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REVIEW AND CRITIQUE OF CURRENT DEVELOPEMENT STRATEGIES

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I. Introduction

What, indeed, are the current development strategies? What are the aims and objectives of the strategies? Who are the strategies likely to benefit, or adversely affect, in their implementation? What types of socio-economic and political relations and policies do the strategies assume if they are to succeed -- at the local, national and international (global levels)?

These are some of the key questions we need to pose in reviewing and criticizing *Current Development Strategies.*

At the village level, and in the popular estates in African urban centres, the development strategy of the African people has hardly changed: people want to work in order to live. They need land to till, seeds to plant, markets in which to sell their goods, commodities to buy in order to survive, work to do in industries and a safe environment in which to live. How they can do this in the midst of an economic crisis beyond their comprehension is the issue. Hence, they quite often adopt short term survival strategies which simply ensure that to-day's needs are met in whatever way possible. Longer term strategies would need to give insurance for survival to-morrow and the day after to-morrow.

At the national level where governments are expected to come up with plans for development, "development planning" (i.e. strategic choice making about the future) seems to be an "abandoned matière" in most African bureaucracies. Abandoned because of the breakdown in these bureaucracies where they once used to work. Qualified individuals have left for greener pastures elsewhere. Those who are left behind are either not that well qualified, or are too demoralized to perform any professional work. That notwithstanding, the matière was difficult to practice even in the best of circumstances.

First, because it perhaps never produced results in the first place. But second -- and much more important -- it was confused by too many experts, internal and external, who came up in to the picture to experiment with this or that model of development for Africa. Third, and here is the rub, the know-all authoritarian presidents could never let anybody, expert or novice, plan let alone think. Pronouncements were made at weddings establishing national universities, entrepreneurs were declared as persona non grata as a result of "revolutionary dreams" and economic forces were commanded to obey the whims of *le guide supreme* against all odds. With civil wars, refugees and displaced persons all over, state-engineered terrorism and protracted constitutional crises, talking about peace and security is pehaps more urgent than economic planning. 1 The most important development strategy in Africa today is the *creation of peace and security*. But do all actors in the game of development realise this? And if they do, do they have a clear perception of what needs to be done?

The notion that planning is an exclusively technocratic affair is only valid in so far as we view it as something done in bureaucracies and not discussed by those engaged in productive activities. The former perspective has tended to highlight the role of the state; the latter brings in actors in society in the process. Both are necessary if the allocation of public resources has to tally with public needs.

The state-centred notion of planning in post-independence Africa assumed that the state "knew" what the people wanted. In liberal economics, it could be said that the state could command market forces. Thus state corporations were created for almost every "known" economic activity relevant to so called development. Individuals put in charge of these bureaucracies called state corporations to plan for, and execute, development projects ended up using the power given to them by the state to plan (make strategic choices) for their own livelihood and not that of society (i.e development) which they were assumed to do. The extent to which African societies have been defrauded by their own states through these models of development is enormous. It thus led the donor community, supporters and even promoters of this model in the sixties and seventies, to begin to abandon it at the beginning of the 1980s.

Preference is now given to "popular participation in development." In essence, this means the democratization of society and doing away with monolithic models of development. It does not, however, mean getting rid of the state altogether from the planning process. The law-making and law-enforcement role of the state remains, but more as a provider of the enabling environment for productive activities rather than the planner and centre of production itself. That the state will continue to be the monopolizer of authoritative force in society will mean that struggles over who occupies state power will continue. But this power must be restrained, by establishing counter-vailing centres of power in society, one such centre lies in the power of individuals to plan for and *make choices about* their economic interests.

At the international level we have never lived in an epoch where so many criss-crossing concerns emerge just at the time when people assume international relations are becoming simpler. With the fall of the Berlin Wall and the disappearance of the Cold War, one would have expected greater co-operation in global affairs, a faster move towards global solution to global problems, a global agenda on *global* affairs. This unfortunately, does not seem to be the trend. There is increasing regionalism of international affairs.

Europe is much more concerned about European affairs and European survival; Japan is turning her attention to Asia and the US is preoccupied with the Americas in so far as her national interest in that region is concerned. The West, taken together, see the future of the world in terms of what happens to democracy and free markets in the West. Diseases like AIDS complicate matters for the West because they bring in the rest of the world in an otherwise neat equation. What strategy of development can we develop in the midst of this West-centric world as the reality we have to live with? We are not, in this regard, lamenting. But we are recognizing a *trend* in world politics which, in spite of the UN intervention in Somalia, makes one wonder how much nearer we are moving towards a global planning for global development in the 21st century. It looks as if what happens in Africa in terms of economic and social development now appears to be more of a concern of the IMF and World Bank than of the governments who *own* and *control* these institutions.

Strategies are developed by governments and not banks. That is why those who look for development strategies from the World Bank and the IMF are looking at the wrong places. Banks do indeed become major actors in implementing strategies already designed; they may even influence the extent of their success or failure -- but they do design them. They may, indeed *advise* on what strategies would be suitable in the implementation of certain *monetary* and *fiscal policies* that they do design. We are here making a very careful distinction between strategies and policies. A *strategy* answers to the question: *how* are we going to do A,B,C,D? A *policy* essentially addresses itself to the question: *What* are we going to do and why are we doing it? In planning, one can have a very good policy without necessarily having a good strategy for its implementation. This, perhaps, may be the reason why structural Adjustment Programmes have run into such problems in being implemented in Africa. Banks may design good policies for renewed economic growth in Africa. There may, however, be very few governments prepared to accept the *correct strategies* for their implementation.

II. Current Development Strategies

In the nineteen sixties and seventies, the global strategy of the Western World was to make the world uncomfortable for communism. In Africa, this meant fostering capitalist underdevelopment by incorporating African economies and politics within the western spheres of influence. Except in very few places -- thanks to the backwardness of Portuguese colonisation -- the strategy worked for most of Africa. Communism was kept at bay, authoritarian regimes were fostered in Africa, and economic growth took place exploiting the *natural resources*, energies of African workers, and some foreign investments from the

West. Import-substitution industrialization was the in thing; expanding export agriculture and intensifying small holding commodity production was in vogue. In the mineral -rich countries: Zaire, Angola, Botswana, Libya, Zambia Gabon etc. -substantial extraction of natural resources was carried out with very little restructuring of the domestic economy in terms of reinvestment and increase in the productivity of labour.

With the oil crisis in 1973, the fall in prices of Africa's export commodities in the world market and -- inevitably -- growing adverse terms of trade, the African state arrived in the eighties a poorer, more indebted and increasingly discredited internally as well as externally. Internally, the people of Africa were fed up with an extractive, corrupt, profligate, cruel expensive and bloated state -- whether military or civilian. Externally, the donors found the state an unreliable partner: it could not honor its obligations, i.e. debt repayment. A multi-lateral institution was found handy: the World Bank. It came up with the necessary medicine: Structural Adjustment Programmes.

Structural adjustment is the process of undertaking sustained *policy reform* aimed at redirecting an economy in decline towards renewed growth. For this to happen, the growth model must incorporate the following:

- Promoting export-led economic growth through such measures as liberalization of the exchange rate policies and the financing of exports, reduction of administrative procedures and red tape and establishing various monetary incentives for exporters.

- Liberalization of imports and drastic dismantling of protection for domestic industries through such measures as abolishing quantitative restrictions for imports and encouraging competition through market, and not state operated, forces.

- Tight fiscal policies eliminating state subsidies to education, health and transport and encouraging user charges, cost sharing and greater taxation of consumers.

- Rationalization of public investment more towards infrastructure than productive enterprises, hence greater privatization and divestiture.

- Liberalization of the domestic market by removing price controls and state involvement in marketing of both agricultural and manufactured commodities.

These are what have been known as "IMF/World Bank conditionalities. In addition, a political conditionality has been added to the list, i.e. accountability and good governance. It is now assumed that a country cannot successfully fulfil the economic conditionalities if it does not, at the same time, respect the political conditionalities. WE are, however, faced with a major problem. The problems can best be put in the form of a question: which one of the countries that have tried to implement SAPs has succeeded in doing so? Are they those in which the process of democratization has progressed well or can we say there is no correlation between the two? Whatever the case, emerging evidence seems to suggest that SAPs have largely failed in Africa, and for various reasons going from one case to the other. This does not, however, mean that the pressure for good governance and accountability is futile; this can continue and succeed very much independently of the fate and destiny of SAPs. Nor does it mean that SAPs, as IMF/World Bank growth models for economies in decline, are wrong. What may be the case and this is more likely to be true, is that the *strategies* for implementing the SAPs have been faulty.

Let us take the issue of *liberalization*. There is nothing basically wrong with a policy that says that the textiles market of Senegal should be liberalized so as to make it more efficient. But when cheap second hand clothes are imported from Europe and Asia to compete with manufactured textiles in Senegal, the latter is likely to collapse instantly, sending thousands of people with the army of the unemployed. When this happens at a time when the EEC will not allow Senegalese sugar to enter the European market (protectionism in Europe), then the one-sided liberalization will be detrimental to Senegal, and it does not become *strategically* wise for Senegal to implement it fully at the present conjuncture in the world trade regime.

We also note that authoritarian regimes (as in Chile under Pinochet) have been reasonably successful in implementing SAPs than democratic ones. But such regimes were much less corrupt than their counterparts in Africa, but no less ruthless in the cost in terms of human lives to ensure their success. The political strategy of implementing SAPs in a democratic context needs to be carefully thought about, and no easy answers can be come by.

In the *Lagos Plan of Action*, the African governments had envisaged a development strategy from the 1980s and beyond which would essentially be based on mobilizing domestic and international resources for a self-centered process of development in Africa. The problem was that this "self-centredness" was poorly conceived; it was vaguely defined. A shopping list of projects were recommended for various sectors of the economy, at various levels of political configuration. The role of the state in all this, of social movements, social forces, alliances, coalitions -- i.e, the real actors in history and social transformation -- was conspicuous by its absence in the discourse. No wonder the LPA is now deader than the Dead Sea Scrolls. The search for an alternative persisted.

The African Alternative

The African Framework to Structural Adjustment Programmes for Socio-Economic Recovery and Transformation (AAF-SAP) provided a perspective on Sub-Saharan Africa's adjustment programme formulated and endorsed by African political leadership under the intellectual guidance of the Economic Commission for Africa in 1989. In essence, it provided a development strategy that saw the balance of payments crisis as but one symptom of a greater economic malaise. It emphasized the international economic reasons for Africa's external imbalances (collapsing primary commodity prices, reduced net flows of resources, poorly negotiated foreign loans, donor-driven aid projects, etc.) and the weak and disarticulated structures of Africa's economies. It therefore focused its alternative framework towards policies and strategies of macro-economic *transformation and structural reforms* that would improve the *productive capacity* of African economies.

According to van der Geest (1993), the proposed policy instruments and measures under AAF-SAP focusing on productive capacity include: land reform, enhancing the role of women , devoting more public investment to agriculture, focusing inputs on vital inputs, increase linkages between agriculture and industry , private allocation of credit to the food sub-sector and the manufacture of essential goods. Further, the strategy would embrace the following: adopting investment codes tailored to small scale industries, selectively reducing interest rates for productive activities, strengthening rural financial institutions, setting up an effective national maintaince system for infrastructure, and using multiple exchange rate to ensure the availability of essential inputs.

Very sound proposals indeed, providing the basic assumption underlying their implementation holds and that entails state intervention in the economy, as both producer and fiscal regulator of market forces. To do this the state needs money it does not have; and if it has it, it is systematically wasted by parastals which are habitually unaccountable and congenitally resistant to liberalization initiatives. The donors having burnt their fingers in state-driven large scale development enterprises in the sixties, and having at times been actively involved in creating space for corruption, are now twice shy about supporting development through public enterprises. In any case, a quick look at the national development programmes and budget speeches of African finance ministers will reveal scant attention paid to AAF-SAP. The challenge is, in actual fact, with the ECA. What follow-up has there been on implementing AAF-SAP after the annual meetings of finance and planning ministers? Since SAPs do not enjoy warm support from the managers of African economies, can

AAF-SAP step into the shoes of SAPs to provide a workable development strategy for Africa? We do not seem to have any positive experience to go by. What, then, is the alternative strategy? Can both the ECA and OAU offer any solution?

There is, of course, a major political problem to be confronted when we encounter such bodies as the ECA and OAU in Africa's development equation. This is the problem of regionalism and regional institutions in Africa's development agenda which we ourselves have dealt with at length (1990;1992). It is not just a question of political will -- this is a vague and confusion term; it is much more a question of designing processes that will politically energize regional institutions such as the PTA, OAU, ECA and ADB. Somehow, they must be accountable to constituencies in Africa which are result-oriented not content with ceremonies and mere form. African professionals, business communities, political parties, unions, parliaments and associations need to demand -- and get -- something from regionalism and regional institutions.

That, of course, brings us back to where we started: the political agenda, i.e. democratization. On this hinge many issues of development in Africa; issues which previously may have been viewed in purely technocratic terms. Their political import no doubt go beyond the parameters of conference halls to the arenas of political struggles where many rightfully belong.

And that is where we must, in the final analysis, pose them.

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