

**AFRICA TO 2000:**

**Political Imperative/Economic Agenda**

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DRAFT MONOGRAPH ON AFRICA TO 2000: POLITICAL IMPERATIVE/ECONOMIC AGENDA<sup>1</sup>

## INTRODUCTION

1 Almost all African countries, and therefore the Region as a whole, emerged from the 1980s much weaker, especially economically, but in many cases socially and politically as well, than they entered it.<sup>2</sup> Indicators and features of that negative development during what has been correctly referred to as the "lost decade" (now decade and a half) include the following (some of which will be discussed more fully later):

- i Substantial decline in average per capita incomes and therefore living standards continentally and in the majority of cases. The deterioration in human welfare has been very severe. In Zambia, for example, living standards are now about 40% of the 1970 level, while in such countries as Somalia and Sudan the situation is much worse. With a few exceptions, African countries have been unable to maintain a positive growth rate of growth of per capita incomes for a majority of their households. For sub-Saharan Africa as a whole the population growth rate was 1 per cent higher than that of economic growth during the 1980s. In short, poverty has been increasing and deepening in Africa - according to World Bank statistics the "poor" were by 1990 about 47 per cent of Africa's population and of these 31% were "absolutely poor" that is at or below the level at which decent human existence is nearly impossible and physical survival at risk. Even more worrying is that the outlook is grim: according to the same statistics Africa's share of the poor people in the Third World will rise from 16 per cent in mid-1980s to 30 per cent by the year 2000. That means a rapidly increasing number of poor people in the continent. This process of pauperisation is, in part, a reflection of rapid urbanisation in two senses: poverty, and especially calamities such as drought and

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<sup>2</sup> Greater economic weakness has meant that many of these countries, with a few exceptions, emerged from the 1980s also socially and politically weaker.

catastrophes such as war has driven people to cities while urban absolute poverty rose from under 10% in 1980 to a 10% to 50% range averaging about 20% by 1990.

- ii A rapidly deteriorating un or inadequate employment situation defined in terms of low and declining productivity and incomes in rural areas, and increasingly in terms of direct open unemployment as well as very low productivity service work in urban areas (16% in Kenya). Open unemployment is especially serious among the youth: for example in Kenya over 80% of the unemployed are below 30 years of age and 55% below the age of 25 years. Open unemployment or underemployment is also becoming a major destabilising problem in many countries, or parts of countries, in which availability of agricultural land is rapidly shrinking because of growing population coupled with environmental degradation and in which rural household cash income opportunities from wages and non-agricultural production are static or declining.
- iii Steady decline in continental and most large country food production per capita - with overall levels about 6 per cent less by the end of the decade than at its being - which has been substantially responsible for the spread and deepening of malnutrition and hunger in general. Consequently there has been a tremendous increase in dependence on imports of food and food aid and of the gap between total food availability and basic dietary needs - up to 25% in war-torn and drought stricken countries. For Africa as a whole about 50% of the grain now consumed in urban areas is imported, with much higher figures in some cases.
- iv A continuous loss of export market shares accompanied by steady increases in import dependence, including items of African countries used to export e.g. vegetable oils, cotton, etc. The shrinking share of Africa in world exports has been quite substantial - from 2.4% in 1970 to 1.3% in 1987. Even sharper has been the decline in Africa's share in non-oil primary commodities - from 7% to 4% over the sample period. Basically African exports have been stagnant while both African populations

and world trade have grown 3% a year. The causes are not simply policy related - the collapse in the terms of trade of most African primary product exports means that "more of the same" neither was nor can now be a viable export recovery strategy. The greatest failure is a lack of sustained transformation of the export base or even of priority attention to systematic, country by country studies of how that could be achieved in Africa as it was in the low income economies with relatively to very successful 1975-1990 performance records.

- v Sharp and continuing declines in foreign direct investment In fact for most countries there has been substantial disinvestment during the decade. This process appears to be gathering momentum - driven as it is by, for example, widespread lack of foreign exchange to meet remittances of dividends and other foreign payments e.g. for spare parts: necessary inputs plus poor market prospects even more than by political instability or policy weaknesses.
- vi Disintegration of basic physical, market and social infrastructure. Roads, ports, railways, telecommunications and post, water systems, commercial networks, availability of bank finance, health, water and education services are usually qualitatively and frequently quantitatively much poorer than in 1980.
- vii Rapid enlargement of slums and severe shortages of housing and social services as urbanisation has accelerated. Newer peri-urban low income areas often have nearly as poor access to health care and water as rural districts. And, more generally, very rapid deterioration in public services in most African cities as evidenced by, for example, severe shortages of water, frequent power cuts, truly inadequate public and private transport systems, inefficient postal and telecommunication systems, increasing rates of crime, collapse in the health services. Parallel to this is the rapid emergence of widespread urban absolute poverty noted earlier.

- viii A sharp, widespread decline in the rate of fall of infant mortality - and, more alarming, reversal of that rate in a number of countries. A contributory factor and a problem in and of itself is the increase in numbers of malnourished children - 30 per cent or more of pre-school children are now underweight. Malnutrition and otherwise minor illness are lethal, malnutrition and poor mental development are equally closely linked.
- ix For most African countries the external debt has become an unmanageable problem, a real barrier to any sustained economic recovery and growth, and a major source of political weakness as creditors use it to exercise direct and indirect leverage on the policies and programmes of the debtors. This terrifying debt, burden for the continent as a whole stood at about US\$ 290 billion in 1992 excluding both trade credit arrears and a substantial portion of commercial credit. That figure is more than two and a half times that of 1980 - may well be the most serious external problem which many countries are now facing. While these countries are also facing other serious problems at the external front - for example in the trade area (especially protectionism and terms of trade), and in access to foreign capital and technology - there is no doubt that the external debt is a very immediate and high barrier to their economic recovery and growth, and will continue to be so until the creditors recognise and accept that much of the debt is really unpayable. Even for countries to a large extent in substantial, substantially tolerated default the costs of higher import prices, future uncertainties and present misallocation of scarce professional time to meaningless "reschedulings" is very high. It should be added, as explained later, that this external debt is also a major source of social and political instability in these countries.
- x In many countries, such as Ethiopia, Eritrea, Mozambique, Togo, Angola, Sudan, the Saharan Republic, Liberia, Somalia, Uganda and Rwanda there have been, because of civil wars, major disruptions economically, socially and politically which will take many years to heal. Zaire, for example, has never fully overcome the traumas of its 1960's civil wars and dislocations. Post-war

national reconstruction and livelihood and social rehabilitation will be needed on a large scale - in fact it will be necessary in countries with about one-third of sub-Saharan Africa's population. Because of these open conflicts the tensions in other countries which have, so to speak, been simmering at lower levels of unrest and violence for years and of the inability of many displaced as far back as the 1960's to return home, the refugee population in Africa increased tremendously during the decade of the 1980's. This has created major economic and social pressures for many countries, including even those not directly involved in the conflicts e.g. Malawi, Kenya, Zambia, Swaziland, Zimbabwe, Ghana, Cote d'Ivoire and Tanzania.

xi Environmental degradation. especially loss of valuable soil, forests and general vegetative cover has now reached alarming levels in many countries. The desertification and neo-desertification processes, especially the south-ward march of the Great Sahara Desert in the West and the expansion of the Karoo in the South has continued unabated - in fact at what appears to be an accelerating pace. In the 1960's the harmattan desert wind reached the West African coast mildly and for a week or two; by 1990 huge dustclouds were visible miles out to sea from the Cameroon to the Cote d'Ivoire and markedly reduced visibility in - e.g. - Accra for months. Outside the Sahel belt, countries continue to experience rapid soil erosion - to such an extent that tens of thousands of hectares of farmland are being lost every year. The factors involved include poverty and population growth and natural forces, especially drought followed, in some cases, by floods. The situation is extremely serious not only because of the environmental damage already done and being done, but particularly because effective reversal of the process currently appears so unlikely in view of unfavourable economic development prospects and especially the growing absolute poverty in the region. There can be no doubt about the strong interactions which exist between environment, development and population growth. In particular acute and deepening poverty is a major cause of environmental degradation in Africa. Equally clear is the fact that the environmental degradation now taking

place apace in Africa is eroding the foundation on which the future development of the region, and its constituent countries, depends.

- xii In the area of international politics, Africa has certainly been increasingly marginalised over the past dozen years especially since the late 1980's falling away of the Cold War. Where external interest is shown, even in the area of dealing with humanitarian crises, the style and method are increasingly of neo-colonialist orientation assuming as a given that African governments, NGO's and people are part of the problem not the heart of the answer. That approach fragments and decapitates African institutions in a way worsening the situation it purportedly sets out to "cure".
- xiii As a general concluding observation (although recognising that many other points could be made) Africa is now a continent which cannot feed itself, meet its external financial obligations or the bill for essential imports, protect its countries and itself from such conflicts (and their fall-out) as the one now prevailing in Somalia, find productive employment for its increasing population, maintain or improve its participation in the international economy, protect its natural environment from the rapid process of desertification and other forms of environmental degradation, exert any meaningful influence in the international decision making process. As a recent OXFAM report says "Africa is balanced on a knife edge".<sup>3</sup> Recognition of this stark reality, unpleasant and unwelcome as it is, is the beginning for finding a solution by the African countries themselves to their own problems. In that task they have no Godfather. The task is formidable but also manageable on certain conditions as this monograph seeks to demonstrate. Certainly the alternatives of waiting for something (e.g. the terms of trade) to run up or for external rescuers are very much less promising and in the absence of African initiatives would at best buy a little time.

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<sup>3</sup> OXFAM, Africa (Make or Break): Action for Recovery, 1993.

- 2 More examples could be readily given to show that Africa's economic and social crisis, recognised and widely discussed from the early 1980's, not only continues unabated but has, in fact, assumed a more formidable form with increasingly demanding political dimensions both internally (within countries and the region as a whole) and externally. The economic and social crises now prevailing in Africa have become a dynamic and self-reinforcing processes, with many of the countries exhibiting a free-fall situation. The overall impact of the crisis, especially of the severe economic hardships facing these countries, is now being felt in many ways. For example because of them a substantial number of African countries are now in real danger of national disintegration. These include more than one which as recently as the late 1980's were held up as "success stories". Moreover, in the majority of countries social systems and structures are under very severe pressures. This is evidenced by, for example, the increase in crime and violence - a clear indicator both of the erosion or even collapse of traditional systems and of the non-emergence of new (and especially urban) mechanisms for maintaining social stability. Ironically in most cases expenditures on defence and on law and order have increased during the period under discussion. This both underlines the vital contribution of satisfactory economic performance in maintaining social stability and raises doubts as to whether much security spending is productive in any sense other than temporary bolstering of failing regimes.
- 3 Economic and social hardships have also encouraged the growth and spread of manipulation of tribalism and exacerbated genuine ethnic rivalries and tensions. Negative tribalism, nepotism and other discriminatory practices based on ethnic considerations have tended to deepen, spread and assume increasingly anti-national and disintegrative characteristics when people are desperately competing for food, jobs, education places, land, and other scarce resources and opportunities. Already in a number of countries serious ethnic conflicts, which have the potential to tear the countries concerned apart, have emerged. Unless early economic recovery is achieved more such conflicts can be expected. To speak of danger to national integrity is not therefore an exaggeration. However, some calls of danger have clearly been designed not to reduce but to heighten and manipulate tensions. That is indeed a tradition going back to the colonial conquest, but one Africa needs



to end. Crying fire in a crowded stadium or throwing petrol on a smouldering fire is very different from devising an orderly exit or an embers dousing policy. This point has direct economic and social relevance - countries with low ethnic tension levels (usually as a result of deliberate, long standing policy) - e.g. Tanzania, Ghana - have demonstrated greater capacity to absorb and to recover from shocks than those marked by endemic or rising tribalism. In Africa it is frequently tribalism not nationalism which is the last resort of a failing rogue or a falling regime.

4 In summary and while accepting that in a handful of countries economic progress has been achieved and that, more generally, in some sectors (e.g. secondary and higher education) quite a number of countries have achieved substantial steps forward, it is correct to say that African countries are engulfed in deep and deepening economic and social crises and experiencing linked political crises. This process has been gathering momentum since the "second oil crisis". In spite of the prolonged nature of these crises, and the general awareness of their existence, nothing significant in dealing with the situation came from the Resolutions of the Special Session of the UN General Assembly held in 1986 to discuss "Africa's economic and social crisis". At that Session a programme of work for Africa's economic recovery, involving African countries and the international community, was agreed and a monitoring process for its implementation set up. Most Africa countries have tried hard to deal with the economic crisis facing them through Structural Adjustment Programmes agreed with the IMF and the World Bank which have often involved many sacrifices demanding a great deal of political courage. The World Bank's own evaluations suggest efforts of African states have been comparable with those elsewhere in acting to secure recovery within SAPs - albeit with much less in the way of positive results to show for the effort. The international community as a whole has not played an equally positive role. Net resource transfers to Africa as a whole stagnated in the 1980's and, indeed, declined in constant per capita terms.

5 However, it is neither easy, entirely purposeful, nor the purpose of this monograph, to apportion blame for the crises confronting Africa to 2000. There are many causal factors and forces, some obviously much more powerful than others. Further, the causal factors include natural

disasters - especially the prolonged and severe drought in many of these countries during the early 1980s and again in recent years - which are malign but not attributable either to African policy failures or to donor neglect. These droughts have played a major part in creating famine conditions, loss of export earnings, loss of livestock (which is an important component of national capital stock in many African countries), increase in unemployment, soil erosion; etc. However, significant as natural forces have been, the basic causes of the continuing crisis fall into two categories: first, internal (that is national) weaknesses in the management of the economy - including pursuit of inappropriate policies, misuse and misallocation of resources, very poor governance in some cases, breakdown of law and order and armed conflicts; and second, external forces, well beyond the control of African countries which affect development efforts in Africa very directly and substantially. The latter include deteriorating terms of trade, lack of access to foreign markets and capital, external debt, often ill designed external intervention in African policy and institutional contexts in ways likely to decapacitate, fragment and weaken decision taking processes. For African countries to achieve economic recovery and growth there must be action in respect to both areas. Because the external economic environment prospects are grim for most African countries domestically initiated struggles against absolute poverty (one of the main items in the Agenda proposed here) is harder to mount and sustain, but by the same token are also more important and urgent. African policy failure and African resource allocations - unlike the terms of trade - are at least substantially within Africa and Africans' power to improve.

6 Africa's depressing and alarming economic and social condition is abundantly clear. Recognition of that reality is, as already stressed, the starting point as these countries formulate appropriate policies for the future. However, as they embark on that vital and imperative exercise they should also recognise other external realities, some of them very new, now facing them. In that regard the following elements are some of those which should be borne in mind:

i There is now a "New International Political Order" which has been brought about by the disintegration of the former powerful "Soviet Empire" but hardly one of an "end to ideology" or of

longsighted idealism reborn. In this new political order the countries of the West, with whom African countries have and have traditionally had the most direct and longest economic and political relations, are giving, for national economic, environmental and political considerations but also international stability objectives (especially control of nuclear arms) substantial attention to the "new" countries of the former Soviet Union and CMEA ("Comecon"). The multilateral organisations, including the World Bank and IMF, are doing the same. There has therefore been a diversion of interest and resources from the developing world, especially Africa, to the new countries. Moreover in this new political order competition for ideological hegemony has virtually ceased<sup>4</sup> (at least for the time being) while Africa is basically irrelevant to USA-EEC-Japan economic vantage manoeuvring. With that shift any directly political significance which African countries might have had (and which a few countries were able to exploit quite cleverly) in the previous "order"<sup>5</sup> has evaporated.

- ii In addition it does not appear likely that the new international political order will be followed - at any rate in the near future - by the "new international economic order" which the developing countries have been fighting for nearly two decades now.<sup>6</sup> The outlook therefore is that the international economic system will

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<sup>4</sup> This is not to say, of course, that competition for influence has also ceased. In that particular competition the major players include Japan and China. In the near future we can expect some large Third World countries, for example India and Brazil, to try to equate their growing economic strength with influence in world affairs.

<sup>5</sup> That is not necessarily to be regretted. The losses from proxy war fuelling in the Horn and in Southern Africa almost certainly exceeded the net additions to development oriented finance resulting from East-West rivalry. Nonetheless the loss of Eastern and reduction of Western transfers pose substantial transitional problems for some countries.

<sup>6</sup> Actually a new international economic order, but of a type very different from the one the developing countries were talking about in mid-1970s, appears a distinct possibility as the OECD group of countries carries out, basically for trade reasons, its strategy of "co-opting" newly industrialising countries. However, that strategy, which is obviously based on narrow national or group interests, should be resisted in favour of a truly global programme of ensuring equity and justice for all countries in the functioning of the international economic system. Any system which does not also "speak for the poor" is, in fact, simply a human in content and inhuman in impact.

continue to function inequitably, unstably and in favour of the rich and the powerful countries (or at least against the weak and poor).

The continuing recession in the West has meant, amongst other things, more concern with internal issues in those countries (e.g. unemployment, balance of payments, fiscal deficits, etc.) and therefore lower and still decreasing priority for foreign assistance for opening up of markets to imports from the developing countries and for related measures. The protracted recession (and therefore substantial increases in unemployment in some of those countries) also appears to be partly responsible for the growing and visibly hostile intolerance against immigrants and workers from developing countries - for example in Germany and France.

- iii At the international level, the developed countries are now much more involved in seeking to work out more effective cooperation measures and systems amongst themselves than ever before. At the same time they face serious conflicts of interest among themselves and structural barriers to sustained growth which they perceive as very serious. This means, amongst other things, that African issues are unlikely to be high on the political agenda of the international community - since that agenda is normally set by the powerful developed countries. Africa's marginalisation has been accelerated by a number of these developments now preoccupying important countries of the North. The increasing - if not necessarily effective - attention in the North to the explosive issues, in their "region", currently most horrifyingly in the former Yugoslavia is one example. The West's general agreement (a) to give Russia - and certain other USSR successor states - substantial attention and support in order to ensure stability and to promote a market economy; and (b) to firm relations with the post USSR states rapidly both establish because of economic and of strategic considerations. Finalisation of basically Northern economic/political cooperations arrangements (e.g. ratification of the Maastricht Treaty by the EC countries, and that of the US/Mexico/Canada Trade Agreement) also have higher priority than standard North-

South. Clearly Africa has no "godfather"; is not seen as likely to cause generalised conflict (with the possible exception of North Africa as a source of "economic refugee" migration to Europe) and is seen to have little general economic relevance. Therefore it lacks both the influence and the clout to insist that it be heard or its stance recognised - let alone that its views should prevail!

iv As of now the political leaders in the North, and certainly in the major countries, are not the internationalists of the John Kennedy type (Peace Corps; Alliance for Progress; etc.). This means that: (a) politically, equitable internationalism will not be pursued actively or at least not as a priority issue; and, (b) economically, sustained recovery from recession in the North, especially in the area of employment, will not be seen as integrally linked to sustained development in the South, or at any rate not in Africa.

Sustained development in the South is, however, arguably a necessary condition in achieving sustainable global economic recovery and prosperity. A special element of this concerns the environment. In that area at least, all the countries of the world are up to a point in the same boat. Poverty has been recognised, since the Stockholm World Conference on Human Environment in 1972 as reaffirmed by the Rio World Conference on Environment and Development in 1992, to be a major source of "environmental degradation". This environmental consideration should strengthen the basic argument that elimination of poverty in the South will become more and more forcefully a necessary condition in the maintenance of international stability. However, actual agreement on an agenda including inherently global (e.g. ozone layer, global warming, species diversification) and basically national and or regional (e.g. much of air and water pollution as well as of erosion, desertification) priorities; on modalities and costs of eco friendly technology transfer and of cost sharing will not be easy. The South cannot afford a pure, oligopolistic market channelled solution with all costs falling on the territory of implementation. The North will not finance a total poverty

elimination and international system restructuring under the Environmental (or any other) rubric. Negotiated agreements are possible but only if international effort is channelled toward them and not directed onto rhetorical stage sets (like Rio) or devoted to restating unattainable maximalist positions (as both eco-lobbies and some southern countries tend to do).

- 7 The preceding review has one inherent danger. While it certainly highlights overall negative conditions and trends, it does so in such a stark way as to suggest both that everything is going wrong worse and worse year by year and that there are neither present signs of hope nor reasons for hope that the trends can be reversed. That would be a counterproductive result - belief that will and intelligent action matter may not be adequate conditions for restoring development, but they are assuredly necessary ones. In fact a number of substantial achievements have been made in the past fifteen years by one or more countries and sub-regional organisations, by no means always under conditions making the effort, let alone the result, either predictable or easy.
- 8 Macroeconomic performance is not a uniform disaster area. Over 1986-90 for example the nine then independent SADC countries had average output and food production growth rates above population despite having two war ravaged economies and substantial destabilisation and defense costs more generally. Ghana since 1983 and Tanzania since 1984 have recovered to trend growth rates of 4% or above while Zimbabwe has achieved a similar trend since its 1980 independence. Unlike the well known high performers - Botswana, Mauritius and Seychelles - these were not economies facing particularly favourable situations. Indeed Ghana had had at a decade of rapid decline while Tanzania and Zimbabwe had experienced about half a decade of overall output stagnation or slow decline prior to these turnarounds. While less easy to pick out some hopeful signs of export diversification and growth are also visible e.g. Ghana in gold and timber products; Mauritius in manufacturing; Kenya, Zimbabwe and Tanzania among others in horticulture, Zimbabwe has expanded sub-regional trade to the point at which (excluding South Africa) sub-regional exports are larger than those for any single extra-regional country and imports on the same basis hold third to fifth position. Fiscal recovery is uneven but Ghana has achieved a net

recurrent budget surplus in most years and even Mozambique and Tanzania have in several years been able to reduce domestic bank borrowing (albeit partly by augmented external grant support for healthy education, water and agriculture).

Structural adjustment programmes do characterise most of the "success" examples. But over 1984-90 Zimbabwe's was both domestically designed and financed while Tanzania's has always had a number of hard bargained domestic elements and Ghana has shown increasing determination to develop its SAPs on its own perception of priorities. In short all three have demonstrated that clear national analysis in pursuit of national goal, can be used to bargain for a non-standard SAP i.e. for what the World Bank calls a "nationally owned" programme.

The evidence of increasing national innovation in structural change is becoming stronger in respect to privatisation. Mozambique - by deconstructing conglomerated state enterprises into previous, smaller units - has sold nearly 50 to the domestic private sector complementing up to 10 larger joint venture with, or sale to, foreigner cases. Tanzania - after using time to build both a data and a political support base - has entered into a rapid flow of privatisations and - more frequently - joint venturisations. Interestingly the probable ability of the buyer to turn the venture around (including making export breakthroughs) and new or rehabilitation investment commitment appears to be weighed at least as heavily as cash on offer for all or a portion of the shares in both Tanzania and Mozambique.

- 9 The nutrition enhancement and poverty reduction fronts also show some noteworthy successes. As in the macroeconomic sphere these have not yet reversed the continental trend of rising unsuccess, but are evidence that priority attention plus policy reform can yield marked results over a relatively short time period. In the absence of war African countries have been able to operate drought relief which - however dangerously late and/or weak on rehabilitation of livelihoods - has averted massive deaths and - in cases like Botswana, Tanzania and Zimbabwe - often averted forced migration to towns. Perhaps the most striking long term nutrition enhancement programme is Tanzania's "Iringa" (the initial locus but now covering over half the country) approach which combines community participation (including community

based young child care and feeding) and multi-unit local and central government coordinated support (usually for nutrition programmes focused on agriculture). In most participating districts severe child nutrition has been cut by up to three quarters to 2% or less and moderate cut in half while community action (usually led by women) across the health, water and sanitation, as well as nutrition and child care fronts, has risen markedly.

Women's self organisation and participation in broader community leadership (backed by preferential plot allocation) has been evident in respect to cooperatives in the Maputo Zona Verde (peri-urban agriculture) and in community management, maintenance and partial finance committees formed in peri-urban water access extension in the low income, traditional housing zones of Maputo. Interestingly neither has been perceived as a "women's project" and both (like the Tanzania "Iringa" programmes) are part of the central work programme of mainline government bodies (in this case agriculture and water), not ghettoized in a peripheral women's ministry. Nor are any of these programmes primarily donor driven albeit they have benefited from the recent donor fashions for backing "nutrition", "community participation" and "gender consciousness".

Environmental successes exist at local level in parts of the Guinea Savannah and at Machakos in Kenya. Increasing population and agricultural production have - within household and community management parameters - proven consistent with forest and other vegetation stability (recovery in the Kenya case) for at least sixty years. In Ghana, in respect to central (though not local) government forest areas, a long lease/selective logging contract form combined with reforestation and enforcement has the potential for providing sustainable yields above present cutting levels; a potential it will probably achieve, if adequate initial period finance can be secured as it is backed by political priority and detailed knowledge development.

Innovative poverty reduction strategies have been operated in several African countries. Botswana's and Zimbabwe's work for food programmes in conjunction with meeting 1980's drought cycle survival needs did much to stabilise poor rural household incomes, sustain dignity and provide useful addition to rural infrastructure. Namibia is moving



steadily toward the first non-racial, universal old age security system in SSA - and at a sustainable cost relative to public revenue. Mozambique's "pilot" assistance scheme for unempowerable urban households now reaches up to 200,000 persons at low administration costs, with little corruption or faulty recipient selection - albeit at a cost level (\$20 per household per month) which for some years will need to be raised externally.

The point of these examples is not to purport that nutrition, participation, gender, environmental sustainability or poverty reduction challenges are in hand or will be overcome easily. Rather it is to demonstrate that evidence of African ability to devise and to implement steps which are at least part of the answers does exist. Fostering it and broadening it - not least through higher political and resource allocation priority, not seeking off the shelf import model solutions or throwing up hands in despair - is a necessary condition for future progress.

- 10 The perceptions that the OAU has been ineffective to date in reducing tensions averting or resolving conflict and that ECOWAS (via ECOMOG) has contained damage but - at least to date - not clearly set a resolution to the Liberian Civil war in motion are valid, albeit in defense of ECOMOG its record stands comparison with that of the UN in Somalia and is much less unsatisfactory than that in Angola. What is not perceived so frequently is that the peace and reconciliation processes in Burundi, Rwanda, Mozambique, Eritrea and post-war Namibia are African initiated and operated with very limited outside involvement (except relief support in Mozambique) and are progressing positively.

In Burundi a Tutsi military president held free and fair elections and firmly backed their unexpected winner - a Hutu. With the continuation of a national (Hutu/Tutsi) cabinet and phased return of Hutu exiles Burundi now has a real dynamic toward transcending a brutal bloody history of communal massacres - an outcome few would have envisaged in 1980. The second Rwanda peace package - largely brokered by Tanzania with Burundian, OAU and other African assistance provides for an interim mixed government, an end to hostilities by the Tutsi exile invaders, and of reactive attacks on the civilian Tutsi minority,

return as individuals of Tutsi refugees (and their descendants) dating back to 1960 and a free and fair election with external monitors. Again a real chance to transcend the bitter history of Tutsi domination and Hutu insurrection has been created.

Eritrea and Ethiopia amicably negotiated the deconstruction of their union despite a history of thirty years of war and have working agreement on port, transit and oil refining arrangements. Namibia's post war reconciliation - while clearly slowing some aspect of social reform - has kept the economy and public service functioning despite an unfavourable climate - both literally and international economically - and have created a context in which "affirmative action", "land reform" and other sensitive topics can now be discussed without the risk of a premature white exodus or a defensive neo-racist white reaction. In Mozambique both the General Peace Accord and 1993 implementation agreements have been achieved largely through the tenacious, innovative efforts of the Government of Mozambique and its transparent commitment to peace and to providing countrywide access to food and to public services. Indeed the risk to continued peace there is the UN mission's great timidity in enforcing the accord and in providing the facilities for demobilisation (which should have begun in December 1992 and concluded in April 1993 but did not begin until after September 1993) or the funds for demobilisation and reintegration of combatants.

In governance too there have been a number of African achievements perhaps supported but hardly caused by the global enthusiasm for multi partyism. Ethiopia has dismantled the centralised, bureaucratised imperial structures (as central to Mengistu's regime as to his ancestor Merelik's) in favour of almost confederal decentralisation and has sought to bridge the so called "Highland"/"Lowland" gap among peoples and areas by affirmative action initiatives. Ghana has instituted a modern local government system (with significant rural but limited urban results) as well as reintroducing a multi party national political system, even if the national unification outcome has been marred by the traditional conservative, forest zone based opposition party declining to accept the Presidential results and boycotting the parliamentary poll. Botswana's long running multi party politics have proven capable of living with minority party control of several urban areas. Tanzania which in the mid-1960's when introducing a single

party system said a review would be needed in 25 years did review - and revert to multipartyism on the interesting ground that a significant minority favoured albeit a majority opposed - almost exactly on schedule. The governing party has rapidly distanced itself from the State and ended the previous policy of funding from the budget. Malawi - admittedly under donor and neighbour pressure - held a referendum on constitutional change ending the Congress Party monopoly and the government accepted the large majority for multi-partyism and is moving toward a constitutional convention election. Each set of changes may be imperfect, limited and not as rapid as some citizens would desire - each process has been peaceful, substantial and dominantly nationally generated.

- 11 Even in respect to sub-regional cooperation the record is far from as uniformly bleak as it is sometimes painted. The Preferential Trade Area of Eastern and Southern Africa has negotiated and activated successive rounds of significant tariff cuts and not inconsiderable reduction of non-tariff barriers. Unlike certain others its commercial transaction Clearing House does function reasonably effectively for a substantial proportion of sub-regional payments.

SADC - the first wholly African designed integration grouping and also the first not to take a common market as its centre-piece goal - has also made notable achievements well beyond keeping the sub-regional transport network in being in the face of South Africa's total onslaught. Telecommunications at satellite and microwave level has been sharply upgraded as has coordinated production of knowledge - notably in agriculture. Progress toward multistage power planning-production-sale is progressing. In 1992 SADC's food security unit played a key role in alerting the world to the worst food crisis in the century in the sub-region and co-sponsored the relatively successful global appeal with the UN. By involving governments - and to a lesser extent enterprises - in programme design and project/policy prioritisation SADC has built up a stronger constituency - and served more press coverage - than other sub-regional groupings. And through

holding an annual conference on its agreed priority project list it has at least to a degree both heightened and channelled donor support for regionalism.

The OAU - despite its technical limitations - effectively coordinated national inputs to hold a successful 1992 conference on the future for Africa's children jointly with UNICEF. In a number of cases clear improvements in African national strategic design and implementation of child friendly policies and programmes - as well as enhanced external support - have resulted as well as a clear boost to Africa's image for concern and capacity to design positive action programmes.

- 12 The foregoing represents a review of the economic situation and context - both internal and external - now facing African countries. What action oriented Agenda should these countries formulate for themselves to deal with the crisis? Before offering some suggestions it is important to point out the grave danger of what could be referred to as the "waiting" disease, which appears to have been afflicting many African countries since the introduction of the what are usually called Structural Adjustment Programmes. African countries often appear to be waiting not merely for the World Bank and IMF support but also for strategic guidance on what to do. All too often they wait for donor meetings to be convened to discuss aid for their development programmes rather than convening them on their own or getting started with available natural and external resources. Many appear to wait for new "initiatives" to be taken by the North on their external debt situation. Several are now waiting to see what action President Clinton's administration takes on their problems. Indeed it would not be unkind to say that many African countries appear to rely on the Biblical teaching of "leaving everything to God" - or, in less religious terms, the belief that history will, somehow, provide a satisfactory solution. "God helps those who help themselves" might be a more appropriate text as might the reminder that to wait for external initiatives, and then cry "Neo-colonial" is less than convincing. It is no accident that Ghana's and Tanzania's successful (and by no means identikit) SAPs follow sustained (if not very successful) national programmes and Zimbabwe's builds on six years of largely successful national programming.

Specifically with regard to foreign aid, African countries must not expect or even wish that foreign aid will continue indefinitely at rising (or even at present) levels. Under the best of circumstances foreign aid has some disquieting features - especially when the donors are former metropolitan powers and recipients are ex-colonies. Therefore the sooner foreign aid can be replaced by normal fair and equitable economic transactions between countries, especially trade and secondarily direct investment, the better. In fact a central objective for African countries as they face the future should be achievement of independence from foreign aid, as now understood and conducted, as early as possible. Target dates for progress toward that achievement of that objective might usefully be set - if only to force the African countries to be more realistic, to discard the dependency increasing mentality and approaches many have practised so far, and put into action practical programmes which would create "many Koreas" in Africa. Indeed African countries should be asking themselves: if South Korea, which had the same level of GDP per capita and other economic features of some African countries 30 years ago could transform its economy so rapidly, why can't they do it? That it had much higher aid in the 1960's is only a part of the answer as while an important starting base that aid became insignificant in the 1970's. And why is absolute poverty in South and Southeast Asia declining while in Africa it is rising as a proportion of population?

- 13 However, it should be stressed that any call for an immediate cessation of foreign assistance programmes is unrealistic. In the present functioning of the international economic system the interests of the developed and powerful countries are systematically given more weight and recognition than those of the poor developing countries. In the areas of terms of trade; access to external markets, capital and technology; etc. the developing countries are seriously and systematically disadvantaged and hampered. Foreign assistance is therefore important until some of these market (or Northern state policy) imperfections are reduced. It is most certainly not the long-term solution to the situation now facing developing countries in Africa or elsewhere. To see it as such misdirects attention away from the Northern created structural imperfections in the global market system. It has been fairly conclusively estimated that the developing countries lose much more through trade protectionism in the industrial

countries plus collusive or quasi collusive import overpricing than they get in foreign assistance. Through debt service many of these countries - albeit few in Africa - are remitting abroad much more than the aid they are receiving. UNCTAD and World Bank studies suggest Northern exports to Africa are overpriced by at least 20% relative to average global trade prices. Clearly and fundamentally there is urgent need to establish an equitable international economic system. Existence of foreign aid, even if performance by the donors were improved, does not and cannot replace that requirement. Clearly an equitable system would provide a more conducive framework for development, not guarantee it: developing countries would still have to organise and intensify efforts, strategies and mechanisms for implementing their development objectives. The fact that such a conducive system does not now exist makes certain national and collective efforts by the developing countries - efforts of the kinds discussed here with respect to African countries - both imperative and urgent (as well as harder) and does justify negotiating for aid as an interim offset to a portion of the costs of systemic biases.

- 14 International negotiation is crucial - and African state records are uneven on how seriously serious negotiation, rather than non-functional sloganeering, has been pursued. However, unless such negotiation flows from a national, prioritised strategy, it inevitably amounts to a rearguard, defensive action in response to somebody else's initiatives. "Without a vision a people perishes" can be translated into without a strategic framework and a structure of priorities flowing from it no social, political or economic set of decisions, policies and practices can hope to be efficient in the sense of using scarce resources prudently to move toward national goals. To consider each policy, project, programme in isolation is "mindless pragmatism", wasteful of resources and usually the quickest way to being held captive to someone else's strategic agenda.
- 15 From the foregoing it is abundantly clear that there must be first action by African countries in the economic and political arenas - both on the national and regional (continental) fronts. In fact in many ways the prevailing situation in Africa provides the clearest example

of the interaction between economics and politics - which is the basic meaning of "political economy" - in national development. These interactions include:

- i The role of political leadership in inspiring people in their individual and collective development efforts; both as to their perceived competence (or lack of it) and as to their integrity (or otherwise);
- ii Identification of national issues which would promote national unity and "team spirit" amongst people of different tribes, races and economic groups;
- iii Provision of role models in the "nation building struggle". In that regard political leaders should not only set good example in that struggle but also recognise the necessity of earning and maintaining the respect of the people - otherwise lack of confidence and trust will, as experienced has amply shown, lead either to violent means to overthrow leaders whose legitimacy has become questionable or to levels of social and political unrest and withdrawal crippling both economy and polity;
- iv Suppression of corruption and other anti-social practices as part of good governance whether these flow from need at the bottom or greed at the top;
- v Creation of attractive national images within Africa and abroad - an important consideration in gaining more access to markets, tourism, foreign investment and to conducting effective intra-African negotiations, coordination and business;
- vi Maintenance of peace and security for people and their property. Without this no sustained development can be achieved - as can be seen clearly from the sad experiences of such countries as Ethiopia, Somalia, Mozambique and Sudan. Law and order are rarely sufficient to cause development; their absence is virtually always quite sufficient to prevent it.

vii Realistic assessment of international possibilities avoiding both overoptimism as to aid (and direct investment) and fatalism as to export restructuring and negotiation of less unfavourable trade and debt structures.

The stress on strategy and image are deliberate. To believe a better future is attainable is not sufficient to attaining it - a mistake made too often in the 1960's. But despair is a guarantee of its own fulfilment - as the signs of hope suggest strategic goals backed by creative thinking and resources which are mobilizable can yield results. Similarly both abroad and perhaps even more in Africa the flow of bad news has been so numbing that the good - and the possibility for better - is often overlooked and the largely negative (or at best condescendingly pitying) global news media dominant image internalised and fed back to the media in Africa and abroad.

#### THE AGENDA FOR THE 1990S

16 Africa needs a carefully worked out Agenda for the 1990s covering both political and economic areas. The key question is: What should that Agenda be? To include everything with neither sequences nor priorities will be to achieve nothing - resources (not least institutional capacity both public and private) are scarce. This paper offers some suggestions on main elements which should be part of that Agenda. In doing so no effort is made to discuss each element in depth. In most cases only a few background and analytical points are made to justify the highlighting the priority of the Agenda item and the relevance of the course of action recommended. Obviously Agenda items require much more detailed discussion in the process of articulation and implementation, much of it related to national and local contexts. On a number of these items a great deal has already been written; what has been lacking and is now desperately needed is a course of decisions and articulations leading to action. One of the most distressing failures in Africa in recent years has been inability to act either to choose or to implement - individually and collectively - known measures which would have made the economic and social crisis now facing these countries less severe. Action now is urgent.



It should be stressed that if there is one critically important item most African countries do not have it is time. Urgent and decisive action, in the areas listed in this monograph, is necessary: what is at stake is nothing less than the survival of these countries, their economies and their people. Delay in taking required action makes the task of achieving economic recovery and growth increasingly more difficult and also slower. In the situation now prevailing in Africa delayed action severely compounds development problems creating increasingly formidable challenges to dealing with them later. The need for rapid decision taking, articulation and implementation is not a call to instant action founded neither on analysis nor an adequate political support base. Ghana's 1983-1993 adjustment policies could not have been sustained without the 1982 rebuilding of government credibility and serious attempt to put an alternative, domestically financed adjustment strategy into operation. Similarly the 1981-86 delay in adopting and securing acceptance of a structural adjustment programme in Tanzania was the price of achieving a firm political consensus at home and negotiating enough alterations in standard Fund/Bank SAPs elements to sustain that consensus. The opposite characterised Zambia over 1975-1992. Programmes came and went with startling rapidity and equally startling lack of either domestic analysis or political base building before their adoption (or reversal). The price was a zigzag policy pattern with no line pursued long enough to pay off accompanying and aggravating a much more "stable" social, economic and political trend decline.

- 17 Now to the Agenda. For a number of reasons, including the fact that the political situation, broadly defined, largely determines the context of and climate for economic performance, it is useful to start with the political Agenda. Indeed in a number of African countries, better political management, including establishment of legitimacy of the state and government, focus on public objective and creation of a coherent decision taking process, is really the starting point for action before any economic Agenda can make sense. This is certainly true, for example, in such countries as South Africa, Zaire, Angola, Somalia, Sudan, Liberia, Togo, Congo, Malawi and Nigeria. More generally the levels of socio political tension and of incoherent or at least inconsistent decision taking greatly hamper economic policy and practice performance in at least half of Africa's countries. Strikes,

riots, crime waves and localised ethnic (or pseudo ethnic) violence far from levels threatening state or even government collapse have very high costs in lost production, morale and social cohesion. So do decisions which waste resources because they are inconsistent, grossly ill judged or inherently open to corruption (e.g. money exchange control, export incentive and health user charge systems are all three).

18 It is useful for analytical purposes to divide the political Agenda into national and regional (continental) elements. At the national level the main elements include:

- i Sustained efforts toward establishment of full democracy. There are two important points here. First the democratisation process will be challenging, especially as those now holding power resist losing it and because many African states have little experience either with competitive elections (whether single or multi-party) or with parties who stand for anything beyond being a vehicle to gain power. Historic African political processes, while in many cases democratic, are hard to transform to the present context especially after the anti-democratic colonial (and in most cases immediate post colonial) era. It would certainly be extremely naive to think that the process will go forward smoothly without resistance from those with vested interests in the prevailing systems and their methods of distributing largesse. Sustained pressure is necessary to ensure success. There are, of course, other challenges to the democratisation process in addition to this particular obstacle e.g. refusal of losers to accept that they did not win the election even when there is clear independent evidence they did (Ghana, Angola and Nigeria are good examples); the tendency to form too many political parties, especially in the early stages of the process, based on individual personal ambitions for top posts and/or regional or ethnic particularism; pervasive corruption among the elite; the unsuitability of first past the post elections to situations involving three or more serious parties; the particularism

resulting if purely regional parties win a substantial share of the seats. But these are challenges, and not ever-lasting or insurmountable obstacles.

The second point is that democracy must be recognised as something which extends well beyond acceptance of the concept or principle of majority rule. Democracy in Africa should, because of the existence in most countries of many tribes (sub-national cultural and political groups) which are self perceived political actors and rivals, be directly concerned with the "rights" and interests of the minority or minorities and with social justice for all. For example, a tribe or a combination of tribes with the majority of the country's population (and therefore almost certainly the majority in parliament) must not ignore the interests and rights of other people who may not have voted for the ruling political party. In matters of development this is particularly important. Even were privatisation measures now being taken were to succeed fully, governments would continue to play a very important part in the development process - in the provision of infrastructure, construction and maintenance of schools and health facilities.

Many of these services relate directly to people at local and community levels. This implies that there is a strong case for elected district and provincial (regional, state) governors and assemblies and for acceptance that some will frequently be controlled by parties in a minority at the centre. Democracy as defined here, involving as it does competitive politics, should mean that no area of the country would be ignored in promotion of economic and social development because that people of that area did not support the ruling party during the elections. This point is being stressed because today, and for many years to come until African countries have gone through industrialisation and associated processes including urbanisation and labour mobility, people of most tribes will tend to be concentrated in specific geographical part of the country. In the early years of competitive multi-party politics people will often support leaders from their own tribes. Thus the force and relevance of the point being made are quite clear. Even in countries in which

tribalism as such is not pronounced, - e.g. Mozambique, Tanzania - localism frequently is and raises somewhat similar problems in central/local governance and the national role of regional majority/national minority parties. It will certainly take many years in a substantial number of African countries before political parties operate on a truly national basis,<sup>7</sup> at all levels. In the way the multi-party system operates in the developed countries, ethnic and regional factors also play a part, but usually without the same degree of intensity and potential for system threatening conflict as in Africa today.

For these reasons the concept of "unity (or national) government" is of direct relevance as African countries make efforts towards mature political democracy. The requirements of nation building and development in general demand that each part of the country (and therefore the major ethnic groups) should be represented in the government. It needs to be stressed that during the 1990s adherence to the principle of the "first past the post" and "simple majority" would create enormous problems for nation building and development in Africa. Here, indeed, is a major challenge to African politicians, constitution lawyers and political scientists. In some cases elected governments with clear majorities (e.g. Zimbabwe, Angola) have sought to bring minority parties with substantial, regionally concentrated votes into the government (with some success in the first but not the second case).

Another vital point to stress is that promotion of democracy will need supportive programmes to create and strengthen an enabling environment. In that regard elimination of illiteracy, and establishment of non-government newspapers and where possible independent radio and television stations, must be put well up on the agenda.

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While this observation is correct, it should be added that the emergence of national parties can be accelerated by having constitutions which demand that political parties must have certain national features, including broad membership - geographically and ethnic-wise - before they are registered. Equally there is a case against registering parties which exclude on the basis of ethnic group, area of residence or religion.

Healthy competitive politics requires parties with capacities to organise, to devise policies, to monitor events, to communicate. That requires money. Mass membership dues are not a strong source in Africa; finance by millionaire candidates or businesses is a less than happy one. State finance based roughly on votes received plus a minimum base grant for all parties winning 5% or more of votes might offer a partial answer. More generally it should be recognised that there are some important economic implications in relation to the transition to democracy (not only in Africa but also elsewhere as we have seen in such countries as Russia). In particular it is clear that political reform will not be easily sustainable without adequate and sustained performance in the economic field. While it is readily evident that in some cases political reform is the starting point for achieving economic recovery and growth, it must also be stressed very strongly that without better economic performance (which would be more easily achievable if there is support from outside for example through debt relief), many of the political reforms now being undertaken will falter. Chronic economic unsuccess is a formula for loosing elections: cargo cult populism all too often one for opposition victories. That is the road either to incoherent and unstable policies or to cynicism with platforms (or both). The chaotic Polish political scene and the declining proportion of eligible votes cast illustrate that this is a danger which is not unique to Africa. If the rest of the world wants to assist African countries in their political reforms it must recognise that rapid achievement of economic recovery and growth in these countries, is one of the crucial necessary conditions for deepening and sustaining democracy as well as for broadening market and investment opportunity potential.

- ii From what has already been said it is obvious that African countries must make deliberate and sustained efforts to deal with the problems of tribalism and localism - using such devices affirmative action in public employment policies; enrolment in schools; use of the "official" language within government and public institutions; imaginative and supportive use of radio and television; decentralised systems of authority and accountability to ensure that at district levels there is direct participation

in governance and administration; etc. This is particularly key where past history has built up both barriers and inequitable inclusion/exclusion patterns e.g. against "Lowlanders" in Ethiopia, Muslims in East Africa, nomadic pastoralists in some parts of the Sahel and cultivators in others. "Affirmative action" broadly defined and focused on providing access to inclusion (not barriers to exclude) is part of the answer and one which can be effective only in the context of rising overall resource availability. The efforts should also include deliberate and imaginative ways of promoting patriotism and nationalism - but in a broad not a narrow sense.

- iii Suppression of corruption and other undesirable economic and social practices. It is an inescapable fact that in many countries corruption is so pervasive and damaging to good governance as to be a most serious problem requiring immediate action. Obviously those involved, especially those in high places who view public office as primarily a source of private gain, will do their utmost to hid or even justify and to perpetuate the practice. But corruption has become such a major barrier to development that its elimination is one of the necessary conditions in achievement of economic recovery and growth in Africa. Corruption, creates an environment which is hostile to domestic and foreign investment; it generates loss of faith and confidence by the people in the public service; it appears strongly associated with increased crime and political intolerance and victimisation; it leads at best to higher costs and at worst to policies or projects whose only "justification" is the maximisation of payoffs. Corruption must therefore be fought with all available force.

This is especially true at the top. In the first place this is the level at which naked greed is the driving force and at which serious misallocations of resources to inferior projects and policies as well as massive losses (from bribes, from higher project costs, from inferior product supply, from institutional weakening or fraudulent institution cover-ups e.g. in banking). Second, a pattern of top corruption makes ending lower level corruption impossible. Indeed higher level corruption breeds

lower level because it creates a massive number of allies for corruption - the system President Rawlings bitterly termed "chopping off the backside" which totally polluted Ghanaian public morality after 1983 especially over 1979-81.

In fighting corruption it should be realised that disciplinary action by itself is not sufficient. Inappropriate wage and salary policies which fail to recognise cost of living realities can contribute significantly to growth and deepening of corruption. If the employees are compelled, of necessity, to look for (or devise!) ways of supplementing their inadequate wages or salaries they will. To pay a health officer \$20 a month and ask her to collect cash fees of \$0.15 for transmission is quite clearly to lead her into temptation. The same is true of a customs officer paid \$30 a month and supposed to levy duty of \$1,000 a day. In some cases - e.g. postal clerks who use their "salaries" to get to and from work and then charge \$0.10 an item to put on stamps and see it is actually posted - what one really has are decentralised, privatised user fees/incentive bonuses but ones rather inferior to an honest day's pay.

It should also be recognised that quite often corruption is initiated by foreigners - machinery suppliers; investors in projects; organisers of military sales; etc. In fact some bilateral aid programmes have been accompanied by large scale corruption in the donor countries, with the added costs going to the recipient country's account. Corruption in the donor countries has also been responsible for implementation of very low priority projects in Africa - and elsewhere. In that respect the lobby groups in the North seeking to highlight the Northern role in corrupting and to seek general adoption and enforcement of USA type anti-bribe giving legislation are to be welcomed. By the same token those - North or South - who wrongly explain bribery as a traditional African custom which should be accepted are to be deplored.

Nepotism - broadly defined - is a related problem whether familial, broader clan based or political. It has somewhat better claims to traditional (including during the colonial era) status but is incompatible with either efficient governance or nation building. In this case an approach broader than public sector is needed: unless most enterprises and virtually all public sector entities can be seen to hire, train, promote (and fire) on the basis of merit (and its absence) all managers and politicians will be under severe pressure to "look after your own". And unless merit employment practices are accompanied by clear-cut, enforced affirmative action guidelines to ensure women and previously disadvantaged community members do have a chance the few managers who are women or from these groups will be under truly intolerable pressure to run personal "affirmative action" programmes via nepotism.

iv Full commitment to peace and social justice - comprehensively to include national solidarity. That commitment should include publicly announced and active programmes in key areas: full respect and protection for an independent judiciary; properly conducted and effectively supervised law enforcement agencies; education of people about their rights; political tolerance and accommodation; etc. It is totally unacceptable that in some African countries civil strife and armed conflicts, often due to political intolerance based on exploitation of ethnic fears by unscrupulous leaders determined to achieve or hang on to power, have led and continue to lead to the death of many hundreds of thousands and to the creation of a huge refugee population of at a minimum six million - a population larger than that of many African countries. The OAU and African states no longer have the soft option of turning blind eyes on the grounds there are "internal affairs". First they spill across boundaries; second they make cooperation very hard; third they destroy the external image of all of Africa.

v The situation of the public service and of public servants in many African countries is now appalling: misguided political objectives have led to massive increases in employment which, in turn, means that (i) wages and salaries are low and, very



significant, a small and declining proportion of those paid in the private sector; (ii) substantial increases in salaries and wages cannot be made because of budgetary implications, especially since those items and related payments account for upwards of 75% of recurrent budget in health and education ministries in many African countries; (iii) public employees do not have supporting facilities (e.g. vehicles, typewriters, etc.) in their work (since most of the money received from the Treasury is spent on salaries and wages); and (iv) the quality of personnel in public service declines steadily as those with higher "market value" join the private sector; etc. In African countries public service employment is often more than 50% of recorded wage employment while wages, salaries and other personnel costs take up to half all recurrent expenditures, quality and often quantity of services provided are deteriorating and that new employment opportunities are no where near enough for the increasing labour force, especially the young and educated. Those facts make public service reform a major political challenge in Africa. Clearly, it is both necessary and urgently required.

It would be imprudent as well as unrealistic not to refer to the "advice" which African countries are now being given about establishing and upholding "good governance". The advice is, without doubt, timely (although its foreign advocates are not themselves always practising what they say nor being all that consistent on which African states' suppression of pluralism and destabilisation of neighbours they tolerate). Good governance should be seen as something which extends well beyond democracy, respect of human rights and suppression of corruption. It includes what is now referred to as "transparency and accountability" in all public actions and programmes, and establishment of political "legitimacy". While not limited to accounts and audits which are both independent and publicly available it does require them as a data base. It should also include establishment of public confidence that agreed decisions or measures taken to, say, promote investment or to move to universal access to primary health care will be upheld and not changed arbitrarily without consultation. This is a particularly

important point as far as private investors are concerned but equally to electorates expected to take politicians and governments seriously. In general and although the situation varies, it is correct to urge that in all African countries action needs to be taken to ensure that the necessary administrative structures, systems and procedures are in place to guarantee and uphold "good governance" as broadly defined here.

- vi Restructuring of governance - and the civil service - to relate to priority agenda items in respect to services, decentralisation to local government and public involvement through accountability/transparency. Civil service reform should not be seen merely as an exercise in cost control or employment reduction. In fact World Bank projections to 2000 suggest most African states need more (and more effective) public servants but not necessarily all the ones they have now. Similarly local governance ruled by centrally appointed administrators is a colonial hangover hardly suited to genuine decentralisation or community participation.
- vii Development of non-governmental organisations and other voluntary institutions. These play an important role in promoting participatory development and encouragement of initiatives at all levels - which is the central style/strategy needed to deal with the challenges of the 1990s. The importance of participatory development cannot be exaggerated, especially when it is realised that the process of economic recovery and growth will involve sacrifices for everyone. People's "ownership" of the various programmes aimed towards that objective is therefore an essential ingredient in ensuring successful implementation of those programmes. Very clearly this reality has important implications for the manner in which those programmes are formulated. NGO's are not able to work with totally centralised, highly bureaucratised approaches.
- viii Community participation - however defined - will not work (and does not deserve to work) if defined simply as a means to pass the costs of basic services from the state to the user - the initial Ministry of Finance/World Bank reading of the "Bamako

Initiative" on primary health care. Users will indeed participate in financing better service provision but normally only if they have a real say in service design and budgeting, in how their additional funds will be used, in reviewing performance and in structuring the levels-types-allocation among users of payments. Both prudent pursuit of the possible and good, democratic governance point in that direction. Rigid, centrally set fees - whether collected from individual users or "community groups" set up as modern day tax farmers to collect them which are then largely remitted to the centre (as all too often proposed and attempted in respect to primary health care and education) are a parody both of community participation and of equitable expansion of access to services.

ix Deliberate efforts to educate and convince people of the imperative need for economic/political cooperation with neighbouring countries. This is the main consideration behind the recommendation that promotion of patriotism and nationalism at the country level should not be carried out in a narrow fashion: it should be within the framework of African solidarity - Pan-Africanism. Cooperation amongst African countries, on the scale and degree needed, will not be achieved without political education and motivation of the people to believe that their individual and collective interests will be more effectively promoted and safeguarded through such cooperation. In this area African countries should learn from, for example, some of the programmes being pursued within the European Community and from the European Movement's persistent public presentation of European cooperation and unity themes from the 1950's onward - as well as from the problems ensuing on failure to pursue that approach in respect to the Maastricht Treaty.

x Practical incorporation of gender issues in programme, policy and project design by main operational units not their ghettoisation in underfunded, weak "women's" or "community development" ministries. The realities of household responsibilities and gender divisions of labour mean that failure to do so is economically as well as socially expensive not least in respect to nutrition, child survival, water system maintenance and

management and population policy (in respect to which too little attention has been given to education directed to men).

- xi Articulated action programmes directed to main environmental challenges. This is - or should not be - seen as a bow to Northern environmental lobbies. The chief victims of desertification, neo-desertification, forest destruction, soil erosion, air and water pollution, etc. in Africa are Africans and especially poor Africans. Their continued advance will greatly damage the inheritance and limit the opportunities this generation passes on to its children and grandchildren. Similarly wildlife and wilderness protection has very concrete macroeconomic and regional value to Africa and Africans - tourism, whatever its disadvantages, is one of the less unpromising exports in a substantial number of countries.
- xii Priority attention to reducing absolute poverty, especially by enabling poor people to produce more. In a number of countries - e.g. Mozambique, Tanzania, Malawi, Sudan - no macroeconomic growth or export strategy which does not do this to some point has much chance of promoting sustainably high growth rates either of output or of earned import capacity. Even in cases in which macro effects will be much less crucial - e.g. Namibia, Angola - adequate livelihood generation requires enabling poor households - especially those in the family small farming sector - to produce more.
- xiii Recognising that growth matters - in exports and government revenues in livelihoods and human/social investment (i.e. health-education-water) as well as in total output (i.e. GDP). All objectives require allocation of real resources. Therefore, a rising level of real resource availability is a necessary, even if rarely a sufficient, condition for development however defined. Growth without development is possible even if undesirable; in poor countries development without growth is neither desirable nor possible.
- xiv Arrangements of effective and beneficial diplomatic relations with other countries and in particular African countries. Establishment of diplomatic missions should be seen as an

investment requiring its own acceptable "rate of return" in the development of the nation. This has, fairly clearly important implications in the selection of countries in which to establish diplomatic missions and the staffing, especially technically and skill-wise, of those missions. Looking at the situation today in those terms many African countries are over-represented abroad. It is therefore welcome that quite a few of them have been reducing their foreign missions, sensibly but one suspects largely due to lack of foreign exchange. African countries should also cooperate in this field, e.g. through having joint missions, since many of them do not have the financial and manpower resources to achieve satisfactory performance in this important sector. In particular few African countries can - on their own - staff negotiating teams for major conferences e.g. Rio Environment, GATT Uruguay Round, UN Agency annual meetings, Law of the Sea follow up, 1995 Social. Pooling could greatly increase negotiating capacity and influence outcomes in directions favourable to Africa, as happened to a degree in the Law of the Sea negotiating process.

- xv Preparation for more effective negotiations with multilateral institutions (especially the World Bank, IMF and EEC) with other countries and with investors is crucial. Instead of ad hoc arrangements and procedures which have often been employed so far - and which often mean that African countries go to meetings without their own carefully prepared proposals, perforce to listen or at best to make statements of principle they have no capacity to articulate and to relate to particular negotiating contexts. Technical competence is a problem - unfortunately not always recognised let alone accepted as such.<sup>8</sup> Clearly better national staffing and back-up is part of the answer, but so are joint multi-country technical teams and systematic use of ECA, ADB and UNCTAD to do applied studies relating to specific issues and to concrete potential negotiating strategies.

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Lack of prior preparation and, at times, technical competence increases the power and influence of the World Bank and IMF in "negotiations" with African countries - since it is often basically the proposals of the two institutions which are discussed, and these are articulated and "recommended" by experienced bureaucrats and technicians. The situation is at times made worse by the fear that assistance may not be forthcoming if a country argues too much.

19 At the regional (and sub regional) level the political Agenda needs to include:

- i Promotion of economic cooperation among African countries should be one of the major political goals in the region. In that connection and as already stressed, political preparation of the people of these countries for such cooperation is a necessary prerequisite. As the regional level action should include the necessary political accommodation and active pursuit of appropriate programmes by regional organisations, especially OAU, ECA and ADB, and sub-regional ones e.g. ECOWAS PTA, SADC, ECCA (Central Africa).
- ii Related to (i) above there should be political efforts to promote supra-state nationalism i.e. the Pan-Africanism of the pre-independence days. There is no doubt that the Pan-African movement contributed a great deal in sustaining struggle for liberation in a number of countries. The same kind of spirit and vision are needed today. African countries should learn from the other regions, including the developed countries, the importance of promoting supra-state cohesion and togetherness. Above all African countries should recognise that collective sovereignty is both stronger than and consistent with national sovereignty: it actually helps guarantee the latter.
- iii Elimination of social and political upheavals, especially armed conflicts, which both destabilise regional relations directly and by loosing hosts of refugees: e.g. the conflicts in Liberia, Angola, Sudan, Zaire, Togo, Sahara Democratic Republic, Somalia, Uganda, and Rwanda and the refugee and destabilisation spillover in Kenya, Uganda, Ethiopia, Tanzania, Malawi, Zambia, Namibia, Cote d'Ivoire, Ghana, Benin, Sierra Leone and Algeria. Establishment of an effective African peace keeping and conflict prevention and solution mechanism, as one facilitating instrument to this end appears urgently required.<sup>9</sup> Hundreds of thousands of

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<sup>9</sup> The limited effectiveness of ECOMOG in Liberia should not be taken to mean that such initiatives are bound to fail. Rather, African countries should learn from the experience e.g. the necessity to ensure sincere and active support from all concerned (which, sadly, is not the case in the intervention by ECOWAS in Liberia). Another important lesson is the need to get OAU, the top regional political organisation, involved - thus isolating those warring elements not

lives have been lost in Africa through civil wars (and occasional border conflicts). It would be naively unrealistic to hope that in future such conflicts and social upheavals could not occur. Africa must prepare itself, like the developed countries have done through their peace and security framework, for such eventualities. It is, lamentably, the case that it has not done so to date. It is pathetic that African countries have been unable to do anything practical to deal with the situation in Somalia. Even now African countries are playing no direct role in strategic direction of the UN peace-keeping force in that country or in the debate on how to facilitate Somali led economic, social and political rehabilitation. The desirability of getting Africa oriented to and with capacity to solving its own problems of this kind should be apparent.<sup>10</sup>

- iv A broader perspective on the areas for fruitful sub-regional action than either the purely economic or the purely political approaches usually produce. The 1992 Southern African amelioration of drought impact effort coordinated by SADC's Food Security unit (uniquely for regional economic groupings anywhere in the world one of its earliest and strongest units) is an example both as to placing the issue on the international agenda and in coordinating national responses (especially in respect to transport allocation among national and transit food haulage). That effort was political - over 3 million lives were at severe risk - social - had assistance to stricken households been 2 months later or 20% lower lives lost would have exceeded

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interested in peaceful negotiations while also avoiding the risk of one country appearing to dominate (e.g. Nigeria in the case of ECOMOG). Preventing situations such as the one in Rwanda in which several thousand newly "demobilised" former Uganda soldiers have invaded "their" country (Rwanda) with the full knowledge, and perhaps encouragement, of their host country (Uganda) is another example of where the OAU should have taken a lead in peace management not merely come in at the last moment to bless a basically Tanzania/Burundi facilitated process. African countries should also recognise that foreign countries and international organisations will not always face up to such tragedies on time (as e.g. in the cases of Mozambique, Angola after the election and Somalia) or at all (e.g. in the case of Rwanda and Liberia until after African led agreements had been reached). In the area of intra-African peace-making and conflict prevention, as in the field of fighting poverty, Africa is very much on its own.

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Proposals not dissimilar to these have been made by OAU Secretary General Salim Salim but member state response clearly has not provided a diplomatic, financial or military foundation for any serious exploratory initiatives let alone full scale action.

1,500,000 (not perhaps 100,000) - and economic - without relief flows the years needed for recovery been 5 to 10 not 2 to 3. However, it had little in common with common market crafting or traditional conflict ameliorating diplomacy and required an integral two way relationship between professional information collection and analysis and political decision taking and diplomatic initiatives.

- v Determined fight for Africa's case and causes in the world - the way, for example, SADC did for its member countries in respect to the South African total onslaught during its first decade. There is no doubt that Africa now has to fight for its place in the world to ensure that African issues are recognised and that Africa gets its share of the international resources available through e.g. the World Bank/IMF and specialised UN agencies. The principal institutions for providing coherent strategic and tactical research to support this struggle are OAU, ECA, the African Development Bank and the various sub-regional economic/political organisations e.g. SADC, ECOWAS, ECCA (Central Africa) and PTA. These institutions will need considerable strengthening if they are to undertake this role effectively. Today, for example, OAU has minimum technical competence, on the economic (and arguably the diplomatic tactical) side, for the task. There is also the important aspect of "style". In that regard ECA's style during the 1980s appeared (i) to put-off potential friends both within and outside of Africa; (ii) to concentrate on speaking to foreigners instead of Africans even when its criticisms and the power to act on them were African focussed; and (iii) to avoid making specific, negotiable proposals, including policies and projects, rather than remaining largely at the level of generalities. Of the three regional institutions ADB has had the most success. It has been worthy, substantive, down to earth, responsible, but rarely exciting intellectually or innovative operationally - in a sense the mirror image of ECA. However, ADB could have contributed more had it not been so keen to follow and be influenced by the World Bank. In general the conclusion on this point is that African countries need to give urgent attention to these regional institutions - their roles, their policies and programmes, their



styles and their interactions between themselves and with sub-regional organisations and the individual countries themselves.

#### THE ECONOMIC AGENDA AT THE NATIONAL (COUNTRY) LEVEL

20 Most of the countries under discussion are now in the process of implementing "Structural Adjustment Programmes" (SAPs) usually agreed with the World Bank and IMF,<sup>11</sup> and with financial support from bilateral donors including increasingly Japan - the one bilateral recently increasing transfers to Africa rapidly and planning to continue to do so. In recent years development literature on Africa has contained a lively debate on these SAPs and political discourse an even livelier one. While it is not intended to go over that debate in detail in this monograph, it should be mentioned that there now appears to be general acknowledgement of the fact that these programmes, although their basic elements are often necessary, do not provide sufficient conditions for Africa's economic recovery and growth. Moreover, by and large these programmes, which are the 1980s successors to the IMF-led "stabilisation" programmes of the 1970s (which clearly were rarely successful even in their own short term objectives and did not, in any case, prevent the spreading and deepening of Africa's economic and social crises) have contained many weaknesses including:

- i Unrealistic expectations about the scope and depth of their beneficial impact and the time needed to achieve that impact.
- ii Nearly total concentration on internal aspects to almost virtual exclusion of external factors such as terms of trade, commodity prices, protectionism abroad, debt burden etc., which equally important in determining the level of development performance in Africa. While recognising that the two Bretton Woods institutions do not have the leverage to, say, change terms of trade, they could, at least, give much more prominence to some of these issues and problems. As it is, SAPs have given almost all attention to internal or domestic policy failures and related weaknesses and more general Bank documents on Africa only slightly more attention to the global context. The Bank for

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<sup>11</sup> SAP is not a copyrighted trademark. There is no reason a SAP must be endorsed by outsiders, albeit of the nationally crafted/unendorsed ones only that of Zimbabwe over 1984/1990 had much success.

example has come to a position fully supportive of substantial debt writedowns but has given it such a low profile as to suggest it either views it as unattainable or as of little urgency, views which few Africa political leaders or analysts would share. One result of this - probably unintended as far as the Fund and, especially, the World Bank are concerned - has been that in consultative group and similar meetings almost all concentration has been given to domestic weaknesses and little said about the contribution which the donor countries could make in non-aid areas - e.g. debt, trade - to facilitate development in Africa. Removal of domestic African weaknesses is now almost always a condition for additional foreign aid including partial debt relief, but there is no similar pressure on donors to examine, let alone correct, their policy errors.

- iii Too much emphasis on "getting prices right" and inadequate attention to "supply side" aspects even though the latter is of crucial importance because the objective of SAPs should be to achieve economic recovery through increased production of goods and services (especially the tradables) and not merely achievement of macro-economic balances.<sup>12</sup> A related point is that, ironically, the structural rigidities in African economies have not been fully recognised in these "structural adjustment" programmes.
- iv Most SAPs have tended to ignore the negative impact of the social costs associated with the programmes and even more the costs of high and rising absolute poverty even if not programme related. However, the World Bank now recognises these aspects; the real problem appears to be how to build policies and programmes in the SAPs for dealing with the social dimension. In that regard it should be stressed that tagging on to SAPs one or two programmes to cover the social dimension is either cosmetic or a travesty of

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The World Bank might consider this criticism unjustified; but it is not. For example, how can the Bank expect economic recovery and growth to be achieved in Africa without substantial investment in infrastructural facilities? If it cannot, why is the failure of most SAPs to achieve infrastructural investment revival not highlighted as a crucial weakness especially as many of them now approach a decade of existence?

efficient coordinated resource allocation to further priority objectives.

v The tendency to underestimate the external resources required<sup>13</sup> - which partly explains why limited progress appears to have been achieved in spite of very courageous political and economic efforts by many African countries.<sup>14</sup> The situation is serious, and the validity of SAPs and their appropriateness are now being questioned in Africa and by those outsiders who study the situation and see little evidence of improvement or hope after a decade or more of SAPs.

vi transforming their export bases is vital for most African economies. How is a contextual issue: new primary products (e.g. horticulture, fruit juice), processed forms of present exports (e.g. cocoa intermediates, lumber-plywood-veneer), manufactures based on primary products, (e.g. furniture kits, shoes-belts-bags) and niche products (e.g. West African prints - East African khanga and kitenge and garments made from them) all have substantial potential globally in parallel to more intra-African trade in manufactures, industrial inputs, food and electricity. Rarely will the appropriate answer be one or two products, but equally rarely will "getting prices" (exchange rates/tax regimes/wages) "right" lead automatically to broad front breakthroughs. Research into potential winners and targeted subsidies toward market development costs are among

13 The fact that SAPs directly involve bilateral donors may lead the World Bank to work on figures which it considers the donors would be willing to accept. A better approach would be to present a fully objective picture on requirements, even if aid resources were likely to be well below those requirements.

14 The Bank's reviews suggest substantially similar domestic efforts in Africa and elsewhere but disproportionately lower results. As the one unchanged message in Bank overall reviews of SSA from 1981 through 1989 has been the need for more transfers and since at a subcontinental level this has not been achieved, the cause of the high effort/low payoff paradox may not be hard to find. Indeed the 1981 Berg Report (Agenda for Action) saw only 2 to 2.5% GDP growth rates as possible if aid did not rise substantially even were proposed reforms implemented. As it projected moderately improved - not massively worsened - terms of and growth in world trade for Africa in the 1980's, that translates to at best 1 to 1.5% in the actual context. At 2% SSA has, in fact, performed better than the Bank model suggested it could given the lack of massive resource transfer boosts and the presence of unforeseen term of trade deterioration!

appropriate public sector roles to encourage and complement private or just venture production.

vii restoring fixed investment levels to at least 20% at gross and 10% at current price levels (not historic cost as normally and inaccurately used in national accounts depreciation estimates, a shift raising the gross/net divergence from about 3% to about 10% of GDP) is essential to long term (and usually to medium term) growth and, even more, to structural transformation. SAPs demonstrably do not have a strong positive impact e.g. Ghana has - after ten years - only recovered to 15% gross and 5% net. Granted SAPs do not lower rates of investment - Tanzania is at or near the 20%-10% level but it never fell much below that level in the 1979-83 depression or the 1984-86 pre-SAP domestic stabilisation effort. To date SAPs do tend to raise (or sustain) public sector investment with little evidence of "crowding out" private but are not "pulling in" adequate levels of private sector directly productive investment.

viii Another important point is that on the whole these programmes have not paid adequate attention to what must be done to increase the levels of domestic and foreign private investment - an essential requirement for economic recovery. In that connection it is clear that in addition to getting "prices right" and removing unnecessary controls and regulations, the achievement of the required levels of private investment demand the rehabilitation and expansion of infrastructural facilities and of governance. Rehabilitation and further development of infrastructural facilities should not be excluded from SAPs or under-emphasised in them because of their longer than medium term time dimension and high external transfer requirements.

ix One major source of weakness of SAPs, which the World Bank has now recognised, has been their initially being seen or treated as rather short or medium term programmes which was the intent in 1981 but gradually shifted to a 10 to 15 year perspective by 1990. The financial and political costs involved in a long term approach (e.g. in the infrastructural sector) may be a factor in the failure to adjust SAP orientation as their time frame

lengthened. See, for example, the rather strange policy statement in the Bank's LTPS study that provision of infrastructure should await demand.

x Focus specifically on a strategy to shift from corrective structural adjustment to restored development sustaining transformation. Simply extending structural adjustment indefinitely is not an adequate answer as, at least implicitly, the World Bank recognises in LTPS which is at least half about transformation. But to date the issues of sequences, transitions and long haul requirements diverging from those either of stabilisation or initial structural adjustment have not been analyzed systematically which for - e.g. - Ghana, Zimbabwe, Tanzania and, less clearly given recent setbacks, Kenya is now urgent because most of the strictly short to medium term structural adjustment measures will have been taken by 1995 and it is unlikely that after that point "more of the same" will be a prudent or even a sustainable answer to "what now?"

21 However, in spite of these limitations most SAPs contain important elements which form part of the list of the necessary conditions for dealing with Africa's economic crisis. These elements including the following:

- i Proper management of government finances, especially controlling the level of budget deficit.
- ii Pursuit of appropriate monetary policies - especially with regard to the rate of interest, exchange rate, and the volume and growth of bank credit.
- iii Greater reliance on and use of market mechanism - and therefore removal of unnecessary price controls, subsidies and various direct measures for controlling supply of goods and services.
- iv Appropriate tariffs to reduce over-protection and to encourage export orientation.
- v Greater reliance on the private sector - and therefore provision of the necessary incentives as well as privatisation of eligible public enterprises, especially those directly engaged in

production of goods and commercial services (e.g. textiles, road transport, hotels); etc.

vi "Good governance". especially ensuring transparency, accountability, and an efficient public service.

22 It is essential that African countries should continue with their efforts in these policy areas whether SAPs continue or not. To blame SAPs and the Bank either for the costs of pre-SAP economic malaise of those of non-implemented SAPs may be politically appealing in the short run. However it lacks credibility and misdirects attention away from very real problems which must be addressed seriously. But following the standard SAP check-list will not be enough: direct attention must be given to a number of specific programmes areas. These include rehabilitation and expansion of infrastructural facilities; food production; employment creation; population planning; economic cooperation; and poverty reduction. These six areas are, in fact, closely related, and a few words on each are in order. With regard to infrastructural facilities some comments have already been made to underline the importance and urgency of rebuilding and expanding them. Without that very little will be achieved in stimulating private investment (both domestic and external), greater agricultural production, expansion of exports, or reduction of rural poverty, etc. More will be said on that subject when discussing the Regional economic Agenda.

23 In the area of food production it is abundantly clear that the situation is increasingly desperate in many countries. While adverse weather conditions, especially the widespread and prolonged drought of the early 1980s and that of the last three years have contributed to the prevailing situation, there is no doubt that inappropriate policy measures. by no means limited to or even necessarily primarily in respect to prices, and - probably even more - the absence of adequate programmes to enable small family farmers to produce and to sell more have been primarily responsible for the continued decline in food production per capita in Africa. For example in spite of its critical importance, especially in feeding the people, providing employment, earning foreign exchange, etc., food crop agriculture has received much less in the way of fiscal incentives than manufacturing in most African

countries. Further rather misguided efforts to keep urban food prices low have kept formal producer prices in many countries down with varied negative impacts on production, marketing efficiency, import bills and transparency but no evident gains on actual general urban food prices except when massive subsidised import supplies could be put on the market. In addition agriculture has been, in many cases, severely taxed. Agricultural research - especially for food crops - has sometimes not received adequate resources and rarely has been formulated in a coherent strategic frame. This list of inappropriate policies and measures could be extended. Consequently much of Africa is now increasingly unable to feed itself, and an increasing proportion of Africa's people are either directly starving in crisis years or doing so gradually every year in the sense that food intake per day is simply not adequate to sustain a healthy and productive life. This nutrition gap is the basic cause of Africa's appalling under 5 mortality gap (75 to 100 more under 5 deaths per 1,000 live births) when compared to other poor and lower middle income countries.

- 24 Lack of adequate food has many negative implications in addition to poor health and malnutrition. For example, it tends to lead to lawlessness (whether corruption, illegal marketeering or armed robbery) in those countries which do not have enough foreign exchange to import food. More generally it leads to great dependence on food aid - with all its economic and political consequences. It also leads to high effective food prices for urban consumers which then have a direct impact on wage rates and therefore the competitiveness of domestic products. Because the inefficiencies associated both with most marketing boards and with oligopsonised parallel markets mean little of the extra price cost to consumers gets back to farmers, the latter are forced to cut trees (not buy kerosine) and to slaughter till land for want of resources to fertilise and protect it. The environmental costs are evident - including to the farmers who can however do little to lower them until the poverty/survival vise crushing them is loosened e.g. low incomes prevent substitution of kerosine for wood for cooking; low productivity per hour in agriculture and the need to earn off farm cash incomes prevents farm households from undertaking tree planting and tending or erosion control works such as terracing of gully filling (unless these are state financed employing the farming community's members part time to undertake them). Sustained efforts to reverse the

trend so that African countries can produce more of their food requirements as rapidly as possible are a necessity - for political stability as well as for economic reasons. In that regard Africa, and many African countries, have the natural resource base to produce massive additional quantities of food - for internal consumption and for export. But that demands, in addition to better policies, focused agricultural research, application of more technology (including much greater use of fertilisers),<sup>15</sup> in some countries appropriate land tenure and ownership systems and patterns (which would recognise the great potential of smallholder agriculture in all ways, including productivity and income distribution), trade cooperation between African countries in agricultural products, etc. It is also clear that elimination or reduction of protectionism in industrial countries would help substantially - for example in the horticultural and livestock and ocean products sectors.

- 25 Gender aspects of development require serious attention in the context of main policy, programme and project identification, formulation and implementation. Because divisions of labour, of income sources and of budgetary responsibilities do exist (as well as up to 25% female headed households in rural areas and the towns of war ravaged countries) blindness to gender issues is directly economically inefficient as well as socially damaging and - in respect to effective access to participation in production as well as of governance) a major barrier to democratisation. For example, because women and girls do collect water and are responsible for maintenance then women's involvement in rural and peri urban water project design and in water user management and maintenance committees is crucial to policy and project initial success and sustainability. Further because it can save up to 5 hours a day for women and girls in rural areas, provision of accessible, pure water may be the most effective way to empower women to produce more food and to enable more rural girls to attend school. Put in this way the case for gender consciousness looks like fairly evident common

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15 Use of fertilisers in Africa is much less than in other developing regions e.g. according to two experts "only 9 kilograms of plant nutrients were applied per hectare of arable land (in Africa) in 1989/90, 5 per cent of the amount applied in East Asia and the Pacific". See Per Pinstrup-Andersen and Rajul Pandya-Loreh, External Assistance in Support of Sustainable Alleviation of Poverty, Food Security, and Malnutrition in sub-Saharan Africa during the 1990s, paper prepared for DANIDA/CUF Symposium on Strategies for Development Cooperation with sub-Saharan Africa, Copenhagen, January 1993.



sense. But in practice it is only recently the gender implications of water have been recognised and a majority of Ministers and Ministries of Water still do not take them into account. The issue is not necessarily separate programmes nor production units for women - although these may in some cases be relevant within, e.g. agriculture just as separate approaches to meet the divergent needs of tree, bush, field and animal crop oriented farmers are normally perceived to be necessary. The quickest way to facilitate women's and girls' access (e.g. to rural credit and to primary education) may be to ensure universal access. Similarly how to advance from a household land tenure perception that heads of household are male and that in complete households all tenure should be vested in the senior adult male can be answered in various ways; recognising that female heads of household are now common and should not be discriminated against; reorienting inheritance toward surviving spouse (male or female) and children; putting household tenure rights in the joint names of wife (or wives) and man not man only, etc. The point is to accept that gender aspects are pervasive, serious and require priority attention. This is an area in which Northern feminist approaches to gender are often quite irrelevant to African women's priorities (because they come from very different contextual backgrounds) and stylistically prone to generating animosity (not only among men). More involvement of African women and women's groups in studying and proposing practical measures relevant to gender issues is needed both because that is a logical element in gender consciousness and because this is a field in which unadapted import model approaches appear peculiarly inappropriate.

- 26 High priority also needs to be given to creating more non-agricultural jobs and other livelihood opportunities. As of now unemployment, in its various forms especially partially disguised unemployment, underemployment and "full", but devastatingly low productivity, employment is a major and growing problem in many African countries. The problem, as noted above, is particularly acute among youth whose declared open unemployment rates are 50% or more in many countries' urban areas. High levels of unemployment represent a massive waste of resources and an unexploited economic potential. Equally, they are to a large extent responsible for the increasing lawlessness and violence in many African countries, especially - but not only - in urban areas. Substantial and direct attention should and can be given to this

problem. The kinds of actions required to promote economically appropriate agricultural and industrial development at macro economic level are consistent with the employment creation objective. But much more articulation is needed to act on that potentially positive fact. Actions including public works programmes to alleviate the employment/purchasing power situation as well as to restore infrastructure are relevant in the short-run and, among long-term related approaches population planning is a major example.

27 It is heartening that population planning is now discussed openly, with many countries carrying out, although not always vigorously, family planning programmes. The reality is that population growth in Africa is much too high relative to present and realistic future production and production growth levels. In that connection fertility rates average 6.4, and the rate of population increase itself about 3.1% per year. These rates are serious obstacles if African countries are going to produce enough food for themselves; create enough jobs for their labour forces; achieve higher savings rates to enable them to invest in the required areas, including education and health; conserve their natural environment (especially soil and vegetative cover); etc. Happily, effective and not very costly techniques for family planning now exist. This is an area in which African countries cannot blame external forces, natural disasters or foreign advice for lack of performance even if one may query the sensitivity and adequacy of some external approaches. In that regard African countries should aim at reducing the rate of increase of population to about 2% within 10 years or earlier.<sup>16</sup> The experiences of some countries of Far East and South East Asia, for example, show that kind of target is realisable given complete determination and commitment. African countries must recognise family planning as one of the most effective areas of investment in their development efforts. Performance here will be a major factor in determining the overall result.

28 Some analysts (and readers) might think that the population factor is being given too much weight in this analysis. But this is not the case. Clearly family planning by itself would achieve little. It must

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<sup>16</sup> A 2% rate of population growth would still be high, especially if higher rates of economic growth, including industrialisation, are not achieved. However, as a target for the African countries in ten years it is the most reasonable.

therefore be accompanied by other development efforts. These include elimination of illiteracy, education of women and their involvement in modern sector activities, programmes to reduce infant mortality, elimination of acute poverty, where practicable old age pensions. Recent development experiences of some countries, especially the newly industrialising countries, show the powerful contribution of rapidly falling fertility rates in achieving development objectives when linked with the parallel demand enhancement measures cited.

Another argument might be that the most effective population growth reduction device is rapid economic growth. We know from the economic history of the now developed countries, that higher rates of economic growth, and the resultant decline in death rates lead to lower fertility rates. But the special situation now facing African countries, including historically unprecedented population growth rates resulting in the doubling of population within very short periods, demands that the leisurely argument of expecting economic growth to "do the job" must not be relied on. Targeted measures to enable poor households (and especially poor rural households) to produce more do have substantially greater relevance - if rural access to family planning knowledge and technology is expanded.

Therefore, while accepting that family planning technology by itself is not sufficient, it is repeated and stressed that population planning, using available technologies and devices, should be one of the top priority items in planning for African countries' economic and social development. One aspect understressed to date is education for men. There is evidence that men on average desire larger families and enforce their preferences on women, especially in rural areas. Just as family planning should be one element in universal access primary health care so should it be a standard element in health education.

The case is not for family planning as a substitute for growth or poverty reduction but as one key element in overall growth and poverty reduction achievement. It is no accident that the high growth, low infant mortality, high female literacy, substantial safety net for poor household countries - e.g. Botswana and Mauritius - also have high contraceptive use and fertility decline rates.

- 29 Another area which requires direct and carefully articulated attention will be discussed more fully in the next section: regional and subregional economic cooperation. Coordinated development is particularly important for achievement of higher rates of industrialisation and higher capacity utilisation rates in present and future plants. It is increasingly clear that African countries must industrialise - including for export - if they are to overcome the economic weakness and vulnerability which now characterise most of them. Almost complete dependence on a few un or minimally processed export commodities for foreign exchange earnings, government revenues and modern sector employment is a major and debilitating weakness in these economies. Greater production of these commodities will never bring about the levels of economic and social development required even when it will allow moderate real export earning gains let alone in cases - such as cocoa for the Cote d'Ivoire and Ghana - in which even at the country level more physical export volume means less export earnings because price elasticities are below market shares. Such cases are even more common for groups of countries or continentally. If Kenya, Tanzania and Mozambique were to double cashew output in a brief period, or the main African coffee producers were to do the same, the resultant price falls would result in each earning less, not more, foreign exchange - a point now accepted by the World Bank. Another route towards development and especially earned import capacity growth is therefore needed. As seen in economic history, and more recently in the newly industrialising countries, the kind of economic structural transformation required can only be achieved through industrialisation not only of production but also of export patterns, sometimes - but not always - through processing or manufacturing present raw material exports. For example cocoa intermediates (butter, paste, powder, mass) would yield higher unit value per tonne of beans, would not depress cocoa prices as would higher bean production, would be marketable. Similarly, for any volume of logs cut, a mix of lumber, veneer, plywood and furniture kit parts can yield up to ten times the export proceeds and at least double the employment of the raw logs.
- 30 This statement is not, of course, new in the African context although its stress on manufactured exports is less standard. Most "development plans" of African countries include strong statements about encouraging manufacturing. Some countries have experimented with various types of

"incentives" to promote industrialisation. But after 30 or so years of "development planning" very little progress has been achieved in this area. Clearly a new approach is needed - and one major component in that approach is economic cooperation based on production sharing. In Africa most of the economies are so small that economic cooperation with the neighbouring countries is both necessary and urgent. For these countries the advice now being given to be export oriented only makes sense if it is seen within frameworks of cooperation with neighbouring countries with the aim of diversifying these countries' economies and facilitating global manufactured export breakthroughs.

More generally it is necessary to see import substitution and export expansion as sides of the same coin rather than as alternatives. Even in the same industry this is frequently true e.g. textiles and garments, wood and leather products. Certainly parallel domestic and export oriented production is more broadly feasible in the short term sub-regionally but it has regional and global relevance as well e.g. for natural gas based fertilisers, for selected steel products for wood products from lumber through plywood to furniture.

- 31 Finally African countries should give high priority to addressing the issue of growing and deepening mass poverty. In particular they must not mislead themselves by thinking that the problem will, somehow, be solved automatically as "development proceeds" - if indeed they are able to achieve economic recovery and growth without enhancing production by and thereby effective demand of poor households which is possible for some but most unlikely for many. They need to realise that some economic development paths - in terms of GDP and even in terms of higher growth rates in manufacturing - have been followed relatively successfully elsewhere and, indeed, in Africa in the 1960's while widespread acute poverty persisted or expanded. In Africa today, with deepening mass poverty, there is after all a small minority of wealthy people whose living standards and circumstances clearly exceed those of most development country households.
- 32 Looking at the whole situation, it is clear that immediate reduction and future elimination of poverty requires to be built into all development programmes and policies not handled by a collection of small peripheral, add on projects about as effective as sticking

plasters on cut arteries. Within that commitment absolute poverty should have top priority. Strategic components include primary school and adult education, primary health care and food security for all. This is not "welfare" - illiterate, sick, malnourished people cannot work long, hard and productively. It also entails ensuring that the people are enabled to be directly involved in the production process (hence the importance of small family farm or smallholder agriculture, small-scale and informal sector industries, etc.); strenuous efforts to deal with unemployment; etc.

In this context it is important to recognise that most African households have multiple incomes i.e. several household members earn, sectoral income sources are multiple and, not infrequently, one household member has multiple incomes from quite different activities. To enable households to climb out of absolute poverty is not a matter of concentrating on raising one type of income - e.g. formal sector minimum wage. And again there is a gender aspect because women's income opportunities tend to be clustered (even though they diverge from country to country and particularly between West and East Africa). Therefore both the incomes of women in complete households (which are particularly relevant to those items of household budgets perceived as female obligations - notably food and non-school fee expenditure on children) and of female headed households will be affected very differently by different selections of earning opportunities to promote and by the presence or absence of affirmative action for women (e.g. by 35% quotas in Botswana) in respect to labour intensive public works employment.

The multiple income (and different male/female patterns of sources) point applies to rural as well as urban households. In most parts of Africa non-poor small farm households above the poverty line are able to remain there because of income other than from household consumption of own output plus sale of crops or livestock: e.g. seasonal or casual work for other farmers, seasonal plantation employment by one family member, local non-farm employment (particularly construction), sales of non-farm (or processed farm) products and services (e.g. beer brewing and beergarden keeping). In the 1960's and 1970's these sources accounted for about 25% of overall family small farms household cash

income in Kenya-Uganda-Tanzania. This has clear implications for organising rural infrastructure renewal and conservation/rehabilitation programmes around labour intensive, seasonal projects employing workers from the area's farming households and - following the Botswana precedent - to ensuring substantial effective female access to these income streams.

Poverty reduction strategy has three components:

- i enabling poor people to product and earn.
- ii Ensuring universal access to basic social services/investment (primary health care, primary and adult education, pure water, agricultural and other production related extension services, nutrition) which both add to household incomes/levels of well being directly and enable them to be more productive.
- iii providing survival safety nets for victims of calamities e.g. drought, flood) and catastrophes (e.g. war) until they have been enabled to restore their livelihoods as well as for unempowerable households - basically those with too high a ratio of mouths to feed to able bodied hands to earn (e.g. many female headed households and most disable person or aged person headed households with several dependents).

On the production and social services/investment fronts the key to success is not to devise projects exclusively for poor (or absolutely poor) people but to ensure that poor people do have/are enabled to have access to main line programmes. This has clear implications for e.g. fee patterns and waivers for all basic services even if ways of acting on them is often hard to devise and execute.

Nor are poor people necessarily the only groups requiring enablement within a poverty reduction focussed programme. If low rural cash incomes are linked to poor market access flowing from inadequate rural trader capital and vehicles then public sector action to facilitate empowering rural traders to buy vehicles and to have funds to buy farm produce is likely to be crucial to reducing rural poverty. The traders are not poor and - therefore - are not logical recipients of grants or subsidised loans but may need steps to provide them with effective access to term credit for vehicles and revolving commercial credit (overdraft) for working capital.

The democratisation process is relevant. One would expect popularly, competitively elected political leaders to have a direct and vested interest in dealing with a problem afflicting most of their constituents. Ways and methods of ensuring that poverty remains a major and high profile issue in the national political agenda must be an important element in poverty reduction programmes. However, political priority needs to be backed by competently articulated policies to yield results. Tanzania's crop credit disasters were the direct result of political priority (peasants frequently changed their MPs) but hardly yielded value for money to the intended beneficiaries let alone the tax-payers, and therefore ultimately failed to serve their political promoters well either. Without both political priority backed by resources and technically viable strategic components to reduce poverty, competitive politics may well lead to political instability as poor majorities regularly turn out representatives who have failed them and to economic chaos as highly different flawed policies succeed one another in rapid succession.

#### **REGIONAL ECONOMIC AGENDA**

33 A major imperative in the regional economic Agenda for the 1990s should be determined and imaginative pursuit of effective economic cooperation between African countries. In that regard several realities need to be recognised:

- i Enormous disadvantages flow from the very small size of most and relatively small scale of all African economies (not excluding South Africa, Egypt or Algeria) - especially because a majority of households are poor or very poor, giving still lower effective



demand levels for most products. These constraints are very evident barriers to promoting industrialisation (including that of the agricultural sector). This is particularly so when the industrialisation process must to a large extent start with import substitution which means the larger the domestic market base the better. To achieve an adequate base usually will mean cooperation with neighbouring countries, based on planned production sharing.

- ii Economic cooperation, while desirable and necessary for economic recovery and growth, is a challenging exercise, not least politically. Past failures attest to that fact. Economic cooperation demands political "wisdom" and courage, priority attention in policy selection and resource allocation and also technically informed innovation in designing the framework for cooperation. Imported common market models do not work either politically or economically and their continued promotion by ECA, e.g. in the Abuja Treaty, as the centre piece of an African economic integration dynamic is grounds for concern. Tariff reduction as such has little political sex appeal; attempts by all countries to maximize exports to partners while minimizing imports from them are economically impossible to achieve, illogical economically and divisive politically. Common interests commonly perceived and pursuable more cost effectively - or only - jointly rather than singly, not abstract "efficient trade maximisation" are the logically and potentially practically viable base for economic integration economically just as much as politically.

African countries need to plan their future cooperation arrangements with the past experiences firmly in mind. The lessons of the past both as to failures and as to partial successes should be used in working out specific initiatives for the future. While especially true in respect to economic regionalism, this is a more general point. The lack of effective historic memory is costing African states and peoples dearly because it results in repeating failures and in not remembering approaches which have worked. Failure to know, reflect on and learn from history dooms one to repeat its failures at concrete

as much as at philosophical levels - and to fail to repeat past successes. One major lesson from the past is that future cooperation arrangements should contain deliberate efforts to ensure creation of "vested interests" in each participating country in the economic cooperation framework and process. That demands, amongst other things, inclusion of more sectors than manufacturing in the cooperation framework and avoiding an overbearing central secretariat which may unify member states but only in seeing the regional body as an outside "them" versus "us" which is the first step toward its marginalisation or/and disintegration. In particular development of modern agricultural activities, which past cooperation arrangements have either ignored or because of the emphasis on industrialisation, or excluded to protect vested interests frequently should figure prominently in both production and arrangements. As already observed, in Africa economic integration must have production - including production of knowledge - sharing as one of the basic elements. Politically production and livelihoods are the key payoffs of any policy. Inclusion of agriculture, as well as of transportation and of energy, makes such a strategy easier to formulate and to implement. It is also worth adding that production sharing is not as difficult to formulate and operate - politically or technically - as some analysts have argued.

How to share production depends on contexts not least what production. For research an agreed core institution linking and serving a network of national units - as in SADC's drought resistant cereals and SACCAR (Southern African Centre for Coordination of Agricultural Research) - can be negotiated among governments. In ports, harbours, railways and hydroelectricity negotiated contracts or projects among nationally based - usually public sector - enterprises pose few problems in principle. In respect to manufacturing greater complexities arise - fixed allocation by governments does not usually work well albeit the old East African Community textile capacity licensing scheme (in many ways analogous to EEC's steel sector management of capacity) had a reasonably good record. But public sector studies on existing and planned capacity in the region (as done by SADC for several industries) and of comparative costs of different

locations (done by the old EAC with rather non-intuitive results suggesting scale advantages swamped any other differences among Dar es Salaam, Mombasa, Arusha - Moshi and Nairobi - but not for Kampala - Entebbe - Jinja - for most industries) can create a climate influencing investor decisions (not least averting creation of excess capacity) if secure regional access is assured. Further a gentlemen's agreement not to bid with tax concessions for investors in a way creating both imbalance and loss of revenue to all countries can usually be achieved as well as - at least in some cases - agreement to allow one or two states but not others to offer infrastructural and related incentives to pre-agreed industries in the interests of balance. The bottom line is that for most investors viable infrastructure and guaranteed market access are far more important than particular tax concessions and that a system ensuring the former will be worked with at least among sites whose underlying cost difference are minor.

- iii The rest of the world, especially the developed countries, will not always be supportive to regional integration efforts in Africa - partly because of commercial and political interests, especially those of ex-colonial powers. African countries need to be sensitive to the risk of foreign engineered obstacles in their way as they promote integration between themselves. Such obstacles could include use of external aid and commercial ties with the developed countries providing them. This is not inevitable. Some aspects of integration - notably communications, transport, standardisation and simplification of procedures, energy - tend to be useful to external trading partners as well and larger markets serve foreign owned as well as domestic enterprise interests. To the extent economic integration enhances growth it is likely to shift and increase, not reduce, the level of extraregional imports. A more general danger may be that the past record of integration may make resource transferring states (and enterprise investors) write it off as a non-starter with unfortunate results as to funding potential. In dealing with external obstacles African countries must recognise that their collective action, and promotion of self-reliance on a collective basis, are absolutely necessary not

only for their economic growth but, indeed, their very survival as viable and independent nations.

34 The second item on the Regional Economic Agenda, directly related to economic integration, is coordinated development of basic infrastructural facilities. The situation in this sector in Africa as a whole is appalling - characterised mainly by deterioration and disintegration of established facilities in most countries. This compounds the prior problem of inappropriately designed facilities - whose aim was to serve the former metropolitan powers and external trade more generally and resulting in many cases especially in West Africa in failing to link neighbouring African countries with each other. Very low investment since independence in railways; enormous increases in development and maintenance costs of infrastructure partly because of corruption and collusion with contractors (both national and foreign) and partly because of excessive use of tied aid and failure to build up even medium scale, cost efficient domestic contractors (public or private, foreign or domestically owned), etc. compound the sector's weakness. No economic recovery and growth will take place in the continent unless this sector receives adequate attention. In that regard the suggestion that infrastructural development should await "demand" (as suggested in the World Bank most recent major publication on economic strategy for SSA, LTPS) should be completely disregarded, except insofar as it is addressed to Pharaonic engineering dreams, like the Gaborone to Cairo or the Tripoli to Lagos highway, totally unrelated to potential, as well as to present, use. In the situation facing African countries today infrastructural facilities should, ideally, be "ready for demand" - especially since private investments with regional market orientation are so important in achieving economic recovery and growth and will not be made unless they perceive existing infrastructure as adequate.

35 Major consideration to bear in mind regarding coordinated development of infrastructural facilities is that they will not only provide more effective links between African countries in the physical sense but also reduce the overall costs of meeting demand. A good example beyond transport is electricity. Well planned hydro-electric and natural gas based power plants linked to regional grid systems could serve neighbouring countries much more effectively and efficiently, both as

to reduction of capital costs, and in most cases also as to recurrent generation/purchase costs even for importing states. For each country to attempt to meet all its requirements nationally is expensive economic nonsense as well as a barrier to overall multisectoral expansion of trade.

36 Because the sub-regional economic integration process must be based on commonly perceived, common interests if it is to be sustained, laying down rigid guidelines for sub-regional programme content is counterproductive. For example agricultural (including veterinary) research, food security based on early warning analysis of impending shortfalls and control of cross border animal disease foci have been a programme priority in SADC and one which has paid off both for the countries and the regional programme's substantive usefulness and support group generation. Similar or different priorities - e.g. sub-regional tourist promotion programmes to take advantage of economies of scale and of broader range of attractions - probably apply to each sub-region. Likewise, in the trade field a number of supporting measures: simplification and standardisation of documentation, transit traffic regimes, vehicle papers and fees rules, regional Chamber of Commerce (or Federation of national chambers), support for enterprise mounting of regional sales and purchases promotion missions (or agents) as well as participation in international trade fairs, coordination of standards and certification procedures (including issuance of domestic/regional content certificates) are examples. None of the items in this cluster of topics is vital to all sub-regions. Few are dramatic - albeit SADC's involvement in ameliorating 1991-2 drought/1992-3 famine danger exercise was relatively high profile. Each is, however, valuable in respect to financial gains, to enhanced applied knowledge available, to building up constituencies for regionalism among beneficiaries while the trade related cluster as well as joint tourism promotion (like the telecommunications and posts aspects of transport) are important to creating an enabling climate for enterprises to use and to strengthen the economic potential crated by sub-regionalism.

37 The sub-regional (and subsequently regional) agenda set out has implications for institutional structures:

- i governments should be integrally involved at all stages - not given cut and dried proposals from over mighty and over detached secretariats.
- ii personnel should be concentrated in sectoral professional units servicing programmes probably decentralised with particular governments providing guidance and support to one or more sectors in which they are particularly interested.
- iii close cooperation should be built up with national and regional economic actors - e.g. chambers of commerce, banker's associations, large enterprises, trade unions.
- iv regular dialogue with international agencies and bilateral donors to ensure they understand regional priorities and do not undermine them with competing multicountry initiatives of their own.
- v attention to operational coordination (e.g. intra regional airline timetables, railway management, hydroelectric professional training, containerisation schedules) as well as bricks and mortar projects.
- vi developing a regional economic data and analysis base to create an enabling climate for enterprises, to facilitate policy coordination beyond the core regional programme (e.g. by Ministries of Finance and Central Banks on interest, exchange and tax rates).
- vii innovative examination of national problems and initiatives with a view to determining which ones can be tackled better with either regional coordination/programming or by regionally facilitated exchange of data, visits, training etc.
- viii Prioretisation within and among sectors (and sequencing of additions) to ensure that resources are deployed effectively and that concrete, visible gains flow to each member state promptly. A corollary is prioretising out or deferring initiatives which lead to vehement inter state disagreement, duplicate existing arrangements (e.g. the Eastern and Southern African Mulpoc which now parallels and on occasion conflicts with both SADC and PTA

over the whole range of its activities), or appear unlikely to yield significant results (e.g. the Southern African Development Bank indefinitely postponed because soundings of potential finance sources suggested little or no additionality could be expected).

ix Recognition that the requirement of serving key interests of each member state applies at overall programme level, may or may not apply sectorally and will rarely apply to particular projects (e.g. while SATCC's port corridor approach groups and prioretises to serve 9 of its 10 members it cannot be very relevant to South Africa surrounded Lesotho and no one corridor or project is relevant to more than 5).

38 The third item on the Regional Economic Agenda should be better preparation for negotiations with non-African countries and international organisations (e.g. the Paris Club). The external debt problem facing many African countries is a key example. The debt burden has continued to grow in the continent in spite of many resolutions urging the international community to deal with it, and in spite of the various half hearted "initiatives" the debt proposed by the creditors. The situation is truly deplorable. In 1991, for example, Africa actually paid<sup>17</sup> over US\$ 26 billion to the creditors in servicing the debt. Debt service ratios on a payments basis are now very high - upwards of 30% of exports on average at a time when export earnings are being hit by declining commodity prices, shrinking revenue from tourism; etc. Africa needs substantial inflows of capital but the debt including repayments to the World Bank and IMF<sup>18</sup> has become a major source of capital outflow. Private inflows have virtually disappeared and overall aid programmes are stagnant in real (and declining in real per capita) terms while for some countries they are rapidly shrinking. Unless there is a satisfactory solution to external debt overhang most African countries will not be able to achieve substantial economic recovery, let alone sustained growth. The main

<sup>17</sup> Up to one half the debt is not being serviced but has not been written off so arrears and - theoretically - future debt service are rapidly rising despite these crippling levels of payments.

<sup>18</sup> Actually in the case of IMF there continues to be a substantial net (reverse) flow of funds to it from Africa. This is, clearly, not an acceptable situation even if one accepts that standard fund facilities are grossly unsuitable for structural rehabilitation and transformation investment.

creditors have insisted on case-by-case treatment of this problem - a strategy which makes the negotiating position of the debtor country very weak. That approach also tends to mask the widespread nature of the debt problem, and the urgent need to undertake more meaningful measures (including substantial reduction of the debt stock or, more precisely, the present and future debt service flows required<sup>19</sup>) within a comprehensive framework. In this regard the African countries have been right in insisting that an international conference on their external debt should be held. That proposal was actually made about four years ago, and the African countries subsequently held meetings to agree on their "common position" on the debt issue. African countries should continue to urge the international community to hold such a conference, especially now that the UN Secretary-General has himself come out strongly in indicating the strangling nature of the debt problem.<sup>20</sup> Clearly such a conference could not negotiate individual debt rescheduling/write down agreements, but could set up guidelines within which all cases could be handled.

The overall approach to debt overhang crises by seeking a common analytical framework leading to generally applicable guidelines for solutions has, in fact, now been adopted by the World Bank in respect to SSA. Basically its model turns on output per capita, ratios of debt service to exports and necessary import levels for sustained growth. From these present and future debt service ceilings can be projected with amounts above them needing to be written down in one way or another. In principle (if not perhaps on the exact levels of ceilings)

19 How this is achieved is secondary. Literal writedown of capital amount, lowering interest rates, lengthening grace and repayment periods on low interest rate credits and back to back use of additional grants to repay past loans (as actually done by some Arab states and by Japan and more generally by some consultative groups in respect to IFI debt service) are all acceptable. The issue for African states should be not how much not how. Literal writeoffs (as used by the UK and Nordic states) may be simplest but if national considerations make the USA favour lengthening grace and repayment of 3% loans or Japan favour providing additional cash grants for servicing to avoid formal writedowns, the added complexity is a price worth paying if substantial present and future debt service cuts are secured thereby.

20 One could think of the African countries themselves taking the initiative and organising a conference to which they would invite the creditors. However such an effort would be much more difficult to organise, and adequate attendance less likely than if the conference were organised by the United Nations the World Bank or the Global Coalition for Africa. Our strong recommendation is that an international conference on the African Debt should be held under the auspices of the World Bank or the Coalition, perhaps jointly with the ADB.



this approach is very similar to ones advocated by some African states and analysts as far back as 1985. The problem is that, for whatever reason, the World Bank does not - or not yet - appear to give high priority to mobilising action toward implementing this approach. Were African states to launch an initiative along similar lines this might well lead to the Bank's moving present and future debt service abatement higher up on its priority list.

- 39 The fourth item on the Agenda should be environment. In that connection, and recognising the rapidly deteriorating condition of the human living environment, the most worrying aspect is the horrifyingly rapid process of desertification, deforestation and soil loss. Africa cannot afford the present rate of erosion to the economic foundation - its natural resource base - on which its future development largely depends. There are powerful interactions between population growth and development needs (especially food and employment) on one hand and the natural environment on the other and also between extreme poverty and environmental damage. The environmental management programme needed to deal with the situation must of necessity be a broad one, and should recognise poverty and rapid population growth as among the major factors in the environmental degradation now proceeding apace in much of Africa.

While most individual environmental projects will be of national nature, there is no doubt that a regional approach, based on cooperation in strategic planning, priority programme adoption, research and implementation, is essential, especially in respect to river basin, forest belt and desert margin zones which cross frontiers. This is not to say, of course, that individual countries should postpone action to establish environmental management until continental programmes and sub-regional have been agreed.

- 40 Obviously environmental degradation in Africa, including loss of wildlife, will also have negative aspects for the world as a whole even though the main losers are Africans. The rest of the world should therefore take more interest in the situation especially in the "greenhouse effect" (global warming) and species diversity/wilderness protection implications of advancing deforestation as contrasted to sustainable long rotation logging soil conservation and agroforestry.

But that interest should not take the form of isolated bits of support here and there; nor should it be confined to "wildlife" conservation. In particular it should be accepted that environmental management in Africa will be greatly facilitated by higher rates of economic growth and of poverty reduction. Their attainment would be made easier by better access to international markets on the part of African countries; as well as by easier access to external capital and technology with particular reference to eco-friendly technology transfers at subsidised prices to enable Africa to industrialise less pollutingly than the North has.

In Africa - presumably as elsewhere - it needs to be recognised that only gainers will support environmental protection e.g. wildlife area residents who receive a share of tourist revenues, poor farmers who are paid now to carry out conservation and forestry works and will share in higher future crop and forest product yields. Incentives not coercion can build a mass base for eco-friendly measures. In other words environmental considerations strengthen other arguments (economic, equity, etc.) which have been used in the past, and which remain legitimate, highlighting the importance of providing Africa with an "enabling environment" in its development efforts. However, African countries must not wait for the rest of the world to take supportive action. Individually and collectively they must, in spite of the constraints face them, give environmental management higher priority in all their development efforts. This also includes higher eco-friendliness standards for industry. It is no comfort to residents of - say - Cairo to know that their dirty air is harming Europe because it will not make access to non-polluting technology cheap; it is first and foremost Cairenes who fall ill or die prematurely because of the air pollution and their government which will, perforce, have to take the lead in pollution abatement.

41 In one respect the proposed regional agenda is very traditional in stressing the hang together or be hanged separately theme. In another it is non-standard:

i the proposed focus on common interests as the dynamic force with common markets as instruments and with enhanced production as the goal and regional trade as a validating means diverge from the

standard, imported common market/regional free trade model which has been described - perhaps a trifle unfairly - as "common market fetishism".

- ii therefore its sequencing (including its greater and medium as well as short term stress on sub-regional approaches) diverges from the letter (if not the spirit) of the Abuja Treaty.
- iii and the stress on political priorisation leads to a stress on coordinated action (not supranationalism), decentralisation of activities (to broaden the visibility of and support for the programme) and to a structure based on professional programme support units consequential on programme priorities (not a centralised secretariat based on some standard model) and a member state driven programme evolution (not one directed by a regional bureaucracy).

Each divergence is intended to relate to the very real weaknesses of the traditional approach, as only too clearly evidenced in its history in Africa.

## CONCLUSION

- 42 In concluding this discussion a few words on the specific content of the proposed Agenda are in order. The Agenda items discussed in this monograph are highly selective and leave out some key ones - e.g. achievement of universal primary school education, primary health care and access to pure water; organised research in various key sectors (especially agriculture and industry); measures to expand domestic savings; promotion of appropriate technology; incorporation of gender considerations into all aspects of policy articulation and implementation. The authors readily accept that all these items, and others, are important and that they are not covered here except as they relate specifically to the issues highlighted in the Agenda. The present selection for this monograph was influenced by many considerations - the most important ones being to get African countries (and their leaders) to recognise (and to be alarmed by) the desperate situations and trends facing them and thereby to stress the imperative need for them to initiate appropriate action now, especially in those

areas which would complement each other nationally and regionally - including but not limited to promotion of collective self-reliance - to deal with the crisis.

Directly related themes include the need to act promptly toward removal of obvious constraints to economic recovery; and to emphasise the importance of actually establishing as well as talking about regional solidarity economically and also politically (e.g. in conflict resolution). Implementation of programmes in the areas indicated in this Agenda will doubtless be accompanied by (and will be conducive to making possible) action in other important areas not specifically highlighted here. One of the most formidable challenges in Africa today is that action is desperately needed in all areas while resources are severely limited. Effective strategic planning, priority selection and sequencing is therefore essential to ensure that the resources available are used in a manner which makes an impact not spread so thin that very little progress is made in any area. President Nyerere's 1969 warning is even truer today than when he made it in 1969: "To plan is to choose, choose to go forward."

- 43 We would also like to stress that the imperative political and economic Agenda presented in this paper is based on the recognition of the crucial reality that Africa is very much on its own. In that regard - with the possible exceptions of South Africa, Egypt and Algeria - the continent appears to be of low and decreasing interest to most political and economic decision takers in the capitals of the developed countries. Africa's image abroad is increasingly that of a continent which has absorbed much aid and has nothing to show for it; a gloomy continent with so many serious internal problems that economic and social development seems a virtual impossibility. In other words it is perceived as a continent destined to disaster. Not only can it be ignored without much negative consequence, but it offers neither substantial economic or political opportunities for gains but a high probability that deep involvement will result in losses under both heads. What is relevant is not the extent to which this perception is accurate (as noted above given the external environment deterioration its 2% annual growth is above 1981 World Bank projections of what could be achieved with policy reform) but that so long as the perception exists and grows it does affect how external actors relate to Africa.

There can be no doubt about this process of political and economic marginalisation of Africa - a process given big pushes forward by the protracted economic recession in the West, by conflicts in former communist states much closer to Europe; by the perceived economic and political attractions of NICs and China, as well as of selected countries within what used to be the USSR.

44 Lack of adequate external support for Africa is not due to lack of awareness, knowledge or information about severity of the various problems facing the continent. This point is adequately supported by examining the most important international exercise in the 1980s to examine Africa's economic and social crisis and to plan how to deal with it.<sup>21</sup> After much preparation at the UN Headquarters, the headquarters of the Specialised Agencies and in Africa itself at the headquarters of the Economic Commission for Africa and the Organisation of African Unity, a UN Special Session of the General Assembly was held in 1986 to discuss Africa's Economic and Social Crisis. The result of the debate was the formulation of the UN Programme of Action for African Economic Recovery and Development (1986-90) - quite a comprehensive programme which included a monitoring and review mechanism. But what has been the result? The UN Secretary-General has himself concluded "It must be recognised that it (the Programme) did not achieve its objective. The work has to be resumed".<sup>22</sup>

45 It is very clear that the international community (including the UN in spite of the spirited efforts of Dr. Boutros-Ghali) will not by itself put Africa on the road to recovery and development. In the international community we include the World Bank and the International Monetary Fund. Admittedly the World Bank has an enormous role to play

21 The World Bank has also, through its various reports, made a very major contribution to increasing knowledge and awareness about Africa's economic and social crisis. However, those reports have been written within the framework of the World Bank's philosophy, policies and programme intentions - including the need to keep the donors "on board". It is no wonder then that some of the reports have generated vigorous negative responses from within Africa and elsewhere. In the process of often less than fully constructive dialogue better understanding of the African situation has actually been promoted. The criticisms have generated a significant 1981-1992 transformation (or structural adjustment) of Bank strategic perceptions on SSA not least in respect to the need for national initiatives toward, and "ownership" of, programmes to poverty reduction as an economic as well as a social and political priority and to health-education-nutrition as essential economic investment priorities.

22 The Secretary-General's speech to the meeting of the High-level Panel on African Development he appointed, Geneva, December 28, 1992.

in dealing with Africa's economic and social crisis. But it has had no more success than the UN in generating the overall increase in resource flows it repeatedly stressed as essential over 1981-1989 and its present basic claim is that its efforts over the past decade have halted "freefall" in SSA, not that they have made sustained growth possible. That is a very modest claim - and also a reasonably accurate overall assessment. The Bank may be able to live with that limited success; African governments and Africans cannot. Overall growth of 4% and of per capita consumption of under 1% are too low to be sustainable - they will, after the recovery phase, tend to implode into political crisis and febrile policy fluctuation. Basically the lowest sustainable rates are 6% for EDP and 2% for personal consumption (plus substantial poverty reduction). The potential role of IMF is much more limited. It is questionable whether the Fund's procedures and requirements in lending are appropriate to the African cases. The fact that there has been substantial reverse flows of resources from Africa to IMF in the last decade - a decade in which African countries were going through rapidly deteriorating economic circumstances - shows that there is something fundamentally wrong in IMF procedures, at least as far as countries in the stage of development now prevailing in Africa are concerned.

In fact the IMF has put itself - via SAF and ESAF - in the position of operating a mini IDA while being unable to serve its basic goal of being a lender of first resort to provide bridging finance promptly when an unprojectable shock hits a member's economy. There is no evident gain to SAF/ESAF being operated separately from IDA, though probably not much harm either. There is a need to re-enable SSA states with SAPs to have easy access to the first two tranches when shocks (terms of trade, natural disaster, market closure) hit them - events no less likely with a SAP and even less domestically handleable because virtually all SAP resources are committed in advance and at levels below those even the World Bank thought to be the prudent minimum required.

One route would be for SAP countries (and other low/lower middle income with less than two tranches of IMF drawings) access on the old "gold tranche" terms of evidence of sudden legitimate need plus a plausible set of medium terms corrective measures with a) 1% annual charge to

countries with under - say - \$1,000 per capita GDP and b) a commitment to seek to refinance the drawing (to repay it) at the next annual consultative group meeting.

The record of other specialised UN agencies in Africa is mixed from utterly disastrous to highly effective. The most effective have substantial decentralisation, country programmes (and situation analyses) built up jointly by country offices and host governments, a clear perspective on how their specialised objectives fit into overall strategy, willingness and ability to take regional and sub-regional perspectives and initiatives in collaboration or formal joint sponsorship with African governments and regional organisations - e.g. UNICEF. UNDP - despite very serious efforts to fit into African strategies and to increase national capacity - has special problems. Its roles of coordinator for all UN agencies, financial intermediary for some of their activities and being a competing provider of technical assistance services itself are less than compatible, and it appears to be less than clear to UNDP whether its duty is to act as a government empowering body focusing on national priorities or as the technical assistance arm of the World Bank within its priority framework. In any case neither UNDP nor - much more - any other specialised agency has the range of concerns or the financial muscle to take an overall lead role in African development as opposed to a significant supporting one.

It is clear that the World Bank can and must provide a major supporting role, it will not, by itself, be the one to organise and implement effective programmes of action by itself.<sup>23</sup> And, of course, no one should expect, or even wish, the bilateral donors to do that job - they clearly lack the required capacity to design national strategies or to coordinate with each other, quite apart from the evident facts of

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23 The Bank increasingly recognises this. In mid 1992 its Vice President for Africa specifically stressed that its role was to respond to, advise in, support African initiative, not to act as a central planning agency or Ministry of Finance for Africa.

conflicts of interests and inconsistency inherent in external taking of basic social, political and economic strategic and policy decisions for Africans.

- 46 When one examines the situation carefully on the basis of these considerations and the experiences of the last 12 years or so, it is clear that in spite of the many institutions and NGOs now pronouncing themselves frequently and loudly as to what should be done about Africa's problems, particularly those of sub-Saharan Africa, Africans have to work out their own "salvation". This has, in turn, two fundamental implications: first coordinated action, as advocated in this monograph, is absolutely essential - it is either coordinated action or collapse. Second, a political strategy is needed to ensure coordinated national and regional actions for common survival and a relaunching of development. In that regard it is strongly recommended that African countries should organise a non-routine Summit with the same commitment as the Summit held in Cairo in 1963 which formulated the OAU Charter, but followed by more systematic articulation, action and regular review of results. This extraordinary Summit should not aim at adopting the kind of document produced at Lagos Summit in 1981 or its successor the Abuja Summit in 1992 (a rather vague plan for establishment of an African Common Market, which was equally vaguely reaffirmed at the June 1993 Summit in Cairo). The aim should be to formulate and agree on a collective political and political economic framework and strategy for ensuring African survival and resumed development through coordinated initiatives and self-reliance programmes. The formulation of that framework and strategy is the task which African politicians, entrepreneurs, planners, intellectuals and professionals need first to come to perceive as the most significant challenge now facing them and then to act together to address. No other continent or country, no global institution and very few non African individuals are primarily concerned with and working with and for Africa and Africans. Nor, unlike African governments and persons, do they have to live with the results of decisions taken (or not taken). "To plan today and fly away is to live to plan another day" may be an efficient - even if brutally cynical - motto for most technical assistance personnel, and for most expatriates more generally, but is not an option open to very many individual Africans nor to any African states.



- 47 The building blocks for the proposed collective self-reliance programmes must be the sub-regional cooperation mechanisms - such as ECOWAS, PTA, SADC, ECCA. A wholly continental and wholly vague paper programme - such as the Lagos Plan of Action or the Abuja Declaration - could add little to long existing declarations of intentions. What is needed are practical and quick starting programmes of action. These are more easily formulated for neighbouring countries and in a perspective much broader than that of traditional Northern common market theory and practice and also within an institutional frame fully incorporating national bodies at all stages. However the sub-regional mechanisms are unlikely to go far enough, or to relate constructively to each other, without a firm continental political mechanism for urging and encouraging maintenance of momentum. A continental mechanism would also be useful in resolving disagreements at sub-regional levels quickly and before they become disruptive. The continental political mechanism suggested must be based on "continental nationalism" and firm binding agreement by all countries of the regional necessarily grounded on "domestic nationalism" and state involvement throughout the decision taking and implementing process not on a romantic or technocratic "great leap forward" to unattainable centralised supranationalism guided by technocratic bureaucrats.
- 48 The conclusions reached here do not mean, of course, that Africa should forget the rest of the world. Obviously it should not. Not only would that be not in its interest, but Africa could not in reality delink itself. What is proposed here is that Africa should not primarily concentrate, as it has been doing so far, on arguing its case abroad and pleading for donor support and changes in the international economic order as opposed to constructing new national, sub-regional and regional ones in Africa. Nor should it continue to believe that history will, somehow provide a solution, or that the force of "natural justice" will prevail some time in future. Instead of that rather wistful pair of illusions and of continued preoccupation with explaining its circumstances to the rest of the world, Africa should embark on doing, on its own, all it can to ensure its survival and development.

Africa and other developing regions should, of course, continue to fight for equity in the functioning of the international economic system. But as they do that they should know that the more success is achieved in collective self-reliance efforts the earlier will there be more positive responses from those interests now preventing the establishment of a more equitable international economic order. Therefore; Africa must not wait for a more favourable external environment to be established; it must recognise the need for immediate and adequate action on its part to safeguard its survival and to create an enabling environment for global structural adjustment proposals to be taken seriously. The Agenda presented here is quite explicitly designed to assist in arousing the continent to a more realistic strategy and programme in its efforts to achieve economic recovery and growth for the benefit of its people including both present and future generations.

48 Finally it is necessary to face the thorniest procedural question of all: assuming that the proposed Agenda is broadly acceptable, who is to initiate the needed discussions and negotiations between African countries? Who, among African leaders, is to make the first move? This is not an easy question to answer: but in thinking about it one is reminded that the preparations and struggles for political independence in Africa (and elsewhere) depended on a few individual leaders who inspired others and the masses of the people in general. Those leaders - such as Ahmed Ben Bella, Jomo Kenyatta, Gamal Abdel Nasser, Kwame Nkrumah, Kenneth Kaunda, Julius Nyerere, Sekou Toure - were truly nationalistic and courageous people who were prepared to lay down their own lives in order to secure dignity for their people and countries. That tradition has been repeated in Southern Africa: Albert Luthuli, Nelson Mandela, Hosea Kutako, Sam Nujoma, Augustino Neto, Eduardo Mondlane, Samora Machel, Robert Mugabe and Seretse Khama are on its role of honour. Not incidentally the launching of SADC was a top personal priority for President Khama over the last year of his life involving the hosting of both the Arusha and the Lusaka founding conferences and substantial deployment of his Vice President, Minister for Foreign Affairs and senior officials in diplomatic and technical preparations. Africa is in desperate need of such leadership today by persons of courage, self-denial, commitment, vision, intelligence and African patriotism. Most collective self-reliance programmes will have

to be articulated and undertaken at the sub-regional levels and implementation will be largely coordinated national. With that in mind is it too much to hope that each sub-region of the continent could find at least one leader who would then initiate and help to inform and guide the process of emancipating these countries from the stranglehold of existing economic and political strategies - strategies which will perpetuate these countries' poverty and external dependence? Can Africa not find (can it afford not to find) four or five leaders to initiate the struggle for emancipating these countries from what - however intended or caused - is objectively deepening neo-colonialism? Surely, there must be at least that number of present senior leaders and elder statesmen to lead?

But it is necessary to repeat that "turning Africa round" is a challenge to all its politicians, professionals, senior officials, managers, journalists - to all those with leadership responsibilities in the public, social or enterprise walks of life. Fortunately for Africa serious leaders are normally respected and their lead followed. In the past this valuable asset has been abused only too frequently. The prayer now is that the asset remains and can still be used by dedicated leaders to enable people to advance toward dignity and prosperity.