



Africa  
Policy  
Information  
Center

March 14, 2000

Dear Friend,

As this is written, the international relief operation in Mozambique is finally in high gear. By the time you get this it may have again faded from world attention, as Mozambicans face the less dramatic tasks of picking up the pieces and rebuilding. But the debate continues about why the response to the catastrophic floods in Southern Africa was so late, and about how one can combat the double standard of the world's response to crises in Africa.

*Twenty*

*Years of*

*Information*

*for Action*

1978-1998

If you use one of APIC's electronic services such as the e-mail distribution list, the web site, or are among the members of the Advocacy Network on Africa, for which we serve as communications facilitator, you will already have seen documents posted in February and early March and a special web page (<http://www.africapolicy.org/action/floods.htm>) with updated documents on how to contribute directly to Mozambican organizations and on the imperative of cancelling Mozambique's debt -- still more than \$1 million a week paid out to foreign creditors. (If you have don't have Internet access, please write us and we will send you what information we can afford to by regular mail.)

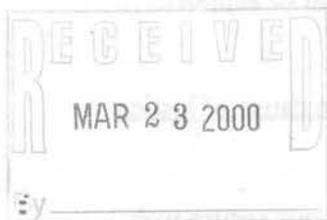
We are sure you agree with us that we must also take action to counter Africa's marginalization, so that African voices are not ignored until the TV cameras show people clinging to treetops. Enclosed is APIC's latest background paper, with part of the rich discussion emerging from our newest pilot project, an electronic roundtable in collaboration with the Economic Commission on Africa (ECA) in Addis Ababa.

This and other APIC communication initiatives are contributing every day to amplify African voices and to fight the ignorance and stereotypes that still prevail among rich-country policymakers and publics. But our efforts must expand to have even greater impact.

We know that you yourself are engaged in your own efforts to achieve these goals. We work with many of you on a day-to-day basis. We also need your personal support.

As you know, APIC fills a unique niche, connecting organizations and activists in U.S., Africa and elsewhere, through strategic information exchange, facilitation of networking and dialogue. Its strategic use of electronic communications technology provides a multiplier effect for the efforts of many groups and individuals.

110 Maryland Avenue, NE  
Suite 509  
Washington, DC 20002  
202•546•7961  
202•546•1545 FAX  
apic@igc.apc.org  
www.africapolicy.org



We are making new connections in Africa, throughout North America, in Europe, and beyond. The potential is enormous. But if we do not grow our capacity to respond -- with a more secure financial base -- we could easily be overwhelmed.

- Our first electronic roundtable has been dramatically successful in making available a forum for African voices from around the continent. We need to follow up and reflect with our African partners on the lessons learned and next steps to take.
- The needs assessment project, directed by former APIC Executive Director Imani Countess, is exploring the gap between local Africa interest and national action, by asking local groups what they think. Having met with a diverse range of activists in focus groups at the National Summit on Africa, Imani will be following up with visits around the country.
- As communications facilitator of the Advocacy Network for Africa (ADNA), a national network of over 170 organizations, APIC helped coordinate a progressive caucus which met daily during the National Summit on Africa. This provided an informal place for grassroots activists to meet to share strategies. ADNA's growing e-mail and fax network, hosted by APIC, provides groups a reliable tool for sharing analysis and action strategies.

The fact is that the size of our staff and our fundraising capacity has not kept up with the impact of our programs. We must diversify funding this year. Last year individual contributions increased by more than a third over 1998. We must do much better this year even to support current operations as the demands on us continue to grow.

Your contribution will help us continue our work, to make information serve the cause of justice for Africa's peoples.

Just fill in the enclosed form, or, if you prefer, contribute by credit card through our secure web site (<http://www.africapolicy.org/join.htm>).

Sincerely,

*William Minter*

*Adwoa Dunn-Mouton*

*Vicki Lynn Ferguson*

William Minter  
Senior Research Fellow

Adwoa Dunn-Mouton  
Development Director

Vicki Lynn Ferguson  
Director of Education and Outreach

P.S. You know from your own experience that the struggle for justice in and for Africa is not easy. But if Mozambicans -- and countless others around the continent -- can go back to their homes and start rebuilding from nothing, we owe it to them and to ourselves to do what we can. Thank you very much.

Please respond by March 26, 2000. Thank you.

**AFRICA POLICY INFORMATION CENTER  
CAMPAIGN 2000 (Code bp0003b)**

Name \_\_\_\_\_

Address \_\_\_\_\_

\_\_\_\_\_ Zip Code \_\_\_\_\_

Telephone: \_\_\_\_\_ Fax: \_\_\_\_\_

E-mail \_\_\_\_\_

**Contribution Now**

Amount \$ \_\_\_\_\_

Check enclosed \_\_\_\_\_

OR

Please charge to: \_\_\_\_\_ Visa \_\_\_\_\_ MasterCard

Card Number \_\_\_\_\_

Expires \_\_\_\_ / \_\_\_\_

Signature \_\_\_\_\_

**Future Pledges:**

Amount

To be sent before

(1) \_\_\_\_\_ March 31, 2000

(2) \_\_\_\_\_ June 20, 2000

(3) \_\_\_\_\_

***TOTAL CONTRIBUTION AND PLEDGES***

\$ \_\_\_\_\_

\*\*\*\*\*

Mail to: Africa Policy Information Center  
110 Maryland Avenue, NE  
Washington, DC 20002

OR  
Fax to: 202.546.1545

# INTERNATIONAL POLICIES, AFRICAN REALITIES: AN ELECTRONIC ROUNDTABLE



In January 2000 the Africa Policy Information Center (APIC) and the Economic Commission on Africa (ECA) launched an electronic roundtable intended to project African voices more strongly into international debates on issues affecting the continent. This background paper contains opening remarks by the Roundtable co-chairs and selections from opening contributions by panelists to the first session, on the theme of Economy and Development. Additional contributions from panelists and Roundtable participants in this and following sessions on other themes can be found on-line at <http://www.africapolicy.org/rtable>.

**Dr. K. Y. Amoako**  
UN Under-Secretary-General and  
Executive Secretary of ECA  
Roundtable Co-Chair

On behalf of the Economic Commission for Africa (ECA), and in my capacity as co-chair of this exciting discussion — along with Dr. Julius Ihonvbere and Ms. Adwoa Dunn-Mouton — this is to formally welcome you to “International Policies, African Realities,” an electronic roundtable aimed at sharpening and crystallizing the ongoing debate on U.S. development policy towards Africa.

We at ECA attach great importance to our partnership with the Africa Policy Information Center (APIC) in this groundbreaking and innovative initiative. We see the roundtable as an innovative new way to help:

► broaden and deepen the dialogue among all stakeholders on the critical development challenges facing Africa, foster a better understanding of policy and program implications of these challenges, and forge consensus on the way forward in addressing some of these challenges;

- facilitate the articulation and ownership of African-led solutions to Africa’s development challenges;
- galvanize Africa’s international friends and partners to rally around such policies and programmes; and
- enhance the wider dissemination of policy-relevant development information on Africa within the continent and among the Africanist Diaspora;

In promoting this partnership, we at ECA will systematically draw on the outcome of the high-level conferences and other gatherings that we have organized, as well as the findings of the Commission’s analytical reports and policy documents, to enrich the APIC/ECA Electronic Roundtable discussions. We will also seek to leverage ECA’s leadership role in the African Information Society Initiative as well as our experiences in the use of innovative electronic spaces for dialogue around major ECA forums to electronically link up with a broad range of stakeholders in Africa. Examples of our experience in this area include the several months of

electronic dialogue that we sponsored around the theme of ECA’s 40th Anniversary Conference in May 1998 and the African Development Forum (ADF) in October 1999.

Indeed, we designed the African Development (ADF) Forum process precisely to advance dialogue and action on critical and urgent development issues confronting the continent, premised on the principle that African-led policies and strategies are essential to the continent attaining sustainable development.

It is in this context that in October we staged the first ADF under the theme “The Challenge to Africa of Globalization and the Information Age”. Why? Because as the millennium loomed we considered it of utmost importance to define African-owned and African-led strategies to engage with the global information economy. I am pleased to inform you that ADF 2000 will focus on a similarly burning issue — the development challenge in Africa posed by HIV/AIDS. Preparations for ADF 2000 are already underway in partnership with UNAIDS, the World Bank and other partners. We will be seeking ways of mobilizing the whole continent as well as our development partners around ways to address the HIV/AIDS development challenge in a holistic manner and with the highest possible political buy-in.

In that it seeks to bring the complexity of African development to a wider audience, as well as to contribute to ongoing initiatives aiming to shape future U.S. policy towards Africa, the APIC/ECA Electronic Roundtable



resonates well with the goals of the ADF process, and the importance we attach to advocacy for Africa. It also provides an important channel at a time when we need to articulate more clearly to our bilateral partners why it is important that they maintain and increase levels of development assistance for the foreseeable future.

Earlier this year, I was privileged to have participated in the U.S.-Africa Ministerial meeting at the U.S. State Department. In my statement to the Ministerial, I outlined the potential characteristics of a partnership between the U.S. and Africa, and provided some perspectives on questions of trade, aid, investment, debt, information technology, regionalism and multilateralism. You can access the full text of this speech on the ECA Home Page at <http://www.un.org/depts/eca> or by sending an e-mail request to [ecainfo@un.org](mailto:ecainfo@un.org). I am pleased to offer this statement to you as a useful input into the deliberations that we are about to begin.

Before I close these brief welcome remarks, I would like to commend to you the eminent panelists whose perspectives and ideas on the four themes will provide the substance around which this structured virtual discussion can take place. At ECA, we have always felt strongly that ways need to be found to tap into the wealth of African and Africanist intellectual capacity that exists. The list of panelists that this initiative has attracted is a clear manifestation of what can be done in this regard using electronic means of discussion.

Above all, the joy of this forum is that all of us can articulate our considered perspectives on the questions at hand. Indeed, it is what we all contribute that will shape the final outcome of this Roundtable, which APIC and ECA intend to

publish in book form as well as archive electronically for public access. I therefore urge you all to participate fully and with all the passion that sparks your involvement in African development.

I will be following the discussions personally, and very much look forward to what I am certain will be a rich and vibrant dialogue that will constitute a significant contribution to the ongoing Africa policy dialogue in the U.S. and beyond.

**Dr. Julius Ihonvbere**  
Ford Foundation  
Roundtable Co-Chair

It is my pleasure to welcome you all to this path-breaking and stimulating initiative organized by APIC and ECA. It would not be wrong to state that we are not just entering a new century but also a new era. For Africa, the importance of this Roundtable cannot be over emphasized. With the continuing consequences of the distortions and disarticulations of the past ranging from misgovernance, wanton human rights abuses, external domination, and exploitation and marginalization in the global divisions of labor and power, it is time to create new platforms for progressive and relevant discourses on Africa, its past, present, and future. The world is changing and Africa cannot, once again, afford to be left behind. Irrespective of size, population or other endowments, globalization affects and will continue to affect all African nations.

The purpose of this Roundtable is to get our activists, policy makers, professionals, and scholars to contribute to finding ways to directly engage the challenges facing the continent and articulate realistic prescriptions to the daunting challenges facing African states. The

opportunities for Africa are limitless. New discourses, leaders, and political platforms are emerging. The pains of the past, arising largely from the unequal distribution of the pains and costs of political and economic reform have compelled hitherto marginalized communities and constituencies to design creative strategies of survival.

The discourse of politics has changed as issues of transparency, good governance, socio-economic and cultural rights, gender equality and social justice now constitute the core of political engagements and contestations. Military rule is increasingly unpopular and the resort to violence to settle political disagreements is giving way to dialogue. In place of elite-driven and imposed constitutional rule, new agitations are emerging for a processed, people-driven and participatory approach to constitution making. New political institutions are emerging to advance the interests of the disadvantaged just as non-governmental organizations now dominate all spheres of life.

Finally, in spite of the economic devastation precipitated by the poor implementation of orthodox economic programs of stabilization and adjustment, a new crop of indigenous investors have emerged all over the continent determined to build sectoral linkages, promote local technology, build new skills and expand Africa's place in the emerging global market. The challenges are enormous but the solution lies in our ability to break the wall of intellectual and political silence, build viable networks, engage in useful discussions, and make our contributions meaningful to policymaking.

I would like to welcome you all to this Electronic Roundtable. It is my hope that you will all feel very free to



express your ideas holding nothing back. It is also my expectation that your contributions to this Roundtable would do justice to the longstanding commitment of APIC and the ECA to the progressive growth and development of Africa, the building of intellectual capital, and the sustenance of democratic development.

### **Adwoa Dunn-Mouton**

**APIC**

**Roundtable Co-Chair**

On behalf of the staff and board of the Africa Policy Information Center (APIC), I am pleased to welcome panellists and other participants to this electronic roundtable. APIC is honored to be associated in this pilot venture with the Economic Commission for Africa (ECA) and with Bellanet, both organizations with a distinguished track record in making use of new electronic technologies to facilitate inclusive dialogue on important issues.

As many of you know, APIC's roots are in the struggle for liberation of the African continent from colonialism and minority rule. In that period, information was an essential tool in mobilizing supporters around the world against the denial of human rights to the majority in the southern region of the African continent. When confronted with the realities of oppression, diverse political forces joined in repudiating political systems that denied the unity of the human family.

As a staff member working on African issues in the U.S. Congress at that time, I repeatedly observed that policymakers took Africa seriously only when there was a critical mass of informed constituents who demanded that they do so.

The issues at stake at the turn of the millenium in the relationships between Africa and the international community — including powerful and rich nations

**I**nternational Policies, African Realities" is an electronic roundtable co-sponsored by the United Nations Economic Commission for Africa (ECA) and the Africa Policy Information Center (APIC), with collaboration by Bellanet. The objective of the Roundtable is to provide an electronic space in which Africans, North Americans and others can discuss what policy perspectives and understandings of African reality should shape international engagement with Africa.

The Roundtable is chaired by Dr. K.Y. Amoako, Executive Secretary of the ECA, Dr. Julius Ihonvbere, the Ford Foundation, and Ms. Adwoa Dunn-Mouton, APIC. The principal moderator is Dr. AbdouMaliq Simone assisted by Ms. Karin Santi (APIC) and Ms. Mercy Wambui (ECA) as co-moderators.

such as the United States — are many and complex. For the most part they lack the unifying factor of an easily identified common menace, such as overt racial rule.

Yet behind the technical debates and complexities of particular policy arenas, it is clear that developing adequate international responses to African realities — as well as solutions within African regions and nations — requires that policy debates be opened up to those most affected by the policy decisions. Most recently in Seattle, African trade ministers, in refusing to accept an artificial consensus, eloquently stated that "There is no transparency in the proceedings and African countries are being marginalised and generally excluded on issues of vital importance for our peoples and their future." As you are aware, the same applies in many other arenas.

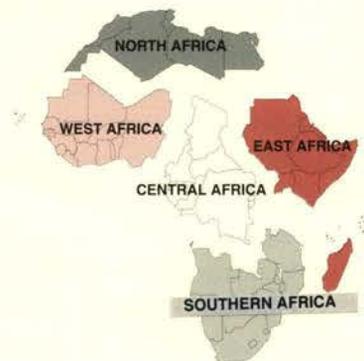
The Roundtable — from January to May 2000 — is divided into four month-long sessions: Economy and Development, Democracy and Human Rights, Peace and Security, and Education and Culture.

Each session begins with approximately a week of panelists' presentations and is followed by three weeks of comment from Roundtable respondents and general participants, with moderators taking the responsibility to ensure that contributions from the floor are pertinent to the discussion. The lyrics listserv software utilized by Bellanet allows participants to join the discussion by e-mail or from the web. The full archive of Roundtable contributions is available for public access (<http://www.africapolicy.org/roundtable>).

Our hope for this roundtable is that it will be one window through which statements of African priorities and perspectives can be projected more forcefully into wider arenas of public opinion and policymaking.

We look forward to a lively and thought-provoking roundtable.

Again, welcome. Make yourself at home.



Each of Africa's five major regions is larger than Western Europe and nearly as large as the United States.

Note: This map does not represent an official definition of Africa's regions. Any division of Africa into regions is to some extent arbitrary, given that the regions used by different scholars and international organizations do not precisely correspond.

### **Africa Policy Information Center**

110 Maryland Avenue, NE, #509  
Washington, DC 20002



### **Roundtable: Economy & Development**

Background Paper 13 (February 2000)

Page 3

## Africa Between Structural Adjustment, Globalization, and Sustainable Growth

Taoufik Ben Abdallah

Systems and Prospective Team  
Environmental Development Action in  
the Third World (ENDA Tiers Monde)  
Dakar, Senegal

The following does not seek to offer an exhaustive analysis of African economies or the global economy. It is simply an attempt to reconcile certain effects of structural adjustment with the exigencies of globalization, on the one hand, and of the search for sustainable growth and a way out of poverty, on the other.

Some 15 years after the launching of the first adjustment programs in Africa, the economic and social balance sheet is unimpressive:

- Although some view the forward march of liberalism as the solution to Africa's economic problems, the African economies are already the most open in the world. The ratio of external trade to gross domestic product is higher than that of many European and Asian countries. Openness by itself is a debatable remedy, because up to now it has not improved the position of Africa in global production and commerce.
- Similarly, all-out budgetary austerity and privatization have not yet produced the anticipated results of growth and an improvement in the population's standard of living. Certainly, Africa as a whole has had positive per-capita growth over the last few years; but this growth, which has been accompanied by severe inequality in the distribution of wealth, fuels the frustrations of a population long marginalized. Nor has this growth resulted in an easing of the grinding poverty that afflicts the continent.

Budgetary austerity imposed over many years has led to unmet social needs that the majority of African countries have great difficulty resolving.

- Large-scale privatization of enterprises that were publicly controlled during the 1960s and 1970s has not yet led to the emergence of a private sector that can take the lead in terms of investments and the creation of employment and wealth. In many countries, privatization is accompanied, as in the Asian countries, by corruption that has mainly enriched social groups close to those in power, and sometimes the powerful themselves.

- The dismantling of customs barriers together with the end of public subsidies to national enterprises was supposed to foster competition between local products and imports, and lower the costs of production. But in the absence of a supply of high-quality goods produced in sufficient quantity, this policy led to the closing of some local enterprises putting thousands of people out of work and to massive importation of cheap goods from abroad. The African markets that one can visit in urban areas often give the impression of being simply branches of Asian or European supermarkets. A whole socioeconomic stratum lives off the importation of products that are sold at prices that defy all competition. This leaves little room for African industries to develop, or create jobs.

The lowering of tariff barriers when not compensated by other fiscal resources weakens the State's capacities, especially its capacity to respond to social needs.

Without protection, what can African countries do when faced with enterprises producing on a global scale, with very high levels of productivity and very low costs? What strategies can

they use to win national, subregional, and international markets in an environment of growing liberalization? What resources can governments draw upon to meet social demands and social needs?

One of the justifications for structural adjustment policies was the need to repay the external debt. Today, despite a multitude of debt relief initiatives, the debt continues to be a burden that hobbles the capacity to make public investments and respond to social and environmental needs in Africa.

Each debt relief initiative brings with it new conditions that reduce still further the capacities of governments to act.

How should debt relief be accomplished? Toward which sectors should the freed-up resources be directed? How can the debt be reduced without tightening conditionality and the hold of the international financial institutions over African states?

The recovery of macro-economic equilibrium, the privatization of publicly controlled enterprises, particularly the banking system, and the reform of investment codes had, among other objectives, the goal of encouraging foreign direct investment in order to fill the gap left by the State's disengagement and the weakness of national savings and national private sectors. The record in this area is highly dubious. Apart from certain countries that have succeeded in attracting investment in diverse sectors (especially South Africa, Tunisia, Mauritius, and to a lesser extent Côte D'Ivoire, Kenya, and Botswana) the countries that are attracting investment are those that have oil or mineral wealth. The majority of African countries remain on the margins of capital flows.

A second finding is that there is a



clear trend toward sale of national enterprises previously considered part of strategic sectors: for example, electric power companies, drinking water suppliers, and telecommunications enterprises. Some observers wonder whether African countries may indeed have gone too far with privatization of their economies. Overall, foreign direct investment remains weak, concentrated in a small number of sectors and little diversified, and yielding few transfers of technology.

What is more, the effects on the physical and human environment have at times been disastrous. Examples include forest exploitation in Cameroon and oil exploitation in Nigeria under the military dictatorship. In the last few years it has been possible to demonstrate links in several cases

between certain foreign investments and the prolongation of armed conflict in parts of Africa (Angola, Democratic Republic of Congo, Republic of Congo), as well as links with corruption.

Can foreign direct investment have any kind of strengthening effect on the economy if there does not exist at the local level a sufficiently dense network of enterprises with which this investment can connect? Can foreign direct investment establish itself firmly in a situation where purchasing power is weak and the market is small?

**While governments** concentrate on wooing foreign investors, little notice is taken that African economies depend fundamentally on informal activities, which involve a very large part of the population. Indeed, the informal sector is the principal source of jobs, allowing for a minimum creation of wealth and offering the main opportunities for a

**AFRICAN ECONOMIES  
ARE ALREADY THE  
MOST OPEN IN THE  
WORLD. ... OPENNESS  
BY ITSELF IS A  
DEBATABLE REMEDY,  
BECAUSE UP TO NOW  
IT HAS NOT IMPROVED  
THE POSITION OF  
AFRICA IN GLOBAL  
PRODUCTION AND  
COMMERCE.**

very young population to be economically active.

There is discrimination against those involved in the informal economy, even in terms of economic language: the terms investment and investors generally apply only to the so-called modern economy, and of course to foreign investment. While many reforms are undertaken to attract foreign investment and create an economic, judicial, and institutional environment favorable to the private sector, the mass of small producers depend most often on programs to combat poverty.

The question, then, is how to strengthen enterprises within the informal economy so that they can increase their productivity, improve the lot of the population that depends on them, supply higher-quality products, and participate fully in the economy. But can such a strategy which implies State action favoring the informal economy together with tariff protections be implemented by

governments that have lost their capacity to act, in the context of an open economy?

We must ask whether an anti-poverty strategy has any meaning or chance of success if it does not allow the majority of economically active Africans to obtain financing, master new technologies, gain access to new markets, and benefit from a more equitable institutional environment.

**As we saw in Seattle** recently, multilateral negotiations within the World Trade Organization hold high stakes for the future of African economies. The marginalization of the continent during the recent millennial round of talks reflects Africa's real place in the world economic system. Only the failure of these negotiations has allowed an escape, at least temporarily, from rules that can only be prejudicial to the continent.

These new norms of global commerce are intruding into every domain of human activity. They are bringing about changes in systems of production and trade of goods and services, and increasingly, in world governance. The wealthy countries and transnational corporations profit most from these changes. The corporations, in their quest for immense size, mergers, and control of the planetary market, have deployed all their know-how to influence the multilateral negotiations in their own interests: toward open markets, equal access for foreign investors, and privatization of life forms

The new rules of global commerce, extended to investment, to the environment, to different ways of life, impose adjustments on governments and economies and require new investments in research, infrastructure, and training that only the industrial



countries are in a position to undertake.

In light of this situation, what choices does Africa have other than to submit to the international institutions, on the one hand, or to pursue policies that in no way ensure integration into world trade, much less a sustained improvement in living conditions, on the other?

**It is difficult to imagine**, for Africa, an integration into the world economy that would be based on specialization in primary commodities, on scarcely diversified economies, and on devastated social sectors. Rather, the foundation must be massive investment in education and training and in economic and social infrastructure, together with the construction of stable and democratic institutions. Without these, no vision of sustainable development stands a chance.

Today, given the weakness of savings, the culture of prevarication among existing institutions, and the urgent need to ameliorate poverty, this long-term strategy appears difficult to put into practice.

Can Africa unlock the financial surpluses necessary to build the physical, human, and institutional foundation it needs to diversify its production and become integrated into the world economy?

It is evident that in the decades between 1970 and 1990, the countries that advanced were those whose position in the East-West conflict allowed them to benefit from massive inflows of U.S. capital and technology and from easy access to U.S. markets. Without these supports, the miracles produced by Korea, Taiwan, Hong Kong, Singapore, and even Japan would certainly have been much less likely. But Africa is no longer a battleground of East and West. It must, therefore, demand from the multilateral trading system as much access as possible for its

products to the markets of the wealthy countries. It must seek to attenuate the effects of new rules of commerce on this trade. And finally, it must rethink its comparative geopolitical advantages in order to benefit from complementarity of resources under advantageous conditions that are necessary for its development.

It is in this long-term perspective, taking into account the geopolitical context and the possibilities of new alliances, that we must consider the challenges of development financing, sustainable growth, the struggle against poverty, and integration into the global economy.

**The Lomé Convention**, currently being renegotiated, involves more than 40 African countries. It is the only remaining vehicle for cooperation in a world increasingly governed by the rules of the WTO. This Convention appears to be the last one that is based on non-reciprocity and eligible for waivers under the WTO. The next few years will see the signing of free trade agreements in line with WTO rules between African countries or subregions and the European Union, together with an end to the principle of non-reciprocity. Shouldn't Africa be able to take advantage of the Lomé Convention to finance its infrastructure needs, and to organize subregional integration? Shouldn't the Convention be able to help African economies moderate the foreseeable impacts of forced integration with the global economy?

**Subregional integration**, currently stalled in several parts of Africa, appears to be an essential stage in the long-term response to the challenges facing the continent. It offers the possibility of complementarity in infrastructure and training, as well as larger markets. But for Africa to profit from subregional integration, steps must be taken to

develop a diversified production that can substitute for imports; this is indeed a major prerequisite for success. Only the creation of wealth on the continent will allow Africa to overcome underemployment and poverty.

Subregional integration, however, is often still on the drawing board. In the southern African region, South Africa has not yet managed to build stable relations with its neighbors in the Southern Africa Development Community (SADC) group. Many potential conflicts persist. These relate not only to immigration and to divergent positions on armed conflicts, but also to the role of South Africa itself as an economic power in the subregion. These tensions were illustrated by the protests of the SADC countries following South Africa's signing of a separate accord with the European Union.

Similarly, in West Africa, despite the fact that the West African Economic and Monetary Union (UEMOA) is a zone of monetary and trade integration, uncertainties persist as to relations with the Economic Community West African States (ECOWAS). There is also tension over the role of Nigeria, especially its military and economic role. Recent decisions to create a unitary currency for West Africa pose problems not yet entirely clear that may jeopardize the stated commitment to integration.

## **Population and Development**

**Paulina Makinwa-Adebusoye**  
Chief, Food Security and Sustainable  
Development Division  
Economic Commission for Africa  
Addis Ababa, Ethiopia

Population issues are developmental issues. Although analytical and empirical findings have not provided an unambiguous conclusion about the



direction of the consequences of rapid population growth on economic development, there is sufficient evidence to support the cautious conclusion of the Working Group on Population Growth and Economic Development of the National Academy of Science of the United States that "on balance, a slower population growth would be beneficial to economic development for most developing countries." Moreover, the widely accepted viewpoint articulated in United Nations conferences of the

1990s, is that lowering rapid population growth rates would make a crucial contribution to improving living standards and to promoting sustainable economic development.

In Africa, to attain reduction of poverty by half in 2015, a major consensus at the World Summit for Social Development, will require a 4 percent annual reduction in the number of people living in poverty (on \$1 or less per day) and an average economic growth rate of at least 7 percent per annum. But Africa's economy recorded only an average growth of 3.3 percent in 1998 while the population is growing at an average rate of about 2.4 percent per annum. This margin of barely a one percentage difference between economic and population growth rates indicates a precarious situation.

The race between population growth and economic development is on and its outcome will shape the economy and society of African

countries in the 21st century. The economic growth rate needs to be increased substantially at the same time as population growth rate is decreased.

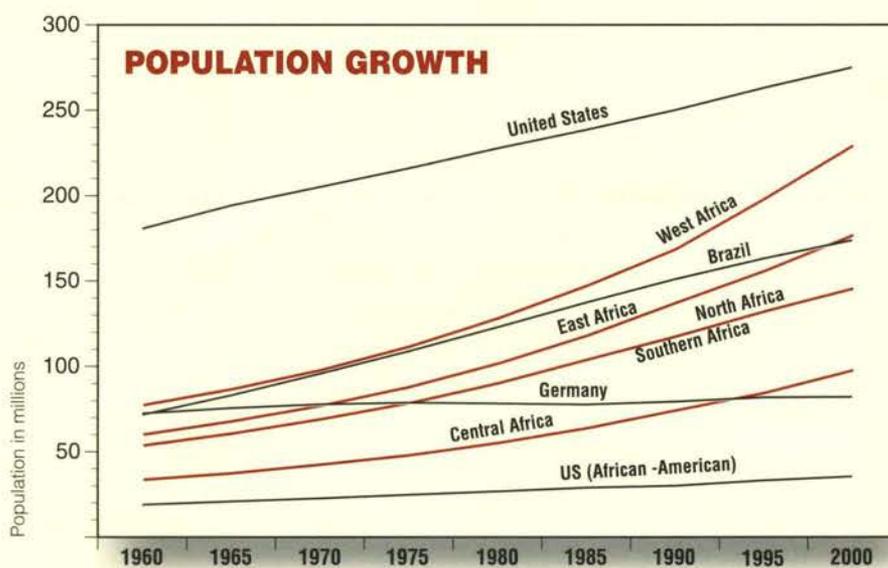
The landmark global consensus on population and development achieved at the International Conference on Population and Development in 1994 and reaffirmed by the special session of the UN General Assembly in 1999 should become the blueprint to guide African countries in setting objectives, norms and standards for public policies and private

per cent per annum, Africa is the world's fastest growing region. It is instructive to note that in 1950, Africa's total population was less than half the total population of Europe; 221 million as compared to Europe's 547 million. Forty-eight years later, in 1998, due to the much faster growth rate, the population of Africa had risen to about 749 million or 20 million more people than Europe which had 729 million people. Although future growth rate is expected to be lower, the in-built population momentum

nearly guarantees a doubling of present population size by 2035.

### Women's Empowerment.

Women in African societies have subordinate status to men despite advances by some women; those who are educated and/or are resident in urban centres. The primary roles of most African women are those of wife and mother, and



Source: U.S. Bureau of the Census. The population growth lines for North Africa and slightly less populous Southern Africa almost coincide.

undertakings for sustainable development. Three socio-economic and demographic requirements are essential. These are, first, policies to empower women; second, policies to lower high annual population growth rate; and, third, policies to lower mortality rates, through promotion of the health and welfare of the most vulnerable population sub-groups; the youth aged 15-24 who now constitute about 20 percent of total population, the victims of HIV/AIDS, and the growing number of the elderly.

The second half of the 20th century has been a period of very rapid population growth; at an estimated 2.4

childbearing is an important determinant of social status. In most countries, children are the main source of old-age security for parents who have large families in order to ensure that a few of their children survive to adulthood. Children contribute to household income. They serve as farm workers, and hawkers of assorted wares in the informal sector. Children are also relied upon to perform vital household tasks such as cooking and cleaning, as well as fetching potable water and collecting "free" fuel wood from forests, often from long distances.

Rapid population growth contributes enormously to over-



utilization of resources and environmental degradation. In time, consumption of nearby resources like fuel wood, results in increases in the time costs of their use; a household would need more child-hours to collect the same quantity of, say, water and firewood. This creates private incentives to have more children. Indeed, it results in a vicious circle in which child labour and rapid population growth lead to environmental degradation which in turn, generates more work and the need for more children and thus, rapid population growth. The vicious circle reflects a child-dependency syndrome arising from unequal distribution of, and failure to ensure equal access, by women, to wealth-creating resources.

**Youth Aged 15-24.** Recent decline in both fertility and mortality levels has shifted the demographic balance in favour of those in the 15-24 age group who numbered 149 million in 1998, constituting about 20 per cent of total African population. Their sheer size and the rapid growth of this population sub-group which is growing faster than total population are sufficient reasons deserving special attention.

The decisions of this young population about when and how many children to have will determine the future size and the quality of life of Africa's population in the 21st century. But Africa stands to reap a demographic bonus — a wave of young people entering the work force without a wave of children following — when the present “bulge” of young people comes into the workforce. If adequately trained, and if jobs can be found for these prospective entrants into the labour force, the “workforce bulge” can be the basis for more investment, greater labour productivity and rapid economic development.

**HIV/AIDS.** Countries in Sub-Saharan Africa have been hardest hit by the HIV/AIDS epidemic, and account for about 70 per cent of all HIV/AIDS cases in the world. The disease usually strikes males and females between 15 and 49 years. These are adults in their reproductive years and who constitute the bulk of the economically active population. The dramatic increases in AIDS-induced deaths among the most active population groups who are also most likely to leave behind young children have created about 10 million orphans. Its negative effects on macro-economic performance through loss of large numbers of the economically active population, creation of unschooled children (as most AIDS orphans are likely to become) who will lack competitive skills in the job market, and the national costs of treating victims, make HIV/AIDS Africa's number one development disaster.

**The Elderly.** In Africa, the number of the elderly population aged 65 years and over, though still relatively small, is increasing. Their number is expected to rise from 22 million in 1995 to 52 million in 2025.

Increase in the number of the elderly is occurring at a time when the traditional support system for the elderly, the extended family, is being eroded. The severe economic difficulties faced by many countries in the 1980s and the early 1990s have increased household poverty. Consequently, more women are working outside their homes to supplement family income, and are no longer available to care for aged parents. Moreover, massive rural-urban migrations and industrialization are reasons why working children are more likely, than ever before, to live away from older parents who are left

behind in villages.

Yet, the elderly who are custodians of traditional values, and who, more than ever before, are being called upon (in some countries at least) to care for AIDS orphans, constitute a resource for development. Ageing population can be expected to strain medical systems. Hence, there is need for planning to ensure dignified and productive life for the elderly without jeopardizing the equally demanding needs of the young and adult population for education and health services, and employment.

**Holistic Planning .** A recent publication of the ECA “Forging Partnerships for Africa's Future: A Prospectus for a Renewed ECA,” says: “The most compelling issue facing Africa is the nexus dynamic, that is, developing policies to mitigate the problems arising from the related areas of population expansion, declining per capita agricultural production, and increasing threats to the continent's fragile ecology. Africa is the only continent where agricultural production per capita has been declining steadily, and population and environmental degradation are increasing. This situation has resulted in greater food insecurity in Africa and undermined prospects for long-term sustainable development.”

In response to the challenge posed by the micro-level interactions among population, education and environment which are particularly relevant to economic performance and people's welfare, the Economic Commission for Africa (ECA) has developed as an advocacy tool, the Population-Environment-Development-Agriculture (PEDA) computer simulation model which demonstrates the impact of different policy options in relation to the goal of alleviating poverty.



Africa's demographic extremes, namely: fertility levels that are the world's highest, and to which Adolescents aged 15-19 make far greater contributions than in any other world region; the large population of youth aged 15-24 with special needs and who constitute a larger proportion of the population in Africa than in most other regions; maternal, child and infant mortality, and the HIV/AIDS scourge which are rapidly reversing earlier gains in life expectancy and in development, constitute major impediments to Africa's development.

## **Trade and Growth**

**Dominique Njinkeu**

Deputy Director of Research  
African Economic Research  
Consortium Nairobi, Kenya.

Research in recent years, accompanied by the economic performances of countries with liberalized trade regimes, have definitely confirmed the benefits that can result from open trade regimes. The main policy prescription to African countries has therefore centered on openness in economic, social and political systems. Overall the policy regime of the typical African country, compared to the mid-1980s situation, can be characterized by improved market access to foreign markets for both goods and services, lowered barriers to entry into African markets, competitive exchange rates with an overall shift from import substitution to policies encouraging export-oriented growth; the adoption of market-oriented reforms in other areas, an increased role for non-central administration and of non-governmental organizations and contested political systems.

At the global level there has been substantial expansion in total trade in goods and services with trade volume growing by more than 3 percentage points above growth of real Gross Domestic Product. While these trends globally apply to developed and developing countries it is important to note that African countries have been marginalized by these developments. Despite recent reforms in trade regimes African countries have experienced a steady decline of their shares in world trade. At the international level, the share of export in total GDP increased from 17% to 21% between 1970 and 1990; while the share of African exports in world trade dropped from 0.8% to 0.3%. This is due, among other reasons to their concentration on a few primary agricultural and mineral products whose importance in international trade has been declining; to the low level of integration in dynamic production and distribution

networks; and because of their weak industrial and technological bases. At the global level trade in services has grown slightly faster than trade in goods; trade in manufactures has continued its long-term historical trend of growing faster than trade in agricultural and mining products, both in value and in volume terms; world prices of traded agricultural and mining products have lagged behind those of manufactures, leading to significant terms of trade losses.

**African countries** have not been major beneficiaries from these developments. As a result the benefits from globalization and liberalization of world trade have been unevenly distributed. An important policy challenge to African countries and the international community is the creation of a balanced and equitable multilateral trading system, which benefits the majority of the world population. African countries are likely to face

increased protection in their export markets through "contingent" protection mechanisms such as sanitary and phytosanitary measures, technical barriers to trade, anti-dumping and safeguard measures.

These instruments are being used as substitutes for the old-fashioned protection. The cost of abiding by the requirements of these measures is very high, as firms are expected to restructure their production and distribution infrastructure.

Regional integration will assist this process, especially as regards the exploitation of economies of scale and in overcoming the limitations of market size.

**AFRICA STANDS TO REAP A  
DEMOGRAPHIC BONUS —  
A WAVE OF YOUNG PEOPLE  
ENTERING THE WORK FORCE  
WITHOUT A WAVE OF  
CHILDREN FOLLOWING —  
IF ADEQUATELY TRAINED ...  
THE "WORKFORCE BULGE"  
CAN BE THE BASIS FOR  
MORE INVESTMENT,  
GREATER LABOUR  
PRODUCTIVITY AND RAPID  
ECONOMIC DEVELOPMENT.**



African countries are committed to a gradual integration of the continent, over the next three decades, within the framework of the Abuja Treaty establishing the African Economic Community. Commitments made by African countries in international trade negotiations need not only to be consistent with the regional integration objectives. They must also contribute to advancing those objectives. It is therefore urgent to provide a legal framework for entering into arrangements that could facilitate the long-term objectives of integrating African economies together and into the world trading system.

The marginalisation of African countries in international trade is also due to the fact that most countries face considerable administrative, institutional and financial problems at several levels. First is the lack of ownership of the rules and provisions contained in the Agreements. "Ownership" of the rules is an important element in the functioning of a rules based system such as the WTO, where the central organization has limited power to enforce. Building among members a solid sense of ownership of such rules begins with participation in establishing them. In the context of the WTO, many African countries feel no sense of "ownership" mainly because they did not effectively participate in their establishment.

These countries lack the capacity to engage substantively on the wide range of WTO issues. Weaknesses are primarily at the following levels:

- the Geneva-based delegations of these countries are often small and lack persons with technical backgrounds needed to participate effectively;
- the links between the WTO delegations and the governments at

home are not well developed;

- the involvement of stakeholders, such as business community and civil society is minimal.
- because of the complexity of the entire system African countries made commitments beyond their administrative and institutional capacity.
- Other difficulties are related to



**INTERNATIONAL TRADE ACCORDS MUST TAKE INTO ACCOUNT THE MARKET DISADVANTAGE OF DEVELOPING COUNTRIES. THEY MUST ACKNOWLEDGE THE FACT THAT DEVELOPING COUNTRIES HAVE WEAK OR NON-EXISTENT SAFETY NETS.**



sometimes conflicting policy recommendations arising from the WTO and other institutions involved in policy formulation and implementation, notably the Bretton Woods Institutions.

In summary, international trade accords must take into account the market disadvantage of developing countries. They must acknowledge the differences in circumstances between developed and developing countries, and the fact that developing countries often face greater volatility, that opening to trade in fact contributes to that volatility, that developing

countries have weak or non-existent safety nets, and that high unemployment is a persistent problem in many of these countries.

Furthermore, it should also be accepted that developed and developing countries play on a 'playing field' that is not level. Overall the willingness of African countries to open their markets is real. The

difficulties for doing so are mainly due to weak capacity (human, financial, institutional, etc). Accordingly capacity building/technical assistance should be included in all international development initiatives through, for example, systematic inclusion of relevant special provisions in all agreements for developing and Least Developed Countries. The Special and Differential Treatment should be linked to the progressive elimination of supply and other constraints to competitiveness of African firms. International agreements shall be commensurate with African capacities and their efforts at economic and financial reforms as well as diversification of

their production and export bases. Likewise these agreements shall ensure there is consistency and coherence with other policy commitments and that these do not conflict with development goals of African countries. There is a need for African countries to build strategic partnerships and form coalitions among themselves, or with other developing countries.

**Fortunately conditions are better today and there are several reasons to be optimistic:**

- All countries have initiated important policy reforms addressing the main constraints to production and trade.



- Policy makers and economic operators have a better appreciation of the challenges and opportunities facing their respective countries.
- The international community is prepared to base their assistance on sound economic rather than ideological considerations.
- The outcome of the Seattle WTO meeting suggest that all partners have an interest to build a more equitable and balance system.

An important outcome of this roundtable could be an articulation of a strategy that helps capitalize on these opportunities to definitely put African countries on a lasting footing.

## Accountability for Economic Policy Failure in Africa

Yassine Fall

Executive Secretary

Association of African Women for Research and Development (AAWORD)

Dakar, Senegal

Political economy issues are centrally important in development debates in Africa. Key to this global inquiry about Africa's evolution is the fundamental premise regarding States' responsibility on social and economic dynamics. Is the state responsible for allocating resources and determining which and whose wishes will be satisfied? Will African societies be better off if the mobilization and allocation of resources is left to foreign private firms primarily motivated by wealth accumulation or to international financial and trade institutions or to bilateral development agencies? What is the potential of political intervention in promoting or impeding social welfare or striking a balance between public outcomes and foreign private interests?

**Africa's destiny** during this second millennium has been a long saga of

astonishing achievements and failures. At the dawn of the first millennium, Africa's oldest civilization, ancient Black Pharaonic Egypt had already left to the world an enduring legacy of technological, social, religious and cultural revolutions that are still guiding humankind's adventurous spirit. Mathematics, astronomy, poetry, architecture, geography, navigation, writing, agricultural irrigation, etc, had long been invented and used for at least three millennia before ancient Greece and Mesopotamia. In the past two millennia, the balance of world power shifted from Romans to Greeks to Arabs to Chinese and Japanese, to Europeans and lastly to North Americans. We all know that each of these civilizations made significant contributions to world history through the same human thread of bravery, genius and at times the most barbaric cruelty. Africa was caught in a gigantic and cruel trap through slavery and colonization. We should never be tired of reminding ourselves, as well as the rest of the world, of this important historical fact.

Extraverted economic policies and international financial and political dictatorships are among the major factors that paralyze Africa. For the past decades, economic choices have been made based on the needs and precedence of Paris, London, Washington and their likes. Imperatives for getting cheap export mining and agricultural inputs were the driving motive behind colonialism and more recently the Lome Convention. The threat of an unprecedented financial crisis due to excess Eurodollars in Western banks prompted Western powers to promote dramatic lending policies that are responsible in great part for Africa's debt burden. The HIPC Initiative (Highly Indebted Poor Countries Debt Relief

Initiative)—with its corollary, the Enhanced Structural Adjustment Facility, which conditionally ties debt relief with the requirement for regular debt servicing from countries—will certainly not eliminate this debt burden.

Skyrocketing international commodity prices created unequal terms of trade at the expense of Africa. The dominance of neo-liberal ideology set in motion adjustment policies, promoting export-led growth, in order to generate foreign exchange and sustain foreign debt service payment. **The need for outside markets**, cheap labor costs, and easy circulation of trade and investment across borders is responsible for intensified privatization measures. Indeed, both the World Trade Organization and the Africa Growth and Opportunity Act, with formal rules and enforcement mechanisms, aggressively promote these policies to support the hegemony of transnational corporations. Privatization essentially supports mergers and acquisitions. Privatization initiatives in Africa are mostly direct transfers from State monopoly back to the monopolies of former colonizers, boosting corruption in the process, usually through the enticement of government officials. For example, privatization of utilities services like water, electricity, education, health or transport are a disaster. The rationale behind privatization includes promoting efficient management. In fact, African consumers experience a worsening of service delivery, more distortions, shortages and price increases. In addition, workers are unhappy because jobs and social security are shattered while expatriates with huge salaries are being hired.

Further, the centerpiece of Africa's struggle for equality, human development and peace lies in one of

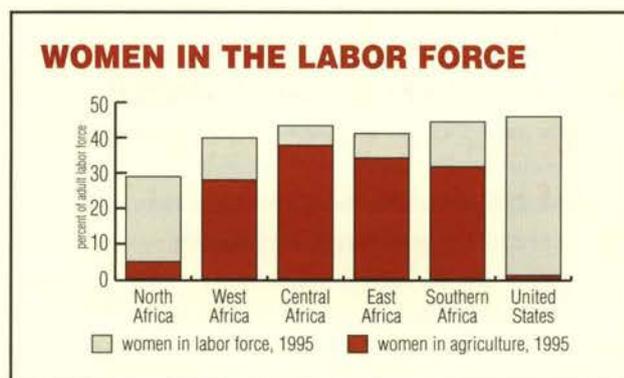


the most profound imbalances: the lack of equality between women and men. There is inequality in terms of the lack of recognition accorded the women's contributions in building society's welfare, their participation in economic and political decision-making, their access to and control over wealth and the surplus asset generated. Economic policies from colonial times to the adjustment era have progressively developed mechanisms aggravating gender inequality. Their impact is in many cases more alienating for women than informal constraints of preexisting institutions.

**Gender equality** is yet to move from backstage to center stage. The momentum successfully created in Beijing is very slow to take place. What can make delinquent African governments change the way they do business with women? Are the world community and African governments serious about gender equality? Why is the application of formal rules for engendering resource allocations and power sharing mechanisms so slow to happen? Some of the answers lie in the fact that conservative men with ideologies of the past lead African governments and international institutions. They surely deserve a failing grade for the gender biased policies they have been carrying out all over Africa. Women need and deserve more than literature and rhetoric in this new century. They want to see concrete, systematic and measurable change to reverse their situation for the better. Now is the time for them to set the agenda, not a systemic one but an institutional agenda.

African people hear often that information technology will make the continent develop and catch up with

other regions. Well, the reality is that Africa enters the 21st century having the least developed telecommunication services and infrastructure in the world, with 26% of the world population sharing 2% of world telephone lines, and no control whatsoever on the content or nature of information being sold to its people via the internet. Neither trade nor aid in and by itself will bring social welfare to Africa. Therefore, there is a need to reverse the newer trends we are witnessing in world trade and financial affairs. Despite its obvious failure in Seattle in November 1999, the World Trade Organization remains a supranational



Source: UN Africa Recovery, Briefing Paper: Women in Africa's Development

power with a level of political and economic might that clearly dwarfs the ability of dominated states and people outside the circle of the small group of the most powerful industrialized countries. Its rules and enforcement mechanisms protect corporations and defend the interests of powerful countries.

Can African countries compete against European and American corporations and pharmaceutical companies who have the knowledge and power to patent seeds or medical products and prevent others from using them for developmental objectives? For instance, it was recently reported that South Africa has plans to manufacture medicine for HIV AIDS patients in

order to drastically reduce the costs for African AIDS patients. The pharmaceutical companies are using all kinds of intimidation against the South Africa project, including lobbying the US authorities to support them. This hurts every one in Africa, in particular women who suffer most from AIDS. If the international community is serious about its concern for Africa's security, it would reconsider the heavy burden put on the continent to implement by all means export led growth policies at the expense of resources badly needed to care for women and children victim of the AIDS pandemic. Similarly, the industrialized countries deserve some

ethics lessons. They silently watch, or actively support, their arms and mining industries fuel war to sustain their market in Africa.

**The developed world** is asking the wrong questions on Africa while keeping tyrants and zealots of all sorts in business. This brings chaos, hatred and political instability in Africa. The most powerful nations in the world must be prepared to change their double standards policies, anti-

governance positions and share global goods and prosperity with the South. Excessive spending on the millennium celebrations when the industrialized nations consumed 320 million bottles of champagne during one holiday weekend is a curse on the face of a world filled with poverty and powerlessness. Poverty and powerlessness fuel war and lead to staggering numbers of refugees or acute food shortages. The difficult situations, that are the result of wrong policies, fatally lead to a highly visible role played by Northern NGOs acting like firefighters. In addition, humanitarian actions have become a highly coveted territory for access to bilateral and multilateral funding as well as to Nobel prizes while African NGOs are further



isolated. It would be instructive to undertake a cost benefit analysis of emergency relief operations to determine who pays and who benefits? How many of our African doctors roaming around unemployed could have done the same work if equally supported? The story of development assistance in Africa is yet to be assessed. Taking the case of France or the United States, it would be very informative to differentiate the amount of money claimed as bilateral aid from the real amount of money that stays in any given African country.

The ideological choices of the Bretton Woods institutions determine the political economy of adjustment policies. The body of knowledge, economic models and socio-economic paradigms created outside African empirical realities is unilaterally presented as the ideal solution or "best practice" for all countries. Neoclassical economic theory guides the underlying assumptions of African economic policy formulation and development programs. It suggests that market relations through individual property rights and pursuance of self-interest to maximize desires are the most important of all social relations. Therefore, human genius and efforts must be concentrated in facilitating market transactions because unregulated markets bring prosperity while economic intervention brings chaos.

Many observers say that Africans only have themselves to blame and should search for the solution of the continent's problems in corrupted circles. African and Northern governments are equally corrupt each in their own way. In the past forty years, Northern governments have been protecting dictatorial regimes plundering public finances and keeping

illegal money in the Northern banks. Most recently, they have raised concerns about "good governance", "good practice", and all sorts of "goodies" because the international and financial system they have set in motion is in trouble.

It is often said that criticizing the IMF and World Bank is no panacea and that Africans should check the dealings of their own governments. In a context where these institutions lead and control the development process of country assistance strategies and

concerns about the Bank's project to draft a "Handbook on Good Practices for Laws Relating to Non-Governmental Organizations." In addition to the fact that this initiative is threatening NGOs because it can give Governments an opportunity to control, silence or undermine NGOs, it should not be coming from the World Bank. Instead of worrying about NGOs, the Bank must draw a handbook of laws to make her and her partners, like the International Monetary Fund and the World Trade Organization, more transparent and accountable to African women and men.

As we are in the era of showing good practices, NGOs and other independent stakeholders must evaluate the World Bank and the IMF and start watching the UNDP more closely. No matter how ideological suitable it may be for him, the UNDP administrator should not plan over the head of millions of African people and others from the developing world to move the agency's whole poverty program into the World Bank. Good governance should start with consulting and

respecting people's will. Bank rhetoric and claims for setting "poverty alleviation" as a priority is not enough. The results speak for themselves, poverty is growing at an unprecedented speed and the Bank and Fund must be held accountable for their failing policies and false promises. They must first correct the devastating consequences of adjustment policies on women and children.

Can we count on the goodwill of governments to change the ugly face of poverty and powerlessness that are plaguing our communities? Can we entirely trust bilateral and multilateral channels to achieve this major



**THE RATIONALE BEHIND  
PRIVATIZATION INCLUDES  
PROMOTING EFFICIENT  
MANAGEMENT. IN FACT,  
AFRICAN CONSUMERS  
EXPERIENCE A WORSENING  
OF SERVICE DELIVERY, MORE  
DISTORTIONS, SHORTAGES  
AND PRICE INCREASES.**



policy framework papers, they should be held accountable as much as governments are. Huge World Bank projects, for example, for building river dams or agro-business enterprises not only had disastrous environmental impact and devastating livelihood disturbances, but they were breeding sites for corrupt policy implementers. **The World Bank is not only** an economic agency. It is also a political institution despite the fact that it denies that. The Bank wants to go beyond its policing role on Government and to control NGOs as well. Lately, many civil society organizations have raised serious



challenge of our times? My answer to these two questions is no. Any power when left unchecked loses accountability. However, it is within the power of governments and NGOs to abide by clear and simple rules, equity and governance. Transparent negotiations and agreements may determine the content of such rules. We must understand the necessary and important contributions NGOs can make to keeping governments, development agencies and financial institutions under permanent check.

Despite their contradictions, NGOs have demonstrated their critical role in sustaining the growth of democratic values and shaping an alternative vision of a world different from what powerful market forces are trying to impose upon people—i.e., a vision of economic, political and social rights. In recent times, they have become synonymous with balance of powers whether nationally or internationally in spheres as diverse as human rights, economic and international trade policies, environmental health, gender equality, peace and knowledge sharing. The concrete results of NGOs are illustrated through their organized determination and success in making the recent WTO Ministerial Conference a failure, the banning of landmines, and the freezing of the OECD's Multilateral Agreement on Investment project aimed at empowering corporations to the detriment of developing countries and indigenous people.

**Local NGOs should not** hesitate to challenge the World Bank's major policy choices and assumptions while working with independent African academics and researchers to revisit issues from a gender perspective and without being overly concerned with donor priorities. The exclusive reliance on foreign consulting firms and

expertise is wrong. It should not be preferred over the invaluable contribution of NGOs to homegrown development ideas and solutions. Development and human rights NGOs must not compete with each other but work together to bring meaningful contributions in policy design, moving from the periphery of domestic and world affairs to the mainstream of economic decision taking mechanisms. Public accountability and transparency depends largely on the capacity of local NGOs to monitor the way budget items are rank ordered, ministerial disbursements made or priority settings determined. States and their national and international institutions must be prepared to accommodate better informed NGOs and more demanding constituencies. These constituencies include youth, women, peasants, educators, environmentalists, students, etc, who are willing, able and ready to be embarked in the management of and access to resources, services and opportunities.

## **Our Continent, Our Future**

**Thandika Mkandawire**  
Director United Nations Research  
Institute on Social Development  
Geneva, Switzerland

[from *Our Continent, Our Future: African Perspectives on Structural Adjustment*, by Thandika Mkandawire and Charles C. Soludo. CODESRIA, Africa World Press and IDRC, 1999. Used with permission from the publisher.]

Initial debates on adjustment were couched mainly in terms of whether the macroeconomic disequilibria were externally caused or induced by policy. This often gave the mistaken impression that national economies could be absolved from making the necessary adjustments. An important

lesson from experience is that whatever the cause of the disequilibria, the burden of adjustment lies ultimately with the national economies, although complementary actions by the international community could greatly ease the cost of such adjustment. If, as African experience has shown, the expected external response is not forthcoming, individual countries have to carefully identify the structural and demand components of the disequilibria and choose an optimal mix of instruments to address the imbalances. African policymakers should take adjustment seriously. Adjustment in this sense entails a dynamic view of society and its capacity to continually adjust to changing domestic and external environments.

**Perhaps the first important** thing Africans can do is to reassume responsibility for plotting the paths of development in their respective countries. The tragedy of Africa's policy-making and policy implementation in the last several years is the complete surrender of national policies to the ever-changing ideas of international experts. Africans have lacked the confidence to consciously and vigorously craft and will a future for themselves. The first attempts that Africans made at articulating a framework for their development were in the Lagos Plan of Action, the Final Act of Lagos, and UNECA's African Alternative Framework to Structural Adjustment Programs. Most African governments signed the documents, and, to date, none of these governments has publicly dissociated itself from the ideas espoused in them. But the World Bank virulently attacked those documents, and every African government that wished to have successful debt rescheduling or aid negotiations distanced itself from the principles in them. What is not often



appreciated is that most of what appears today as new insights about the imperatives of poverty reduction, investment in infrastructure and education, the requirements of rapid industrialization, and the structural and institutional bottlenecks of Africa's underdevelopment are nothing but the rehearsal of old but disparaged ideas of African scholars and policymakers.

If only Africans took themselves seriously and if only the international community listened, the long and costly learning curve could be minimized. The challenge is to blend macroeconomic stabilization cum adjustment under the SAPs with the detailed structural change and microeconomic and institutional transformations proposed by the Africans. The lessons from this costly experiment should provide the basis for future engagement.

**For more than a decade**, most of Africa has spent time and resources "adjusting" non-existent or defective markets. It was hoped that getting the prices and the monetary or financial fundamentals right would be the one medicine needed to ensure the health of African economies: poverty reduction, equity, growth, industrialization, sustainability, and so forth. The plethora of micro and structural changes, the development of human capital and infrastructure, and the institution-building required for a modern capitalist economy were recognized only as important footnotes in the development model. Evidently, at least in most of sub-Saharan Africa, the nostrums for all economic ills have been overwhelmed by the enormity of the ailment. The irony is that it has taken more than a decade for us to

**MOST OF WHAT APPEARS TODAY AS NEW INSIGHTS ABOUT THE IMPERATIVES OF POVERTY REDUCTION, INVESTMENT IN INFRASTRUCTURE AND EDUCATION, AND THE BOTTLENECKS OF AFRICA'S UNDERDEVELOPMENT ARE NOTHING BUT THE REHEARSAL OF OLD BUT DISPARAGED IDEAS OF AFRICAN SCHOLARS AND POLICYMAKERS.**

rediscover that, as the World Bank (*Adjustment in Africa*, 1994, p. 2) finally admitted, "adjustment alone is not adequate for long-term sustainable development."

It has become commonplace to argue that measures adopted to deliberately accelerate development in other regions are inappropriate for Africa, not so much because things have changed but because of the alleged "peculiar" politics or culture of Africa. Our states are putatively more porous and vulnerable to capture than others. Our culture is not frugal enough or is downright anti-development. We invest too much in social relations to have any time for anything else. And on it goes. These views nourish the Afro-pessimistic stance that some have adopted. But they also nourish the arrogance of those who have chosen to assume the

task of developing Africa without African involvement. As Claude Ake "Development on the Indigenous," mimeo, 1991) stressed, "the idea that a people or their culture and social institutions can be an obstacle to their development is one of the major confusions of current development thinking, and it is one of its most expensive errors." However, although we may loathe the attempts to locate Africa's poor performance on its supposedly immutable and peculiar characteristics, we must also recognize the need for fundamental changes in some of our attitudes, institutional arrangements, orientation to governance, and economic management. For example, the tensions and suspicion between the state and the capitalist class in many African countries that lead to massive capital outflows

to safer havens are very unhealthy for the development of a capitalist economy.

**Furthermore, subordinating** the national goals and development agenda to the narrow and often temporary interests of political survival or ethnic loyalty is hardly the best way to build a competitive and prosperous economy. In the end, there is no wishing away the sociopolitical issues that the transition to a market economy brings. Each country must, out of its own historical experiences, forge its own vision and design the requisite institutions to achieve development. Outsiders can assist, but this can never substitute for local initiative.

We cannot overstress the role that international conjuncture can play in widening or further narrowing the road ahead. Africa must learn to compete in this global arena. Such a learning



process will be facilitated not just by developing and participating in regional markets but also by adopting an active strategy for increasing and diversifying Africa's exports. Africa's natural resources may facilitate this process, but we should recognize that only a strategy that relies on our human capacities would create a development process that can respond flexibly to circumstances in a rapidly changing world. Our natural-resource endowment will only contribute to development if we add intellectual value to it and if we use the revenue earned from it to transform and modernize agriculture and strengthen the development of an industrial sector made competitive by a strategically orchestrated exposure to competitiveness in international markets. The current wave of simply opening up more mines according to something akin to the colonial "enclave" model does not augur well for the use of natural resources for development.

**Africa should know** that it cannot integrate itself fully into the global economy by permanently depending on aid and preferential treatment. Neither of these has served Africa well. Aid has produced the phenomenon of the dependency syndrome that stifles both imagination and initiative, whereas preferential treatment (especially under the Lome Convention) has provided incentives to perpetuate activities that fossilize our production structures in primary commodities. What Africa needs as it approaches the 21st century is not increased aid but a levelling of the playing field. An important element in this is an unconditional debt write-off for all the indebted sub-Saharan African countries. Tying debt reduction to perceived compliance with certain performance standards may amount to circular reasoning. Poorly performing

countries could blame their performance on the debt burden, whereas the high flyers may owe their growth to debt relief, which currently comes by way of increased official aid.

African economies are market economies. This means that although the state may draw up the larger developmental plans, implementing such plans depends on the responses of households, private entrepreneurs, and institutions. Two important lessons from Africa's development experience have been that failure to mobilize the resource-allocative functions of the market can only contribute to the inflexibility of the economy; and failure to recognize the weakness of market forces in a number of fundamental areas can lead to failed adjustment. Development policies will therefore have to be keenly responsive to the capacities and weaknesses of both states and markets in Africa and seek to mobilize the former while correcting the latter. Dogmatic faith in either planning or markets will simply not do.

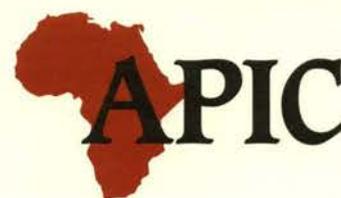
**Moving beyond adjustment** to growth and development is, of course, not an easy task. The issues are complex, and a synthesis such as this cannot delve into all the issues. What emerges from the project is that Africa must take the driver's seat in moving the economies of the continent ahead. Africa must and can compete in a rapidly changing global environment. We must avoid a "failure complex," which leads to a tendency to adopt self-fulfilling blanket condemnations of our own reality and makes us incapable of learning from our experiences.

Moving African economies onto a development path will require robust state and societal institutions. These, in turn will require creative mechanisms to produce a truly developmental state-society nexus able to

synergistically mobilize human and physical resources and address the many contradictions inherent in our societies and in any processes of rapid change.

Economic development is quintessentially a political process involving the distribution of not only economic resources but also power. It is a process that taxes the political system heavily. It involves sacrifices and commitments that can only be sustained through a sense of shared vision and common purpose. It calls for the mobilization of national capacities. We have argued that such a process must be democratic, not only because of the inherent value of democracy but also because, given the nature of African societies, their social pluralism, the artificiality of national borders and the current political conjuncture, only a democratic developmental state can acquire the adherence of a citizenry as diverse as one finds in African countries.

**Additional copies** available at \$5 ea., \$4 ea. for 20 or more. Add 15% for postage and handling. May be freely reproduced with attribution to APIC.



Produced by the  
Africa Policy Information Center  
110 Maryland Ave. NE #509  
Phone: (202) 546-7961  
Fax: (202) 546-1545  
E-mail: [apic@igc.org](mailto:apic@igc.org)  
Web: [www.africapolicy.org](http://www.africapolicy.org)

This series of background papers is part of a program of public education funded by the Carnegie Corporation of New York and The Ford Foundation.





# APIC

Africa  
Policy  
Information  
Center

22 Years  
of  
Information  
for  
Action

[www.africapolicy.org](http://www.africapolicy.org)



**APIC Web Site:**  
[www.africapolicy.org](http://www.africapolicy.org)

**Your gateway to  
reliable Africa policy  
information on the  
World Wide Web**

**Africa Web Bookshop:**  
[www.africapolicy.org/books](http://www.africapolicy.org/books)

## **Open 24 Hours a Day**

- ❖ Find recommendations on key issues
- ❖ Order any book or CD from millions of selections at [amazon.com](http://amazon.com)
- ❖ Get discounts, buy good books, and support APIC's educational work -- all at the same time

