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Africa in the 1990s: from Economic Crisis to Structural Readjustment[1]

> A diagnosis of the African situation — social, political and economic —has been attempted on many occasions by many eminent Africans. The assessment, in all cases, has been unanimous: the African region is most seriously affected by the burden of underdevelopment. In spite of its vast human and natural resources...the region is unable to boast of any significant achievement of well-being.
>
> \- *ECA and Africa's Development, 1983-2008: a preliminary perspective study*[2]

> Structural adjustment is enormously tough and politically sensitive in Africa, especially as the benefits are uncertain and in the future. Reform is complicated by other factors, such as drought, famine, civil and regional wars, destabilisation and AIDS.
>
> \- *Thomas M. Callaghy, "Debt and Structural Adjustment in Africa"*[3]

> As far as the prospects for accelerated and long-term development are concerned, the general conclusion of the Conference is that Africa needs a new approach to its political economy...recovery must also mean economic reconstruction for long-term development which, in turn, calls for new forms of social organisation and economic management and the bridging of economic and social disparities.
>
> \- *Abuja Statement on Economic Recovery and Long-term Development in Africa*[4]

Africa at the end of the 1980s is both more mature and marginal and more realistic and reformist than at the start of the decade. Then, it was assumed that OPEC (Organisation of Petroleum Exporting Countries) — induced insistence and influence would generate a New International Economic Order (NIEO) in which North would redistribute resources to South. Now it is recognized that the New International Division of Labor undervalues African commodities and ignores African claims. The combination of economic and ecological crises has undermined the continent's self-confidence and led to international debt renegotiations and structural adjustment conditionalities. Thus in the mid-1980s, as the United Nations (UN) summoned its special summit on Africa's problems, the continent appeared to be at the nadir of its fortunes.[5] Yet Africa's social and physical resources have not really changed despite droughts and brain-drain. And at the end of the 1980s it stands poised for redevelopment if not renaissance: *structural readjustment* to new global and regional contexts.[6] This essay overviews the debate about the prospects for development in Africa into the 21st century[7] and previews possible reasons for optimism.

From stand-off to sequence?

Africa's leaders welcomed the decade of the 1980s by agreeing in Nigeria, at their first ever economic summit, to a declaration of developmental nationalism: the *Lagos Plan of Action for the Economic Development of Africa, 1980-2000* (*LPA*).[8] Through strategies of national and collective self-reliance, they anticipated an African Economic Community by the end of the century. The heady optimism of the summit was soon superseded, however, by the preoccupations of drought and debt. And as international rather than continental organizations came to determine directions, the World Bank (IBRD) produced its contrary guidelines to Africa's reform along orthodox monetarist lines: *Accelerated Development in Sub-Saharan Africa: an agenda for action* ("Berg Report").[9] The stage was thus set for a major debate between distinct definitions and directions: the Economic Commission for Africa's (ECA) radical espousal of comprehensive self-reliance versus the World Bank's conservative prescription of external incorporation based on agricultural exports. At the same time, Africa was becoming a less affluent and homogeneous continent as many states suffered through drought and debt whilst a few enjoyed economic expansion rather than contraction.[10]

Although in the short-term the Bank's standard prescription of devaluation, deregulation, desubsidization, privatization, etc., had to be followed — as John Ravenhill has recently asserted, "*Accelerated Development* subsequently has effectively taken the *Lagos Plan* off the agenda"[11] — in the longer term the salience of the developmental approach of the Commission has come to be recognized again. After intellectual and political stand-offs as well as inconclusive compromises and syntheses, both sides have moved towards a middle ground of agreed or tacit sequence: adjustment with reform followed by greater self-reliance; i.e. from debt, devaluation and contraction to "human dimensions," comprehensive self-reliance and expansion. These stages or tendencies are reinforced by i) the New International Division of Labor in which African exports attract low demand and price; ii) the apparent social costs and economic limits of orthodox structural adjustment measures; and iii) the emergence of a vibrant "informal sector" in Africa to take up the slack of the shrinking formal economy. These factors feature in the latest optimistically labelled analyses of the Bank — *Beyond Adjustment* — and Commission — *Beyond Recovery.*[12] This pair of revisionist reviews constitute the new realism in African studies and strategies, characterized by a recognition of structural rather than cyclical internal and external changes.[13] As Thomas Callaghy concludes:

> Africa has always been relatively marginal to the world economy. It is becoming more so, *and* at an accelerating rate. In many respects, Africa is drifting between an ineffective state and weak domestic and international markets. Many African officials fail to realise that changes must be made. If not, important changes in the world political economy will by-pass Africa. Even successful reform will not eliminate Africa's marginality to the world economy in the short run.[14]

This essay examines the present characteristics of the global and continental economies before projecting alternative scenarios: the optimistic, realist and pessimistic, the official pair and the informal. In so doing, I am all too well aware that orthodox economics is in a state of disarray as current problems have proved to be resistant to monetarist and welfarist prescriptions alike. Nevertheless, the world economy of the 1990s is likely to differ significantly from that of the 1960s when Ghana, now over 30 years old, symbolized Africa's reclamation of independence. Yet the incidence of the cycle of expansion and contraction will be uneven, both between and within states: some countries, companies and classes in Africa will be more adversely affected than others with important implications for *praxis* as well as for analysis and policy.

I adopt a dialectical perspective here in two ways. First, I treat diplomacy and security as functions of shifts in the international division of labor; i.e. issues in the UN, IMF/IBRD, ECA/OAU, are functions of contradictions between and within Africa's political economies in their relations with the rest of the global community.[15] And second, as adversity is the parent of invention, I recognize the resistance and creativity of Africa's peoples; even if official reform and restructuring are neither sufficient nor sustainable, Africans retain resources of initiative and survival. The expansion of the informal sec-

Table 1

Sub-Saharan developing countries of Africa: external debt and finance indicators

	Total external debt, 1986		Ratio of public debt service to exports, 1986 (Percentage)	Long-term debt service		Concessional debt over public debt		No. of Multilateral debt relief arrangements	Existence of external payment arrears	IMF/ World Bank Adjustment Programmes as	Official Development Assistance ($ million)		
	(Millions of US dollars)	Ratio of external debt to GNP (Percentage)		Actual 1986	Projected 1988	1975	1985	1980-1986	1986	of 31 Dec. 1987	1981	1983	1985
Angola	"	"	"	"	"	"	"	"			61	71	"
Benin	890.0	61.8	9.2[a]	57.6	109.5	76.3	44.6	"			82	86	96
Botswana	358.1	36.5	4.3	44.4	68.5	74.9	3.68	"	YES		97	104	97
Burkina Faso	664.7	45.1	14.8	34.3	51.3	83.8	76.6	"			217	184	197
Burundi	550.7	46.1	19.0	31.1	42.2	59.0	84.6	"		SB SAF	122	140	143
Cameroon	3 533.0	32.3	11.2	609.9	504.2	58.0	47.5	"			199	129	160
Cape Verde	112.7	72.1	"	4.2	10.8	100.0	68.1	"	YES		36	42	"
Central African Republic	452.7	45.9	9.4	17.9	36.9	38.5	67.3	3	YES	SB SAF	102	93	105
Chad	187.4	23.1	7.5[a]	3.2	7.5	51.7	66.6	"	YES	SB SAF	60	95	182
Comoros	161.0	99.4	6.4	1.8	9.3	87.9	93.7	"	YES		48	39	"
Congo	3 534.1	178.1	43.5	310.9	805.5	50.2	36.3	2	YES	SB SAL	81	108	71
Côte d'Ivoire	10 865.1	122.7	21.2	"	1 310.8	25.8	10.0	5	YES	SB SAL	124	155	125
Djibouti	125.1	"	"	7.3	13.0	"	88.5	"			64	65	"
Equatorial Guinea	151.6	"	"	4.5	17.2	78.1	44.6	1	YES		10	11	"
Ethiopia	2 138.5	38.3	21.5	176.8	217.6	84.8	79.2	"			245	339	710
Gabon	1 568.0	53.1	17.2	209.1	324.1	10.8	13.9	"		SB	44	63	"
Gambia	273.0	158.1	11.3	10.6	20.4	98.9	76.1	1	YES	PFP SAF	25	18	"
Ghana	2 384.6	42.3	10.8	88.7	105.4	67.2	74.1	"	YES	PFP EFF/SAF	148	110	204
Guinea-Bissau	306.9	190.1	54.1	8.7	29.6	24.8	74.5	"	YES	PFP SAF	4	2	"
Guinea	1 515.5	"	"	103.0	164.7	69.6	70.9	1	YES	SB SAF	107	68	119
Kenya	4 503.6	67.6	23.2	"	510.3	55.6	49.1	"			449	401	439
Lesotho	186.1	29.8	4.2	"	18.0	86.6	82.5	"			104	108	94
Liberia	1 303.1	128.8	6.0	27.7	115.2	65.5	51.5	5	YES		109	118	91

[a] 1985.

Table 1 (cont'd)

	Total external debt, 1986 (Millions of US dollars)	Total external debt, 1986: Ratio of external debt to GNP (Percentage)	Ratio of public debt service to exports, 1986 (Percentage)	Long-term debt service: Actual 1986	Long-term debt service: Projected 1988	Concessional debt over public debt: 1975	Concessional debt over public debt: 1985	No. of Multilateral debt relief arrangements 1980-1986	Existence of external payment arrears 1986	IMF/ World Bank Adjustment Programmes as of 31 Dec. 1987	Official Development Assistance ($ million): 1981	1983	1985
Madagascar	2 898.9	116.2	29.9[a]	113.3	334.7	81.9	45.3	7	YES	PFP/SB/SAF	234	179	182
Malawi	1 113.7	90.4[a]	40.0	108.0	88.4	72.4	67.1	3	YES	PFP	138	117	113
Mali	1 715.6	104.9	14.2	35.2	66.9	94.2	94.8	"	YES		230	214	380
Mauritania	1 761.1	234.6	17.0	72.2	215.4	77.5	66.6	2	YES	PFP/SB/SAF/ SAL	234	176	205
Mauritius	644.2	47.9	7.3	68.5	87.0	64.1	39.1	"			58	41	29
Mozambique	"	"	"	"	"	"	"	1	YES	PFP/SAF	144	211	300
Niger	1 459.4	72.5	24.8	133.1	179.1	84.1	48.2	5		SAF	193	175	305
Nigeria	21 876.3	45.5	23.0	1 624.4	5 426.7	42.9	3.2	4	YES	SB/SAL	41	48	32
Rwanda	438.9	23.9	7.6	17.9	22.9	87.6	95.7	"			154	149	181
Sao Tomé and Principe	75.2	174.1	36.9[a]	8.8	"	69.1	"			6	12	"	
Senegal	2 989.8	84.3	10.9[a]	212.4	354.9	43.5	45.1	7		SB/SAF	397	322	295
Seychelles	106.2	47.5[a]	6.9	9.0	11.0	"	51.1	"			21	16	"
Sierra Leone	589.8	51.9	8.4	14.5	50.9	38.5	61.3	4	YES	SAF	60	66	66
Somalia	1 580.0	84.1	44.4	72.0	99.9	96.3	71.6	1	YES	SB/SAF	375	327	354
Sudan	8 271.9	113.6	7.7	55.4	871.5	45.3	45.0	8	YES		679	740	"
Swaziland	231.6	50.9	7.1	24.8	29.8	83.8	49.2	"			37	34	"
Tanzania, United Republic of	3 955.3	92.5	15.1	"	331.5	79.0	48.9	1	YES	SB/SAF	703	594	487
Togo	1 049.7	110.6	32.3	128.3	125.2	44.5	39.5	6		SB	39	39	"
Uganda	1 193.0	"	6.5	28.7	108.2	82.8	69.5	2	YES	SAF	236	137	184
Zaire	"	"	18.2	"	"	18.2	29.8	9	YES	SB/SAF	394	315	329
Zambia	5 299.8	356.5	7.1	"	488.1	30.0	39.6	4	YES	SB/SAF/SAL	232	217	329
Zimbabwe	2 480.3	46.9	19.1	"	"	29.4	22.9	"			212	209	237

[a] 1985.

Source: UN *Financing Africa's Recovery.*

tor is impossible to document and calculate with accuracy but at least it is something that the continent's statespersons and scholars have come to recognize and embrace, rather than deny or repress.

These two forms of dialectical response are neither mechanistic nor materialist but rather represent attempts to capture current realities and to inform emerging scenarios. As indicated already, I also suggest a sequence between Bank and Commission; i.e. between "Berg Report" and *Lagos Plan* and their successors. Rather than seeking some elusive consensus among disparate and divergent positions I conclude that Africa will be forced back upon its own meagre resources in the 1990s; i.e. the *Lagos Plan* has not been displaced, it was just premature. In short, any analysis of the continent's relations with the global community has to treat i) inequalities within and between Africa's varied political economies and ii) dialectics between global economics and politics.

The degree to which "internal" economic pressures impact upon "international" political discourse is apparent in the ongoing debates in the UN/IBRD systems over Africa's reforms and debts as treated below. Unless substantial real resources are provided for the continent before the end of the decade, any prospects of effecting and sustaining structural adjustment over the medium-term will be lost. The real economic as opposed to ecological crisis has only just begun: can the world community support Africa's recovery until at least the end of the century?[16] Because of Africa's marginal position in the global political economy, I am sceptical except, perhaps, for a few countries, classes, corporations and coalitions.

If *Accelerated Development* constituted a political and prescriptive "counter-revolution"[17] to established African preferences, along the lines of the Reagan-Thatcher monetarist perspectives, then the subsequent difficulties of effecting its proposed structural adjustments have eroded confidence. The reluctance of individual governments to swallow such prescribed medicine, combined with the resistance of continental institutions, as reflected in the ECA/OAU Abuja and Khartoum conferences and declarations on "economic recovery for long-term development" and "human dimensions," respectively, have compelled considerable revisionism in the Bank and Fund: Enhanced Structural Adjustment Facility and Social Dimensions of Adjustment. As Ravenhill notes, "neither the Fund nor the Bank have enjoyed more than modest success in promoting structural adjustment in Africa."[18] And he goes on to caution that "the political costs that the typical IMF/World Bank package imposes on African governments will be tolerated only if the promised economic pay-offs rapidly materialise."[19] Thus the number of purported programs, let alone success stories, has been declining so that by 1989 the only unequivocal "success" was Ghana, where the crisis had been particularly deep and the costs intense. Meanwhile, many other governments either diluted or rejected the terms, especially Zambia in 1988.[20] As Callaghy remarks, from a Washington perspective: "Nobody wants more Zambias; they want more Ghanas."[21] Nevertheless, he is also cautious about anticipating too much political unrest or too many unilateral pull-outs given "a more general awareness...about the need to pay serious attention to the social impact of Africa's debt service and economic reform efforts. It is striking how much pain African peoples have absorbed without more political instability of the kind that Zambia manifested."[22]

The benign and optimistic era of expansion in the post-independence period has long since gone and may never return, hence the centrality of the GATT's current Uruguay Round which includes services as well as manufactures. The decade of the 1990s — post-neocolonialism? — is unlikely to be either as benign or as optimistic. Rather, it will pose a series of challenges for the periphery, which will be compelled to rethink its development assumptions and directions: more or less self-reliance? more or less privatization? more or less stability? The current discussions and uncertainties within the IMF, IBRD, UN Conference on Trade and Development (UNCTAD) and South Commission are just the beginning of the New International Division of Labor (see figure 1).

The post-Bretton Woods order poses profound problems for both analysis and *praxis* everywhere but especially in the Third and Fourth Worlds. Despite the pretensions and intentions of the Fund and Bank it is not yet clear whether they can recapture the degree of economic order and growth realized, in a very different economic and strategic context, in the 1960s. Thus, the African states have now to plan in an environment of considerable uncertainty and volatility. The unsteady context became most apparent as droughts and conflicts increased the prospect of famine over the last decade. Both before and after the second Sahel drought, the continent had already begun to identify new constraints and possibilities: from long-term *LPA* to short-term *APPER* (*Africa's Priority Programme for Economic Recovery, 1986-1990*).[23]

Yet these and other official, ideological declarations constitute only one part of an emerging redirection. For just as the New International

Division of Labor has resulted in changed expectations and relations among and within the advanced industrialized states, so it has caused dramatic shifts in the Third World, notably the rise of informal sectors, including smuggling and black marketeering; i.e. post-colonial has yielded to non-colonial states or even non-states. The official revaluation and unofficial redirection have not always been entirely compatible — *de jure* or *de facto* privatization and subnational or regional integration? — but together they mark a turning-point in the African condition: from post-colonial to post-neocolonial periods.[24]

Thus the major imponderable, with some significance for policy options, is the balance in Africa's difficulties between pre-crisis mismanagement and intra-crisis problems; i.e. the degree to which crisis management or structural adjustment, on the one hand, and fundamental change in political economy, on the other, will produce results. Probably the balance between inherited institutions and crisis issues varies between states. Certainly, the degree to which current antidotes are applied successfully will vary depending on causality. Likewise, the degree to which they will be supported or tolerated by domestic constituencies differs between states.[25]

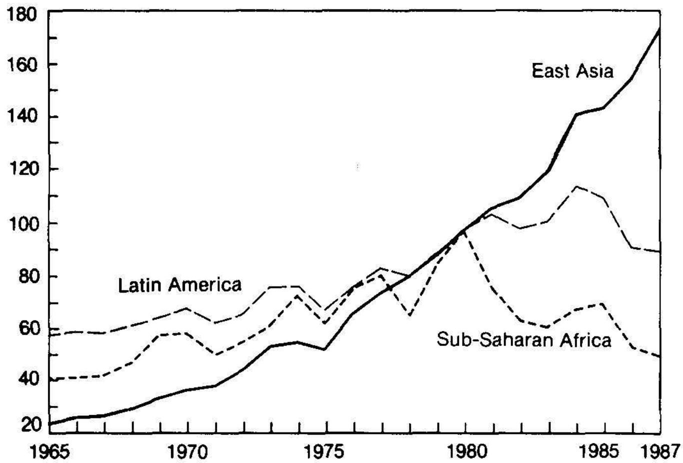
Africa in the New International Division of Labor

Several of the features apparent in the new division of labor are interrelated: free and fluctuating exchange rates along with indigenization and nationalization have encouraged portfolio rather than direct foreign investment; unstable and increasing costs of petroleum have encouraged alternative sources of, and alternative fuels to, oil and gas; new technologies have led to an expanding global service sector and a decreasing salience of colonial-type commodities. Hence the *problematique* of policy redirection: how to treat short-term crisis and long-term conjuncture?

In most factors identified as central to the new division of labor, Africa tends to be the least favored or involved continent: in terms of debt, industry, services, technology, etc., Africa trails Asia and Latin America. But some of Africa — e.g. Algeria, *Cote d'Ivoire*, Kenya, Zimbabwe — is more engaged in such sectors than others, although the beneficiaries within even these states are few and the costs high. Thus the post-Bretton Woods order is more inequitable at global, continental and national levels, with profound implications for African viability and stability, as we will see.

Figure 1

Purchasing Power of Exports
(Constant price index, 1980 = 100)



Source: World Bank *Annual Report, 1988* 24.

It is already axiomatic that economic trilaterality (i.e. the US, the EEC and Japan) has been superseded by multipolarity, with the Newly Industrialising Countries (NICs) eroding the status and distance of the already industrialized: the conundrum of "graduation." Yet despite the promise of South-South exchange,[26] much of the South still concentrates on the old North rather than the new frontiers of capitalism concentrated around the Pacific Rim: time warp of the nationalist generation. It has yet to treat established NICs like Brazil, Hong Kong, Mexico, Singapore, South Korea or Taiwan let alone the next set of "near-NICs" such as Malaysia and Thailand. Moreover, as protectionist pressures mount, particularly in the run-up to a united Europe of the 12 in 1992, so the South, especially Africa, needs to reorient and redirect its external vision.

Debt and investment

Although by global standards Africa's debt is modest — around US $220 billion (of which $120 billion is Sub-Saharan African (SSA) and $100 billion North African), or 10% of total Third World debt — the development implications of escalating payments are considerable: some 40% of continental GNP (50% in SSA and 30% in North Africa). *APPER* drew attention to some of the causes and consequences:

> We are fully aware of the fact that shortcomings in development policies have contributed to the present debt crisis. However, it is evident that the major causes of our countries' debt servicing problems are external.-..These include, *inter alia*, the deteriorating terms of trade....unprecedented rise in interest rates, sharp exchange rate fluctuations, deteriorating terms of borrowing and the reduction in the flow of concessional resources, the combined effects of which result in net capital outflow for most of our member states. In this regard, the 26 African LDCs have been the most seriously affected.[27]

Africa's debt may be modest *in toto* but it has grown faster than that of other regions (see figure 2) and is more official than private; hence the centrality of the Paris, rather than the London, Club negotiations and the roles of the Bank and Fund. As Ravenhill comments, "More than two-thirds of all the rescheduling undertaken by the Paris Club since 1969 has been at the request of Sub-Saharan states, notably Nigeria, the Sudan, *Cote d'Ivoire*, Zaire and Zambia."[28] Such regular and repeated negotiations and reschedulings have not (yet?) meant recovery. They have, however, become a national and bureaucratic preoccupation, especially for states in decline. As Callaghy notes, "An important psychological side effect of these foreign economic relations is that scarce talent is constantly preoccupied by negotiations with

Figure 2

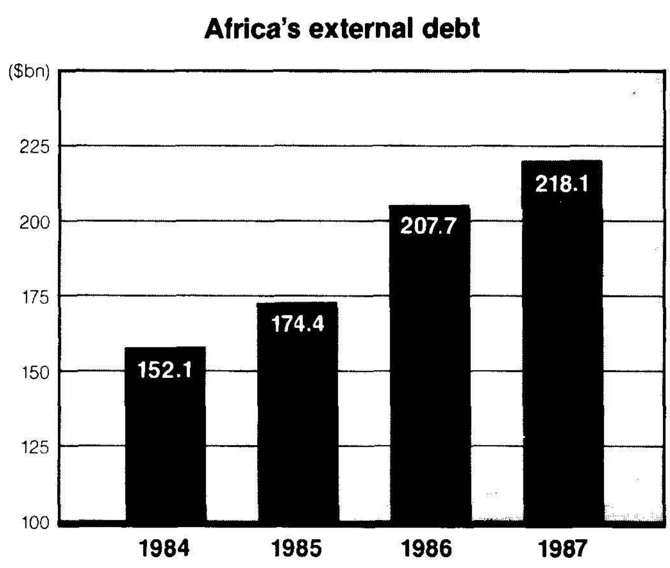
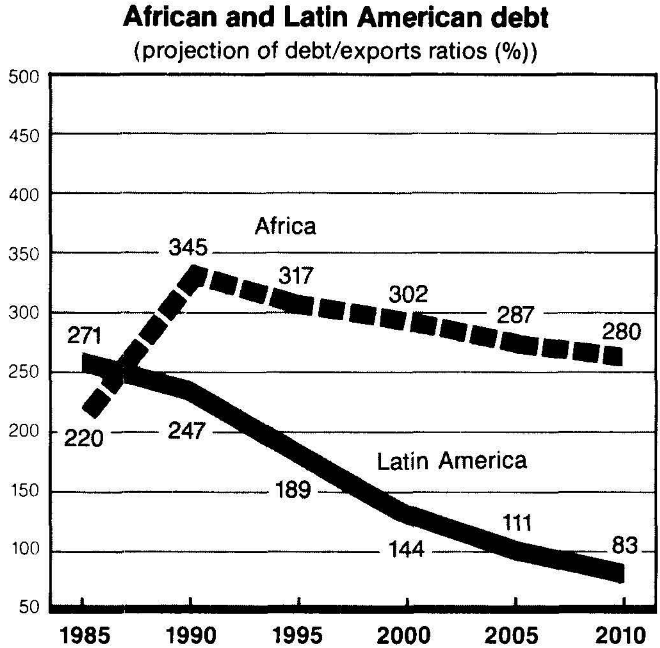


Figure 3



external actors about adjustment issues, while attempting to implement previous agreements."[29]

Despite the centrality and symbolism of the debt, however, Callaghy cautions that no dramatic developments are likely on either side. Rather,

> Modest expectations are in order on both sides. African states cannot expect any major beneficial structural or procedural reforms in the international political economy on the part of their Western creditors. Likewise, the latter cannot expect any significant restructuring of African regimes and economies or substantial improvement in their economic and debt performance. Western actors clearly determine most of the rules of the game, shaping the parameters of action, but African regimes do have some autonomy and room for maneuver.[30]

Yet, as the latest North-South Institute report cautions, "It is unlikely that this (African) group of countries will be able to service their debts over the next five years or more."[31]

Belatedly, the Bank seems to be appreciative of the centrality of debt as well as of exchange rates so its next Africa report due in mid-1989 will focus on it and regionalism, another overlooked dimension. Likewise, the UN Secretary-General established a group of eminent persons on debt — the Wass Committee[32] — which has also animated the

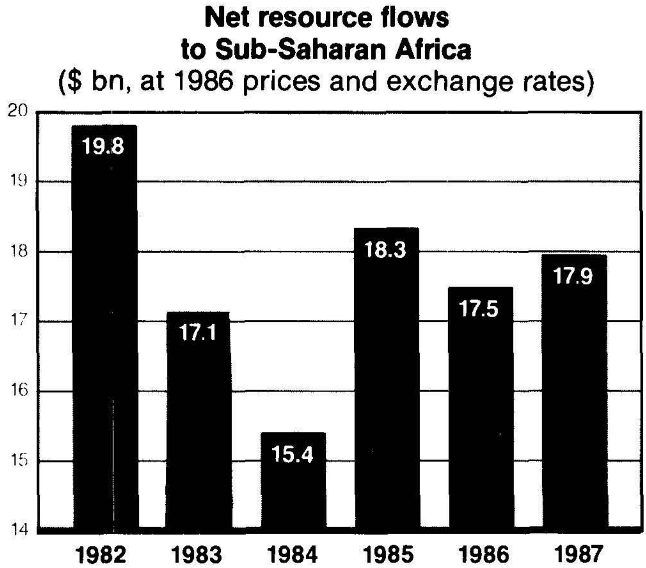
South Commission since its establishment. Africa's debt has not yet been discounted as a major feature of the new debt market, presumably because it is too small and "official," but South Africa's massive private debt might yet be so traded.

African debt, like that of other regions, is not, of course, uncontroversial in origin. If Brazil can set a cap on its repayments because of BHN then so can Nigeria or Central African Republic because of successive leaderships' profligacy. Classically, Zaire's debt and Sese-Sese Mobutu's fortune are almost equal in size, and yet the latter's private accounts cannot be taken to balance the former's official obligations. One possible means for the continent to reverse the capital flow, other than major incentives and ready convertibility, is to lay claim to Africans' overseas investments, which are not inconsiderable. Even if only a proportion of these were available as collateral then the debt crisis would be eased; and reverse flows would help shore up lagging exchange rates. "Third World communities" within the North have potential, not only as policy pressures and foreign exchange suppliers but also as guarantors of future investments. Without such external interest, and in the absence of a developed national bourgeoisie in most countries, privatization is likely to remain merely an aspiration: there are insufficient internal savings to permit private purchases except at bargain-basement prices.[33]

Foreign capital flows to Africa, which were never massive, contrary to dependency assertions, have declined for a series of reasons (see figure 4). First, "aid fatigue" in the North (let alone in the East and OPEC, two sets of rather mercurial donors) has led to reduced and conditional aid for purposes of emergencies, alliances and structural adjustment only. Second, declarations of indigenization and nationalization made investors apprehensive, especially when alternative opportunities existed. Third, the New International Division of Labor has reduced demand for African minerals and markets, both of which lost their attractiveness. And fourth and finally, partly in response to Third World nationalism, multinational corporations (MNCs) began to unpackage their investments. New patterns of Foreign Direct Investment include sets of contractual arrangements for licensing, management, turnkey, subcontracting, leasing or franchising contracts. Such packages attempt to minimize risks and foreign exchange costs, and often involve MNCs from the EEC or NICs.

This process has interacted with two other phenomena. First, the internationalization of production has tended to run parallel with the process of economic differentiation in the South. The minority of

Figure 4



Source: UN "Africa: mid-term review"

rapidly growing countries in the South are those that have been most clearly integrated into this emerging international network of production relations. And second, the petro-dollar fuelled expansion of international capital markets during the late 1970s and early 1980s has contributed to an increased involvement by international finance capital with multinational-controlled / owned productive enterprises, often in an alliance with the peripheral state.[34] The new tripartite collaboration, among international finance capital, multinational corporations and the state in the South, articulates international relations of production which are wholly consistent with the escalating costs and risks characteristic of present-day raw-material explorations and industrial ventures.

The newfound wealth of the petroleum exporters and the rather sophisticated production structures of the NICs — the new "Third World" — have meant profound changes in the established structure of the South. Developing countries outside this group, by contrast, are still largely dependent on agriculture while more than two decades of "development" have left them poorer than they were before: the new "Fourth World." The pattern of global industrialization, particularly in the last decade, has been responsible for a great divergence in economic performance within the South. The diversifying Latin

Table 2

Consolidated Change in External Financial Position of Sub-Saharan Africa Between 1979-1981 and 1985-1987[a]
(Billions of dollars per annum)

Terms of trade losses	2.9
Increased interest payments	2.1
Reduced net credit flow	2.4
Reduced direct investment	0.2
Total deterioration	7.6
Increased official grants	1.1
Net deterioration	6.5

Source: *Financing Africa's Recovery* 14.

American economies and the export-led South-East Asian economies together constitute the NICs; there are none in Africa.

Judging by measures of economic production and trade performance, i) there has been apparent economic differentiation in the South into, on the one hand, economies experiencing growth and structural change and, on the other hand, stagnant, or even declining economies, with traditional peripheral structural characteristics;[35] and, ii) this economic differentiation is associated with the degree and type of integration of such countries into the capitalist world economy. An analysis of Africa's relations — diplomatic and strategic as well as economic — with the international community must take this new world structure into account, as type of country predetermines the character of foreign policy and external relations.[36]

Characteristic of the dialectic between such dramatic economic change and apparent continuities of political debate has been the recent formation of two new South organizations. First, in an attempt to contain the impact of divergences at the level of political economy, the Non-Aligned Movement (NAM) approved the creation of the "South Commission" at its 1986 summit in Harare: an important development in the encouragement and articulation of a distinctive Southern perspective on global issues, symbolizing intellectual and political autonomy. And second, under Nigeria's sponsorship, a group of "like-minded" or "like-positioned" NICs has formed a "Concert of Medium Powers": Newly *Influential* Countries. These 16 intermediate states are concerned to revive multilateralism and encourage international development and peace by serving as a bridge between North and South: a diplomatic and strategic aspect of "graduation."

African Reform and Regionalism

Africa's external economic relations cannot be separated from changes within the continent's political economy, especially at regional, national and sub-national levels. Obviously, the imperative of reform and restructuring lies in the failure of previous development policies and contexts. But the incidence and impact of stagnation or contraction are uneven in Africa as elsewhere: some states and peoples have endured more than others. Likewise, the costs and benefits of reform and devaluation are uneven. Therefore, support for adjustment — the identification and manipulation of majority coalitions — is problematic. Moreover, given the contractions in living standards already suffered by most Africans — declines in incomes, services, Basic Human Needs (BHN) and expectations — scepticism is a natural response to dramatic devaluations and privatizations. Finally, if the current direction is not vindicated in the early 1990s then alienation is likely to be widespread, with profound social, political and strategic implications.

African economies remain, despite considerable post-independence efforts, largely agricultural in concentration and external in orientation, characteristics which the Bank and Fund seek to foster rather than transcend. And the rest of the world economy is increasingly preoccupied with its own persistence and expansion, despite appeals from the mid-1986 and mid-1988 UN special sessions. The coincidence of externally-oriented reforms with international protectionism is hardly auspicious unless Africa can produce new products which can find new market niches, along the lines of successful manufactures and commodity exporters from the NICs to *Cote d'Ivoire.* And it remains quite unlikely that all 50 states could adjust successfully simultaneously given commonalities among their products and positions: the "fallacy of composition" argument. Moreover, the mutual impacts of reforms and protectionism on continental exchange are important, if neglected, elements in any African revival: will reoriented production reduce intra- and inter-African exchange even further?

The juxtaposition of international and continental trends does not, at first sight, appear to be promising: global protectionism induced by low levels of growth and continental recession caused by underdevelopment, underfinancing and drought. The orthodox projection from such an inauspicious conjuncture would surely be limited prospects for African development, because of northern preoccupations and disin-

Table 3

Special Facility for Sub-Saharan African Credits, by Country and Purpose (millions of US dollars)

Borrower	Project	Special Facility credit	Special joint financing	IDA credit
Burundi	Structural-adjustment Credit (1986)	16.2	25.0	15.0
Burundi	Structural-adjustment II (1988)	—	25.0	15.0
Central African Republic	Structural-adjustment Credit (1987)	16.0	—	14.0
Central African Republic	Cotton-sector Adjustment (1988)	—	8.6	15.0
Chad	Fiancial Rehabilitation Investment Credit (1988)	—	4.5	12.8
Equatorial Guinea	Rehabilitation Import Project (1986)	4.0	—	6.0
Gambia, The	Structural-adjustment Credit (1987)	11.5	8.3	5.0
Ghana	Road Rehabilitation and Maintenance Project (1986)	10.0	5.3	40.0
Ghana	Economic Recovery Program (1986)	27.0	17.6	60.0
Ghana	Industrial-sector Adjustment (1986)	25.0	—	28.5
Ghana	Structural-adjustment Credit (1987)	81.0	38.6	34.0
Ghana	Structural-adjustment Credit (supplement) (1988)	15.0	12.7	—
Guinea	Structural-adjustment Credit (1986)	17.0	52.3	25.0
Guinea	Transport-sector Adjustment (1986)	—	13.7	55.0
Guinea	Structural-adjustment II (1988)	—	10.8	65.0
Guinea-Bissau	Economic Recovery Program (1986)	5.0	—	10.0
Guinea-Bissau	Structural-adjustment Credit (1987)	5.0	10.7	10.0
Kenya	Agricultural-sector Adjustment (1986)	40.0	17.7	20.0
Kenya	Industrial-sector Adjustment (1988)	10.0	—	102.0
Madagascar	Industrial-assistance Project (1986)	20.0	—	40.0
Madagascar	Agricultural—sector Adjustment (1986)	33.0	10.0	20.0
Madagascar	Industry and Trade Policy Project (1987)	67.0	18.3	16.0
Malawi	*Structural-adjustment III (1986)*	40.0	51.0	30.0
Malawi	Structural-adjustment III (supplement) (1987)	10.0	51.5	—
Mali	Public-enterprise Rehabilitation (1988)	—	43.6	40.0
Mali	Office du Niger Consolidation Project (1988)	9.0	20.8	39.8
Mauritania	Structural-adjustment Credit (1987)	27.4	9.7	15.0
Mozambique	Second Rehabilitation Credit (1988)	18.6	11.2	70.0
Niger	Structural-adjustment Credit (1986)	40.0	5.9	20.0
Niger	Transport-sector Adjustment (1986)	15.0	30.2	15.0
Niger	Public-sector Adjustment (1987)	20.0	—	60.0
Rwanda	Highways VI (1986)	15.0	—	11.0
Rwanda	Highways VI (Supplement) (1988)	10.0	11.6	—
Sao Tomé and Principe	Structural-adjustment Credit (1987)	3.0	—	4.0
Senegal	Structural-adjustment II (1986)	44.0	16.9	20.0
Senegal	Structural-adjustment III (1987)	40.0	7.9	45.0
Somalia	Agricultural Inputs Program (1986)	—	28.6	10.0
Somalia	Agricultural-sector Adjustment (1986)	32.6	16.6	30.0
Sudan	Agricultural Rehabilitation III (1988)	—	11.7	85.0
Tanzania	Multisector Rehabilitation (1987)	46.2	37.7	50.0
Tanzania	Multisector Rehabilitation III (supplement) (1988)	26.0	10.8	30.0

Table 3 (cont'd)

Borrower	Project	Special Facility credit	Special joint financing	IDA credit
Togo	Structural-adjustment II (1986)	10.0	38.8	27.8
Togo	Structural-adjustment III (1988)	—	20.0	45.0
Uganda	Economic Recovery Credit (1988)	24.0	31.9	65.0
Zaire	Highways VI (1986)	30.0	4.5	55.0
Zaire	Industrial-sector Adjustment (1986)	60.0	6.0	20.0
Zaire	Structural-adjustment Credit (1987)	94.3	16.6	55.0
Zambia	Agricultural Rehabilitration (1986)	10.0	4.5	25.0
Zambia	Industrial-sector Reorientation Project (1986)	42.0	17.1	20.0
	Total	1,069.8[a]	786.3[b]	1,570.9

NOTE: Dates in parentheses refer either to the fiscal year in which the African Facility Credit was approved, or, in the absence of such a credit, to the year in which special joint financing was committed.

[a] African Facility Credits are denominated in SDRs. As of June 30, 1988, SDR 20.5 million remained to be committed.

[b] Special joint financing is committed in national currencies. As of June 30, 1988, the equivalent in United States dollars of $5.1 million remained unallocated. Details may not add to the total due to rounding.

Source: World Bank *Annual Report* 1988, 37.

terest: OECD isolationism based on new technologies and relationships.

However, three alternative scenarios can be identified for Africa based on apparent trends and interests, as indicated in my final section. First, the World Bank's "optimistic" preference of "reform" based on new coalitions and resources may be realized, at least in some selected African states: Northern reengagement. Second, the OAU/ECA official and "realistic" definition of self-reliance may be approached given the Northern retreat: continental, regional and national self-reliance centred around a group of core African states. And finally, third, an unofficial and somewhat pessimistic conception of development may triumph: the decline if not demise of the state in Africa accompanied by a set of alternative structures — informal economies based on exchange, credit, women and adaptive, especially agricultural, technologies in which rival systems flourish, often across national borders, so exacerbating the shrinking of the post-colonial state.

Clearly, these three alternatives to any New International Economic Order or even Lome IV are unlikely to be effected easily. Rather, some

Table 4

Summary table of selected reform measures taken by African Governments

	Policy reforms	Early warning systems	Public enterprise reforms	Share of agricultural investment in total public investment (20-25%)	Explicit population policies
Indian Ocean island countries					
Comoros	x			x	x
Madagascar	x		x	x	x
Mauritius	x		x		x
Seychelles					
East African countries					
Burundi	x		x	x	x
Djibouti					
Ethiopia	x	x	x	x	x
Kenya	x		x		x
Rwanda	x		x		x
Somalia	x	x	x	x	x
Sudan	x		x	x	x
Uganda	x		x	x	x
United Republic of Tanzania	x	x	x	x	
Southern African countries					
Angola					
Botswana	x	x	x		
Lesotho	x	x			x
Malawi	x	x	x		
Mozambique	x				
Swaziland	x				x
Zambia	x	x	x		
Zimbabwe	x	x		x	
Central African countries					
Cameroon	x		x		x
Central African Republic	x		x	x	
Congo	x		x		x
Equatorial Guinea	x				x
Gabon	x				x
Sao Tome and Principe	x	x		x	x
Zaire	x		x		x

Table 4 (cont'd)

	Policy reforms	Early warning systems	Public enterprise reforms	Share of agricultural investment in total public investment (20-25%)	Explicit population policies
Sahelian countries					
Burkina Faso	x				x
Cape Verde	x	x		x	x
Chad	x				
Gambia	x		x	x	
Guinea-Bissau	x	x	x	x	x
Mali	x	x	x	x	x
Mauritania	x		x		
Niger	x	x	x	x	x
Senegal	x	x	x	x	x
Non-Sahelian west African countries					
Benin	x		x		x
Côte d'Ivoire	x		x	x	x
Ghana	x	x	x		x
Guinea	x		x		
Liberia	x		x	x	x
Nigeria	x		x		x
Sierra Leone	x		x	x	x
Togo	x		x	x	x
North African countries					
Algeria	x	x		x	x
Egypt	x				x
Libyan Arab Jamahiriya	x	x		x	x
Morocco	x	x		x	x
Tunisia	x			x	x

Source: UN "Critical Economic Situation in Africa. Report of the Secretar-General" (A/43/500. 10 August 1988) 26-28.

mix of them is likely between and within states. As indicated in the earlier discussion, some countries, classes and companies identify more readily with Bank or Commission perspectives. Likewise, some interests encourage reform coalitions; others favor official self-reliance; and yet others advocate informal survival strategies. These may coexist for a while, as has occurred in Africa in the 1980s, and official strategies may indeed attempt to incorporate the unofficial; but whether they can be rendered compatible over the medium-term is another question.

The 'Abuja Statement' which emerged in mid-June 1987 from the ECA's retrospective conference on Africa one year after the UN's

Special Session (see third opening quotation) represented one further attempt to narrow the gap between Bank and Commission, 'reform' and 'recovery,' extroverted and introverted positions. It also sought to attribute internal as well as external 'blame,' noting inappropriate policies in addition to insufficient resources. The Abuja Statement attempted to inject some realism into Bank and Fund prescriptions, suggesting that self-reliance remains desirable, even inevitable, given changes in the international division of labor.[37] In addition to calling for several comprehensive forms of debt forgiveness and relief it also called for more South-South exchange, recognizing for the first time the potential role of the NICs.[38] The Statement was also notable for its treatment of the politics of renaissance, looking at ways to secure sustained popular participation in redefining directions, expectations, technologies and relations.

International economy at the end of the 1980s

The global political economy which is emerging for the final decade of the twentieth century is quite different from that which was designed and established after World War Two. The major features of this post-Bretton Woods situation have profound implications for Africa's development possibilities in the 1990s compared with, say, the 1960s.

Meanwhile, in spite of difficulties and diversions, a lot of preparatory work has been undertaken and progress has been realized in respect of the establishment of major sub-regional groupings to advance an African Economic Community, whose principles and objectives are broadly consistent with the *Lagos Plan* — the Economic Community of West African States (ECOWAS) 1975, the Preferential Trade Area (PTA) 1981, the Economic Community for Central African States (ECCAS) 1983, and the Southern African Development Coordination Conference (SADCC) 1980. Taken together these groupings account for roughly 40 of the 44 independent Sub-Saharan African states, some of whom belong to more than one organization.[39]

The prospects for successful regional economic relations on the continent are not necessarily dim. The deepening crisis and the relative ignorance of the North with respect to support measures to stimulate renewed growth of the African economies has ironically emphasized the need for continental self-reliance strategies. However, even if historical experiences have not been too encouraging, there is today a renewed awareness of the need to continue to make intra-continental relations an important priority, now recognized even by the Bank.

Structural Adjustment to Self-Reliance

The stand-off between *LPA* and *Agenda* as alternative and essentially antagonistic world views moderated over the first half of the 1980s as drought demanded attention and successor documents on both sides moved towards a middle ground — *APPER* and *Financing Adjustment with Growth*, respectively — since followed as noted below by *Beyond Recovery* and *Beyond Adjustment*, respectively. This new consensus or at least truce was most apparent in the run-up to the Special Session in mid-1986 for which the OAU/ECA submission identified sets of both endogenous and exogenous factors responsible for the contemporary malaise.[40] Yet although *APPER* recognized short-term and indigenous problems it, like the *LPA* before it, still emphasized longer-term, exogenous causes as primary:

> ....the current battle to save lives and to reduce the impact of hunger and famine should not be the only focus of international support and co-operation. Otherwise, the international community will be unwittingly contributing to making the emergency a permanent phenomenon.[41]

Likewise, in explaining why *LPA* has been difficult to implement, *APPER* points to inherited external dependence, insufficient resources, elusive regionalism and structural problems. It points in particular to a set of "extraneous factors":

> the widespread, severe and persistent drought; the acceleration of the desertification process; persistent and destructive cyclones in the Indian Ocean; and the intensification of destabilisation of attempts from South Africa on neighbouring African countries, especially the Front Line States.[42]

Yet it also suggests that "if most of the measures recommended in the *LPA* had been implemented, the ravaging effects of the current world recession and drought on African economies would have certainly been minimized."[43] Thus Africa's leaders criticize both themselves and the international system for the non-implementation of the *LPA*, which is itself symptomatic of depressed and extroverted political economies.

If there is a new uncertainty and modesty in explanations and expectations of the global economy there is considerable apprehension about the probable trends in Africa, a continent in considerable and seemingly exponential difficulty.[44] This is reflected in a new official openness towards policy failures and reforms as well as in a revisionist mood among scholars as well as statespersons.

African studies as well as African states have begun to reflect this new post-crisis conjuncture. To be sure, established perspectives are restated still[45] and no agreed paradigm has yet emerged to replace the demise of "modernization" or "decolonization": no intellectual as opposed to political "consensus." Yet there is a new foment and excitement as novel issues are identified and debated, if not resolved: debt, environment, gender, informal sector, privatization, reform. And a range of possible frameworks has been conceived and considered, from dependence and democracy (see below) to corporatism and capitalism.[46]

Africa is, then, at a crossroads. Temperamentally, its leaders are inclined to opt for greater self-reliance, recognizing that further extroverted integration is unlikely to be either possible or profitable. Pragmatically, however, the pressures to accept structural adjustment strictures are intense, leading to supposedly short-term compromises in the interest of external support, approval and advice. And the apparent options available to Africa may yet change if protectionism intensifies in the North because slow growth, especially of employment, and exponential debt lead to nationalist measures against Japan and the NICs. Unless freer trade is advanced everywhere, Africa may have no choice but to become more self-reliant, nationally and continentally. Ironically, however, it has postponed such an advance towards self-reliance under pressure from external agencies which themselves lack the resources to deliver the massive amounts of concessional assistance needed to perpetuate extroversion, as evidenced by the Wass Group's estimate of a $5 billion shortfall per annum at the end of the 1980s,[47] caused by a combination of terms of trade losses, increased interest payments on debt, and reduced aid and investment inflows, (as indicated in table 2).

Although there has been a new, albeit fragile, consensus on the imperative of "reform," there is considerable divergence and disagreement about how to define its content: from *laissez-faire* purists to pragmatic interventionaries; i.e. from minimal to substantial if not maximal state "intervention." The range of issues stretches from exchange rates, subsidies, regulation and ownership to sectoral balancing (see table 3). Structural adjustment has thus raised hopes which it cannot begin to satisfy, especially if the majority of eligible states opt for "reform": the fallacy of composition (see table 3).

One indicator of the limits of the new consensus is the agreed but ambiguous concept "reform" itself which seems to have superseded more controversial terms such as "self-reliance" or "structural adjustment." Somewhat akin to "basic human needs," reform passes the buck back from an unyielding world economy to impoverished peripheral polities. In particular, advocates of reform in the World Bank had expected local ruling classes to assemble political "coalitions" to effect change — the usual mix of devaluation, desubsidization, privatization, etc. — when the terms of such adjustments are usually quite unacceptable to the majority of the population. Thus a new "contract" was required between donors and recipients, based on mutual acceptability, in which resources as well as conditions for reform are agreed.[48] Otherwise, "reform" leads to repression or instability: the food riots syndrome. The Bank cannot excuse its past policy mistakes, any more than African regimes, despite the attempts it has made to do so: "governments in Africa must be seen to have the prime responsibility for designing their adjustment and investment programmes and for coordinating aid and other financial flows."[49] The ambiguities of this tentative consensus are apparent in the omnibus resolutions of the mid-1988 UN session on the African crisis, which reviewed the results of the mid-1986 special session. It maintained the diplomatic veneer of the 24-month-old UN *Programme of Action for African Economic Recovery and Development 1986-1990* (UNPAAERD) whilst also hinting at disappointments. The primacy of agriculture was reasserted but frustrations over debt, devaluation, assistance and markets were apparent: the trade-off between policy forms and external inputs. As the mid-term review lamented:

> The efforts of the African countries to achieve sustained growth and development through structural reform are seriously constrained by the adverse external environment as it relates to the situation in Africa, in particular, with respect to export earnings, the debt service burden and concessional finance.[50]

Taking into account the experiences and analyses of states undertaking major structural adjustment programmes, the UN recommendations emerging from the review of UNPAAERD attempted to mediate the economic reforms/social costs tension by calling for "balanced" adjustment so that development was not excluded:

> African countries should continue to pursue the balanced development of all sectors of their economy....Structural adjustment programmes should be designed in such a way as to mitigate their adverse socio-economic effects, ensure that the human dimension is integrated in

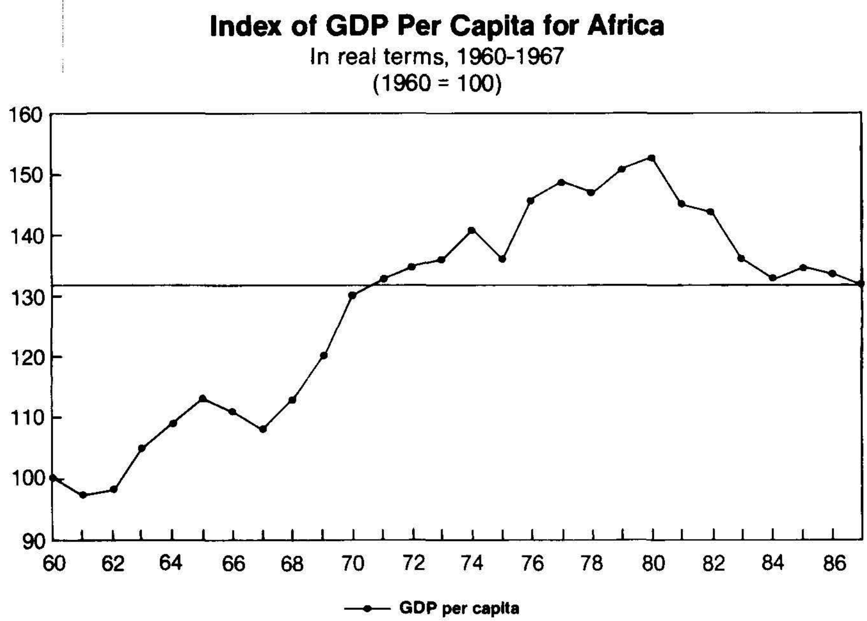
> them, further improve the well-being of the poor and disadvantaged in African societies, notably through redirecting social and developmental expenditures, and make short-term stabilisation and adjustment measures compatible with and built into long term structural transformation.[51]

In recognition of the slowness of recovery and the protractedness of reform, the UN decided not to hold its final review of the five-year UNPAAERD compromise until its 46th session in late 1991. Thus, reform in Africa is both profound and problematic, as illustrated by the devaluation and privatization elements, respectively. On the former, the continent which delayed devaluation longest has now devalued the most, more than the other Southern continents. Yet, despite attempts at privatization, it remains partial and elusive as few national or external buyers are interested in loss-making parastatals such as airlines, commodity boards, railways, utility companies, etc.[52]

Structural Readjustment at the end of the 1980s

As Bank structural adjustment programmes have run into political and financial difficulties and as Commission self-reliance preferences have been confounded in practice so both protagonists have modified and moderated their positions at the end of the decade: *Beyond Adjustment* and *Beyond Recovery*, respectively. Both of these reflect more realistic agendas and aspirations than earlier comprehensive, idealistic and theological positions: informal sectors and regional interrelations, and food and agriculture, respectively.[53] The Bank has been compelled by circumstances to incorporate distinct African factors and to heed its new Council of African Advisors; the Commission has had to abandon, at least temporarily, its rather grandiose and comprehensive plans for national and collective self-reliance. Whether this new revisionism and moderation will be sustained in Washington and Addis Ababa has yet to be seen. Meanwhile, both institutions have relatively modest expectations of the continent's potential over the last decade given unfavorable external and internal factors. This new pragmatism is in part a response to the failures and frustrations of orthodox adjustment and reform despite Western claims for their success. All the evidence in Africa points to the contrary: declining *per capita* incomes (see figure 5) leading to reduced taxation and national revenue and so poorer roads, hospitals, schools and other services. The slack is being picked up, if at all, by informal institutions, notably by national and transnational NGOs. The for-profit multinational corporation may have largely abandoned the continent, but non-profit transnationals have taken their place. The so-called "success stories" even after such a short period of adjustment have declined in numbers dramatically, from half-a-dozen to but one (Ghana).

Figure 5



	1960	1970	1980	1986	1987
In 1980 US $	498	647	752	669	656
Index (1960=100)	100	130	151	134	132

Source: UN "Africa: mid-term review' 4.

Although there is widespread international recognition that the series of shocks over the last 15 years constitutes a turning point in the global political economy, there is a peculiar reluctance to recognize correlates such as the vitality of Africa's informal sector and the related vulnerability of the continent's economies. The old assumptions about neocolonial dependence — Africa was important enough to be rescued — were undermined by oil shocks and debt negotiations and Africa's survival became closely linked to that of the informal sector. This necessitates attention to gender and participation: how women-based organizations, with their own authentic patterns of democracy and accountability, produce and distribute food, cloth, money and other essentials.

If such issues constitute a new "radical" agenda for African studies,[54] a new "orthodox" agenda has been defined and proselytized by the World Bank: reform rather than anything more revolutionary. The Bank's package, along with that of the Fund, of devaluation, deregulation, privatization, revival of commodity exports, and debt reschedulings has transformed the policy framework during the 1980s. Aspirations and arrangements which were unthinkable in the 1970s are now regarded as commonplace; growth is considered rather than development and adjustment rather than consolidation. This reform "counter-revolution"[55] has led to an unseemly and unprecedented rush towards floats, auctions, privatizations and renegotiations: the old days of state sectors, parastatals, controls and BHN seem to be gone forever. The literature is now replete with comparative analyses of adjustment and anticipations of expansion, from Ghana to Uganda and Zambia despite emerging cautionary tales.[56]

However, some critical sceptics remain, albeit in the minority, and the radical perspective may yet return to prominence if the new orthodoxy proves to be inappropriate and inadequate for the continent's crisis. In short, the Berg report and *LPA* and their successor documents may indeed be compatible, at least in sequence. As difficulties arise with structural adjustment, mainly because of an ungiving world economy so the necessity of self-reliance will become apparent once again; i.e. the supposed consensus bought time for reforms to work but if these fail to be efficacious then OAU/ECA *LPA* and *APPER* would exist as welcome fall-backs.

If the Bank is concerned about mobilizing domestic coalitions in Africa to support reform in the short-term — why should the peoples of Africa welcome restraint programmes when they were hardly invited, except perhaps in Nigeria's great "IMF debate"[57]? — then it should be even more perplexed about securing such support, or even permissiveness, in the longer term. For as contraction comes to be seen as normal so popular reactions and resistance will intensify: from religious extremism to food riots to populist associations. To be sure, some of the continent's difficulties predate restructuring. But the scapegoat will be external — IMF/IBRD — rather than internal — rapacious or inappropriate leaders. Debates about the efficacy and objectivity of IMF conditionalities will continue to rage but unless Africa has more than a few "success" stories, internal opposition will build against external deficiencies: a return to dependence as effect if not cause.

(In)stability of leadership and policy is, to be sure, a crucial ingredient but the issue remains whether it is a dependent or independent variable. And its characterization is integrally related to mode of analysis, with substructuralists treating it as result and superstructuralists as cause. Clearly, the set of factors identified by Dharam Ghai are interrelated and reinforcing as the sets of fast and slow growers both indicate.[58] But the balances between politics and economics and between internal and external factors remain controversial. Callaghy amongst others suggests that remarkably little instability has been caused, thus far, by IMF conditionality, particularly where regime legitimacy is high.[59]

The role of the state, however conceived, is central in both instances of fast and slow growth, and between NICs and the Least Developed Countries (LDCs). The new orthodoxy on the former suggests that the *dirigiste* state is crucial to rapid and sustained industrialization whereas on the latter, the World Bank now calls for the shrinking of the state. Nigel Harris's rhetorical volume on the NICs — *The End of the Third World*[60]—reflects the former, albeit with comparative elements—the Asian "gang of four" are quite dissimilar in recent history and political economy. Likewise, Peter Evans's seminal study of Brazil's "triple alliance" suggests a central role for the state in semi-peripheral industrialization.[61] But the African state in the 1990s will be quite distinctive: diminished but not deceased.

Conclusions and Scenario: beyond the 1990s

The continuing African crisis, compounded by tensions in the global economy, means that the rest of the century is likely to be crucial in relation to the continent's development prospects. Domestic reform is not enough; external support is critical. If Africa meets the terms of its conditionalities but international institutions and donors fail to meet theirs then the implicit contract lapses, with profound implications for Africa's directions and prospects. Conversely, if cross-conditionalities are met on both sides then at least some African political economies may yet revive and grow. A final possibility, not discussed in either diplomatic or academic circles, is that Africa will become, because of the uneven incidence of contraction, stagnation and expansion, a more unequal continent. This trend towards inter- and intra-state inequalities has already been intensified over the last decade — from OPEC and coffee windfalls to drought, devaluation and deflation — but the new concentration on "reform" has overshadowed notions of declining basic needs and rights, let alone exponential ecological decline. In this concluding section I return to the themes of formal/informal, changing technologies, and international diplomacy/political economy dialectics in abstracting three possible scenarios for the remainder of this century: optimistic, realistic, and pessimistic.

The new orthodoxy of IMF/IBRD "reform" — debt rescheduling and structural adjustment with *de facto* cross-conditionalities — has now been adopted by the majority of African and industrial states. It promises transformed policies and economies: the package of devaluation, deregulation, privatization, and commodity exportation. Its emphasis is on growth rather than development and it is permissive of authoritarian regimes providing they follow its dictates. The Fund/Bank assumption even assertion is that devaluation and deregulation will serve to revive and restructure African economies so that foreign exchange income from commodity exports will finance debt repayment and industrial rejuvenation. This new orthodoxy is, I believe, *optimistic* because there is little evidence that the global economy is expanding sufficiently fast to absorb Africa's exports of raw materials. And it is so preoccupied with Northern trade wars and NIC graduations that Southern development is low on its agenda. Unless new forms of assistance and investment are forthcoming — debt for equity? SDRs? aid from NICs? democratic and environmental development? — the implicit "contract" will remain unfulfilled because of Northern perfidy not Southern procrastination. The African agenda has been transformed because of Bank/Fund and related donor conditionalities, which the continent may attempt to meet while Northern partners fail to match. But if reform advocated by the "counter-revolution" does not generate sustained revival then social coalitions supportive of the new regime will evaporate or be alienated with profound implications in near- and long-terms, as indicated in the final, third scenario. In it, authoritarianism is disapproved of whereas in this official projection, some militarization may be necessary to advance adjustment.[62]

Given alternative ECA/OAU proposals for greater self-reliance, somewhat side-lined in the first half of this decade by IBRD reports and reforms, Africa's exponential marginality in the global economy along with the minority of non-adjusting governments may yet renew their relevance and salience. If adjustment packages are not sustained, because of regime exhaustion or social opposition on the one hand or external indifferences or protectionism, then Africa may once again be thrown back onto its own devices. Because of prevailing Northern preoccupations, I consider the rediscovery of self-reliance to be *realistic* rather than idealistic given the dictates of international diplomacy. The Bank has always asserted that its reforms were shorter term and economistic, and so compatible with longer term and developmental ECA reformations. The transition from reform to restructuring may occur around the end of the decade if IBRD fails to mobilize sufficient international resources to meet its side of the tacit bargain. Moreover, non-adjusting states may have meanwhile enhanced their national self-reliance while adjusting regional powers may be strengthened sufficiently to once again encourage regional self-reliance. And if the Bank fails to deliver, then continent-wide collective self-reliance may be a necessity rather than a *desideratum*. The only level or form of self-reliance which may not be either recognized or facilitated is that of sub-national, informal enterprise, the centrepiece of my final, *pessimistic* scenario.

If neither Bank reform nor ECA self-reliance are realized then a more pluralist or anarchistic scenario is possible if not desirable; neither African nor international bourgeois interests would gain if a variety of informal, populist, proletarian even guerrilla formations were released. Yet if devaluation and adjustment fail and self-reliance proves elusive then social reactions could be multiple: the state could shrink further, informal exchange and credit could expand, black markets might revive, and a variety of bandit or guerrilla warlords establish *de facto* "micro-states." To be sure, such a pessimistic scenario is not only unlikely, it would be both fragmented and resisted: the external agencies which declined to support reform adequately might yet contain violent opposition, especially if East-West interests were stimulated and injected into essentially development situations of disinterest in militarization under scenario one. The trend towards domestic authoritarianism would be intensified, to protect vulnerable bourgeois privileges, and African "peace-keeping" operations might be stimulated, as a distinctive form of continental self-reliance. Whilst such a scenario is problematic, it does at least represent a logical correlate of underdevelopment.

In conclusion, any estimation and evaluation of Africa's future position in the international community cannot escape from an inheritance of dependence and underdevelopment which has resulted in contemporary marginalization and vulnerabilities to cycles of ecology and economy. In retrospect, the current structural adjustment preoccupations of the Bank and Fund may appear to be necessary corrections on the path towards self-reliance and development which ECA and other indigenous directions identified. To be sure, "distortions" in Africa had become widespread and extreme but the external prescription consistently ignores changes in the global division of labor.[63] As Northern preoccupations and preservation predominate so Africa's self-sustainment will become an imperative. The lingering question remains whether this will be state-determined or a function of privatizations of the heights of the economy and recognition of the resilience of the ubiquitous informal sector. Thus far the conceptual "counter-revolution" has had limited and mixed developmental results as the mid-1988 UN review recognized: "the overall performance of the African economies remains unsatisfactory."[64]

A final footnote about a novel, responsive trend in Africa comparable to that in other parts of the Third World and related to both official and informal privatization: demands for democratic development. In mid-1986, a group of eminent Africans again posed the question "Which way Africa?" Their declaration called for three, interdependent fundamentals: "democracy, development and unity." In situating Africa's economic crisis, they implicitly responded to World Bank conditions:

> The development of Africa cannot, under existing conditions, result from closer integration into the world economy....Rigorous management of financial and monetary resources is indispensable for development and democracy in Africa and presupposed the participation of the people in the decision-making process....Full repayment of our countries' debts would seriously mortgage our future and deprive Africa of the resources it needs to develop, while the adjustment policies involved might well destabilise the African production and social systems in the long term.[65]

These concerns have not been echoed in the latest, revisionist and realist, documents from Commission and Bank — *Beyond Recovery* and *Beyond Adjustment*, respectively. Hopefully, this late-1980s mood of reconciliation and renovation will extend into the 1990s, a crucial decade for Africa's redirection and rejuvenation given its precolonial and contemporary history of vulnerability and marginality. By the year 2000, the continent may have worked out its own sustainable *modus vivendi* with both ecological and economic contexts to the long-term betterment and empowerment of its peoples.

NOTES

1. An earlier and shorter version of this essay appeared as "Africa's Conjuncture: from structural adjustment to self-reliance" in *Third World Affairs 1988* (London: Third World Foundation, 1988), 318-337.
2. *ECA and Africa's Development, 1983-2008: a preliminary perspective study* (Addis Ababa: ECA, 1983), 93.
3. Thomas M. Callaghy "Debt and Structural Adjustment in Africa," *Issue* 16(2), 1988, 17.
4. ECA/OAU *Abuja Statement on Economic Recovery and Long-Term Development in Africa* (Abuja, 19 June 1987. ECA/CERAD 87/L.1), 15.
5. See OAU/ECA *Africa's Submission to the Special Session of the UN on Africa's Economic and Social Crisis* (Addis Ababa, March 1986. E/ECA/ECM 1/1).
6. See Timothy M. Shaw, "New African Framework Advocates Structural Readjustment," *Africa Recovery* 2(4), November/ December 1988, 36.
7. For major contributions and controversies see John Ravenhill (ed.), *Africa in Economic Crisis* (London: Macmillan, 1987), Robert J. Berg & Jennifer Seymour Whitaker (eds.), *Strategies for African Development* (Berkeley: University of California Press, 1986) and Richard Sandbrook, *The Politics of Africa's Economic Stagnation* (Cambridge: Cambridge UP, 1985).
8. (Geneva: International Institute for Labour Studies, 1981). For early analyses see Adebayo Adedeji & Timothy M. Shaw, (eds.), *Economic Crisis in Africa: African perspectives on development problems and potentials* (Boulder: Lynne Rienner, 1985); David Fashole Luke & Timothy M. Shaw (eds.), *Continental Crisis: the Lagos Plan of Action and Africa's Future*, Dalhousie African Studies Series No. 2 (Lanham: University Press of America, 1984); and Robert S. Browne & Robert J. Cummings (eds.), *The Lagos Plan of Action vs. the Berg Report: contemporary issues in African development* (Washington: Howard UP, 1984).
9. (Washington: IBRD, 1981). Subsequent reports include: *Toward Sustained Development in Sub-Saharan Africa* (1984) and *Financing Adjustment with Growth in Sub-Saharan Africa, 1986-1990* (1986).
10. See, *inter alia*, Timothy M. Shaw, "Debates about Africa's Future: the Brandt, World Bank and Lagos Plan blueprints," *Third World Quarterly* 5(2), April 1983, 330-344; and "Africa's Crisis: debate and dialectics over alternative development strategies for the continent," *Alternatives* 9(1), Summer 1983, 111-127.
11. John Ravenhill, "Adjustment with Growth: a fragile consensus" *Journal of Modern African Studies* 26(2), June 1988, 179.
12. See IBRD *Beyond Adjustment: a participatory program for sustainable growth with equity in Sub-Saharan Africa* (1989) and ECA *Beyond Recovery: ECA revised perspectives of Africa's development, 1988-2008* (1988. E/ECA/CM.14/31).
13. For an overview of the rather desultory and unrepresentative state of the field, see Timothy M. Shaw "Peripheral Social Formations in the New International Division of Labour: African states in the mid-1980s" *Journal of Modern African Studies* 24(3), September 1986, 489-508.
14. Callaghy "Debt and Structural Adjustment in Africa" 18.
15. See also Timothy M. Shaw "The Non-Aligned Movement and the new international division of labour" in Kofi Buenor Hadjor (ed) *New Perspectives in North-South Dialogue: essays in honour of Olof Palme* (London: Third World Book Review, 1988).
16. See "Compact for African Development: Report of the Committee on African Development Strategies" in Berg & Whitaker (eds) *Strategies for African Development* 557-585.
17. See John Toye *Dilemmas of Development: reflections on the counter-revolution in development theory and policy* (Oxford: Basil Blackwell, 1987) *passim*, especially 5-21.
18. Ravenhill "Adjustment with Growth," 204.
19. *Ibid.*, 210.
20. On Ghana, Zambia and other cases of intense adjustment, contraction and contradiction see a welcome new series of comparative studies from the North-South Institute in Ottawa (John Loxley, "Ghana: economic crisis and the long road to recovery" [1988] and Roger Young, "Zambia: adjusting to poverty" [1988]), UNICEF (case studies of Botswana, Ghana and Zimbabwe in Giovanni Cornia *et al* (eds.) *Adjustment with a Human Face: Volume 2*

Case Studies (Oxford: Oxford UP, 1987) and WIDER (case studies of Ghana, Kenya, Cote d'Ivoire and Tanzania in its monograph series on *Stabilization and Adjustment Policies and Programmes*, Helsinki, 1988).

21. Callaghy, "Debt and Structural Adjustment in Africa," 21.
22. *Ibid.*, 17.
23. (Addis Ababa: OAU, 1985). APPER was a major element in UNPAAERD agreed at the mid-1986 UN special economic session on Africa: *UN Programme of Action for Africa's Economic Recovery and Development.*
24. See Timothy M. Shaw, *Towards a Political Economy for Africa: the dialectics of dependence* (London: Macmillan, 1985).
25. See case studies identified at note 20 above plus regular reports in the UN's *Africa Recovery* (New York, occasionally). See also Bonnie K. Campbell (ed.), *Political Dimensions of the International Debt Crisis: Africa and Mexico* (London: Macmillan, 1989) and Bonnie K. Campbell & John Loxley (eds.), *Structural Adjustment in Africa* (London: Macmillan, 1989).
26. See Jerker Carlsson & Timothy M. Shaw (eds.), *Newly Industrialising Countries and the Political Economy of South-South Relations* (London: Macmillan, 1987).
27. See OAU, *Africa's Priority Programme for Economic Recovery, 1986-1990* (Addis Ababa, 1985), 5.
28. Ravenhill, "Adjustment with Growth," 197.
29. Thomas M. Callaghy, "Between Scylla and Charybdis: the foreign economic relations of Sub-Saharan African states," *Annals of the American Academy* 489, January 1987, 158.
30. *Ibid.*, 162.
31. "Beyond Baker: maturing debt crisis" (Ottawa: North-South Institute, May 1987, Briefing 18), 3.
32. See UN, *Financing Africa's Recovery: report and recommendations of the Advisory Group on Financial Flows for Africa* (New York, 1988).
33. See Ernest J. Wilson, "Privatization in Africa," *Issue* 16(2), 1988, 24-29.
34. For more on these trends see Ankie Hoogvelt, *The Third World in Global Development* (London: Macmillan, 1982).
35. See Bahgat Korany, "Hierarchy within the South: in search of theory" *Third World Affairs 1986* (London: Third World Foundation, 1986), 85-100.
36. See Shaw, "Peripheral Social Formations in the New International Division of Labour."
37. See Abuja Statement.
38. *Ibid.*, 16-17.
39. See Domenico Mazzeo (ed.), *African Regional Organisations* (Cambridge: Cambridge UP, 1984) and R.I. Onwuka & A. Sesay (eds.), *The Future of Regionalism in Africa* (London: Macmillan, 1985).
40. See "Africa's Submission to the Special Session of the UN," 7-9.
41. *Ibid.*, 4.
42. *Ibid.*, 13.
43. *Ibid.*, 12.
44. See Timothy M. Shaw (ed.), *Alternative Futures for Africa* (Boulder: Westview, 1982) and, with Olajide Aluko (eds.), *Africa Projected: from recession to renaissance by the year 2000?* (London: Macmillan, 1988).
45. See, *inter alia*, Gus Liebenow, *African Politics: crises and challenges* (Indiana: Indiana UP, 1986) and Naomi Chazan *et al.*, *Politics and Society in Contemporary Africa* (Boulder: Lynne Rienner, 1988). For a sceptical review, see Martin Staniland, *What is Political Economy? A study of social theory and underdevelopment* (New Haven: Yale UP, 1988).
46. See, *inter alia*, John Sender & Sheila Smith, *The Development of Capitalism in Africa* (London: Methuen, 1986); Julius E. Nyang'oro & Timothy M. Shaw (eds.), *Corporatism in Africa: comparative analysis and practise* (Boulder: Westview, 1989); and Walter O. Oyugi *et al* (eds.), *Democratic Theory and Practice in Africa* (London: James Currey, 1989).
47. *Financing Africa's Recovery*, 16.
48. See "Compact for African Development," 557-585.
49. *Financing Adjustment with Growth in Sub-Saharan Africa*, 4-5.
50. UN, "Mid-term review and appraisal of UNPAAERD 1986-1990" (New York, 3 October 1988. A/43/664), 18.
51. *Ibid.*, 44.
52. See Wilson, "Privatization in Africa."

53. See *Beyond Adjustment* and *Beyond Recovery*.
54. See, *inter alia*, Nzongola-Ntalaja *et al Africa's Crisis* (London: Institute for African Alternatives, 1987). See also Donald Rothschild & Naomi Chazan (eds) *Precarious Balance: state and society in Africa* (Boulder: Westview, 1988) and Richard Sandbrook "Hobbled Leviathans: constraints on state formation in Africa" *International Journal* 41(4), Autumn 1986, 707-733.
55. See Toye, *Dilemmas of Development*.
56. See citations at #20.
57. See Julius O. Ihonvbere & Timothy M. Shaw, *Towards a Political Economy of Nigeria* (Aldershot: Avebury, 1988), 183-194.
58. See Dharam Ghai, "Success and failures in Africa development, 1960-82" (Geneva: ILO, January 1987).
59. See Callaghy, "Between Scylla and Charybdis," 159-160.
60. (Harmondsworth: Penguin, 1987).
61. See Peter Evans, *Dependent Development: the alliance of multinational, state and local capital in Brazil* (Princeton: Princeton UP, 1979).
62. See Eboe Hutchful, "New elements in militarism: Ethiopia, Ghana and Burkina," *International Journal* 41(4), Autumn 1986, 802-830, and Emmanuel Hansen, "Reflections on the African Crisis," *African Association of Political Science Newsletter*, April-June 1988, 5-21.
63. See UN, "Mid-term review and appraisal of UNPAAERD," which fails to mention informal sector, militarization or democracy although it does treat women and NGOs.
64. *Ibid.*, 31.
65. "Which Way Africa? For democracy, for development, for unity. Declaration on Africa," *IFDA Dossier* 54, July 1986, 43. See also, "A Continent's prospects from the Club of Rome-Yaounde Declaration," *Development Forum* 15(2), March 1987, I and II and Mahmood Mamdani & Wamba-dia-Wamba, "Social movements, social transformation, democracy and development in Africa," *Newsletter of International Labour Studies* 32-33, January-April 1987, 26-29.