AFRICA'S DEVELOPMENTAL CHALLENGES: BETWEEN DESPAIR AND HOPE

The Politics of Africa's Economic Stagnation

By Richard Sandbrook

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The Politics of Africa's Economic Recovery

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Sub-Saharan Africa today represents the major global challenge for those concerned about development in the Third World, and it is likely to remain so for the foreseeable future. Put simply, African countries are among the poorest in the world. According to the World Bank's *World Development Report 1995*, of the 34 countries with per capita annual incomes below $400 (or the "least developed") in 1992, 24 were African.[1] African countries also have the worst economic performance over the past two decades: in the region as a whole, GDP per capita fell by 15 percent between 1977 and 1985, and the current per capita income is approximately two-thirds of its level in the early 1980s. Of the 30 African countries listed in the *World Development Report*, nine have actually experienced a declining GNP per capita over the past two decades and 12 had per capita annual growth rates of two percent or less, while the average growth in per capita income for all poor countries during the same period was above four percent. The harsh reality is that most Africans are as poor or poorer today than at independence three decades ago.[2]

World Bank statistics also indicate that the agricultural sector, from which the vast majority of Africans earn their livelihood, has performed dismally in almost all of the 47 countries that make up the immense region of sub-Saharan

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Africa. Previously self-sufficient in foodstuffs, Africa saw its population growth rate of approximately 3.5 percent per year (the highest in the developing world) outstrip its food production, which has been growing at only 1.5 percent per year. In 1980, per capita food production was only about four-fifths of its 1970 level despite the fact that between 1973 and 1980 about $5 billion in aid flowed into the agricultural sector. Sub-Saharan Africa has the dubious distinction of being the only region of the world where per capita food production has declined over the past 35 years. In fact, in the past few years, the situation has worsened so drastically that an increasing number of African countries simply cannot feed themselves. Africa currently imports more than 10 million tons of foodgrain per year, but even with increased imports and emergency food aid, the World Bank estimates that roughly 100 million—one-fourth of the region's population—were severely hungry and malnourished in 1991-1992.[3]

The breakdown of the agricultural sector has had severe reverberations that extend to other important economic spheres. Africa's modest industrial sector, built on the principle of import substitution and dependent upon the foreign exchange earned by agriculture exports, has suffered greatly and operates far below capacity. The World Bank estimates that, given the numerous other pressures on foreign exchange reserves, the rate of utilization of installed industrial capacity will only decline further in the future. In Tanzania, for example, the manufacturing sector's contribution to the nation's GDP declined at an average rate of almost 20 percent per year from 1978 to 1985, and capacity utilization stood at only 25 to 30 percent. Capacity utilization has plummeted even further in Madagascar, Zaire, Sudan, and Malawi, as a result of gross inefficiencies and a lack of foreign exchange to purchase needed intermediate inputs.

Moreover, since the 1970s, sub-Saharan Africa has become one of the world's major debtor regions. Despite repeated debt rescheduling, the external debt doubled between 1973 and 1977, and almost doubled again over the next three years to over $80 billion, and yet again to $138 billion in 1986 and $194 billion in 1992. Sub-Saharan Africa is the only region in the world where debt has exceeded its GNP since 1990: the ratio stood at 124 percent in 1993, while for South Asia and other low-income countries it was less than 40 percent. The debt problem is so extreme in some countries, such as Sudan, Zambia, Ghana, Uganda, Ethiopia, Guinea-Bissau, Angola, and Nigeria, that the countries' annual debt service today actually exceeds their total foreign exchange earnings.[4] Moreover, as the debt servicing burden continues to mount (noting that for sub-Saharan Africa, foreign debt service already absorbs a large chunk of all export earnings), external agencies such as the International Monetary Fund (IMF), with its stringent conditionalities, and the World Bank, with its structural adjustment programs, have assumed increasing control over national economies.

Sub-Saharan Africa's overall economic deterioration is largely responsible for the crisis of governance and the widespread breakdown of law and order and political legitimacy. In an atmosphere of diminishing material progress and hope, corruption and repression by powerful groups has become endemic. Governments in countries like Zaire, Somalia, Sudan, and Equatorial Guinea resemble nothing more than organizations of armed profiteers whose sole shared goal is the use of public office for personal enrichment.[5] Despite the global trend toward democratization, several sub-Saharan countries continue to operate under quasi-authoritarian regimes Not surprisingly, more state spending is devoted to the bureaucratic and military establishments than to development programs or the provision of social services such as education, health, or housing. In fact, sub-Saharan Africa is the only region where infant mortality rates and malnutrition levels have increased since the 1980s. Also, rates of unemployment and underemployment remain so high that the vast majority of Africans have simply departed from the government-controlled regulated economy to the flourishing informal sector—the black market—and to refugee and relief camps for survival. Starvation and human suffering previously confined to Ethiopia, Somalia, and parts of the Sahel could easily become a continent-wide problem. Prospects for recovery and growth in the near future are not reassuring as major economic indicators point in the direction of a further "downward spiral" of the present fiscal situation.

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What lies behind this tragic state of affairs, and how can Africa overcome the legacy of underdevelopment and political decline and build better futures for its people? Richard Sandbrook's cogently written books provide a wide-ranging and theoretically informed analysis of the roots of sub-Saharan Africa's economic and political crises, as well as creative strategies to check the political and economic decline and to transform despair into hope. In his 1985 study, a deeply pessimistic account reflecting the region's "lost decade," Sandbrook begins by stressing that, in part, the impact of centuries of exploitative colonial rule has left African countries ill-equipped to deal with the harsh realities of the modern international economic system. Compounding this, African countries have been victims of one of the most unstable international economic environments since the early 1970s. That is, while the prices for the primary products on which they depend for export earnings have declined dramatically (in some cases to their lowest real level since World War II), import prices have skyrocketed. Following the oil shocks, petroleum prices increased by 600 percent between 1973 and the early 1980s, and prices of manufactured goods have kept pace with the high rates of inflation in developed countries. In short, during the last two decades the terms of trade have been against most African countries. Moreover, the poor climatic conditions that have prevailed in much of Africa in recent years have wrought havoc, leading to a decline in per capita agricultural production and forcing many governments to spend an increasing amount of their scarce foreign exchange on food imports.

However, external forces and mother nature are only partially to blame. In sharp contrast to the dependency and world systems analysis which attributes Africa's ills exclusively to the forces of international capitalism, Sandbrook argues that domestic forces—in particular, inappropriate policies and fiscal mismanagement by African governments—have contributed greatly to the present crisis. This, he argues, is most evident in agriculture, the dominant sector in African economies. Sandbrook asks why African countries, once self-sufficient in food and large exporters of agricultural produce, have now become substantial food importers. He points out that, despite increasing food shortages, many African governments continue to follow agricultural policies that discourage peasant production. Specifically, governments have not allowed the markets to function effectively. Agricultural producer prices for commercial crops used for export and food crops used for domestic consumption have been kept artificially low while parastatals (state corporations) and marketing boards mercilessly extract large surpluses from peasant producers in order to enhance the personal incomes of the political elite and to make foodstuffs available at subsidized prices to politically volatile urban consumers. The reasons such policies have been pursued in Africa have to do with the consolidation of political power. By creating loyally compliant urban constituencies, regimes enhance their capacity to remain in power. However, in the long run, these short-sighted, urban-biased policies have reduced the peasants' incentive to produce and have directly contributed to the precipitous decline in agricultural production.[6]

Following this logic, Sandbrook argues that the fundamental problem lies in the nature of political power in sub-Saharan Africa. That is, these states have failed to check or reverse their economic decline because they are weak or "fictitious" and thus lack the autonomy and capacity to ensure good governance, an adequate infrastructure, calculable legal structures, and effective policies to promote sustained economic growth and development. He argues that this fictitious or "nondevelopmental" (or even anti-developmental) thrust of the states is manifest most vividly in their capricious mismanagement, weak judicial systems, inefficiency, and pervasive corruption in the public sector, as well as their inability to prevent widespread evasion of laws and regulations. Africa's bloated and overextended state is like a "lame Leviathan," unable to provide stable and effective political and economic governance.

Drawing on comparative insights, Sandbrook argues that while the "strong" or "developmental" states played the central role in facilitating capitalist modernization in Western Europe and have been a crucial element in the success of Japan and the East Asian newly industrialized countries, they are part of the problem of economic stagnation in much of sub-Saharan Africa. African states, which are strong on repression and violence and weak on development and good governance, exist only in the "minimal sense": they no longer possess the capacity to be effective in carrying out even the minimal developmental tasks although other governments recognize their claims to territorial sovereignty. All too often, state elites in such settings compensate for their diminished authority by adopting an array of arbitrary and absolutist measures. However, reliance on such repressive measures further disconnects states from civil society. This is precisely what has happened in countries such as Chad, Somalia, Sudan, Equatorial Guinea, and Zaire, which are controlled by warlords or groups of armed men without the benefit of functioning state structures. Sandbrook aptly notes that in such settings, it is misleading to talk of a developmental orientation or strategy since the aim of the state elites and most public officials is simply personal aggrandizement. While the author acknowledges that a handful of "healthy" states exist, such as the Ivory Coast, Cameroon, Kenya, Botswana, and Senegal, their health is relative as they also suffer from attempted coups, localized insurrection, and bureaucratic corruption.

According to Sandbrook, the administrative and bureaucratic weaknesses of many African states foster personal rule or patrimonialism, an inefficient form of governance that relies on heavy-handed authoritarianism. Patrimonial rulers unable to depend on the willing compliance of business and ordinary citizens turn toward mercenary incentives and force based on a complex system of patron-client linkages and factional alliances, including the loyalty of the armed forces. The real victim of the crisis of state decline is civil society. Because the state remains unresponsive and authoritarian, civil society suffers from neglect, economic inequalities, and social and ethnic conflict. Under such harsh and unpredictable circumstances, the ordinary citizen often has little choice but to turn to the clandestine parallel economy for survival.

Given these crises of unprecedented magnitude, what are Africa's future developmental prospects? If *The Politics of Africa's Economic Stagnation* is a deeply pessimistic account, Sandbrook's 1993 study is more upbeat or, as he notes, "cautiously optimistic." He tempers despair with hope because he believes that, despite the enormous challenges, sub-Saharan Africa (like South Africa) has the potential to overcome its pervasive difficulties and forge a new and prosperous democratic future for its peoples. Following Samuel Huntington's provocative thesis on democratization,[7] Sandbrook maintains that Africa has now joined the "third wave" of democratization that began in Iberia in the mid-1970s, then swept through Latin America and Asia, culminating in the late 1980s with the downfall of communism in Eastern Europe and the Soviet Union.

Sandbrook notes that the trend toward democratization and economic liberalization in Africa will not be easily stopped. Indeed, by 1992 over 50 percent of the countries south of the Sahara had engaged in some form of political reform: reducing press censorship, convening national conferences to redraft constitutions, and, in many instances, conducting multiparty elections. For example, in Zambia, despite gloom and doom predictions, voters in the country's presidential and parliamentary elections got rid of the patrimonialist regime of Kenneth Kaunda and his ruling United National Independence Party in October 1991. They handed trade unionist Frederick Chiluba a sweeping victory of more than three-quarters of the vote and granted his Movement for Multiparty Democracy 125 out of the 150 seats in the National Assembly. After two decades of monopolistic one-party rule, there was a peaceful succession to a civilian government via a competitive election which international observers declared "free and fair." In the current wave of political liberalization in Africa, Kaunda was the first nationalist founding father to be displaced and Zambia the first Anglophone country to undergo a democratic regime transition.[8]

The inflexible stabilization and structural-adjustment programs of the World Bank and the IMF have been substantial failures when measured against the continent's central objectives of poverty alleviation, sustainable growth, and food self-sufficiency.

Yet Sandbrook aptly notes that democratic trends should not be confused with democratic consolidation.[9] He acknowledges that consolidating democracy in much of sub-Saharan Africa will remain a difficult task. It is, after all, a long-term process involving the constitutional establishment of democratic institutions and procedures. These include laws governing elections; the official recognition of civil and political rights, such as the legalization of opposition parties and of their rights to assembly; a clear set of rules governing the relationship between the executive and legislative powers; the popular support of institutions which adjudicate or publicize abuse of power; and punishment for those who break the democratic rules. These processes must be supported, for democracy and market reforms are an urgent developmental necessity. Democratization of society, the polity, and the developmental process and the people's involvement in decision making, in implementation, and in the monitoring proess is a *sine qua non* for socioeconomic and political recovery and transformation. For this reason, despite his belief that "providing prescriptions" is inherently a problematic exercise, Sandbrook does not hesitate to suggest several mutually enforcing strategies African countries must adopt to consolidate democratic gains and ultimately realize their human and developmental potential. One strategy is to simply "disengage" or "avoid the state," especially in patrimonial settings. When local communities are subject to predation and cannot expect meaningful assistance from state authorities, they must become as self-sufficient as possible by improving their informal economies and grassroots self-help strategies. Sandbrook shows that this strategy is already practiced by populations in many parts of Africa. However, he correctly points out that while this may be an effective short-term survival strategy, it is not an adequate development strategy because it does not constitute a viable long-term substitute for the creation of a healthy national economy with orderly and responsive political-economic institutions.

Rather, over the long haul, what needs to be done is to build the state from the "bottom up." This means decentralization in the form of devolution of powers and financial resources to elected local administration. To Sandbrook, relieving the overload and congestion in the central administration should enhance efficiency at all levels, as well as augment the responsiveness and accountability of government to local electors. He lucidly argues that Botswana's ability to maintain a liberal-democratic regime, for example, lies in the continued vitality of its "unusually independent and effective system of local government" (p. 72). Since independence in 1966, the ruling Botswana Democratic Party has felt confident enough in its popularity to tolerate control of a few district and urban councils by opposition parties and criticism of its policies by outspoken local councilors. The nine district councils and five urban authorities in this small southern African country share powers at the local level with a competent and generally apolitical district administration, a tribal administration that mainly administers justice through customary courts, and land boards that allocate tribal lands in each of the main regions. The councils are responsible for primary education and health care, ungazetted roads, water supplies, and trade and liquor licensing. They draw their recurrent revenues from a local government tax imposed on incomes. All this has enabled the Botswanan system to provide a decent and responsive government at local and national levels for over a quarter-century. Thus, to Sandbrook, what Africa needs is not so much less government, but good government.

His second strategy calls for a reduction in the size and economic role of monopolistic and inefficient states and a reliance more on market forces, in particular, private citizens and entrepreneurs, to promote growth. While such policies have long been recommended by the IMF, World Bank, and Western bilateral donors (who have demanded major policy reforms and have conditioned their loans and grants on them), Sandbrook's approach to market reforms is more variegated and humane. He rejects the World Bank's and the IMF's doctrinaire adherence to "getting the prices right" on both productive and distributional grounds. Drawing upon case materials, Sandbrook illustrates how the inflexible stabilization and structural-adjustment programs of the World Bank and the IMF have been substantial failures when measured against the continent's central objectives of poverty alleviation, sustainable growth, and food self-sufficiency.[10]

He argues that Africa's regeneration lies in adopting what he terms "human-centered development." The core principle guiding this strategy is the "democratization of the development process." This includes a judicious mix of expanded private initiatives and efficient government intervention in an effort to create an environment that would enable both the private and public sectors to thrive and to promote growth and development. Moreover, it also means the rejection of strategies that seek the adjustment of African economies to the vagaries of an inequitable global economy and the implementation of strategies that seek to transform African economies into self-reliant, indigenously based, human-centered models of development. This, he argues, can be best achieved through the empowerment of civil society and, in particular, the weaker communities of peasants, workers, women, and minority groups. Empowerment, which fundamentally involves transforming the economic, social, psychological, political, and legal circumstances of the currently powerless, will not only reduce society's passivity to and dependence on governments, but will also allow people to make authoritative decisions about their lives and communities to be more responsible for their own development. In addition, mobilized civic associations are better able to keep the state more accountable and responsive.

With great passion and clarity, Sandbrook repeatedly emphasizes that as Africa is being progressively marginalized within the global economy—its share of world trade shrinking and its technological base stagnating—it is imperative that it reduce its excessive dependency on Western markets and expertise. It can do so by aggressively forging ahead with a strategy of self-reliance based on economic diversification, the harmonization of investment plans with sub-regional markets, the transformation of consumer preferences from Western-derived foods and goods to those produced locally, and the development of appropriate products and technologies.[11] In sharp contrast to the prescriptions provided by multilateral agencies, Sandbrook argues that African countries must move away from the conventional export-push strategy and the dependence on one or two commodity exports toward national self-reliance. This is the most effective way to check the harsh impact of the boom and bust cycles.

Sandbrook's study makes a compelling case. Alas, however attractive the philosophy and objectives of human-centered development, its widespread implementation in this era of neo-liberalism remains a distant prospect, not only in sub-Saharan Africa, but also in the rest of the developing world.

Notes

1. The World Bank, *World Development Report 1995* (New York: Oxford University Press, 1995).
2. Interestingly, there is no clear correlation between ideology and economic performance in sub-Saharan Africa. The capitalist bastions and success stories of the 1960s and 1970s, such as Kenya, Cote d'Ivoire, Gabon, and Malawi, have been beset with economic woes since the early 1980s, and economic performance in the oil-exporting and capitalist-oriented Nigeria has been, to say the least, dismal. Similarly, countries that once proclaimed a commitment to socialism, such as Tanzania, Mozambique, Angola, and Zambia, continue to face daunting economic challenges, while "failed states," such as Ethiopia, Somalia, and Sudan, are facing economic and political failures of such calamitous proportions that meaningful recovery in these countries may well be impossible in the near future.

3. For details, see David Sahn, *Adjusting to Policy Failure in African Economies* (Ithaca: Cornell University Press, 1994) and The World Bank, *Adjustment in Africa: Reforms, Results and the Road Ahead* (New York: Oxford University Press, 1994).
4. Currently, more than 25 African countries (with 88 percent of the continent's population) have debt burdens regarded by the World Bank as unsustainable: in 1992, the discounted present value of their debt service was more than 200 percent of exports. Whatever process was originally at fault for the situation, it is simply unreasonable and unrealistic to demand that the debt be serviced. For countries where the ratio is 1,000 percent or more, such as Mozambique, Sudan, and Somalia, the situation is almost surreal as the compounding of interests pushes servicing obligations to stratospheric levels. For details, see The Report of the Commission on Global Governance, *Our Global Neighborhood* (New York: Oxford University Press, 1995), 201-303; William Cline, *International Debt Reexamined* (Washington, DC: Institute for International Economics, 1995), 367-400.
5. For a thoughtful analysis, see Thomas Callaghy, *The State-Society Struggle: Zaire in Comparative Perspective* (New York: Columbia University Press, 1984); Samuel Decalo, *Psychoses of Power: African Personal Dictatorships* (Boulder, CO: Westview Press, 1989); and Robert Jackson and Carl Rosberg, *Personal Rule in Black Africa* (Berkeley: University of California Press, 1982).
6. A similar argument was made earlier by Robert Bates, *Market and States in Tropical Africa: The Political Basis of Agricultural Policies* (Berkeley: University of California Press, 1981).
7. Samuel Huntington, *The Third Wave: Democratization in the Late Twentieth Century* (Norman: University of Oklahoma Press, 1991).
8. For details, see Michael Bratton, "Zambia Starts Over," *Journal of Democracy* 3 (April 1992): 81-94.
9. Also see Jennifer A. Widner, ed., *Economic Change and Political Liberalization in Sub-Saharan Africa* (Baltimore: Johns Hopkins University Press, 1994).
10. Julius Nyangoro and Timothy Shaw, *Beyond Structural Adjustment in Africa: The Political Economy of Sustainable and Democratic Development* (New York: Praeger, 1992).
11. Similar arguments have been made by the Economic Commission for Africa (ECA). See ECA, *African Alternative Framework to Structural Adjustment Programmes for Socio-Economic Recovery and Transformation* (London: 1989); and Samir Amin, *Maldevelopment: Anatomy of a Global Failure* (London: Zed Press, 1990).