

Sustainable Development: Promoting Progress or Perpetuating Poverty?
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WHY AFRICA IS POOR

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“Instead of being exploited for the benefit of the people, Africa’s mineral resources have been so mismanaged and plundered that they are now the source of our misery.”
-- United Nations Secretary-General, Kofi Annan at the OAU Summit in Lome (*Daily Graphic*, July 12, 2000; page 5).

The African Paradox

Africa's deteriorating economic situation is baffling. The continent's untapped mineral wealth is immense and its tourism potential is enormous.² Yet, it is inexorably mired in steaming squalor, misery, deprivation, and chaos. According to the *African Observer*: “Four out of 10 Africans live in absolute poverty and recent evidence suggests that poverty is on the increase . . . If Africa wants to reduce poverty by half over the next 15 years, it needs to attain and sustain an average annual growth rate of 7 percent – an enormous task.”³

The African continent, consisting of 54 countries, is the least developed region of the Third World. In 1997, the PPP GNP per capita for Africa was \$1,460, compared to \$1,590 for South Asia, \$3,170 for East Asia and \$6,730 for Latin America (World Bank, 2001; p.8).⁴ Economic growth rates in Africa in the 1970s averaged only 4 to 5 percent, while Latin America recorded a 6 and 7 percent growth rate. From 1986 to 1993 the continent's real GNP per capita declined 0.7 percent, while the average for the Third World increased by 2.7 percent. For all of Africa, real income per capita dropped by

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² Africa has 40 percent of the world's potential hydroelectric power supply; the bulk of the world's diamonds and chromium; 50 percent of the world's gold; 90 percent of its cobalt; 50 percent of its phosphates; 40 percent of its platinum; 7.5 percent of its coal; 8 percent of its known petroleum reserves; 12 percent of its natural gas; 3 per cent of its iron ore; and millions upon millions of acres of untilled farmland (Lamb, 1983, p. 20). It also has 64 percent of the world's manganese, 13 percent of its copper, and vast bauxite, nickel and lead resources. It accounts for 70 percent of cocoa, 60 percent of coffee, 50 percent of palm oil, and 20 percent of the total petroleum traded in the world market, excluding the United States and Russia.

³ *The African Observer*, June 7 – 20, 1999: p.23

⁴ The subsequent Asian economic crisis and collapse of Argentina will have affected these differentials but Africa itself has had major problems in the recent past (e.g. Zimbabwe's economic collapse and the decline in the value of the South African Rand), which would also adversely affect its relative position.

14.6 percent from its level in 1965, making most Africans worse off than they were at independence.

African growth rates in the late 90s – around 5 per cent on average – were higher than the 2 percent growth rate of the early 90s. But subtract an average population growth rate of 3 percent and that leaves miserly rates of growth of less than 2 percent in GDP per capita – woefully insufficient to have a substantial impact on poverty.

The real causes of Africa's crises

Why is Africa in this state? Two schools of thought exist: the “externalist” and the “internalist”. Externalists ascribe Africa's woes to factors beyond Africa's control: Western colonialism and imperialism, the pernicious effects of the slave trade, racist conspiracy plots, exploitation by avaricious multinational corporations, an unjust international economic system, inadequate flows of foreign aid, and deteriorating terms of trade. Internalists, on the other hand, lay the blame largely on the shoulders of the local systems of governance: excessive state intervention and associated corruption of institutions at all levels, from the police and judiciary to the highest branches of government.

The Externalists

In his book, *The Africans*, African scholar and historian Professor Ali Mazrui claimed that almost everything that has gone wrong in Africa is the fault of Western colonialism and imperialism,⁵ which: “harmed indigenous technological development”⁶ and caused the infrastructure (roads, railways, and utilities) to collapse.⁷ Even, “the political decay is partly a consequence of colonial institutions without cultural roots in Africa”⁸. Therefore, according to this externalist view, self-congratulatory western assertions of contributing to Africa's modernization are hollow: “The West has contributed far less to Africa than Africa has contributed to the industrial civilization of the West”.⁹ In Mazrui's version of events, decay in law enforcement and mismanagement of funds were all the fault of Western colonialism,¹⁰ which signal “the slow death of an alien civilization”¹¹ and Africa's rebellion “against westernization masquerading as modernity.”¹² Western institutions are doomed “to grind to a standstill in Africa” or decay.

Many African leaders rigidly adhered to this externalist position. In fact, since independence in the sixties, African leaders, with few exceptions, attributed almost every African malaise to the operation or conspiracy of external agents. President Mobutu even

⁵ Mazrui (1986)

⁶ Ibid, p. 164.

⁷ This Mazrui ascribes to the “shallowness of Western institutions,” “the lopsided nature of colonial acculturation” and “the moral contradictions of Western political tutelage” Ibid., p. 202.

⁸ Ibid., p. 199.

⁹ Ibid, p. 164.

¹⁰ “The pervasive atmosphere in much of the land is one of rust and dust, stagnation and decay, especially within those institutions which were originally bequeathed by the West.” Ibid., p, 210.

¹¹ Ibid., p. 206.

¹² Ibid., p. 210.

blamed corruption on European colonialism. Asked who introduced corruption into Zaire, he retorted: "European businessmen were the ones who said, 'I sell you this thing for \$1,000, but \$200 will be for your (Swiss bank) account.'"¹³

African leaders still point fingers at everyone else but themselves. Kenyan President Daniel arap Moi blamed the IMF and various international development agencies for "denying Kenya development funds, thus triggering mass poverty."¹⁴ As his country faced economic meltdown in 1999, Robert Mugabe refused to accept any blame: "It is, he says, the fault of greedy Western powers, the IMF, the Asian financial crisis and the drought."¹⁵ The Chairman of Ghana's ruling NDC, Issifu Ali, claimed that whatever economic crisis the nation is going through has been caused by external factors, claiming that since 1982 the NDC had adopted pragmatic policies for the progress of Ghana but that the adverse macro-economic situation in Ghana was caused by "global economic developments."¹⁶ Even Ghana's President, Jerry Rawlings, who executed corrupt former heads of state, also blamed the West for African corruption, saying it has "a responsibility to curb the menace so as to promote good governance on the continent."¹⁷

The Internalists

For decades this externalist position held sway in African government circles and intellectual discourse. Naturally, its disciples comprise mostly African leaders, scholars, and intellectual radicals. By the early 1980s, however, Africans were fed up with the colonialism/imperialism claptrap and the refusal of the leadership to take responsibility for their own failures. A new and angry generation of Africans emerged, who stressed the role of internal factors, including: misguided leadership, misgovernance, systemic corruption, capital flight, economic mismanagement, declining investment, collapsed infrastructure, decayed institutions, senseless civil wars, political tyranny, flagrant violations of human rights, and military vandalism, among others. Internalists maintain that, while external factors have played a role, the internal factors have been more important in determining the current state of Africa According to Nigerian novelist, Chinua Achebe:

"The trouble with Nigeria is simply and squarely a failure of leadership. There is nothing basically wrong with the Nigerian character. There is nothing wrong with the Nigerian land or climate or water or air or anything else. The Nigerian problem is the unwillingness or inability of its leaders to rise to the responsibility, to the challenge of personal example which are the hallmarks of true leadership. We have lost the twentieth century; are we bent on seeing that our children also lose the twenty-first? God forbid!"¹⁸

A scathing editorial in the *Ghana Drum* lamented:

¹³ *New African*, July, 1988, 25

¹⁴ *The Washington Times*, June 3, 1999; p.A12.

¹⁵ *Zimbabwe Independent*, April 27, 1999, p. 25

¹⁶ *The Independent*, Nov 18, 1999; p.3

¹⁷ *Panafrican News*, Sept 8, 2000

¹⁸ Achebe (1985), p. 3

"Many a time we have wondered if the so-called African leaders sometimes lack the capacity to think and understand the ramifications of their actions. After all the bloodshed in Rwanda you would think we have learnt a lesson but no! Idiocy of our power-hungry leaders seems to triumph over pragmatism and common sense. The rationale for the current fighting defies any logic. The world must be getting tired of us, given our self-inflicted tragedies galore. We seem to lack any sense of urgency to handle problems in an expedient manner devoid of bloodshed. Lord Have Mercy!"¹⁹

Said Akobeng Eric, a Ghanaian, in a letter to the *Free Press*: "A big obstacle to economic growth in Africa is the tendency to put all blame, failures and shortcomings on outside forces. Progress might have been achieved if we had always tried first to remove the mote in our own eyes."²⁰ Tony Yengeni, chief whip of the African National Congress (ANC) of South Africa, chipped in: "The turmoil in Africa today – famine, military coups and so on – is partly the result of African leaders who fought for independence but then enjoyed the fruits of their power and forgot about the people."²¹ Now, the people are angry at being betrayed.

In May 1995, thousands of Ghanaians, angry at deteriorating economic conditions in their country, marched through the streets of the capital city, Accra, to denounce the ruling regime of President Rawlings. In Zimbabwe, the people did not buy President Mugabe's claim that "Britain, greedy Western powers, the IMF, the Asian financial crisis and the drought" were responsible for the country's economic mess. They rejected his request for constitutional revisions to give him more draconian powers in a February 15, 2000 referendum, handing him his first political defeat in 20 years of virtually unchallenged rule. In the March 10, 2002 presidential election, his party, ZANU-PF, retained its grip on the country only through wide-scale electoral fraud, intimidation and violence.

The ranks of "internalists" now include U.N. Secretary-General, Kofi Annan. At the July 2000 Organisation of African Unity Summit in Lome, he told African leaders that they are to blame for most of the continent's problems.²² At an earlier press conference in London, he charged that, "Billions of dollars of public funds continue to be stashed away by some African leaders – even while roads are crumbling, health systems have failed, school children have neither books nor desks nor teachers and phones do not work."²³

¹⁹ *Ghana Drum* (1996)

²⁰ *Free Press*, 29 March - 11 April 1996, p. 2.

²¹ *The Washington Times*, May 6, 1999, A14

²² *Daily Graphic*, July 12, 2000; page 5

²³ *The African-American Observer*, April 25 – May 1, 2000; p.10.

The Vampire African State

Today, most Africans blame bad and corrupt leadership as the major cause of Africa's woes. The post-colonial leadership, with few exceptions, established defective political and economic systems in which enormous power was concentrated in the hands of the state and, ultimately, one individual. The political systems were one-man dictatorships and the economic systems of *dirigisme* -- heavy state participation or direction of economic activity. The rationale for the adoption of these systems are well-known: the need for national unity, ideological aversion to capitalism, and the need to protect the newly-independent African nation against foreign exploitation.

Over time, these systems metastasized into an ugly monstrosity, where government as it is generally known, ceased to exist. Today, "government," as an entity, is totally divorced from the people and is perceived by the ruling elite as a vehicle, not to serve, but to fleece the people. The African state has been reduced to a mafia-like bazaar, where anyone with an official designation can pillage at will. Thus, what exists in many African countries is a "vampire" or "pirate" state -- a government hijacked by a phalanx of gangsters, thugs and crooks who use the instruments of the state to enrich themselves, their cronies and tribesmen. All others are excluded.

To understand why a rich country is rich and a poor country poor, examine how the rich in both countries make their money. In the U.S., the richest person is Bill Gates, with a personal fortune of around \$70 billion (as of early 2002). He generated his wealth in the *private sector*, producing computer software, thus, having something to show for his wealth. By contrast in Africa, the richest persons are heads of state and ministers, who accumulated their wealth by raking it off the backs of their suffering peasants. Quite often, the chief bandit is the head of state himself. This form of presidential banditry merely redistributes wealth and does not result in any net creation of wealth. In fact it destroys wealth, by discouraging investments in entrepreneurial activity and encouraging investments in 'rent-seeking' -- where political entrepreneurs expend resources attempting to capture some of the President's *largesse*.

Consequently, a peculiar system of governance now pervades Africa, where the primordial instinct of the ruling elite is to loot the national treasury, perpetuate themselves in power and brutally suppress all dissent and opposition. Worse, the booty is not invested in Africa but in foreign banks. According to a United Nation's estimate, in 1991 alone, more than \$200 billion in capital was siphoned out of Africa by the ruling elite --that is equivalent to more than half of Africa's total foreign debt (which stood at \$320 billion in 1991).²⁴ In fact, every year, capital flight from Africa exceeds incoming foreign aid.

In Kenya, government officials have larger bank accounts than business people. Estimates in 1995 suggested that individual holdings in foreign banks were larger than the country's entire foreign debt of about \$6 billion in 1995.²⁵ Some have

²⁴ *The New York Times*, 4 February, 1996; page 4.

²⁵ *The Washington Times*, 3 August 1995, A18.

suggested that if politicians are serious about eradicating poverty, they should start by returning the money they have stolen.

To achieve their nefarious objectives of self-aggrandizement and self-perpetuation in power, the ruling elite take over and subvert every key institution of government: the civil service, judiciary, military, media, banking. They even control commissions with lofty ideals that are supposed to be non-partisan and neutral, including the press/media commission, human rights commission, and commission on civic education. As a result, state institutions and commissions become paralyzed, whilst laxity, ineptitude, indiscipline and unprofessionalism are able to flourish in the public sector.

African countries have police forces and judiciary systems but in many cases the police are themselves highway robbers and the judges crooks. According to *The Post Express*, late Nigerian dictator General Sani Abacha "is believed to have siphoned more than \$8 billion of Nigeria's foreign exchange into fictitious accounts in Europe, Asia, America, Caribbean and Arab countries."²⁶ When Olusegun Obasanjo was elected as Nigeria's President in 1999, he launched a highly public campaign against corruption and vowed to recover the loot stashed abroad by Abacha. By March 2000, Government officials declared that \$709 million and another £144 million had been recovered from the Abachas and other top officials from Abacha's regime. But this recovered loot was itself quickly re-looted. When the Senate Public Accounts Committee looked more closely, it found only \$6.8 million and £2.8 million in the Central Bank of Nigeria. Said Uti Akpan, a textiles trader in Lagos, "What baffles me is that even the money recovered from Abacha has been stolen. If you recover money from a thief and you go back and steal the money, it means you are worse than the thief."²⁷

Since politics constitutes the gateway to fabulous wealth in Africa, the competition for political power has always been ferocious. Political defeat could mean exile, jail or starvation. Those who win power take over key state institutions and proceed to plunder the treasury. Key positions in these institutions are handed over to the president's tribesmen, cronies and loyal supporters -- to serve their interests and not those of the people or the nation. Meritocracy, rule of law, property rights, transparency and administrative capacity vanish. Eventually, however, the vampire state implodes, sucking the country into a vortex of savage carnage and heinous destruction. This has been the fate so far of Liberia, Rwanda, Somalia, Sudan, and Zaire. The process varies but its onset follows two predictable patterns.

First, those exploited by the vampire state are forced to remove themselves from the formal economy, either by leaving altogether, or by turning to smuggling, the underground economy and the black market. This deprives the state of tax revenue and foreign exchange. Over time, the formal economy progressively shrinks and the state finds it increasingly difficult to raise revenue as taxes are massively evaded, leading the ruling vampire elite to resort to printing money in order to inflate the economy.

²⁶ *The Post Express*, July 10, 2000, p. 26.

²⁷ *The New York Times*, Aug 30, 2000; p. 10.

Second, those excluded from the spoils of political power eventually rise up in a rebel insurgency or secede (Biafra in 1967). And it takes only a small band of determined rag-tag malcontents to plunge the country into mayhem. Back in 1981, Yoweri Museveni, the current President of Uganda, started out with only 27 men in a guerrilla campaign against Milton Obote. Charles Taylor, now the President of Liberia, set out with 150 rebels; the late Mohamed Farah Aidid of Somalia began with 200 rebels; and Paul Kagame of Rwanda set out with less than 250. And no African government in the post-colonial era has been able to crush a rebel insurgency.

Thus, one word, power, explains why Africa is in the grip of a never-ending cycle of wanton chaos, horrific carnage, senseless civil wars and collapsing economies: The struggle for power, its monopolization by one individual or group, and the subsequent refusal to relinquish or share it. The adamant refusal of African despots and the ruling vampire elites to relinquish or share political power is what triggers an insurgency. In fact, the destruction of an African country, regardless of the professed ideology of its government, *always* begins with some dispute over the *electoral process*. Unwilling to relinquish or share political power, the ruling vampire elites block, sabotage or manipulate the electoral process to keep themselves in power. The blockage of the democratic process or the refusal to hold elections plunged Angola, Chad, Ethiopia, Mozambique, Somalia, and Sudan into civil war. The manipulation of the electoral process by hardliners destroyed Rwanda (1993), and Sierra Leone (1992). The subversion of the electoral process in Liberia (1985) eventually set off a civil war in 1989 and instigated civil strife in Cameroon (1991), Congo (1992), Togo (1992), Kenya (1992), and Ivory Coast (2000). Finally, the annulment of electoral results by the military started Algeria's civil war (1992) and plunged Nigeria into political turmoil (1993). As the latest instance of such shenanigans, witness the current crisis in Zimbabwe.

The Internalist Solution

Obviously, Africa's vampire state must be reformed. Power needs to be taken out of the hands of the elite and given to the people, where it belongs. This entails both political and economic reform: democratization, market liberalization, decentralization or diffusion of power, and the adoption of power-sharing arrangements. The politics of exclusion must be replaced by the politics of inclusion. The senseless civil wars in Africa must end. In addition, state institutions must be reformed so that transparency, accountability and professionalism prevail. These reforms, in turn, will help establish in Africa an environment conducive to investment and economic activity.

Investment -- both domestic and foreign -- is the way out of Africa's economic miasma; it is the key to economic growth and poverty reduction. But Africa's environment of chaos, famine, diseases, civil wars, coups, dictatorships, social disorder, corruption and collapsed infrastructure repels foreign investment.

Africa has remained so unattractive to foreign investors that, over the decades, official development assistance (or foreign aid) has replaced private capital as the primary

source of development funding. Net foreign direct investment in sub-Saharan Africa dropped dramatically from \$1.22 billion in 1982 to \$498 million in 1987. Even the French have become disillusioned: "French direct investment in sub-Saharan Africa ran at \$1 billion a year in 1981-1983; by 1988 that had translated into a net outflow of more than \$800 million."²⁸

The OECD noted that though private capital flows to developing countries over the period 1990-97 exceeded \$600 billion, the flow to all of sub-Saharan Africa barely amounted to \$10 billion. Even then, of that total, fully \$9 billion accrued to one country, South Africa – meaning that the other 49 countries and 560 million people of sub-Sahara attracted essentially no net new private capital during the greatest international investment boom ever witnessed.²⁹

To turn Africa around, the abominable political and economic systems established by its postcolonial leaders must be dismantled and replaced by systems based on a market economy and the politics of inclusion. These alternative systems are not new to Africa. In fact, pre-colonial Africa was characterized by free enterprise, free markets and free trade (Ayittey, 1991). Moreover, the traditional African system of governance is of participatory democracy, as evidenced by the fabled village meeting. The importance of returning to and building upon Africa's own institutions has been subsumed in the new mantra "African Renaissance." But in spite of the rhetoric, the commitment to reform is trenchantly lacking. The ruling elite are simply not interested in real reform because they are unwilling to give up power. They undertake only the minimal cosmetic reforms needed to keep World Bank loans and Western aid dollars flowing.

The Resistance to Reform

The resistance to reform in Africa has four key drivers: egomania and the cult of personality, political entrepreneurship, fear, and a combination of self-interest and intellectual opposition amongst the elite. Let's consider these in more detail:

First, egomaniacal African despots have built a cult of personality around themselves with an air of invincibility and infallibility. Their nation's fortunes and destiny are very much tied up with their personalities. Accepting reform of any kind is an admission of failure or fallibility. Even if they accept reform, they do so reluctantly, trying everything possible to sabotage it to prove that the plan advocated by Western donors would not work. Thus Moi predicted that if Kenya establishes multiparty democracy, it would degenerate into tribal rivalry and strife. Indeed, since 1991, when Moi bowed to external donors and instituted multiparty "democracy," more than 1,500 Kenyans have been killed – mostly Kikuyus but also Luos and Luhyas – and 300,000 have been displaced in ethnic clashes. Said Nairobi lawyer Gitobu Manyara, "We have a President who is determined to fulfil his prophesy that

²⁸ *The Economist*, 21 July 1990, 82.

²⁹ Eberstadt (2000), p.B4

the country is not cohesive enough for multiparty democracy. His desire is to prove that he is right, even if it means destroying Kenya as a country."³⁰

A similar self-fulfilling prophecy was evident in Ghana. Commenting on the democratic system in his country before members of the African parliamentarians of the Commonwealth Parliamentary Association, President Rawlings of Ghana said: "We tried it in our country, whether it is going to succeed or not is something I am not too sure of."³¹ Obviously, democracy cannot be expected to "succeed" when the president implementing it does not believe it will succeed.

Second, state controls allow African leaders to extract resources to build personal fortunes and to dispense patronage to their political supporters. Occupying the presidency is a lucrative business. Abacha, Eyadema, Mobutu, Moi, and the other kleptocrats amassed legendary personal fortunes. "Abacha, the late head of state of Nigeria, increasingly monopolized the oil trade himself," said John Bearman, a London-based oil industry analyst. "There's no deal that does not go through the presidential villa" (*The Washington Post*, 9 June 1998, A19). Their business empires would collapse if economic reform stripped them of state controls. Further, economic liberalization may also undermine their ability to maintain their political support base.

Likewise, the sycophants and supporters who benefit from the President's largesse are reluctant to give up their politically-derived wealth. Typically, these people are drawn from the leaders' own tribes, lending a dangerous ethnicity element to the reform issue, creating inter-tribal rivalry: one tribe, fearing that it may lose its dominant position in government, opposes multiparty democracy, while the other excluded tribes resort to violence to dislodge the ruling tribe from power. Thus, in Rwanda, "Habyarimana's embrace of reform was conspicuously half-hearted, a capitulation to foreign coercion. It was universally understood that the northwesterners, who depended on his power and on whom his power increasingly depended, would not readily surrender their percentage. While Habyarimana spoke publicly of a political opening, the *akazu* (the inner mafia-like core) tightened its grip on the machinery of the state."³²

³⁰ *The Atlantic Monthly*, February 1996, 32

³¹ *The Independent*, Nov 16, 1999; p.1

³² Gourevitch (1998), p. 82.

Other supporters are simply bought: soldiers, with fat paychecks and perks; urban workers with cheap rice and sardines; students with free tuition and hefty allowances; and intellectuals, opposition leaders, and lawyers, with big government posts and Mercedes Benzes. In Nigeria, "Defense and police budgets enjoy the largest slice of the national cake (and even so the figures are understated, since the military imports are paid for with dollars bought cheaply at the government exchange rates)" (*The Economist*, 25 January 1997, 41). Thus, even when the head of state does contemplate stepping down, his supporters and lackeys fiercely resist any cutbacks in government largesse or any attempt to open up the political system.

Thirdly, many of Africa's heads of state have their hands so steeped in blood and their pockets so full of booty that they are afraid that all their past gory misdeeds will be exposed if they stepped down. So they cling to power at all cost, regardless of the consequences.

Finally, high government officials, intellectuals, lecturers, teachers, editors, and civil servants oppose reform for both intellectual and self-interested reasons. "There have been numerous strikes against proposed sell off of state enterprises as unions fear loss of jobs or reduced benefits. Student activists, academics and others have condemned both the theory and practice of privatization."³³ This class benefits immensely from government subsidies and controls. They may have access to free government housing and medical care and government loans for the purchase of cars, refrigerators and even their own funerals. They too would resist any cutbacks of such government largesse. In Guinea, "Progress [on reform] was slow because civil servants and others with a stake in the past sought to preserve it. Dissatisfaction produced a series of coups, the latest in February 1996, when a group of soldiers dissatisfied about going without pay joined forces with others in the military who sought General Conte's ouster."³⁴

³³ *UN Recovery*, April 2000; p.8

³⁴ *The Washington Times*, October 17, 1996, A19.

In Zambia, resistance to reform is coming from within President Chiluba's own circle. Some clamor for the continued influence of state spending and patronage. For example, said Mundia Sikatana, a Chiluba adviser and a founder of the Movement for Multiparty Democracy, the government continues to provide vehicles and fuel to hundreds of civil servants. The government, he said, "cannot abandon the old habits. The structural adjustment program is not doing enough."³⁵

Other members of the elite class may oppose economic liberalization on purely ideological grounds. Africa's intellectual community harbor deep-seated aversion to capitalism or free markets. This attitude is a throwback from colonial days, when capitalism and colonialism were confused. African nationalist leaders reasoned that colonialism was evil and exploitative and since the colonialists were "capitalists," therefore, capitalism too is evil and exploitative. The involvement of the World Bank, generally castigated by African intellectuals as an "neocolonial institution" accentuates this bias against capitalism.

To skirt elite opposition, African governments opted for politically safe budget cuts: education, health care and road maintenance. Sub-Saharan African governments cut spending on education by more than 50 percent in the 1980s. Guinea, Malawi, Tanzania, Zambia, and Senegal slashed education budgets by 18 to 25 percent during the late 1980s. Real per capita spending on health during the rest of the 1980s dropped below the 1980 level in over half of sub-Saharan African countries. Critics say those countries opted for politically safe budget cuts rather than slicing into their militaries or other bureaucracies. "They cut places like education because they knew the people wouldn't howl about that," said G. K. Ikiara, an economics professor at the University of Nairobi.³⁶ In Zimbabwe, for example, President Robert Mugabe slashed spending on health care and education, while spending \$3 million a day on the 11,000 troops he had sent to the Congo.³⁷

There is some chicanery involved here. African governments constantly lament that Structural Adjustment Programmes (SAPs) hurt the poor. Of course, SAPs will do so when these governments exempt the elites and shift the burden of adjustment disproportionately onto the rural poor, especially women and children. Worse, the cuts on social services and infrastructure undermined economic reform efforts. Roads, schools, and telecommunications systems fell apart. Rates of infant and child mortality, child malnutrition, primary school dropout rates, illiteracy and non-immunization have all increased. The number of teachers declined as salaries failed to keep pace with inflation. Between 1999 and 2000, Zimbabwe experienced a mass exodus of doctors to neighboring Botswana and South Africa.³⁸ Communicable diseases such as yellow fever, malaria, and cholera reappeared with vengeance.

³⁵ *The Washington Post*, 12 September 1995, A12

³⁶ *The Washington Post*, 23 July 1995, A23

³⁷ *The Washington Post*, May 5, 2000; p. A23.

³⁸ "Departing staff threaten Zimbabwe's health sector," see <http://www.suntimes.co.za/2000/12/17/politics/pol04.htm>, downloaded 5 June 2002.

To compound the problem, the "politically safe" budget cuts were often not enough to reduce budget deficits. With revenue collection systems in shambles, cash-strapped African governments resorted to printing money, which fueled inflation and provoked demands for wage increases. Between 1986 and 1991, Ghana's money supply increased at an astonishing average rate of 43 percent. That created more problems, as civil servants, teachers, doctors and other government employees, unable to cope with rising cost of living had to "invent" ways of earning a living.

In sum, most African leaders are simply not interested in reform. Under pressure from external agencies, they implement only the barest minimum cosmetic reforms that would ensure continued flow of Western aid. Africans deride the posturing, tricks and acrobatics as "Babangida Boogie": One step forward, three steps back, a sidekick, and a flip to land on a fat Swiss bank account. All much ado about nothing: "One day Nigeria's Finance Minister, Anthony Ani, talks of mass privatization. The next day privatization is merely an option to be considered by some government committee. Lagos businessmen are appalled. 'Just as we were beginning to move forward, this will set us back years,' says a merchant banker."³⁹

Western Culpability – The Failure of Foreign Aid

In destroying their economies, African tyrants received much help from the West – not so much out of willful intent or malice but out of sheer naivete. In the postcolonial period, various Western governments, development agencies, and multi-lateral financial institutions have provided generous assistance to support Africa's development efforts. According to the OECD, "the net disbursement of official development assistance (ODA), adjusted for inflation between 1960 and 1997 amounted to roughly \$400 billion. In absolute magnitude, this would be equivalent to almost six Marshall Aid Plans."⁴⁰ According to Jennifer Whitaker:

"Even in 1965 almost 20 percent of the Western countries' development assistance went to Africa. In the 1980s, Africans, who are about 12 percent of the developing world's population, were receiving about 22 percent of the total, and the share per person was higher than anywhere else in the Third World – amounting to about \$20, versus about \$7 for Latin America and \$5 for Asia."⁴¹

Yet, sadly, the conclusions of a 1989 World Bank report remain true today, 13 years later: "Overall, Africans are almost as poor today as they were 30 years ago (at independence)."⁴² The general consensus among African development analysts is that foreign aid programs and multilateral lending to Africa have failed to spur economic growth, arrest Africa's economic atrophy, or promote democracy. The continent is littered with a multitude of black elephants (basilicas, grandiose monuments, grand

³⁹ *The Economist*, 25 January 1997, p. 41

⁴⁰ Eberstadt (2000), p.B4

⁴¹ Whitaker (1988), p. 68

⁴² World Bank (1989), p.1

conference halls, and show airports) amid institutional decay, crumbling infrastructure and environmental degradation.

The UN agrees: in 1999 it declared that "70 countries – all aid recipients -- are now poorer than they were in 1980. An incredible 43 were worse off than in 1970. Chaos, slaughter, poverty and ruin stalked Third World states, irrespective of how much foreign assistance they received."⁴³

The African countries that received the most aid -- Liberia, Zaire and Somalia -- have slid into virtual anarchy.⁴⁴ Another large Western aid recipient, Kenya, teeters on the brink of an economic collapse, whilst its government "inflicts unspeakable abuses of human rights on its own citizens while aid pays the bills."⁴⁵

In a 1995 letter to Secretary of State, Warren Christopher, the U.S. House of Representative's International Relations Committee chairman, Republican Benjamin Gilman -- a Republican -- and Lee H. Hamilton, a ranking Democratic member, wrote:

"Zaire under Mobutu represents perhaps the most egregious example of the misuse of U.S. assistance resources. The U.S. has given Mobutu nearly \$1.5 billion in various forms of aid since Mobutu came to power in 1965. Mobutu claims that during the Cold War he and his fellow African autocrats were concerned with fighting Soviet influence and were unable to concentrate on creating viable economic and political systems. The reality is that during this time Mr. Mobutu was becoming one of the world's wealthiest individuals while the people of Zaire, a once-wealthy country, were pauperized."⁴⁶

Somalia is probably the most execrable example of Western patronage gone berserk. Huge amounts of economic and disaster relief aid was dumped into Somalia, transforming the country into a graveyard of aid. But it was the massive inflow of food aid in the early 1980s that did much to shred the fabric of Somali society. Droughts and famines are not new to Africa, and most traditional societies developed indigenous methods of coping. The flood of cheap food aid destroyed these methods and Somalia became more and more dependent on food imports. "The share of food import in the total volume of food consumption rose from less than 33 percent on average for the 1970-79 period to over 63 percent during the 1980-84 period, which coincides with Western involvement in the Somalia economy and food-aid programs."⁴⁷

Nor has adjustment lending by multilateral institutions been successful in Africa. According to UNCTAD, "Despite many years of policy reform, barely any country in the

⁴³ *The Washington Post*, Nov 25, 1999; p.A31.

⁴⁴ Between 1980 and 1985, the United States alone gave Liberia's late President Samuel Doe more than \$375 million in aid, most of which was squandered and looted, forcing Liberia to go into receivership on 2 May, 1986.

⁴⁵ Maren (1997) p.11.

⁴⁶ *The Washington Times*, 6 July, 1995, A18

⁴⁷ Maren (1997), p. 171

region has successfully completed its adjustment program with a return to sustained growth. Indeed, the path from adjustment to improved performance is, at best, a rough one and, at worst, disappointing dead-end. Of the 15 countries identified as 'core adjusters' by the World Bank in 1993, only three (Lesotho, Nigeria and Uganda) are now classified by the IMF as 'strong performers.'⁴⁸ The World Bank itself evaluated the performance of 29 African countries, all of whom had received more than \$20 billion of funding to sponsor SAPs over the period 1981-1991. Its Report, *Adjustment Lending in Sub-Saharan Africa*, released in March 1994, concluded that only six African countries had performed well: The Gambia, Burkina Faso, Ghana, Nigeria, Tanzania, and Zimbabwe. Six out of 29 gives a failure rate in excess of 80 percent.⁴⁹ More distressing, the World Bank concluded, "no African country has achieved a sound macro-economic policy stance." Since then, the World Bank's list of "success stories" has shrunk. The Gambia, Nigeria and Zimbabwe were struck off the list on account of political turmoil. Even on Ghana, the World Bank's own Operations Evaluation Department noted in its December 1995 Report that, "although Ghana has been projected as a success story, prospects for satisfactory growth rates and poverty reduction are uncertain."⁵⁰

In 1998, the West began touting Guinea, Lesotho, Eritrea and Uganda as the new "success stories" -- but not for long. The conflict in eastern Guinea, the senseless Ethiopian-Eritrean war, the eruption of civil strife following an army take-over in Lesotho in 1998, and the eruption of civil wars in western and northern Uganda have eclipsed their stardom.

"The West's record of aid for Africa in the past decade [1980s] can only be characterised as one of failure" declared Sir William Ryrie, executive vice-president of the International Finance Corporation, a World Bank subsidiary.⁵¹ In a more general indictment, Nicholas Eberstadt wrote: "Western aid today may be compromising economic progress in Africa and retarding its development of human capital . . . Western aid directly underwrites current policies and practices; indeed, it may actually make possible some of the more injurious policies, which would be impossible to finance without external help."⁵²

Many Africans would agree. David Karanja, a former Kenya MP for example, was blunt: "In fact, foreign aid has done more harm to Africa than we care to admit. It has led to a situation where Africa has failed to set its own pace and direction of development free of external interference."⁵³

⁴⁸ UNCTAD (1998), p. xii.

⁴⁹ World Bank (1993).

⁵⁰ "Ghana: is Growth Sustainable", Precis Number 99. Operations Evaluation Department of World Bank, 1 December 1995. Available at <http://wbln0018.worldbank.org/oed/oeddoclib.nsf/d6e15766d406a12d85256808006a000c/7a2194020508073a852567f5005d8a39?OpenDocument>, downloaded 5 June 2002.

⁵¹ *Financial Times*, June 7, 1990, p. 5

⁵² Eberstadt (1988), p. 100.

⁵³ *New African*, June 1992, p.20

The reasons why Western aid programs failed in Africa are many and familiar: Most aid programs were crafted in Western capitals with little input from the people they were intended to benefit; aid was used to support grandiose, prestige projects with little economic value; and aid funds were sometimes looted, among other reasons.

Western donors often exercised little prudence in backing wrong-headed projects. For example, Tanzania's ill-conceived *Ujamaa* socialist experiment received much Western support. *The New York Times* reported that, "at first, many Western aid donors, particularly in Scandinavia, gave enthusiastic backing to this socialist experiment, pouring an estimated \$10 billion into Tanzania over 20 years. Yet, today as Mr. Nyerere leaves the stage, the country's largely agricultural economy is in ruins, with its 26 million people eking out their living on a per capita income of slightly more than \$200 a year, one of the lowest in the world."⁵⁴

The 1990 *World Development Report* by the World Bank noted that Tanzania's economy contracted an average of 0.5 percent a year between 1965 and 1988. Meanwhile, average personal consumption declined by a dramatic 43 percent between 1973 and 1988. *The Economist* observed that for all the aid poured into the country, Tanzania only had "pot-holed roads, decaying buildings, cracked pavements, demoralised clinics and universities, and a 1988 income per capita of \$160 [lower than at independence in 1961]" to show for it.⁵⁵

Second, Western donors often fail to make the fundamental distinction between "African leaders or governments" and the "African people," believing rather naively that they can help the African people by working with or forming "partnerships" with African leaders and governments. Thus, Western approach to African problems has been "leader-centered." President Clinton epitomized this Western approach.

During his historic visit to Africa in March 1998, President Clinton hailed Presidents Laurent Kabila of Congo, Yoweri Museveni of Uganda, Paul Kagame of Rwanda, Meles Zenawi of Ethiopia and Isaiiah Afwerki of Eritrea as the "new leaders of Africa" and spoke fondly of the "new African renaissance sweeping the continent" - Africans taking charge of their own backyard. But barely two months after President Clinton's return to the U.S., Ethiopia and Eritrea were at war and the rest of the "new leaders" were pounding each other in the Congo conflict. As if the embarrassment of seeing its friends at war was not enough, the administration's other African "partners in development" have turned out to be crocodile reformers and crackpot democrats.

The mistake the West often makes is investing its faith in some "Abraham Lincoln," who will transform his African society. Of course it would be desirable to have a democratic African country, based on the free market system. But these are the outcomes of often long and arduous processes. By focusing almost exclusively on the outcomes, Western leaders set

⁵⁴ *The New York Times*, Oct 24, 1990, p. A8

⁵⁵ *The Economist*, June 2, 1990, p. 48

themselves up to be duped by hucksters, **who** preach democracy and free enterprise, not out of conviction but because that is the key that unlocks the floodgates of Western aid.

President Daniel arap Moi of Kenya is well adept at this game. His version of the "Babangida Boogie" was succinctly described by *The Economist*: "Over the past few years, Kenya has performed a curious mating ritual with its aid donors. The steps are: One, Kenya wins its yearly pledges of foreign aid. Two, the government begins to misbehave, backtracking on economic reform and behaving in an authoritarian manner. Three, a new meeting of donor countries looms with exasperated foreign governments preparing their sharp rebukes. Four, Kenya pulls a placatory rabbit out of the hat. Five, the donors are mollified and aid is pledged. The whole dance then starts again."⁵⁶ Four years later it wrote: "Kenya's government knows precisely when it can resist donors' demands, when to use charm, when to cry 'neo-colonialism' and when to make promises of reform promises it will break when the new loans are obtained and the donors' backs are turned."⁵⁷

The problem is the "enabling role" played by the West. Accordingly, the democratization process in Africa has been stalled by political chicanery, strong-arm tactics and suffocating acrobatics. In 1990, only 4 of the 54 African countries were democratic. This tiny number grew to 14 in 1995 and remained stuck there: Botswana, Benin, Cape Verde Islands, Central African Republic, Madagascar, Malawi, Mali, Mauritius, Namibia, Sao Tome & Principe, Senegal, Seychelles, South Africa and Zambia. Since then, there have been some reversals in Congo (Brazzaville) and Sierra Leone, which saw their democratic experiment brutally terminated in 1997. Thus, political tyranny is still the order of the day.

Incumbent autocrats appoint their own Electoral Commissioners, empanel a fawning coterie of sycophants to write the constitution, massively pad the voter's register and hold fraudulent elections to return themselves to power. For example, President Gnassingbe Eyadema of Togo, who has ruled for more than 32 years, stood for re-election on June 21, 1998. His Kabye tribesmen who pack the army, the police and the bureaucracy, fudged the electoral rolls, intimidated and denied opposition politicians access to the state-run media. Still, when it appeared that Eyadema was losing, paramilitary police halted the vote count, and burned the ballot boxes, as well as the offices of Togo's main opposition leader, Gilchrist Olympio. President Eyadema was then declared the winner.

The West protested; the European Union suspended aid. A few months later, normal relations were restored and EU aid resumed. Exactly the same Western response was evident regarding Kenya in 1991, Ghana in 1992, Nigeria in 1993 and Niger in 1997. The Western leader-centered approach to Africa's problems must be replaced with a new one that places more emphasis on institution-building or processes. Leaders come and go but institutions endure. Four are critical: 1. An independent central bank, vital for monetary and economic stability, as well as stanch capital flight. Evidence from Russia, Nigeria and many other African countries show that massive amounts of capital could not have been transferred abroad without the connivance of central bank officials. 2. An independent judiciary, crucial for the establishment of rule of law, protection of property and an end to rapacious plunder with

⁵⁶ *The Economist*, 19 August 1995, p. 37)

⁵⁷ *The Economist*, Oct 9, 1999; p.52.

impunity. 3. An independent and free media, to facilitate the free flow of information, to expose criminal wrong-doing before too late, to disseminate ideas and promote home-grown solutions to the country's problems. 4. A neutral and professional armed or security forces, to protect life and property and ensure law and order. These institutions are established by civil society, not leaders. Since these institutions would effectively limit their own power or the arbitrariness with which it is exercised, an implicit conflict of interest is involved if African leaders are asked to establish them.

Conclusion

The causes of Africa's crises or poverty have little to do with artificial colonial borders, American imperialism, racism nor the alleged inferiority of the African people. They have more to do with bad leadership and the enabling role played by the West.

The centralization of both economic and political power and the absence of mechanisms for peaceful transfer of power leads to a struggle over political power, which degenerates into civil strife or war. Chaos and carnage ensue. Infrastructure is destroyed. Food production and delivery are disrupted. Thousands are dislocated and flee, becoming internal refugees and placing severe strains on social systems of the resident population. Food supplies run out. Starvation looms.

The Western media bombards the international community of horrific pictures of rail-thin famine victims. Unable to bear the horror, the conscience of the international community is stirred to mount eleventh-hour humanitarian rescue missions. Foreign relief workers parachute into the disaster zone, dispensing high protein biscuits, blankets and portable toilets at hastily-erected refugee camps. Refugees are rehabilitated, repatriated and even airlifted. At the least sign of complication or trouble, the mission bogs down and is abandoned (Somalia, 1995). That is, until another vampire African state implodes and the same macabre ritual is repeated year after year. It seems nothing - absolutely nothing -- has been learned by all sides from the melt-downs of Somalia, Liberia or Rwanda.

The real tragedy of Africa is that most of its leaders don't use their heads. Even more tragic is the fact that the Western donors who, gushing with noble humanitarianism, set out to help the African people, don't theirs either. As long as the politics of exclusion is practiced in Africa, more states will collapse and the West would be obliged to go the rescue.

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