Northern/African confrontation.

That this protobase for agreed action is less clear than it might be is an unfortunate result of static rhetoric masking rapidly shifting reality. In the Bank's *Long-Term Perspective Study (LTPS)* a gloss of hardline, neo-liberal rhetorical generalisations bears little relation to its pragmatic, carefully structured, socially responsive proposals (which could well be termed social-democratic if the Bank dared adopt that label). Similarly, the UN Economic Commission for Africa's *African Alternatives Study* combines strategic and policy proposals, which are 95% congruent with *LTPS*, with a sustained denunciation of ultra-demand-reductionist, archetypal, 1960s-style Fund stabilisation programmes which it apparently believes are present Bank policy.

Debate is needed, as is attention to actual - not merely verbal - export development and poverty reduction strategies and their articulation and implementation. Rhetoric that disguises areas of agreement is, in the Bank's terminology, inefficient because it misallocates intellectual resources from building on what is agreed, debating genuine points of difference and identifying and filling gaps.

Fifteen Years - Largely Wasted?

Since 1975, Africa has passed through three main economic periods:

- (1) **1975-79** was characterised by rapid recovery of the majority of African economies from the 1974 drought/first oil shock-induced declines. Over 1976-79, four years of 5% average GDP growth were the highest multi-year period ever recorded and, uniquely, were roughly comparable to the South's global average. In retrospect it is clear that this growth was overly dependent on the proceeds of the 1975-76 beverage price boom, on oil export earnings, and on a rapid build-up of external debt. Further, even at a time of relative lack of severe resource constraints, neither efficiency improvement, currency realignment nor long-term export diversification strategies were acted upon. Even at the time, moreover, it was clear that the averages masked very poor performances by several economies, including Ghana, Zaire and Ethiopia.
- (2) **1980-84** was a period of nearly uniform economic disaster. The only clear-cut exceptions were Botswana and Mauritius. These two exceptions do include fiscal prudence and export buoyancy, but the special diamond/EEC beef and EEC-oriented export manufacturing zone - which constitute the respective export bases of Botswana and Mauritius - are so special as to make general emulation impracticable. 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 of the debacle experienced by most African economies. 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 policy makers (like the IMF, the World Bank and the OECD) assumed rapid global recovery in 1981-82 or, at the latest, 1982-83. Therefore they tried to repeat the 'riding out the storm' tactics that had served them well over 1974-76. When, instead, the external context continued to worsen, they faced the need for more radical cuts in imports and public investment/services with much higher external debt, more accrued under-maintenance and little remaining less-essential spending to cut, than if adjustment had been begun in 1979-80.

The first half of the 1980s was also marked by a drought cycle culminating in 1984. While droughts are endemic in Africa, the parallel timing and severity in the Sahel, the Horn and Southern Africa were extreme. Also in the Horn, Southern and South Africa the 1980-89 costs of war have probably been of the order of \$100 billion and made the difference between actual 2% and potential 5-6% annual growth rates. Unlike the drought cycle, this burden did not 'come right' in the second half of the decade, although some abatement was achieved in Southern Africa after 1988 and is now in prospect in the Horn.

- (3) 1985-90 has again been more mixed. The 1976-79 5% growth rates of GDP have not been regained, but the 1.5-2% of 1980-84 have been increased 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 at best unclear. With 1990 GDP per capita frequently estimated at 20-25% below 1980, recovery has a long way to go and even 'successful adjustors' with 3-5% GDP trend growth since the mid-1980s often face a projected trend date of 2000-2020 for regaining their 1980 positions. Clearly adjustment fatigue will force policy changes - for better or for worse - well before that date. Competitive elections, however desirable, will increase the probability of a reversion to unduly optimistic policy and spending patterns, notably in Ghana and Zambia.

Alarming, the longer running, more successful, internationally-backed structural adjustment programmes show no sign of achieving external account sustainability, if that is defined as a significant reduction in real per capita imports consistent with continued output and investment growth. Ghana and Tanzania have regained growth trends above that of population, narrowed (closed in Ghana's case) recurrent budget deficits and reduced government use of domestic banking system finance to manageable levels.

They have halted the deterioration in health-education-water provision and have made progress at infrastructural restoration. But, despite devaluation and other export enabling measures which have indeed led to significant export volume growth, their external resource transfer inflow requirements have risen and - even on Bank projections - will continue to do so for the foreseeable future if fiscal balance, services restoration and 5% growth are to be sustained. Terms of trade decline and the initial trade gap have meant that earned import capacity as a share of current price GDP has fallen even though exports as a share of constant price GDP have risen. Only Mauritius of the externally backed, and Zimbabwe of the fully domestically crafted SAPs, have achieved reasonably sustainable current account balances. Mauritius' export industrial zones have capitalised on relatively high labour training and productivity while Zimbabwe has built up manufactures exports (especially regionally) and an array of old and new (e.g. mange-tout peas) primary exports.

Domestic saving has also been slow to recover - notably in Zimbabwe, as well as in Ghana and Tanzania. In part, this is a result of slow export growth - if recurrent imports equal or exceed exports then only the domestic content (usually 30-50%) of fixed investment can, *ex post*, be financed from domestic savings. In the Ghana and Zimbabwe cases, the result has been low recorded Domestic Fixed Capital Formation (barely above the 9-12% of GDP range for depreciation which should be, but rarely is, allowed for in national accounts) and a rise in overall capacity utilisation from perhaps 75% in 1983 to over 90% by 1990. Tanzania, *per contra*, has maintained high (over 20% of GDP) fixed investment levels, but apparently with little overall gain in capacity utilisation.

The 1980s were characterised not simply by slow GDP growth but also by increases in the proportion of Africans living in absolute poverty to around 30% (virtually tying with South Asia 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), low to negative enterprise sector labour productivity growth, accelerating ecological damage (soil erosion, deforestation, neo-desertification), near stagnation in under-5 mortality rates and of 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. Fifty-two countries with over 500 million people (47 with over 400 million excluding North Africa, or 53 with 550 million including North and also South Africa) cannot be readily homogenised into meaningful averages or simple qualitative descriptions and analyses. However, most of the differences are inter-country: North African performance (despite higher GDP per capita economic structures) is not radically different from that of middle-income sub-Saharan

African economies. South Africa, because of *apartheid*, has a radically different income distribution, albeit one remarkably comparable to Brazil among large, industrialised, middle-income economies. It also has an industrially focused structure of production. However, its 1980-90 and (especially) 1985-90, economic performance has been moderately worse than that of SSA. Bureaucratic controls, self-inflicted damage from luxury consumption, 'nationally' chosen high levels of military expenditure, market constraints flowing from the *apartheid* income distribution structure and low labour productivity directly flowing from the workplace relations structure of *apartheid* have led to this.

Another serious obstacle for either national or regional surveys is that SSA data are very bad. Estimates of GDP are rarely better than plus or minus 20% and, even more serious, those of GDP growth are subject to plus or minus 2% more and, for population growth, plus or minus 1%. At present, GDP growth is - on average - probably marginally under-estimated (grossly so when US dollar conversions are used because of massive, post-1983 real devaluations in a majority of countries). Population growth over-estimations are common (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 (AAF-SAP)* is 95% 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 priority agenda both in the *LTPS* and 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. While there remain sharp disagreements on phasing, timing, relative priorities and trade-offs, 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.

There are two basic gaps. However, these are common to, rather than points of confrontation among, the studies. Both AAF-SAP and LTPS are strategically committed to poverty reduction and both have moved beyond the rather sterile debate on the degree to which SAPs have, or have not contrib-

uted to ways and means of reducing poverty levels. However, neither really articulates how to enable poor households (whether as farmers, artisans or waged employees) to produce more or how to fit criteria for achieving that end into overall macro, sectoral and project selection operations. Nor does either study, in fact, have a coherent, credible export development strategy.

It is convenient to look at Africa in 1989-90 and its 1991-2000 prospects in a framework of four issue clusters:

(1) 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 and poverty reduction*. In the case of Southern Africa, including Namibia, the 1980-89 direct and indirect GDP losses from war totalled \$65,000 million, or over twice attained GDP (as well as nearly 1,600,000 lives). Since Southern Africa has already tenuously regained a 3.5-4% growth trend, the potential peace dividend could be a 6% annual growth rate.

In the case of South Africa, war costs have been substantial - the 'defence' budget has both led to inflationary finance and to the 'crowding out' of public sector human and physical investment and maintenance. However, the war bill in this case is only one facet of the cost of *apartheid*. For almost 40 years South Africa's high capitalists (not least the leaders of Anglo-de Beers and Rembrandt) have warned that the system was economically inefficient. The cost of propping up the Bantustans and internal 'security' has been the most evident, but by no means the largest, item. Highly unequal distribution of purchasing power (plus gold-based, Dutch disease syndrome deterring manufactured export development) have distorted and limited industrial growth. Perhaps most serious, the labour relations of *apartheid* are such that doubling black wages in the 1980s achieved zero or negative growth in labour productivity - a virtually unprecedented 'achievement'. This heritage should give grounds for pausing before accepting claims that a 'new' South Africa (apparently under the same production and enterprise managers) will become the locomotive to haul SSA out of stagnation.

Only the Southern African costs have been estimated seriously. Because they flow primarily from external aggression and the main state financier and manager of that aggression is South Africa, it has been (just) politically possible for international organizations to study them seriously and to use their findings as inputs into policy dialogue. But the costs of interlocking civil, empire break up (in the classic meaning of empire) and border wars in the Horn (Sudan, Ethiopia/Eritrea, Somalia, Djibouti) over the last decade have probably been in the \$20,000-25,000 million range or 1.3-1.7 times actual 1988 GDP, and they have 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 wars with external manipulation in Chad and Rwanda and the liberation struggle in Western Sahara have also crippled the economies affected and have had a direct/indirect death toll of at least 15,000,000, albeit with a lower GDP loss than in either of the two core war zones.

War - when fought within a nation's 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 *LTPS* 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 by 40-50% by 2000 (by over 100% in the poorest countries) - and, implicitly, to increase middle and high level personnel by 25-30%. That is such a daunting challenge as to require prioritisation away from non-essential services and from all but selected, crucial public enterprises, for which private or joint venture alternatives are non-existent or clearly unsatisfactory. It is a case not for less but for more selective and deeper State resource deployment.

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. Ironically, and tragically, donor pressure is frequently accelerating this deterioration. Scarce personnel are concentrated on handling the multiple reporting procedures that donors/lenders require, marginalising and debilitating the national budgetary accounting process as a result.

Third, participation in governance is likely (by providing data and monitoring) to increase efficiency of resource use, morale (and therefore productivity) and the willingness of communities to augment state resources 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, civil society access to enough accounting reports and other public sector information to make informed

judgements, and governmental responsiveness to public wishes and opinions are crucial. Assuredly, most single, or no-party, states shape up badly on these counts, but the record of present and past multi-party ones in Africa is not all that much better.

(2) Sectoral Bottlenecks and Transformation Needs

Macro-economic strategy - especially when concentrated on fiscal, monetary and exchange rate policy - is not enough. Sectoral strategies are a necessary parallel. 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 behind that of population. The 1980s improvement to 2.5% a year seems to be made up of 2% food (versus 2-2.5% over 1965-70, 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% growth of food production is needed annually over 1990-2010. For export/industrial production, 5% growth is needed to avoid continued import strangulation and manufacturing blockages, 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 agricultural output growth over the past quarter of a century has come from cultivating/grazing more hectareage. In most countries this cannot be counted on as a continued, let alone radically enhanced, contribution to growth. Farming has pushed into sub-marginal (soil quality and/or assured rainfall deficient) areas and pushed pastoralism out into even more sub-marginal tracks. The apparent low-cultivated to arable land ratios are misleading because long-rotation, 'fallow' (under bush or forest) land is not available for agriculture given known/viable technologies and can be up to four times the area actually cultivated at any one time. A second major constraint is *rural women's workload* - often 14-16 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 proven to be 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' ones 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 eight hours a day.

Transport and communication 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 - or, therefore, to markets. Poor communication internally impedes data flow and reduces 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 have air services) but remain below the standards needed for efficient participation in global trade.

To regain 1970s basic transport standards, fill the most glaring gaps and attain minimal adequate domestic and external communications will - on World Bank estimates - require rapid increases to the year 2000 of investment/maintenance, build-up of (low cost and low-income household effective, but still uncommon) labour-intensive rural road/tracks/bridges/culverts construction (already demonstrated to be feasible and financeable in a wide range of ILO and government projects), and labour-intensive maintenance more generally (as is 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 3-4% annual growth. For 4-5% GDP growth and structural transformation, at least 6% industrial growth per annum is needed over the 1990s.

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 this should be so is a 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 when the plants were built (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 low. Related to this is low growth of agricultural raw material production, which limits import substitution and/or capacity utilisation. Fourth is plants too large for national markets, either from the start or as a result of 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. 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, disincentives to improve skills and theft make *lower wages per worker raise labour costs per unit of output*. Workers - like farmers and managers - do respond to economic incentives ... and disincentives.

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* both broadening demand for domestic agricultural products and increasing effective rural 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 and guidance toward specialisation (and away from duplicative surplus capacity). And countries with higher initial manufactured export potential - e.g. Kenya, Zimbabwe - must remember that the basic purpose of exports is to secure imports and that their SSA markets have no great ability to raise regional imports if they have to pay in hard currency, a point also relevant to the 'new' South Africa. 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 beginning in Southern Africa), coal (when available) and natural gas (found in several States with no proven 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 collapse 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 the workload of the rural women who collect it and contributing to soil 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.

(3) **Poverty: Access, Productivity and People**

By the most conservative estimate, *30% of Sub-Saharan and about 27.5% of all Africans (including Northern and South Africa) are absolutely poor* as set out in the published text of the 1990 *World Development Report*. On the slightly less austere basis used in an earlier draft of the report, 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 over 60% (e.g. Mozambique, Ethiopia, probably Malawi) to under 20% (e.g. Mauritius, Seychelles, Cape Verde and - on a comparable basis - Botswana). There is a high negative correlation with war. The positive one with output per capita is uneven. States with demonstrated policy concern for relative equality, or at least for 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, Angola, Nigeria, Zambia, South Africa, Cameroon, Sudan and Ethiopia (outside the core highland provinces) do significantly worse.

The causes of absolute poverty are both structural and conjunctural: 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 level (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 both in total numbers and as a proportion of households. The 1980-90 fall of 20-25% in average African real GDP per capita 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 even reasonably well articulated. How to devote efforts to raise 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 - still, on balance, fraying because overload and social change are breaking family strands faster than new community or state ones can be devised and built up.

Food insecurity is an aspect of poverty and a mark of people's vulnerability to being plunged into poverty. Moderate and severe child malnutrition in Africa ranges from 25% to nearly 70% (and severe from 2-20%). Food imports have risen dramatically to about 6% of all calories (but up to 20% in 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 to successful specialisation in non-food products.

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

Women - especially female-headed households (perhaps 20% of all African households) - are disproportionately represented in the absolutely poor and food insecure categories. In many countries, e.g. Mozambique and Botswana, the majority of absolutely poor households are female-headed. Women's workload in rural areas and low access to skills and/or employment to be productive in urban areas, are major barriers to increasing both 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 nor - in any narrow sense - feminist. It is central to the reduction of national and household food insecurity, the number of households existing in absolute poverty and - in a number of cases - to substantial increases in the rate of growth of production.

Articulation of *action lags behind 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's and girls' time and offer clear potential both for improving child care and increased production at peak agricultural seasons. In many African countries these realities are being perceived and, to a degree, acted upon, and women's self-organization for production is advancing. While the driving force is frequently women's groups, progress is clearly less slow and painful when the State allocates resources, provides an enabling legal framework and seeks to alter traditional limiting perceptions of women's roles.

Africa is the most *environmentally at risk* continent. Unfortunately, as with debt, it is not a major threat to the ozone layer or comparable to North or South America, East Asia or Europe in its 'contribution' to global warming. Thus it tends to be marginalised in global research and resource allocation. In that sense, wildlife and wilderness conservationists are a blessing - they do keep SSA on the world environmental agenda. Deforestation (including bushes and shrubs), soil erosion and neo-desertification are advancing at alarming rates with some damaging climatic shifts already brutally evident (e.g. the length and intensity of the Harmattan on the West African coast has trebled over the past 30 years in ways perfectly visible to anyone who visits at intervals and has a comparative, mental-snapshot memory-bank). The key immediate cause for most environmental damage is need, and the worst damagers are poor households who must destroy now to survive now, even though 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-operative 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 ones through erosion control and reduction of neo-desertification dangers. Where there is massive inequality in access to land, so too does land reform designed to broaden access to land and to enhance security of tenure.

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 a parallel ability to intensify agriculture and reduce required fallow year ratios. African population growth is estimated at around 3%, although this is probably an over-estimate (just as pre-1965 estimates were usually under-estimates). Even if 2.75% is the real rate, it is excessive in respect to ecology, resources for providing basic services for women's and children's health, and relative to achieved levels/trends of agricultural productivity.

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 are both historically, and in Africa, closely associated with birth rate declines.* Action to promote them (as part of a general drive to reduce 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. Further, none of them is controversial, unlike the rhetoric of the true believers in birth rate reduction at all costs.

The economic impact of *AIDS* on SSA is clearly serious and growing. In most countries between 3% and 20% of the adult population are possibly HIV seropositive. That percentage is still rising. In several countries' hospitals AIDS/AIDS-related diseases are the largest cause of death in the 15-50 age group. Over the 1990s there are likely to be up to five million AIDS orphans (up to 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 or therapy for the infected. Visions of more than local depopulation are as unrealistic as those which say AIDS is basically a northern problem and of minor concern to Africa. More relevant is the warning that Africa is of minor concern to those developing vaccines and drugs; Africans are too poor and marginal to render the exploitation of them and their disease patterns widely attractive - whether for economic gain or intellectual kudos.

(4) 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 about 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 as a result.

While African exports in physical terms have grown by perhaps 3% a year in the 1980s, a turnaround from stagnation or decline in the 1970s, for most countries this has not been enough to offset terms of trade shifts, so that earned import capacity has actually 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% (1% per capita) annual real rise of Official Development Assistance disbursements concentrated in the first years of the decade and the build-up of massive arrears (only about *half pre-rescheduling debt service is in fact being paid*) have, at best, averted import cuts for most African economies. Cuts of up to 50% (67% per capita) below late 1970s levels have, nonetheless, been recorded for some countries in some years. This has brought ability to invest, maintain and operate productive and infrastructural capacity down to levels which, in several cases, can only be termed import strangulation.

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 volumes would mean lower earnings. This brutal

fact has been repeatedly underplayed by the World Bank and in the Fraser Commission's UN 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 raw materials-based exports with better prospects (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 or institutions for such an export transformation have been begun in most African countries, nor do they figure on World Bank strategic agendas.

External debt now stands at nearly \$300 billion (SSA \$175 billion, North Africa \$100 billion, RSA \$25 billion). If fully serviced it would eat up over \$30 billion of total exports of the order of \$80 billion and about 15% of GDP.

Clearly *full debt service is an 'alternative' to survival and growth*. The present uneasy compromise of 50-60% servicing, 20-25% rescheduling and 15-25% arrears build-up cannot last, even if it is currently less damaging than either open default or full payment. *At least an average 50% write-off* (from 0% for Botswana, Libya and Mauritius to near 100% for Mozambique, Tanzania and Sudan) is necessary if sustained recovery of 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 covered in one rescheduling exercise for the most debt-distressed) rescheduling would save scarce personnel time and enable coherent forward planning by African governments and their external cooperating partners.

The 1991 'Trinidad terms' are a step toward reductions of the necessary order of magnitude. Basically, they call for 50% write-offs for all official debt (and implicitly for parallel 'Brady' type action on commercial bank debt) in respect of debt-distressed low-income countries. The precedents (however vehemently this is denied) and models are evidently Poland and Egypt. Therein lies the problem. Both are debt-distressed lower middle income-countries. Their SSA analogues are Nigeria, Côte d'Ivoire and Kenya, not Tanzania, Mozambique, Somalia and Madagascar. If the 'Trinidad terms' were to be made applicable to debt-distressed middle-income countries, and 75-100% write-downs agreed for debt-distressed, low-income countries, one would at last be in business. Conceivably, the somewhat ambiguous words from the 1991

London G7 meeting may represent the birth of top-level recognition, linked to willingness to consider action in respect of those realities.

Similarly, the problem of 'non-reschedulability' and 'nil write-offability' of debt owed to the Bank and the Fund is being resolved - even if painfully slowly. The Fund's Extended Structural Adjustment Facility (ESAF) and the Bank's new recognition of several SSA economies as International Development Association (IDA)-eligible help overcome the 'terms' problem as *de facto* (even if not *de jure*) roll-overs. Further, the *de facto* 'buying up' of arrears to the Fund and Bank by bilateral donors opens a potential avenue for more general lessening of Fund/Bank overhangs before they go into arrears. Slow as the progress is, 1991 is very different from 1981 when the very existence of a generalised SSA external debt burden, which was crippling growth and which, in large part, could never be repaid and needed writing down (not just non-concessional rescheduling), was not merely a minority perspective but a virtually non-existent one.

Gross ODA to SSA has risen by about 4% a year in the 1980s (but concentrated in 1981-84) 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, as proposed by the LTPS. But its *nature and make-up at present are far from optimal*. Too much is provided and operated by donors according to their own perceptions of what is needed and of the ways to attain this, without truly channelling through African regional, national and local institutions. Too much technical assistance goes to providing donor nationals with work and too little goes to training Africans (especially in Africa). As a result, ODA - however intended - often decapitates, creating the need for its own continuation rather than contributing to national institutional, decision-taking and personnel capacities and allowing stabilisation and gradual reduction of dependence on external assistance.

UNPAAERD Revisited

In its early years, a UN development fund was proposed under the title UN Fund for Economic Development, or UNFED. Possibly wiser in acronyms than today, the powers-that-be altered this to Special UN Fund for Economic Development, or SUNFED. However, solar power proved inadequate and

UNFED it was! It is hard not to suggest an analogous amendment to *UNPAAERD*: UN Programme for African Internal Development, or *UNPAID*.

The *minimum net external transfers* estimated in APPER, and in all 1981-onward World Bank reviews of SSA, *have simply not happened*. *Net real per capita transfers over the UNPAAERD period have declined by about 2% a year*. There is something in the argument that this is a result of selectivity: those countries adopting and maintaining SAPs with Bank/Fund seals of approval (or authorship) have had rising real per capita net transfers; those without (even when - e.g. Zimbabwe - they had domestically designed SAPs, 4% growth rates, near balance on current account, substantial export and food production growth rates and inflation no worse than many approved SAP countries) have not. Indeed, as a group they have had falls in absolute, nominal net resource inflows. A combination of more acceptance in certain African States of the need for coherent, sustainable economic policy and by the international community of more flexibility and contextuality of national programmes might seem to suggest that, over the UNPAAERD period, a 4% a year (1% per capita) increase in real per capita transfers was readily attainable. Approved SAP holders seem to have averaged about 6% (3% per capita) real growth during programme years. One must, however, wonder - certainly, in practice, the Bank does. Reallocating resources is one thing; expanding them is quite another. The evident need for funds - admittedly to a substantial extent investment and trade credit, not soft aid - in respect of Central and Eastern European countries and, at some stage, in respect of Gulf/Middle East reconstruction, means there is ample reason for doubt until the funding is not merely pledged but being delivered.

The one real growth area in aid to SSA over the past half decade seems to have been *technical assistance (TA)*. Doubtless useful in some cases and essential in certain near-breakdown contexts, this growth is, nonetheless, highly problematic in structural impact. This has now reached the point where technical assistance salaries exceed national public service pay-rolls in several States, and where expatriate teams report to each other and to donors, but only nominally to host governments even though they play major operational roles. Whatever else this may be, it is decapitating.

Twenty per cent less TA salary allocations, switched to be made available to national treasuries to pay an agreed set of salary and wages increases, would have a capacitating and productivity-raising potential. While some donors admit this in private, the topic still seems to be far from reaching serious negotiating agendas even in the most astounding imbalance cases, such as Tanzania or Mozambique, where citizens can (and do) raise their incomes over 25-fold by leaving the public service and working for aid agencies either as staff members or - more typically - as independent consultants or domestic 'non-governmental organizations'. One obstacle is inertia and another the ghost of the 'capital costs: good/recurrent costs: bad' syndrome

that prevailed until the mid-1980s. For maintenance (often disguised as capital), imports (e.g. of drugs) and, in the case of food aid/import support, counterpart funds more widely, that view has eroded. But it still seems to mean that international agencies, donor governments and some NGOs prefer to bring in their own people (or, even worse, buy out government servants) to do a job rather than to develop capacitating schemes involving co-operation in nationally designed incentive programmes.

Exogenous events have been dire. Natural disasters - overall - do not figure prominently. (Drought was less prevalent over 1985-90 than over 1970-79, let alone 1980-84.) World markets do. ***Terms of trade declines over 1986-90 reduced import capacity more than net resource transfers raised it.*** This was particularly the case for low-income economies. True, this was not willfully caused by Northern economies (nor, indeed, expected by them in 1985). Equally true, it does not in practice relate primarily to neo-liberal policy advice. Ghana and Côte d'Ivoire would, for divergent reasons, have more or less doubled their cocoa output over 1983-90 with disastrous consequences even had no outsider advised them to do so. (Indeed in that respect, 1983-90 is a rerun of 1957-64 as to national policy and praxis, and as to World Bank advice and to world cocoa market price results). But UNPAAERD was a broad macroeconomic projection model whose ***export earnings assumptions were a key determinant of its attainability.*** In a context in which these were falsified, the North did have some obligation to go back to the drafting board as several African States suggested. Only in the case of Ghana, where the Consultative Group fairly explicitly raised funding after 1988's beginning of full scale cocoa price collapse, has this clearly happened.

To put this case is not necessarily to re-raise the tattered First Window Common Fund banner: a global Stabex; low conditionality, fast disbursing, additional IMF drawing rights on the ESAF model; additional balance-of-payments support; trade liberalisation on tropical products; project and programme support for export diversification (in practice, the most underfunded of all major economic sectors) singly or together would have been (and remain today) alternatives. But to say - in words, or by not providing resources or empowerment to raise export earnings - that all corrective action should fall on SSA States made and makes no sense in terms of the UNPAAERD analysis and its implicit contract.

War was not factored into UNPAAERD. Indeed it is very rarely factored into national, let alone external, economic analyses in any systematic way. In part, at least, it was - and is - an exogenous event which the North could alleviate in most cases. The root cause of the Southern African war bill is external intervention primarily by South Africa, secondarily by the USA. Whatever the exact nature of the Angolan conflict, it would have been resolved before 1980 had South Africa not chosen to intervene and the USA to view appeals to Moscow and Havana for offsetting support as an opportunity

to engage in proxy war. Mozambique is an even clearer case. The civil and regional wars of the Horn have far deeper domestic and regional roots, but they, too, have been escalated (and probably prolonged) massively by external geo-political actors.

The - quite recent - Northern contribution of advising military spending reductions with resource transfer sanctions to lend weight to the advice - even if backed up by curbing arms salesmen - is a rather blunt instrument. Serious engagement in conflict limitation and resolution on a more sophisticated basis would seem more likely to be effective, and was notably absent over 1985-90 with the very partial exception of providing a cover for South African evacuation of Angola and Namibia following its crushing defeats in the 1987-88 Cuito Canavale campaign. For example, Japan's proposal to link its aid contribution to levels of military spending is simplistic in the SSA context. ***Security - demobilisation - rehabilitation are all preconditions for major spending cuts.*** An offer to meet ***demobilisation*** (basically a payment for soldiers of all factions to turn in arms and accept discharge), ***training and rural livelihood restoration costs*** would further the stated goal, be relatively simple for SSA States to design and operate, provide real incentives plus ways and means to reduce both conflict and armed forces and, therefore, to make possible quite large military spending cuts without the risk of new civil wars or banditry sparked by ex-combatants without jobs, crafts, enterprises or viable farms, but with guns.

The extent to which African economies have adopted more realistic and more contextual policies varies. Most have adapted to a changing external and domestic economic environment - not least the growing reality that a Bank/Fund approved SAP has meant more resource transfers, and its absence less. That is neither an endorsement nor a condemnation of SAP contents - a realistic financial mobilizer responds both verbally and in practice to funder preferences. A desperate one, in fact, has little choice. In a majority of cases, gross over-valuation of currencies has been reduced or eliminated (measured in comparative price movements). The remaining large block of exceptions are - ironically - those of the Franc Zone. Official agricultural policy relating to pricing and marketing has become more market and grower-friendly although its impact on non-export production remains somewhat peripheral. On the other hand, wage and salary policy has - if anything - become worse with most structures, either much too high relative to GDP (e.g. Côte d'Ivoire, Burkina Faso, Namibia and, at least at salary level, Zambia and South Africa) or much too low absolutely (e.g. Tanzania, Somalia, Mozambique).

On balance, it is correct to agree with those who conclude that most SSA countries over 1986-90 moved toward significantly more appropriate economic policies and evidenced considerable willingness to accept transitional costs which were (and are) severe in political and social, as well as eco-

conomic, terms. By the same token, it is not unreasonable for them to feel short-changed when - largely because of aid and trade shortfalls - they have failed to achieve anticipated results.

That is, ironically, of particular concern to governments either practising or considering moving to relatively open political systems. Voters do not appreciate sustained economic failure or stagnation as measured by their own access to private consumption and public services. Oppositions, under such circumstances, are tactically well advised to run on cargo cult populist platforms (more profits - higher real wages - less import restrictions - lower taxes - higher grower and lower consumer food prices - currency revaluation) which do attract voters but are rather hard to perceive as leading either to sensible (or even practicable) economic policies or, for that matter, to sustainability of political openness after the new government takes office.

To state the above is not to appeal for recrimination. The past is past and has shaped the present. *What can usefully be learned from the failure - and no milder term is appropriate - of UNPAAERD is what might work, what to avoid and what to reverse in the 1990s.*

Does Africa Have An Economic Future?

The economic record of Africa (SSA, North 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 for a majority 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 into the 1990s. First, over 1965-72 and 1976-79, most African economies were growing in per capita terms. Second, in the latter half of the 1980s, many regained that position, even if tenuously, and with great vulnerability to exogenous shocks (e.g. the - luckily brief - post Iraq occupation of 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 perhaps Mozambique, in small farmer support and enablement, e.g. via IFAD, some NGO projects and some national programmes, in effective

African-based, small-farmer oriented agricultural research in Zimbabwe and Kenya nationally, the Southern African Development Coordination Conference (SADCC) regionally and the International Centre for Insect Pathology and Environment continentally; in export diversification in Mauritius and Zimbabwe; in imaginative regional development coordination initiatives by SADCC and the overlapping Preferential Trade Area of Eastern and Southern Africa.

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

But peace could raise GDP growth by half a per cent or even a whole per cent on average; better trade development another half per cent; agricultural and poverty reduction (including enabling women) one per cent; manufacturing and infrastructure rehabilitation and development perhaps as much; more accountable, efficient and participatory governance at least half a per cent; restructuring ODA, to enable rather than substitute for African capacity, at least half a per cent. The *total potential gain is 4-4.5%*, which, if fully realised (unlikely for all countries), would bring Africa's growth to, or above, 7% a year and on *half achievement (quite possible) would raise annual continental GDP growth to 5%*. That would *restore a forward dynamic and enable most Africans to be better off* in 2000 than in 1990.

South African economic revival has - along with South Africa - now moved onto the SSA agenda but cannot readily be dated. 1990 and 1991 will be years of negative GDP growth. Significant revival is unlikely until a clear process of peaceful transition to stable governance is well advanced - for reasons of domestic and external enterprise confidence among others. The need to increase human investment and basic services, reduce absolute poverty, increase employment, lessen ethnically linked inequality, enhance labour productivity and restructure production are by no means wholly compatible in resource allocation terms, unless an 8% GDP growth rate was to be achieved, which appears most unlikely. Regional economic relations will also pose problems. The old overpriced manufactures for migrant labour base cannot be restored - if only because the 'new' RSA will phase out migrant workers to reduce national unemployment. Its 1980s variant of holding markets captive by wrecking alternative transport routes to raise exports would be even less revivable. A new, less unbalanced, more even-handed trade package in goods and services that also helps achieve buoyant South African export growth may not be easily or rapidly attainable, especially because neither the black political and intellectual counter-establishment, nor the white business leadership seem to have grasped the scope and depth of the challenge.

Thus, the vision of the South African economy as a locomotive, either pulling Southern Africa out of recession or rolling over its economies like stalled lorries on a crossing, is unreal. The least unlikely projections would be of 1-3% annual growth over the years to 1995 with a 6% target for 2000 if both transition in governance and attainment of working productivity and export strategies come off by - say - 1995.

Even such tentative optimism about Africa's economic prospects is open to doubt. But Africans and those committed to working with them have no other option - a re-run of the 1980s is too terrible to accept as a basis for action. In 1991, it is necessary 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".

An International African Agenda for the 1990s?

The record of the 1980s, and of UNPAAERD in particular, is lamentable. But to lament - still less to recriminate - will not by itself make the 1990s better. Nor will constructing new schemes on a 'business as before' basis. Both SSA and its cooperating partners need to identify a practicable 'contract' for 1992-96 and deliver on it. 'Contract' because what one is really talking about is a compact backed by common objectives, agreed means, orders of magnitudes and moral persuasion. That process will need to accept that there will be no massive improvement in commodity terms of trade or climate and that Central and Eastern European, and probably Middle Eastern, calls on soft finance mean that plausible targets for new resource transfers to SSA are unlikely to allow for more than 4% annual real growth (1% per capita) concentrated on a handful of countries reconstructing after war or 'coming in out of the cold' after constructing/sustaining credible economic strategies. Therefore, a simple prescription of 'more aid' (in any case of doubtful efficacy) is not practicable. Nor can 'revive the Common Fund' be a very useful proposal in respect of terms of trade (or, at least, not the First Window).

A short list of possible avenues toward programme or compact components includes:

- (1) **New resource transfers** - other than technical assistance - rising 5% a year, and technical assistance 2% - average about 4%. There are, in absolute numbers, too many technical assistance and operational gap-filling personnel in SSA now - official and NGO alike. There are too many high cost overseas study programmes and 'study tours' for which a more appropriate adjective might be 'package'. More selectivity on personnel (and clearer differentiation between gap-filling operational and technical assistance proper), more support for joint ventures based at African institutions (including domestic NGOs), institutional support (especially in

respect of research and training), selective use of counterpart funds to finance real public servant pay increases linked to performance incentives and to reduce leakage are needed - some as transfers within TA, some as shifts from TA to 'budget support' or 'capital', albeit in all poor countries, the latter two need to be blended.

- (2) **Radical debt writedown.** Up to 100% of government-to-government debt to low-income debt-distressed; up to 50% (à la Poland-Egypt) to middle-income debt-distressed. Parallel action on commercial bank debt (buying it in via the World Bank or other programmes at secondary market, i.e. 5% to 35% or below). Systematic conversion of IMF drawings to ESAF to halt the 1980s \$3 billion African (including RSA) outflow to the Fund. Greater Bank conversion of Bank loans to IDA credits (however managed) for present IDA-eligible countries (probably including Nigeria) paralleled by greater external member funding of the ADB's African Development Fund. The Netherlands' proposals and those of the North-South Roundtable on African Debt Relief, Recovery and Democracy held in Abidjan in July 1991 both provide a sound basis for articulating an agreed programme and suggest that one may, at last, be within reach, if not in 1992 then before 1995. If waiving interest and freezing repayment now, and writing off principal gradually, will ease the negotiation, they are worth exploring.
- (3) **Diversified exports** via serious African priority attention backed by global technical assistance support, for studies and capital assistance (including guarantees to enterprise investors in the - probably numerous - cases in which a joint venture is the appropriate form) for moving from studying to exporting. The Second Window of the Common Fund can play a useful role but would be strengthened were eligibility for finance broadened to include regional, producer-country groups and regional trade and development organizations.
- (4) **Reviewing what can be done about commodities**, including more effective selling (domestic actions? Joint ventures or domestic export companies? Contracts with non-traditional, especially Southern, markets? Enforced anti-collusion legislation?), pre-export processing, creation of a global variant of Stabex covering visible and invisible raw and processed commodity (including tourism) exports. The Common Fund First Window and standard stabilisation agreements are (whatever their merits) not practicable areas of agreement at this time. The items cited might be, although the question of who is to fund a global Stabex if prices do not recover will pose problems.
- (5) **Attention to the apparent gross over-pricing of imports into SSA.** Initially, research on parameters and causes is needed but clearly with a view to action once the causes are identified. Encouraging competition

among global trading firms and/or creating domestic (public or private) joint ventures with them would appear to be an option worth considering. Neither present forms of price surveillance nor competitive tendering, by themselves, seem able to reach to the heart of the problem.

- (6) **Productivity building** - including, but going beyond, training to cover organization (not least more effective and member-responsive worker self-organization), management and incentives. This is rarely a specific priority but is crucial if unit labour costs, not just real wages, are to be reduced. Because it is a new area, technical assistance will be needed and, perhaps, useful. Reducing overstaffing may often be an element (preferably by raising capacity utilisation to justify levels related to two-three shift operations) but is not an adequate medium-term programme. Here, TA could include North-financed research and consultancy from African and other Southern enterprises which have achieved acceptable and rising labour productivity. Outside (or even within) the formal wage sectors, approaches need to be based on broad surveys of what actual, removable obstacles are - e.g. the time women must spend fetching water as a barrier to increased labour input on family farms at peak seasons, or lack of public transport/bicycles as a barrier to arriving on the job on time and rested.
- (7) **Capacity building** - research and training, government (including local government), enterprises, domestic (African) NGOs. Here the top priority is for systematic African proposals - and for less grandiose, 'silver bullet' short-lists from external sources. Another priority is to avoid Northern fashions or, indeed, approaches which may be sound in the North but are quite unsound in the African context. For example, Weberian bureaucracy does handle most government tasks well and most post-Weberian critiques actually assume a functioning bureaucracy in order to concentrate on the tasks better handled by other approaches and/or needing greater bureaucratic flexibility, including decentralisation. In SSA, the most immediate problem is often lack of a functioning bureaucratic system, which forces routine tasks to be handled on a one-off judgemental basis. Similarly, administrators, from senior clerical through middle professional levels, are usually too few - rather than too numerous - in enterprises, domestic NGOs and government. This is not to denigrate selective use of key post-bureaucratic, participatory tools - e.g. Rapid Rural Appraisal - but to warn that a functioning bureaucratic system run by adequate numbers of competent administrators is a goal to be achieved in most of SSA, not an existing monster to be attacked.
- (8) **Improving accounts** in terms of accuracy, timeliness, information provided and accessibility. Again, NGOs and enterprises frequently have weaknesses as serious as those of governments. *Without accounts, accountability* (in the broadest sense as well as the narrower senses) is

simply not possible. The contribution of the global community to date is, on balance, negative. Demanding a plethora of separate procedures for external resource reporting necessitates reallocation of scarce personnel and both marginalises and decapacitates national systems. If external donors provided TA for national (or enterprise or domestic NGO) account system overhaul and for third country (e.g. South Asia, Philippines, Egypt) gap-filling personnel and for strengthening national training on a larger scale than heretofore, that would be a start. Beyond that they need to accept reports basically on the national accounting format (possibly with some limited added data) and do the recasting into their own national or institutional accounting formats themselves.

- (9) **Civil society** strengthening (in a sense somewhere between its Gramscian origins and its neo-liberal, code-word meanings) is increasingly demanded in Africa and by donors. But there has been little discussion of how any external contribution might be articulated and programmed. On the face of it, the *focal point should be domestic NGOs* (trade union, artisanal, peasant, religious, women's, youth, neighbourhood). The presence of scores of external NGOs with budgets, offices, personnel, programmes and projects does not, in many cases, facilitate and capacitate domestic NGOs or local government. Rather it marginalises, decapacitates, beggarises and retards them. One structural shift would be to insist that, except under special circumstances, external NGOs should operate in joint ventures with, or by, external support channeled to, or through, domestic NGOs. That would be analogous to most bilateral government-to-government channeling. Once that was achieved, unqualified support for more funding via external NGOs (realistically to a substantial extent matching or topping up external governmental finance) would be appropriate. Where acceptable (which is increasingly often), external technical assistance on voter registration and campaign rules, plus joint external-domestic NGO election observation teams, could also be useful.
- (10) **Poverty** - more accurately poverty, and especially absolute poverty, *reduction* - is a strategic priority verbally in most (not all) of Africa and globally. But African States still need to articulate and to programme it within their central budgetary allocations of finance, foreign exchange and personnel, and external bodies to provide comparative inputs (and experienced TA personnel) while accepting that Africans - not least poor Africans - know rather more about the nuts and bolts of this topic than they themselves usually do. In particular, more production/productivity by poor people needs serious attention beyond - though including - labour intensive construction works (public and - e.g. housing - private) and family farmer enabling programmes. *The issue is not so much that of more finance as it is of restructuring programmes, personnel allocations, budgets and - above all - outlook, to make poverty reduction an*

integral part of main line operations and criteria-setting rather than a series of marginal add-ons. The African side may also need assurance that absolute poverty reduction/human condition/human investment/social dimensions (however titled) will remain on the North's agenda and not vanish with ill-concealed retrospective derision as did Robert MacNamara's 'Absolute Poverty Eradication' and ILO's 'Basic Needs' approaches.

(11) **Gender** - like poverty - is an area in which growing acceptance of the priority nature of the issue cluster has often left advocates without proposed articulations and actions to offer the newly converted, and is also one in which contextualities and priorities need to be set by African women with less attempts at Northern 'guidance'. Clearly there is an overlap with *civil society* (half of its members are women), with *poverty* (a majority of households in absolute poverty are female-headed), with *population* (more female education is historically a very effective means of reducing both infant mortality and reproduction rates) and with *food security* (in SSA's divided household budget systems, food is primarily a female responsibility and about two-thirds to three-quarters of African food is grown primarily by women). Less evident is the overlap with *productivity*. Many - probably most - SSA women work very long hours. If they are to produce more, to attend more education opportunities and to participate more fully in civil society, they need to have hours freed from present tasks. The ways to do this are not self-evident but are usually contextually identifiable; for example, fetching water and fuel and caring for the sick often takes 6-8 hours a day of rural women's (and girls') time. Accessible rural water, functioning primary health care, village or household silviculture could often cut this down to 2-3. With the freed hours more crops could be produced - or cash earned, e.g. from labour intensive work employment - even if no immediate breakthroughs on agricultural productivity were available.

(12) **Emergency (calamity) aid** - in some years up to 25% of total transfers to SSA - needs structural transformation in two directions. First to *recognise that calamities will recur in any country and some will occur in any year in Africa as a whole*. Therefore, a long-term strategic approach with funding and institutional infrastructure in place - not repetitive one-offery - is needed. The G7 proposals for a special UN strategic unit to be responsible for identification, mobilisation, coordination and - where necessary - special programme operational leadership, does recognise the problem and go broadly in the right direction, especially if paralleled by comparable bilateral aid agency and African national units.

The objections of concerned agencies (UNDRO, UNHCR, UNDP) are valid to the extent that any new arrangement should not take over the operational work of the first two and should utilise the offices of the UNDP

Resident Representatives where practical. But African emergencies demand vastly improved capacities, coordination mechanisms and strategic vision. The 'interference' critique is also of mixed validity - the record is one of too much caution in supplying survival assistance on both sides of conflict lines, but also of too much direct intervention in details, and even programme size and priorities, of major emergency operations. Nationally in Africa, Botswana has a permanent programme core with institutional infrastructure, procedures and - in practice - some programmes every year so that it is in good running order should massive need arise. Indeed no global, Northern or other African strategic approach is comparable in coverage and quality.

Second, strategic planning to convert survival relief aimed at the calamity of war to rehabilitation (of livelihoods, e.g. transport home, seeds/tools/food until harvest, of local basic services and infrastructure, of market access) as security improves, is a priority. The scale on which this is now needed in Mozambique, Eritrea, Angola, Ethiopia and Somalia, dwarfs any past exercises. Both design and funding are particularly weak - nationally and, even more, by Northern States and international agencies - for domestic dislocated, or pauperised-in-home-areas persons rather than for transborder refugees. UNHCR has better recent rehabilitation experience, but based on scores of thousands as contrasted with the two million or more involved in the Mozambique-Angola-Ethiopia/Eritrea-Somalia cases. Again, the problem of getting rehabilitation support to where it is needed - people at risk or their livelihood's home areas - appears to be the most difficult problem. One key element in such restructuring is prompt response, both to save lives and to ensure people can be helped on the spot, rather than be forced to leave their homes to receive survival assistance. The latter greatly hampers return to homes and livelihood rehabilitation and, for some people, prevents it.

The financial implications of these structural shifts are unclear. While more physical support is needed, better forward planning and domestic logistical capacitation would reduce unit costs (especially on transport) while delivery near homes (averting or limiting stays in camps) would permit more rapid return to self-reliance and thus mean shorter calls on assistance.

- (13) **Food security** is closely linked to poverty and to the structural changes in emergency aid. *Most absolutely poor people are rural residents; over half are war or natural calamity afflicted.* For them, food entitlements will come from food production or survival aid ... or not at all. For the *urban absolutely poor, more jobs, living wages* and (partly consequentially) a *more productive urban family 'enterprise' sector* (artisanal and commercial) are needed, as cash is the basic key to food entitlements.

Neither problem requires major technological breakthroughs. Access to inputs, markets, transport, basic services and fair prices/wages (i.e. not grievously distorted by market failure or failed attempts to offset it) should result in 4% average annual food production increases over the next decade. Overall economic revival and substitution of local for imported grain should assure adequate urban markets. Research and extension build-up are crucial but, because the shelf of tested, costed, user-friendly knowledge to extend is limited, the urgency is to have the pipeline built up by 1995-2000.

Because domestic food consists largely of small-scale production by poor people with - on average - 75% consumed in the household or commercialised locally, the swing from rhetorical support to enabling support (both in Africa and globally) is very largely yet to be articulated and acted upon. *Food aid* needs to be *converted from the survival core* of emergency assistance to a more sophisticated *food security and rural livelihood rehabilitation and development tool* on the basis of nationally designed strategies negotiated with providers. In the cases of big recipients, phase downs will take long enough to allow planning of substitute forms of resource transfers where appropriate. e.g. Mozambique has perhaps two million tonnes of grain and root crop grain equivalent production, versus the minimum three million which are needed. About half the gap is food aid and half hunger. If - with peace and rural rehabilitation - 2000 output was 67% above 1991, population up 25% and the hunger gap filled, the food aid need would remain at half a million tonnes although it would then begin to decline rapidly if the growth food production remained well above that of population.

- (14) **Demobilisation** support is a relatively new conceptual approach. It has been brought on to the agenda by Mozambican initiatives, tentative Swiss commitments to help support them and Japan's high-profile proposals to relate aid to reduced military spending. In *war-ending and post-war conditions* in SSA (e.g. Angola, Mozambique, Somalia, Ethiopia/Eritrea, Sudan, Liberia, Uganda and Rwanda) ending war should lead to the demobilisation of most combatants (and the retrieval of their arms). That calls for demobilisation allowances, plus education and livelihood rehabilitation support. Without these it may be impossible to convince military forces (rebel or government) to lay down guns for hoes or saws, and to avoid public sector war turning into privatised armed banditry.

Further, without general rehabilitation of the livelihoods of war-dislocated and pauperised people, security will at best be fragile. Too many guns are too accessible and too many grievances remain clearly in memory to expect stagnant poverty and recurrent pauperisation to be stable or peaceful.

Clear pledges of demobilisation and rehabilitation aid (e.g. by Japan and Switzerland) available to States with peace and security restoration programmes would both facilitate and stimulate peace (and allow military spending cuts) without requiring detailed pledger knowledge of, or intervention in, the historico-contextual dynamics of peace/conflict resolution processes at the politico-military level.

- (15) **Environment** is a topic on which there is more agreement than may be apparent. It is an African (not a Northern) tradition that the Earth is inherited from the ancestors in trust for the succeeding generations. It is a fact that need (often as a result of some land amasser's greed) is the main cause of forest and bush destruction and neo-desertification in SSA. There is growing realisation that if poor people are to promote conservation then they must be empowered to do so and to have material incentives to make it worth their while. Northern conservationists and global warming limitation advocates are coming to accept that the richer countries must pay most of the bills for preserving 'the common heritage of mankind', including climate as well as rhinoceroses. However, the stereotypes of the nature-destroying African and the conservationist eager to save crocodiles and anopheles mosquitos (not African children) or to block tsetse fly control in order to force back cattle and widen game reserves, continue to bedevil discourse and actual programme articulation.

Possible elements include: rotational, selective cutting of forests with parallel replanting (which makes short-term, highest bidder contracts for logging quite inappropriate); mixed game/cattle ranching with major export development for game meat (and for hunting in these commercial areas); agreed preservation programmes for wilderness areas and wild animal conservation areas with compatible tourist programmes and spin-off benefits to resident or neighbouring populations (with, as a corollary, restoration of a conservation-related legal ivory trade, whose benefits pay African farmers near game reserves, and for animal protection services); research on efficient household and village silviculture jointly meeting fuel/fodder/food/building material needs; water development, use, conservation (especially small-scale but also urban/mining to allocate national supplies and to encourage conservation by price and other rationing); land restoration to reverse neo-desertification. In each area partial, articulated programmes and some working projects exist. African interest exists too - but not African funds. Debt write-off alone will not do - new cash injections (and some TA support for institution building, research, interim personnel) are needed.

- (16) **Population policy** is an area in which there is enough substantive agreement for meaningful cooperation: large numbers of births per mother are bad for household health, land use practice and financial

safety at micro-level and, nationally, they pose macro-health environmental and basic service finance problems. The main problem - on both sides - is probably one of *too narrow an approach*. Demand for child spacing, as well as supply of enabling information and technology, needs to be increased. On historic (and probably SSA) experience, reduced infant mortality, increased life expectancy, reduced severe malnutrition, extended female education and access to old-age security from sources beyond one's surviving children are crucial of reducing population growth (via shrinking desired completed family size). Therefore, most *basic services and poverty reduction programmes are at least as crucial to population praxis as the items usually listed under population policy*. At promotional level, an odd inverted gender bias limits effectiveness - education is only peripherally directed at men, though evidence suggests they have a large influence on whether child spacing is practiced and are - on average - distinctly less aware of, or convinced of, its value than women.

- (17) **Health** suffers from *lack of resources and of viable strategic approaches with consistent operational backing*. Health for all, universal primary health care, privatisation and fees, holistic approaches and isolated 'silver bullet' approaches (e.g. universal immunisation, AIDS education, mother-child (well child) clinics, community health workers) operated vertically in ways which fragment rather than build up national, provincial or local health systems, are all heavily advocated, sometimes by the same Ministries and agencies. More coherent planning, leading to practice which decides on, prioritises and relates (by trade-offs if nothing else) these measures, is urgent. External assistance is needed on import content (equipment, vehicles and fuel, as well as drugs and other supplies) and research and training. It is not needed for imposing 'universal' goals cast into inflexible targets and programmes, particularly as regards privatisation (selectively useful as a safety valve, but irrelevant to 90% of Africans for cost reasons) and domestic finance. User fees need to approach as closely as possible a semi-insurance system (e.g. an annual household levy rather than point of use charges in low income areas). Further, there is no moral reason to prefer small, hard-to-administer fees, to large, easy-to-administer, taxes (e.g. sales tax boosts on health inhibitors such as alcohol, tobacco products and automobiles, or a portion of local government land rents and building rates) and there are often administrative and collection/cost ratio efficiency reasons to prefer the latter.

AIDS is a sub-topic within health but, with up to 25-30% of adults HIV-afflicted in some SSA countries and the African average likely to be 6-8% (up to 25 million adults), it is not a minor topic. But high-tech approaches cannot be generalised: condom supply support seems to consist of 1-2 per adult male per year, which would appear somewhat

inadequate; effective education is likely to be African designed and operated (or to flow from the brutal reality of burying relatives). The useful external contribution would be to *keep Africa on the research and preventive drug/vaccine development agendas*. That probably requires adaptive research in Africa (including by non-Africans) and subsidies to African HIV strain-oriented prevention drugs/vaccine development and production (not necessarily in Africa).

These are *points for an African-global agenda for dialogue toward a 1990s compact*. Clearly no such agreement can be binding, nor can it include guarantees as to results. At overall level it cannot take into account every contextual specificity or detailed future responses to unforeseen future events. To attempt to do so would be to lose what is attainable - a framework within which African States can take the initiative in designing country programmes with a reasonable expectation of positive external response leading to sets of operational agreements, pledges and contracts. However, for that to happen, four changes which relate to attitudes and approaches rather than to substance and sectors are needed:

- (1) Operational (as well as verbal) acceptance that *African initiatives* will not always be what donors (international, bilateral, global or NGO) would have expected or selected; that this is a potential strength, not necessarily a weakness or an eccentricity; and that unless dialogue and programming proceed on that basis their conclusions and contracts will have no lasting base in Africa;
- (2) Avoidance of *fashions* which rework old concepts in new words and over-emphasize their own novel aspects, at the price of very substantial intellectual and institutional confusion on introduction; disillusion on introduction of a new fashion, abandoning what was valid as well as what was unsound or hype in the old; cynicism when old fashions suddenly reappear; and a loss of stability and incremental building on what has been achieved throughout the cycle. The value of new slogans and presentations to renew attention and refine approaches is one thing; the *cost of discontinuous, non-cumulative changes in emphasis* is another.
- (3) The related acceptance that there are *no simple, general, fast 'silver bullet' solutions except wrong ones*. Imbalances in one direction are not cured by equal and opposite new imbalances. For example, pre-1980 underemphasis on macro-economic balance required action but the early 1980s' tendency to believe - to modify Kwame Nkrumah's biblical paraphrase, "seek ye first the kingdom of macro-economic stability and of the market and all else shall be added unto ye", was very much a mistake, too. Multiple actions on multiple levels are required. For example, the *failure of many managed market and administrative measures to cope with market failure in SSA is a fact and requires corrective action but it*

does not solve the genuine problems which the market failures caused and continue to cause, nor does it obviate the need to find more effective and less costly market frame or limit setting and management interventions.

- (4) *Outsiders and, in particular, outside institutions, (public or private), cannot be fully accountable to Africans* (as well as to their own members, funders, electorates) and should neither purport to be, nor act as if they were - least of all if they have confused themselves into believing they are valid representatives of ordinary African people against Africa's own civil societies and governmental institutions. The temptation to play the role of Platonic Guardian runs deep - and is by no reason always self-serving - but it is a road to conflict and away from capacity-building by Africans in Africa, whether the capacity is for functioning representational systems or for functioning emergency assistance transport units. Advocacy, advice, technical assistance and provision of agreed (and limited) operational services at times are close to representation, command giving, doing it for them and running everything, but maintaining the difference is fundamental.

Simply applying more resources or more pressure will not do the job in the 1990s any more than simply raising gross fixed capital formation levels and external borrowing did the job in the late 1970s. Structural adjustment and transformation are as urgently needed in African/co-operating partner relations, programmes, priorities and procedures as in any other area of African economic strategy, policy and praxis. Without them, resource transfer increases can ensure survival and can plug the import/savings gaps in some otherwise viable national exercises - but no more. They will lead neither to sustainability and structural transformation of production, nor to rapid reduction of absolute poverty. However, the case is not either/or, rather it is both/and. More resource inflows (the 4% target) and less outflows (the external write-offs) are crucial to the quality and reallocation transformation targets being achieved. To create an enabling climate for more efficient resource use in Africa - and especially for acting on a medium-term strategy rather than on a day-to-day or year-to-year crisis containment and survival basis - does require more resources to be made available.

Envoi

On the overall record of the 1980s, there is little cause for optimism. On closer inspection, the 1986-90 economic record in most African countries looks less unpromising (even if still problematic) as a base for renewed progress. On goals plus programmatic ways and means, the reality of a vehement divergence early in the decade has now narrowed and, to a degree, that narrowing is recognised by most decision-takers (even if not by

many rhetoricians and publicists on political, academic and journalistic stumps).

But on *how to conduct a dialogue leading to a workable two-way compact, and how to avoid being presented and pushed and programmed in ways amounting to domination* and how to avert reactions to it being presented (not always erroneously) as last ditch resistance to a new colonial era, it is harder to be optimistic that perception gaps are narrowing or that there are clear examples of partial successes on which to build. Perhaps the inquest on UNPAAERD can provide such an opportunity. Because it really was UNPAID, the point that *Africa's survival and partial turnaround has been primarily an African achievement and one costly primarily to Africans* should be moderately easy to recognise. From that could flow acceptance that *more African leadership in programme design and in monitoring external inputs (including personnel)* is crucial both to efficiency of reaching objectives and to accountability. The need for inputs - including knowledge - to speed (or, in the war-ravaged countries, secure) social and economic recovery and the fact that, to mobilise these inputs, it is necessary to take into account the views of cooperating partners, are already recognised, only too clearly, on the African side.

Both Africa and - perhaps to a slightly lesser, and certainly less evident, extent - the rest of the world have no option but to continue the quest for African recovery. 'A luta continua' (the struggle continues) is a working and mobilising reality - as demonstrated in one of its author countries, Mozambique - for liberation from colonial rule in the 1960-75 period; toward transition to development during 1975-80; for survival against South-African managed aggressive terrorism from 1981-87; in support of political, social and economic rehabilitation today. Under more favourable conditions, the Botswana evocation of 'Pula! Pula! Pula!' (Water, Wealth, Wellbeing) has proven to be at least modestly and gradually attainable. Survival in Mozambique and broader success in Botswana - fully recognising their limitations - are examples of lasting African achievements which should impel the members of the international community, both on moral grounds and in their own self-interest, to put in place a structurally adjusted and transformed successor to UNPAAERD.

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