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BANKING ON POVERTY AND CRISIS: THE IMPACT OF WORLD BANK AND IMF POLICIES ON SUB-SAHARAN AFRICA*

By

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> IMF prescriptions are designed by and for developed capitalist economies and are inappropriate for developing economies of any kind; the severe suffering imposed on a developing society through IMF conditionality is endured without any real prospect of a favourable economic outcome and without an adequate foundation of social-welfare provisions to mitigate the hardships experienced by the people. "Michael Manley".[1]

> When did the IMF become an international Ministry of Finance? When did nations agree to surrender to it their power of decision making?... The problems of my country and other Third World countries are grave enough without the political interference of IMF officials. If they cannot help at the very least they should stop meddling. "Julius K Nyerere"[2]

> ...the World Bank was not created with the problems of the Third World in mind and has always been dominated by the Western powers. "R. Cranford Pratt"[3]

African nations are, today, practically under the hagemonic control of the World Bank, the International Monetary Fund (IMF), donors, and other international financial institutions. In most African countries, national budgets and development plans are made known to and discussed with officials of the World Bank and the IMF before they are made known to nationals. Educational policies, social programs, foreign trade and all international economic transactions are determined, conditioned and in many instances, dictated by officials of the Fund and Bank. As well, many Central Banks are under the control of both institutions. The powerful influence exerted by these institutions on African states, has generated a new debate on the recolonization of Africa. African states are having to deal, not only with profit and hegemony-seeking transnational corporations, but also with these powerful financial organizations backed by the Western powers.

If nothing can be said about their role in the consolidation and reproduction of Africa's marginalization in the global division of labour and its chronic underdevelopment, we can state with certainty that Africa's pitiable conditions today attest to the irrelevance of **orthodox** IMF and World Bank programs, prescriptions and meddling in African affairs. Their so-called experts, planning missions, expert reports and development models have failed woefully in addressing the specific of Africa's underdevelopment, and have, in fact, deepened contradictions, conflicts and crises in African social formations. This is not to argue that adjustment is not neccesary in Africa. As well, we are not contending that in a handful of countries, **some** sectors have experienced some **growth** due to programs imposed by the Bank and Fund. While both institutions were originally not designed to respond to the problems and realities of underdeveloped societies, the truth is that since attaining political independence and joining the IMF and World Bank, African states have not succeeded in getting both institutions to substantially reconceptualize their methods, restructure their programs, and re-design their approches to African problems.

What has happened, is that as the global economy became more bifurcated and as African states experienced more deterioration, the powers of the IMF and World Bank, on behalf of their Western masters and sponsors increased over all aspects of life in the region. This increasing power strengthened the arrogance of IMF and World Bank officials, and further reduced possibilities for a more realistic and sympathetic understanding of the historical experiences of African states. In fact, until recently, for the Fund and the Bank, every policy was conceived and executed in the context of the cold war. As Cranford Pratt has noted, development assistance to developing nations by the Bank "was seen by many in the West as an important check on the spread of communism. It is in effect a dovish expression of the anti-communist concern to contain the Soviet Union."[4] This ideological purpose was not only evident in its policies and insensitivity to criticism, but also clearly informed its mode of analysis, its models, its prescriptions, and its global politics. As Nyerere notes, very few people "honestly believe that the IMF is politically or ideologically neutral. It has an ideology of economic and social development which it is trying to impose on poor countries irrespective of their own clearly stated policies."[5]

Of course, the World Bank is not in a different position. Though in 1989, the Bank's so called "long-term perspective study" tried to give the impression of increasing sensitivity to African realities, and to belatedly acknowledge the Political dimensions of the African crisis, it remained committed to its conservative international Keynesian perspectives and prescriptions to African States. The truth is that both institutions work together and the World Bank has consistently linked its structural adjusment policies to the conservative and regressive stabilization policies of the IFM. As Pratt notes,

> The Bank has become increasingly arrogant and ideological in its approach to development issues in the Third World ... Increasingly the Bank operates on the assuption that it already knows the policies it wishes to insist upon before it enters negotiations with individual Third World countries ... When an IMF mission comes to a country to negotiate a stand-by credit, its negotiators actually arrive with a prepared text for the letter they wish the finance minister of that country to send to the IMF ...Bank officials have no doubt about the policy changes they wish to require of a country...Bank officials not only suffer from a messianic complex but also...every few years they change their gods. The present god they worship is export promotion...[6]

African states are thus caught in a very difficult situation. They are poor. They lack the resource base. Their economies are dominated by foreign capital. They lack a

resilient technological base. They lack control over the prices of their exports as well as the prices of their imports. Their currencies are either overvalued or not convertible. They are not only politically unstable, they are marginal in the international division of labour. Under these circumstances, how can they deal with powerful organizations like the Bank and the Fund? The World Bank, for instance, "is the Mount Everest of development lending institutions; aside from the huge amounts of money it lends...it has arogated to itself a position as the institution co-ordinating many other sources of aid and loan money, including a number of bilateral aid programs."[7] It chairs the consultative groups of aid consortia, co-finances commercial banks and tries to influence the direction of their lending, it has co-operative relationships with several specialized agencies of the UN and clearly influences policies in these organizations, and it has a huge reservoir of technical experts that are badly required in developing formations. [8] How can poor African states stay away from the influence of such a powerful organization?

In the rest of this paper, we seek to, first, outline the depth of the African crisis; second, examine and evaluate the responses of the Fund and the Bank to Africa's deepening crisis; and third, draw conclusions on how Africa can check the excesses of the Bank, the Fund and other Western donors in the 1990s.

The African Predicament: From Crisis to Deeper Crisis

Africa is in a very desperate situation today. Internal and external factors and forces have combined over the years to consolidate and reproduce the contradictions, coalitions, conflicts, and crisis generated by the continent's historical experiences and the neo-colonial inheritances. There is no doubting the fact that Africa's historical experiences of slavery, ruthless colonialism and neo-colonial domination and exploitation are largely responsible for the structural distortions and disarticulation of the continent. As well, the contact of African social formations with western Europe left legacies of a weak and non-hegemonic state; sectoral disarticulation; the concentration of power, opportunities, and resources in a few urban sectors; dependence on the production and exportation of a limited range of cash crops; the marginalization of the vast majority from decision-making processes; foreign domination of the economy; an outward-oriented taste and world-view; the creation of a very weak, dependent, and unproductive bourgeois class; and the marginalization of the region in the international division of labor. The colonial experience wiped out all possibilities for a democratic tradition, created a very ruthless and violent police and army tradition, and implanted the seeds of religious, regional, ethnic, and community antagonisms and conflicts. Africa has never recovered from the impact and implications of these experiences.

To be sure, post-colonial alignment and realignment of class forces have contributed significantly to the reproduction of inherited debilitations and contradictions. Political and ideological experimentations, regime turn-over, dependence on the outside world, incorporation into the Cold War struggles, massive external borrowing, repression of popular forces, the asphyxiation of civil society, the manipulation of primordial loyalties by the elites, and reliance on Western dictated economic models and so on, have not moved Africa away from its inherited conditions of dependence, underdevelopment, foreign domination, poverty and peripheralization in the global division of labor. Today, Africa is the most marginal, poverty-stricken, debt-distressed, politically unstable, foreign dominated, technologically backward, and dependent region in the world. As Adebayo Adedeji has noted:

> According to the UNDP Human Development Report 1992, countries of the world are classified into three groups - Countries with high human development, countries with medium human development, and countries with low human development. Of the 47 countries belonging to the first category, there is not a single African country. Of the 48 countries in the second category, there are six African countries - South Africa, Libya, Tunisia, Gabon, Botswana and Algeria. All the remaining African countries covered - (42 in all) - are classified among the 65 low human development group, with Sierra Leone and Guinea taking the two bottom positions and Nigeria occupying the 128th position out of a total of 160.[9]

Adedeji goes on to note that "for sub-Saharan Africa, only an estimated 26 per cent of the rural dwellers have access to safe water compared to 74 per cent of those who live in urban areas. Sub-Saharan Africa's under five and maternal mortality rates are the highest in the world and its life expectancy not unexpectedly, the lowest. More than half of the population has no access to public health services and tropical diseases afflict a high proportion of the population." [10] These are very gloomy statistics which are equally shocking because of the rich resource and human endowment of the African continent.[11]

Unfortunately, inspite of the region's wealth, its annual economic growth rate of 1.5 percent is the lowest in the world. With a population of over 600 million people, its combined GNP of about $150 billion is equivalent to that of Belgium with a population of a mere 10 million. Yet, the World Bank estimated that by AD2010, Africa's population would have increased to 1 billion. Food production levels are 20 per cent lower than they were in 1970. According to the World Bank, "More and more Africans are going hungry. Severe food shortages were exceptional in 1960; now they are widespread." [12] Africa produces half of the world's refugees, there is only one doctor for every 28,000 Africans, and its population growth rate of 3.2 percent is the highest in the world. AIDS is devastating many of the countries, and according to President Museveni of Uganda, the disease is expected to cut Uganda's population by 20 per cent by AD2000. It is estimated that by AD2000 some 70 million Africans

will be HIV positive. There are eleven active wars going on in Africa, and in countries like Somalia and Liberia, the state simply disintegrated. In the vast majority of African states, one can hardly speak of a government. They are either at war with their own citizens or have been so delegitimized that they exist just in name. Corruption, waste, mismanagement, political irresponsibility, bureaucratic inefficiency, high crime rate, prostitution, political intolerance, religious and ethnic wars, human rights abuses, attacks on popular forces, urban decay and rural dislocation, deindustrialization, massive capital flight, and the retreat of the people into ethnic and community organizations and associations have come to characterize contemporary Africa. Agricultural stagnation, drought, the massive emigration of youths, skilled professionals and intellectuals to other parts of the world, and a crippling foreign debt of $290 billion at the end of 1992 have also contributed to the region's marginalization and growing irrelevance and powerlessness in the global system. This debt it must be noted, is "equivalent to 90 per cent of its gross national product (GNP) and for sub-Saharan Africa it is 110 per cent of GNP." [13] To service this debt, Africa paid out some $26 billion to creditors in 1991 alone. Arears on the balance of un-rescheduled debt for sub-Saharan Africa increased from $1 billion in 1980 to $ 14 billion in 1992.[14] With thousands of Africans dying daily from war and hunger, and with another 40 million starving, the region has become a dumping ground for toxic wastes from the West. The number of least developed countries increased from 17 in 1980 to 28 in 1990 and to 32 in 1992. Countries like Ghana and Nigeria are now classified by the World Bank as low income countries, 70 of every 1000 Africans are destitute, unemployment has increased fourfold since 1980, commodity prices continue to decline just as are foreign aid and foreign investment.

According to the ECA, between 1980 and 1990, per capita income in Africa declined by an annual rate of 1.7 per cent, gross fixed capital formation by 1.9 per cent, export volumes by 3 per cent, investment as a proportion of GDP fell from 25 per cent to 15 per cent, and expenditure on health fell from 26 per cent of national budget to less than 16 per cent[15] According to Michael Chege, between 1979 and 1989, the British alone withdrew 31 per cent of their investments in sub-Saharan Africa. [16] Once famous academic institutions like Legon, Ibadan, and Makerere are today ugly shadows of what they once represented as centers of serious research and teaching. For virtually all African universities, the libraries are at the very best five years behind in the relevant literature.

The conditions highlighted above have not gone unnoticed even if they have not attracted the interest of donors, lenders, and the Western powers. In fact, assistance to African countries has continued to decline with renewed interest of donors, investors, and lenders being redirected to Eastern Europe. The World Bank in its 1989 report on Africa argued that Africans were generally worse-off today than they were three decades ago-at the point of where they gained political independence from colonial domination and exploitation. It also acknowledges for sub-Saharan Africa, "the disintegration of paved highways, the collapse of the judicial and banking systems," and the fact that most governments are "wracked by corruption and are increasingly unable to command the confidence of the population at large." [17] It is in the context of the African predicament, as discussed above that we can appreciate Edward Jacox's view that:

> The second oil shock of 1979, followed by steep global recession, reconfigured the development landscape...Sub-Saharan Africa was in an especially vulnerable position because its basic economic structures and capacities were weaker than anywhere else.
>
> The region had no industrial base to speak of, its human resource and management skills were extremely thin, its infrastructure was sparse and often run-down, its technological options were limited, and it was rapidly losing its competitiveness to other developing regions. Wrong-headed policies fed into and exacerbated these basic problems. Grossly overvalued exchange rates, excessive taxation of exports, widespread price controls and subsidies, state interference in internal and external trade, and generally poor management of the revenues from the commodity price booms of the 1970s - all these left Africa in the early 1980s with a major development crisis on its hands.[18]

It was to this frightening, desperate, and very dangerous political, economic, and social terrain that the IMF and the World Bank were to respond with their orthodox stabilization and structural adjustment packages in the 1980s.

IMF and World Bank Responses to the African Crisis

It is quite true that "in virtually every case, African countries have gone into adjustment only when they were absolutely desperate."[19] Perhaps the reluctance to go to the IMF and the World Bank was borne out of the realization that not only were these organizations not set up for developing social formations but also that historically their responses have overlooked the specificities of poor nations, and have tended to worsen the already bad situations. As well, the two organizations are well noted for their "willingness to impose harsh conditionalites on already poor countries and to desregard the state of human rights within countries as a criterion for loans."[20] Moreover, and rather unfortunately for African leaders and bureaucrats, their conditions of desperation puts them in a very weak position to bargain with the donors, lenders, Western governments who control the IMF and World Bank, and are therefore unable to negotiate better terms, resist pressures, make the imposed packages more responsive to local realities, and dictate the time table for implementation. Ironically, the poor and desperate conditions of African states have also increased the insensitivity and arrogance of Fund and Bank officials. [21] As Cranford Pratt, who has been involved in such negotiations on behalf of Tanzania has noted,

> The World Bank is staffed by able men and Women. They are confident in themselves to the point of arrogance. They have, as a result, sought to expand the responsibilities and power of the Bank...
>
> There is a further important aspect to the shift that has been occuring in the attitude and operations of the World Bank these last several years. The Bank has become increasingly arrogant and ideological in its approach to development issues in the Third World. [22]

Thus, though African states met in Lagos in 1980 and adopted The Lagos Plan of Action (LPA) and The Final Act of Lagos [23] as instruments for the socio-economic and political transformation of Africa, the World Bank quickly moved to subvert the document by releasing the so-called "Berg Report" in 1981 contradicting practically every prescription in the OAU document.[24] While the Lagos Plan advocated collective self-reliance and placed emphasis on the mobilization of internal resources to promote development, the World Bank's agenda emphasized monetarist responses and placed before African states policies of the market and the need to completely deregulate African economies and open them up to foreign domination and exploitation. The Plan had declared that it is "the instrument which African countries through their heads of state and government have fashioned to attack economic, social and technological problems so that they may not only initiate and nurture an internally-generated and self-sustaining development and economic growth process but also attain national and collective self-reliance albeit overtime, in various economic, social, technological and even cultural areas."[25] With emphasis on a complete re-orientation of the direction of growth and development, and demanding an attack on poverty, dependence, and other contradictions of underdevelopment, African leaders pledged themselves to eradicating poverty and hunger, to promoting infrastrucural development and industrialization, and to the creation of an African common market by AD2000.

The "Berg Report" on the other hand, advocated an export oriented model of development, failed to address issues of human rights and basic human needs, and prescribed a cut in real urban wages, the imposition of user-fees on social services, concentration of development resources on "growth poles" and the so-called progressive farmers, the privatization of public enterprises, the commercialization of agriculture, and the general deregulation of the economy. The components of the "Berg Report" and the open declaration that support for development programs would be conditioned on the extent to which government adopted the monetarist programs forced African leaders to practically abandon the LPA and to come up with the African Priority Programme for Economic Recovery 1986-1990 (APPER).

The APPER, though a more realistic document containing clear acknowledgements of policy errors, mismanagement, and other internal dimensions of the African crisis, was a recapitulation of the earlier positions of the OAU on self-reliance, mass mobilization, and popular development. The APPER blamed a combination of internal and external problems for the African crisis: desertification, drought, cyclones from the Indian Ocean, destabilization in Southern Africa, world recession, and the failure to implement the measures and recommendations of the Lagos Plan. Taking responsibility for a large proportion of the African crisis, the OAU, through APPER outlined a series of measures which simply replicated the prescriptions of the "Berg Report." It was at this point that African Leaders completely capitulated to the pressures and prescriptions of the IMF and the Bank.

Given that most African states "could not import enough goods and could also not produce enough essential goods domestically...there were queues everywhere and domestic prices rose, almost everyday. Life was expensive and national currencies were nearly valueless....Finding themselves in a tight and desperate situation, African countries sought financial assistance from the World Bank and the IMF family mainly because they could not get any assistance elsewhere..."[26] In fact, donors and credit clubs like the London and Paris Clubs, lenders, and Western governments openly refused to guarantee imports for African states, even for essential commodities like food and drugs, and pressured African governments to reach stabilization and structural adjustment agreements with the IMF and the World Bank. With spiralling inflation, urban tensions, food riots, threats of military coups, decaying institutions and infrastructures, the African governments discovered that they had practically no room for manoeuvre in the capitalist dominated international division of labor. As the ECA's African Alternative Framework put it:

> So, in essence, the World Bank and the IMF became primary lenders to most of the African countries and quite naturally they made such assistance available on their own terms. Their objectives were less to help African countries than to 'discipline' them, and above all, reorient their economic policies to the market economy model.
>
> In this policy reorientation which is often described as policy reforms, the World Bank and the IMF took as their model for proper economic functioning in Africa the classical free-market system, in which prices are set by supply and demand and profitable enterprises provide the engine of economic growth...[27]

The Bank and the Fund actually contended that domestic food prices were too low and ought not be subsidized by the government; import duties should be lowered even if it would result in the death of local infant industries; national currencies were grossly overvalued; budget deficits were wrong and ought not be tolerated on any account; the public services were too large and ought to be reduced in many cases by as much as 60 per cent; and user-fees ought to be imposed on social services while all subsidies on energy, education, and so on should be eliminated. The classical package imposed on poor, debt-ridden, desperate and crisis-ridden African states therefore included devaluation, deregulation, desubsidization, privitization/

commercialization of public enterprises, regulate debt-servicing irrespective of the country's financial conditions, imposition of new levies, taxes and tolls, massive cuts in government spending, the retrenchment of hundreds of thousands of able-bodied workers, elimination of import controls, and the tight control of money supply. The Bank and the Fund made it very clear to African governments that "to qualify for loans - any type of loans-borrowing countries would have to adopt structural adjustment programs (SAPs)"[28] through the implementation of the "shock measures" highlighted above. As indicated earlier, IMF officials often came with prepared texts of letters of invitation and commitment to SAPs as prescribed by the Bank and the Fund for Ministers of Finance to sign. They sat at cabinet meetings, and in most cases took over the running of the Central Banks and the Ministries of Planning and Finance. They had no illusions as to the fact that their prescriptions for "stabilization" and adjustment,

> ...would solve the fiscal and trade imbalances and improve the capacity of the governments to service their debt obligations. The 'fat' of government spending and intervention in the economy would be cut away, leaving the 'muscle' of a reinvigorated private sector to push development forward. Government development projects and social service initiatives would be suspended until adjustment was carried out. Africa would import less and export more...[29]

It is interesting to note the attitude of the Bank and the Fund in their prescriptions for Africa's economic recovery. In several instances they demonstrate ignorance or a rather superficial conceptualization and analysis of the structural roots, dimensions, and implications of the African crisis. They overlook critical issues of the politics of power, production, and exchange; the nature of domestic social and political constituencies; the nature and legitimacy of leadership; the accumulative base of dominant elites and their relationship to production; the room for manoeuvre in the global division of labor; the content and context of social contradictions and class conflicts in particular social formations; and the specific and broad differences between African social formations. The Bank and the Fund assume, quite wrongly of course, that corrupt, inefficient, and highly delegitimized governments can implement harsh monetarist prescriptions; they fail to recognize the fact that adjustment cannot be implemented at the expense of the people and civil society; they pretend not to be aware of the fact that the implementation of such programs would generate serious and deep-rooted conflicts and contradictions; and they assume that the prescriptions would work in all African states without acknowledging the political context of the African crisis. In short, the Fund and the Bank fail to appreciate the terrain of politics and political economy in Africa, ignore the region's historical experience, reify the state, embrace an unproductive bourgeois class because it is conducive to the entry and domination of the local economy by foreign capital, and overlook the implications of Africa's technological backwardness and marginalization in the international division of labor. Only very peripheral attention is paid to declining commodity prices, declining foreign aid, declining terms of trade, massive repatriation of capital by transnational and other financial interests, sectoral disarticulation of the economies as reproduced by foreign investors, rising interests rates and the inhibitions of a grossly unequal, undemocratic, and very exploitative international division of labor.

It was only in 1989, following the gross failure of stabilization and adjustment policies all over Africa, that the World Bank moved some distance from the IMF in its analysis and prescriptions to the African crisis: It acknowledged the political dimensions of the crisis, emphasized the need to protect vulnerable groups, bureaucratic decentralization, a check on corruption and waste at all levels, the empowerment of the people and their organizations, democratization of the society, rural development, and capacity building as very necessary aspects of adjustment and recovery.[30] It must be mentioned, however, that while this shift represented some victory to popular forces and scholars who had criticized the orthodox packages imposed on African states, it has not in any way moved the Bank away from its commitment to monetarism and supply-side economics.[31] Let us now turn to an examination of the impact of Fund and Bank policies on Africa.

Prescriptions for Recovery or for Disintegration?

Going by the general impact of IMF and World Bank prescriptions on African states, it is very difficult to see recovery. [32] In IMF and World Bank documents though, there are often glowing reports about the achievements of the structural adjustment programs. Glowing forecasts from the IMF expects a 4.5 percent growth in 1995 almost double the figure for the past ten years. Though the Bank has succeeded in identifying Ghana as the only real successful case of adjustment, that claim has been challenged by Ghanaians and scholars who point at the value of the Cedi, the high rate of inflation, the high foreign debt profile, the high level of unemployment, and the very low Physical Quality of Life Index (PQLI).[33] The fact that at the beginning of 1993, African states had not experienced any significant improvement in practically any sphere of life is adequate testimony to the failure and disaster of over a decade of adherence to orthodox IMF and World Bank policies in Africa: foreign debts are up, inflation is out of control, exports have not increased, political and social tensions have increased, unemployment has increased, there are more riots and violent demonstrations in most African countries, foreign investors have not been attracted in spite of very generous incentives, foreign aid continues to decline, and there is a very visible marginalization of Africa in the emerging 'new' global order. [34] Arguing that Africa is "not growing, but recovering," Tony Hawkins notes that the recovery is "not solidly based...Events in Sudan, Somalia and Rwanda, ongoing hostilities in Angola...Tensions in Nigeria and Zaire" among other factors continue to militate against growth, not to talk of Development.[35]

The ECA has noted that "there is documented evidence that in many cases sustained economic growth has not materialized, the rate of investment rather than improve has tended to decrease, budget and balance of payments deficits have tended to widen after some temporary relief and debt service obligations have become unbearable."[36] Adebayo Adedeji, in his Foreword to the African Alternative Framework has argued that,

> The overall assessment of orthodox adjustment programmes has led to the conclusion that, although these programmes aim at restoring growth, generally through the achievement of fiscal and external balances and free play of market forces, these objectives cannot be achieved without addressing the fundamental structural bottlenecks of African economies....An adjustment programme that marginalizes people is doomed to failure.[37]

The African Alternative Framework, in its evaluation of IMF and World Bank adjustment programs, reached the conclusions in 1989 that it had "become abundantly clear by now that, both on theoretical and empirical grounds, the conventional SAPs are inadequate in addressing the real causes of economic, financial and social problems facing African countries which are of a structural nature."[38] Finally, the ECA contends that "No programme of adjustment or of development makes sense if it makes people indefinitely more miserable.[39]

For instance, prescriptions for cuts in government expenditures, the retrenchment of hundreds of thousands of workers, and even a freeze on employment ignores the historical and structural reasons why the government in most African states became the main employer, main contractor, and leading actor in the economy. Simply removing subsidies and laying off workers in a society without any welfare or social security programs hardly addresses the structural issues of production, exchange, and accumulation patterns and relations; the domination of the economy by profit and hegemony-seeking transnational corporations; and the very tenuous relation of domestic elites to production activities. Such policies have only increased the rate of crime, urban violence, suicide, marital violence, child abuse, frustration, and cases of mental illness.[40] In any case, as the ECA has rightly noted, prescriptions for desubsidization have been directed at the so-called "soft sectors" of the economy-health, education, housing, sanitation, counselling, transportation and so on. They have not seriously addressed the reduction of redundant embassies, reduction in security votes and military expenditures, and other unproductive areas which governments maintain to keep their visibility in international politics. Consequently, "cuts in government expenditure end up harming the welfare of the people."[41] Desubsidization policies, in societies characterized by gross inequalities in power and opportunities have hardly affected the elites and the custodians of state power.

Policies of devaluation are very important to finding the real value of national currencies. But implementing such policies across board and as "shock" treatments have only generated more crisis than recovery in Africa.[42] While devaluation is supposed to make imports more expensive and African exports cheaper, it has in fact eliminated in the closure of industries due to inability to import spare parts, the destruction of the industrial bases of African states, and to capital flight as real wages are depressed and people are unable to buy from the market. In addition, floating interest rates have affected the ability of local investors to borrow, and African central banks have simply lost control of the devaluation process and most currencies have become worthless as the US dollar has become the legal tender in many countries. Given that African states are heavily import dependent, "generalized currency devaluation also makes imported spare parts, fuel, and other inputs more expensive, thereby raising the cost of doing business."[43] In any case, since developed country markets are not necessarily open to African exports, and Western governments have devised complex ways of protecting domestic investors, devaluation has not increased foreign exchange earnings. What is more, currency devaluation has not attracted investors as poverty, declining purchasing power, unemployment, and urban tensions have made the economic environment very risky. The Secretary General of the UN noted recently that "long-term financial flows into sub-Saharan Africa declined from $10 billion to $4.7 billion between 1982 and 1990. Eighty-four per cent of this reduction can be accounted for by the decline in private flows. One of the positive parts of the Africa story is that many African countries have taken courageous steps to reform their financial and monetary systems. They have created a framework which should attract private investment. Yet that investment is not materializing."[44] High interest rates and currency devaluation have increased trade in money, foreign-exchange speculation, smuggling, speculative investment, the proliferation of so-called merchant banks, and economic stagnation.

The privatization of public enterprises is in itself a misplaced prescription. It fails to address why the corporations are not making profit and why they are over-staffed. It ignores the social functions of these parastatals, and in the efforts to constrain the strengthening of the African state, the World Bank and IMF confuse the symptoms of peripheral capitalism for the structural causes of Africa's predicaments. In fact, the Fund and the Bank pretend that state interventionism is peculiar to developing nations, particularly Africa. They argue that African governments are inefficient and corrupt. The corruption in the whole of Africa is nothing when put side by side with the degree of waste, mismanagement, and corruption in the United States, to take just one non-African example.

The American state is heavily interventionist: it subsidizes health care and farmers, public transportation, education, research and development, it uses the military to

provide jobs especially for minorities, it sets up countless commissions and agencies, it bails out banks, the government spends millions of dollars canvassing for foreign markets for private investors, its aid packages such as the one to Russia are designed to promote private accumulation in America, it provides food stamps to the poor, pays for several welfare programs, and pays for the immunization of children. In any case, virtually all the inefficient parastatals in Africa are joint ventures with foreign partners who have consistently reaped billions of dollars in profits over the years through very complex mechanisms. The IMF and the Bank do not ask questions as to how come foreign partners make money from these "over-bureaucratized" and "grossly inefficient and corrupt" corporations. Why are joint ventures with African governments still sought by western corporations?

It is completely wrong for the Fund and Bank to pretend that the state has not always been a major force and actor in the process of capital accumulation and the strengthening of the market. Wholesale privatization and commercialization of all enterprises that are government owned in Africa hardly addresses the problem. It would be tantamount to a recolonization of the African economic landscape to sell everything to a so-called private sector dominated by foreign corporations. If the African bourgeoisie was always capable of standing on its own and running the economy, why has it remained subservient to foreign capital since political independence? Where did this sudden capacity to act as "productive capitalists" come from? The state came to dominate the economy in the context of the post-colonial weaknesses and marginalization of indigenous producers and the domination of the economies by foreign capital. After all, in the American economy there are sectors where the state limits the degree of foreign participation, such as in the airline and news media sectors. The majority of African countries lack the local private capital base to take up the management of the parastatals. The net result would be that foreign business interests with foreign exchange, and the capacity to get capital locally would take over the African market at a time of increasing protectionism in Europe and North America.

The solution is to address the weaknesses of local investors, curtail the role and participation of foreign investors, support and protect small businesses (just as it is done in the West), and strengthen the efficiency and effectiveness of the African state.

Finally, prescriptions for trade liberalization for open, weak, unproductive, and vulnerable economies in the contemporary highly competitive and unequal world is a rather dangerous prescription. Which western nation has liberalized its trade? If this were the situation, then, why all the negotiations through GATT and UNCTAD? The protectionist policies of Western nations an Japan directly negate the prescription that African states should remove all trade restrictions and open up their economies to all sorts of imports and foreign investors. Moreover, as we have seen since SAPs were put in place, trade liberalization has permitted the dumping of second hand and inferior goods, local products have been chased off the store shelves, local industries have been undermined, and a massive process of taste transfer is taking place. With the massive devaluation of the local currencies, people are unable to buy the imported substitutes in many cases.

It is now clear that the IMF and World bank agenda have only deepened the crisis of the region and consolidated its marginalization in the global division of labor.[45] Schools are closing down. Malnutrition and disease are widespread. States as in Liberia and Somalia have simply disintegrated. Prostitution and destitution have become widespread. Parents are losing control over their children and families. The rural areas are being abandoned. In countries like Nigeria and Zaire, adjustment doubled the rate of corruption with the US dollar and pound sterling becoming "little gods." Agricultural production has not increased and as local industries pack up, foreign corporations simply replace them. The limited autonomy of the state from foreign control has been eroded as economic and social, even political policies are dictated by foreign interests.[46] The ECA was very clear on the failure of SAPs when it note that,

> As the 1980s drew to a close, it became clear that economic turnaround had not occurred in almost all of the countries that had tried SAPs...Even the countries that followed adjustment programmes with the most rigor were barely holding their ground. Most were suffering further set-backs including high inflation, lower spending on health, education, housing, sanitation and water. Also, laying off people from their jobs or the declining real wages caused suffering to reach unbearable proportions. [47]

In most African countries, the introduction of the World Bank package culminated in violent riots and massive destruction of public property. The Sudan, Zambia and Nigeria have experienced several riots directly related to desubsidization, privatization, and retrenchment. One of the reasons for the 1990 coup attempt in Nigeria was to rid the country of the structural adjustment program.[48] Siyaad Barre's regime in Somalia was not helped by the introduction of the IMF stabilization package in 1985 when the Fund "imposed a devaluation, the floating exchange rate, an end to trade restrictions, and constriction of the money supply. But no new money was forthcoming from the Fund, because of back debt owed." [49] How did the Fund expect a poverty-stricken, least developed country like Somalia to have survived the imposition of such draconic "shock measures?" Today, we can see the reality in Somalia's unprecedented disaster.[50] At the end of 1992, inspite of the implementation of IMF and World Bank prescriptions throughout the 1980s, African countries remained "the poorest, most troubled, least developed and hungriest in the World."[51]

Writing on the Nigerian case, Sam Aluko, one of the country's leading economists evaluated the experience with structural adjustment thus:

> Our economy is poorer today in production level than in 1989, even our agriculture. I have not seen anything gained from SAP....Our debt has become more difficult to pay. The rate of interest has risen so we cannot borrow money to do business. Any economy that does not encourage long-term investment and production, that economy can never make it. SAP has destroyed the incentive to invest and produce. There are no new investment arena except for those who are stealing money. What is happening now is that people are trading in money. Production has collapsed. The cost of machinery has increased several folds since 1986. In 1986, you could buy a car for N10,000, now it is N300,000 and yet earnings have not increased... Nigerians have gone to other countries to do slave labour, insecurity has increased, armed robbery has increased. There are more industrial strikes today than we had before. The middle class has been wiped out. You can travel the length and breadth of this country and you will not find a single road mender because the ministry has no money to mend roads. [52]

Not much need be said about the failure of the IMF and World Bank prescriptions in Africa.

Conclusion: Beyond World Bank and IMF Prescriptions

The point of disagreement in this paper is not on the need for or the relevance of adjustment in African economies. To be sure, African states, without exception require very serious and sustained adjustment. The bureaucracy needs to be cut and the state needs to move away from its present involvement in several wasteful and irrelevant ventures. As well, we do not put all the blames for Africa's woes and predicaments on colonialism and external sources. Without doubt, post-colonial alignment and realignment of class forces have combined with external factors and forces to reproduce conditions of poverty, dependence, foreign domination, structural disarticulation, and marginalization in the international division of labor.

Our position is that the World bank and the IMF have been unable (unwilling?) to adjust to the realities and specificities of African social formations. Both organizations have failed to come up with a holistic and viable agenda for reconstruction and development which would alter Africa's marginal place in the global economy.[53] In fact, the policies of the IMF and the Bank have tended to weaken African states, weaken African producers, expose African economies to foreign domination and exploitation, and have emphasized cash crop production at the expense of food crop production in the name of export-led development thus encouraging a dependent food policy. As well, policies and prescriptions by the Fund and the Bank have tended to improverish the vast majority, particularly disadvantaged and vulnerable groups of women, children, and the unemployed; increased social and political tensions; and seriously delegitimized the state, its institutions and agents. The policies have promoted clannishness as well as ethnic, religious, and regional conflicts, and through policies of debt-servicing, promoted the massive drain of resources from the region. Finally the impoverishment of the middle classes has encouraged unprecedented emigration of skilled workers and professionals abroad, reduced the efficiency of institutions, weakened the academic sector, and encouraged atavistic, violent, uncompromising, repressive, and corrupt political and social attitudes. The degree of human rights abuses, represesive, and corrupt political and social attitudes. The degree of human rights abuses, repression and massacres witnessed in the African continent in the 1980s, the era of adjustment, is unprecedented in the history of the continent. [54]

In the context of these failures and the social crisis generated by adjustment and other externally-induced recovery prescriptions, what are the options for Africa? The rather undemocratic nature of the Fund and Bank have impacted heavily on the nature of their prescriptions. African leaders and elites, with limited legitimacy and facing challenges from domestic constituencies due to their inability to meet the basic human needs of their peoples, have been forced to forge a rather "unholy alliance" with the Fund and Bank in the hope that the dangerous implications and consequences of the African crisis would be mediated. When the crisis could not be stemmed through the forced imposition of IMF and Bank prescriptions they resorted to manipulation, intimidation, human rights abuses, attempts to bribe the people and/or their leaders, defensive radicalism, political posturing, and all sorts of diversionary tactics. In case after case, African leaders failed to consult with their peoples before reaching agreement with the Fund and the Bank. The meetings were held in secret, the policies were sneaked into the country, and suddenly announced. Where there were some discussions as in the so-called IMF debate in Nigeria, the final policies did not in any way reflect the wishes of the people which in most instances were opposed to the monetarist prescriptions.[55]

Thus we have seen, all over Africa, in the past decade a dynamic process of recomposing and reconstituting the political landscape on the terms of the masses. Unable to take the pain of adjustment any longer, Africans are asking new questions, forming new popular organizations, reviving banned organizations, forging new alliances, and organizing themselves beyond the traditional constraints of region, religion, ethnicity, gender, and class.[56] Hundreds of popular and grassroot-based organizations have emerged all over Africa in the last decade or so. Human rights organizations have sprouted all over African countries. We see a new determination by students, workers, women, and professionals to be involved in the political processes and to have a say in determining not just public policies but also the futures of their respective countries. In a way, the prescriptions of the Fund and Bank have had an unanticipated effect of delegitimizing African leaders and governments, exposing

them to popular attack, and encouraging the masses to struggle for participation and democratization.[57]

The impact of this new momentum has been the opening up of political spaces, a reconstruction of the patterns of political alignments and realignments, and the emergence of alternative political organizations and political parties. In Ghana Jerry Rawlings who had hitherto denounced democracy, civilianized himself and ran for the office of president in` an open election. In Zambia, the Movement for Multi-Party Democracy (MMD) led by trade unionist Fred Chiluba defeated the incumbent government of Kenneth Kaunda in open elections. In Kenya, Daniel Arap Moi who had run one of the most repressive governments in Africa, conceded to elections, allowed the formation of political parties and held elections in which the opposition won 88 of the 188 contestable seats in the country's parliament. In Cape Verde and Sao Tome, the ruling political parties were defeated in multi-party parliamentary elections. In Zaire and Togo the opposition movements have, through the platform of the "National Conference" posed major challenges to incumbent governments of Presidents Eyadema and Mobutu and changed the terrain of national political discourses and politicking. Even in apartheid South Africa, in an all-white election in 1992, the majority voted "yes" to continue talks with democratic and opposition forces and in spite of acts of violence the march towards democracy continued until South Africa held its first ever multiracial election which saw Nelson Mandela emerge as victor and president of the country. Today, there is no single African country that has not experienced one form of political upsurge or the other.

The demands of the new popular groups challenge the existing *status-quo* and the existing conditions of foreign domination and foreign control over fiscal, social and economic policies. Thus, they have emphasized the empowerment of the people, their communities and organizations; human rights; popular participation; accountability of the leadership; social justice; the provision of basic needs for the majority; and the democratization of society.[58] It becomes very obvious that the future of Africa in the emerging complex and unequal global order is in the empowerment of the people, the strengthening of civil society, and popular participation in decision-making at all levels. It is only through the strengthening of civil society and the involvement of the people in decision-making that effective policies and programs for recovery, growth, and development can be initiated and implemented. As the African Charter has rightly noted, "nations cannot be built without the popular support and full participation of the people, nor can the economic crisis be resolved and the human conditions improved without the full and effective contribution, creativity and popular enthusiasm of the vast majority of the people."[59] If the people are involved or consulted before decisions are taken, and an atmosphere of democracy and accountability prevails, they are unlikely to oppose such policies and they would be in a better position to withstand or absorb the pains and shocks of adjustment. As well, conditions of democracy, democratization, empowerment, and accountability of the leadership would promote creativity, patriotism, productivity, stability, and redirect expenditures from "military defense" to "social defense." Foreign inspired economic and political models will be openly debated, adjusted, and made to reflect the specificities of each society and the objective needs of the people.

In addition to the need for democratization and empowerment, African states must take regional integration more seriously and move away from current political posturing and rhetoric on regionalism. The adoption in June 1991 of the African Economic Treaty designed to culminate in the establishment of an African parliament and common market in AD 2025 is a positive step. This is the sort of agenda the Fund and Bank should be supporting if they are genuinely interested in the survival and recovery of Africa. African states, however, need to develop the required political will, check waste and corruption, promote rural mobilization and development, and strengthen local institutions.[60] This way, African states might just be at the beginning of the very difficult and painful path to recovery, growth and development in the 1990s.

Notes

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1. Michael Manley, "Message to the South-North Conference on the International Monetary System and the New International Order," *Development Dialogue* (2) (1980), p. 5.

2. Julius K Nyerere, "No to IMF Meddling, *"Development Dialogue"* (2) (1980), p. 7.

3. R. Cranford Pratt, "The Global Impact of the World Bank, "in Jill Torrie (ed.). *Banking on Poverty: The Global Impact of the IMF and World Bank* (Toronto: Between the Lines, 1983), p. 56.

4. R. Cranford Pratt, "The Global Impact of the World Bank," op. cit., p. 57.

5. Julius K. Nyerere, "No to IMF Meddling." op. cit., p.8.

6. R. Cranford Pratt, "The Global Impact of the World Bank," op.cit. p.65.

7. Cheryl Payer,"Researching the World Bank, in Jill Torrie (ed), *Banking on Poverty*..op.cit.,p.79.

8. ibid.

9. Adebayo Adedeji, "The Nigerian Economy at the Dawn of the Third Republic, "*The Guardian* (Lagos) (March 25, 1993), p. 19.

10. ibid.

11. See Fantu Cheru, *The Silent Revolution in Africa* (Harare and London: Anvil and Zed Press, 1989); Bonnie Campbell and John Loxley (eds.), *Structural Adjustment in Africa* (London: Macmillan, 1986); and John Ravenhill (ed.), *Africa in Economic Crisis* (London: Macmillan).

12. World Bank, *Sub-Saharan Africa: From Crisis to Sustainable Growth - A Long- Term Perspective Study* (Washington, DC: World Bank, 1989), p.7.

13. United Nations, *African Debt Crisis: A Continuing Impediment to Development* (New York: The United Nations, 1993), p.1.

14. ibid, p.2.

15. See Economic Commission for Africa, "Economic Report on Africa 1990" (Addis Ababa: ECA, 1990).

16. See Michael Chege, "Remembering Africa" *Foreign Affairs* Vol. 71 (1) (1991-1992).

17. World Bank, *Sub-Saharan Africa: From Crisis to Sustainable Growth* op. cit., p.3. The Bank also notes the problems of "declining level and inefficiency of investment, compounded by accelerating population growth,"excessively high investment and operating costs, fall in real government, epitomized by bureaucratic obstruction, pervasive rent seeking, weak judicial systems, and arbitrary decision-making," and that "Africa is simply not competitive in an increasingly competitive world." (p.3). For the very first time, the World Bank, quite unlike the IMF, acknowledge the *political* dimensions of the African crisis, when among other positions, it stated that Africa needs "better governance" and a type of government that would decentralize reponsibilities, check corruption, ensure the autonomy of the judiciary, "create a leaner, better disciplined, better trained, and more motivated public service, with competitive salaries..." (p.5) and among several conclusions, the Bank notes that "To attract investors, a stable economic and political environment is essential." (p.9).

18. Edwards Jaycox, *The Challenges of African Development* (Washington, D.C.: World Bank, 1992), p. 15. Jaycox also noted that "While the trade of other developing regions was growing, Sub-Saharan Africa's international market share dropped from 3 percent in 1960 to just over 1 percent in 1988. This choked off Africa's central source of growth and limited its means for paying its way. Africa borrowed more to fill the gap. Its external debt rose from $6 billion in 1970 to $130 billion in 1987." (p.16).

19. Edward Jaycox, *The Challenges of African Development* op. cit., p.4.

20. Mel Watkins, "Forward" to Jill Torrie (ed.), *Banking on Poverty* op. cit., p.10. Watkins also notes that in the era of Reagan and Thatcher their "approach was increasingly neo-conservative and monetarist: that is, following stringent fiscal and monetarist policies notwithstanding recession and unemployment."

21. See Cheryl Payer, *The Debt Trap: The IMF and the Third World* (New York: Monthly Review Press, 1974) and her *The World Bank: A Critical Analysis* (New York: Montly Review Press, 1982).

22. R. Cranford Pratt, "The Global Impact of the World Bank," op. cit., pp.63 and 64.

23. See Organization of African Unity, *The Lagos Plan of Action for the Economic Development of Africa 1980-2000* (Geneva: Institute for Labour Studies, 1981). For a critique of this document see Julius O. Ihonvbere (ed.), *Political Economy of Crisis and Underdevelopment in Africa: Selected Works of Claude Ake* (Lagos, Nigeria: JAD Publichers, 1990) and Timothy M. Shaw, "Debates About the Future: The Brandt, World Bank and Lgos Plan Blueprints," *Third World Quarterly* Vo. 5 (2) (April 1983).

24. See World Bank, *Accelerated Development in Sub-Saharan Africa: An genda for Action (Washington, DC: World Bank, 1981).*

25. Adebayo Adedeji, "The Lagos Plan of Action: Main Features and Some other Related Issues." Keynote Address at the International Conference on OAU/ECA. the LPA and the Future of Africa, University of Ife, Ile-Ife, Nigeria, March 1984, p. 6.

26. William Minter (ed.), *Africa's Problems, African Initiatives* (Washington DC: Africa Policy Information Center, 1992), p.13. (emphasis added). This document reproduced portions of important African initiatives such as the "African Alternative Framework," "The African Charter for Popular Participation," and "The Kampala Document."

27. ibid.

28. ibid

29. ibid, p.14.

30. See World Bank, *Sub-Saharan Africa: From Crisis to Sustainable Growth* op. cit.

31. See Linda de Hoyos. "1990s Decade": Breaking Point for the IMF or Africa? *Excutive Intelligence Review* Vol. 20 (1) (January 1993): Bjorn Beckman, "Empowerment of Repression? The World Bank and the Politics of African Adjustment," *Africa Development* Vol. XVI (1) (1991); and Adebayo Adedeji, "Economic Progress: What Africa Needs," *Trans Africa Forum* Vol. 7 (2) (Summer 1990).

32. To be sure, in World Bank and IMF documents, glowing reports on the successes of adjustment are presented. It is argued by both organizations that the situation would have been worse if adjustment had not been imposed on African states and a distinction is made between the achievements of so-called "strong reformers" and the failures of "non-reformers." Ironically, the ECA, using similar data argues that orthodox structural adjustment programs have undermined "the human condition" and showed a disregard for "the potential and role of popular participation in self-sustaining development." (p.19). For both positions see Edward Jaycox, *The Challenges of African Development* op. cit., and Economic Commission for Africa, *African Charter for Popular Participation in Development and Transformation* (Addis Ababa: ECA Secretariat, 1990).

33. See Ross Hammond and Lisa McGowan, "Ghana: The World Bank's Sham Showcase," in Kevin Danaher, ed., *50 Years is Enough: The Case Against the World Bank and the International Monetary Fund,* (Boston: South End Press, 1994).

34. See Boutros Boutros-Ghali, "New Concepts for Development Action in Africa," (New York: United Nations, Department of Public Information, 1993); Akinlo E. Anthony, "African Domestic Structure, Deepening Crisis and the Current Adjustment Program," *Africa Development* Vol. XVI (1) (1991); Therese Sevigny, "From Crisis to Consensus," (New York: United Nations Communications and Project Management Division, 1990); Karen Lange, "Horn of Misery, " *Africa News* (May 11-May 24, 1992); and "African Countries Lead Misery Index," *Africa News* (May 25-June 7, 1992). See also "Conference to Counter Africa's Marginalizaion," *Africa Recovery* Vol. 6 (2) (August 1992).

35. Tony Hawkins, "Africa: Not Growing, but Recovering," *Financial Times* (September 30, 1994).

36. Economic Commission for Africa, *African Alternative Framework to Structural Adjustment Programmes for Socio-Economic Recovery and Transformation,* Addis Ababa: ECA, 1989), p.1.

37. ibid, pp. ii and iii.

38. ibid, p. 25.

39. Economic Commission for Africa, *African Alternative Framework - A Popular Version* (Addis Ababa: ECA, 1991), p. 1. For very critical evaluations of structural adjustment programs in

Africa, see various issues of *Africa Recovery* published by the UN Department of Public Information.

40. See Julius O. Ihonvbere and Darlington Iwarimie-Jaja, "The Political Economy of Mental Health in Nigeria: A Case Study of Port Harcourt, " *Man and Life* Vol. 17 (1-2) (January - June 1991).

41. William Minter, *Africa's Problems, African Initiatives* op. cit., p. 14.

42. See Elizabeth Obadina, "Currency Devaluation Saps Nigeria," *Africa Recovery* Vol. 6 (2) (August 1992).

43. Economic Commission for Africa, *African Alternative Framework...* op. cit., p.25.

44. Boutros Boutros - Ghali, "New concepts for Development Action in Africa, " op.cit., p.2. (emphasis added).

45. See, "Bank Lending Policies Under Fire," *Africa Recovery* Vol. 5 (2) (December 1991); Melvyn Westlake, "Fears Over Development Cash," *Africa Recovery* Vol. 5 (2) (December 1991) and The Global Coalition for Africa, *1992 Annual Report* (Washington, DC: The Global Coalition for Africa, November 1992).

46. See Julius O. Ihonvbere, "Political Conditionality and Prospects for Recovery in Sub-Saharan Africa," *International Third World Studies Journal and Review* Vol. 3 (1-2) (January-June 1991) and "The Economic Crisis in Sub-Saharan Africa: Depth, Dimensions and Prospects for Recovery," *The Journal of International Studies* (27) (July 1991).

47. William Minter (ed.), *Africa's Problems, African Initiatives* op. cit., p.16.

48. See Julius O. Ihonvbere, "A Critical Evaluation of the Failed 1990 Coup in Nigeria, " *The Jounal of Modern African Studies* Vol. 29 (4) (1991).

49. Linda de Hoyos, "1990s Decade: Breaking Point for the IMF or for Africa?" op.cit., p. 11.

50. See Julius O. Ihonvbere, "Beyond Warlords and Clans: The African Crisis and the Somali Situation." Forthcoming; Africa Watch, *Somalia-Beyond the Warlords: The Needs for a Verdict on Human Rights Abuses* (New York: Africa Watch, 1993); and Ernest Harsch, "Somalia: Restoring Hope," *Africa Recovery Briefing Paper* (7) (15 January 1993).

51. "African Countries Lead Misery Index, " *Africa News* (May 25-June 7, 1992), p.3.

52. Dele Omotunde and Dare Babarinsa, "This Government Has Run Out of Ideas-Interview With Sam Aluko," *TELL* (Lagos, Nigeria) (March 29, 1993), p. 32. See also Julius O. Ihonvbere, "Economic Crisis, Structural Adjustment and Social Crisis in Nigeria, " *World Development* Vol. 21 (1) (1993) and his "Structural Adjustment and Nigeria's Democratic Transistion," *TransAfrica Forum* Vol. 8 (3) (Fall 1991).

53. For rich and powerful organizations like the IMF and World Bank it is indeed shocking that all they have presented for Africa are post-hoc responses and policies which pay very little attention to national and regional peculiarities. For instance, it was only in 1989 that the

Bank came up with a policy to protect vulnerable groups and to recognize the place of politics in the African crisis. By that time, the damage had been done and African economies were already on the verge of total disaster.

54. See Mike Agwu, "Endless Nightmare," *African Concord* (11 January 1993). See also several country reports from Africa Watch and Amnesty International.

55. Nigeria is a typical case where there was a public debate. The people soundly rejected the IMF loan and its conditionalities. The Ibrahim Babangida regime turned around to accept loans from the World Bank and to implement all the conditionalities of the Fund and Bank while claiming that it was pursuing a so-called home-grown alternative!

56. See Julius O. Ihonvbere, "Is Democracy Possible in Africa?: The Elites, The People and Civil Societh," *QUEST: Philosophical Discussions* Vol. IV (2) (December 1992).

57. See Julius O. Ihonvbere, "BuildingGovernment and Sustaining Democracy in Africa: Impediments and Possibilities. "Mimeo, Department of Government, The University of Texas at Austin, 1993.

58. See Bade Onimode et. al, *Alternative Development Strategies for Africa Volume 1: Coalition for Change* (London: Institute for African Alternatives, 1990).

59. Economic Commission for Africa, *African Charter for Popular Participation,* op. cit., p. 17. The African Charter is one of the most progressive documents to have come out of the region in recent times. It clearly outlines the responsibilities and obligations of the international community, African governments, women, the media,youths, the people and their organizations, NGOs and VDOs, and organized labor. More importantly, the document outlines ten major conditions for monitoring popular participation and democratization in Africa. If African states fail to commit themselves to the implementation of the Charter as well as to other declarations.