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Globalization and Development in Africa.

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ABSTRACT
This paper examines globalization and development in Africa, it posits that the impact of globalization differs in degree and scope from one country to another, while it encourages the development of some countries, it makes others especially developing countries in which African countries are examples, sad losers. This paper argues that globalization has not led to development, the argument indicates that globalization contains elements, which when taken advantage, could lead to development.

INTRODUCTION

Globalization, the flow of capital across national boarders to take advantage of more profitable opportunities, is not a new phenomenon in the world economy. At the outset of the modern economy, such flows of capital also became known as the internationalization of capital. Most essential to globalization is knowledge and the discovery of better methods of achieving results. In this direction, communications and the diffusion of knowledge were not rapid in relative terms because a slower process of transformation characterized the old phase of globalization.

This paper examines the relationship between globalization and development which affects the sustained improvements in people's living standards. The arguments in this paper is that globalization has not led to development. However, the argument indicates that globalization contains elements, which when taken advantage of, could lead to development. Development, the argument persists, would take place to the extent that social forces working for democracy cum development become increasingly powerful and gain dominance in decision-making. Such dominance, in essence, would, mean the existence of a sustainable democracy and development.

The initial part of the paper is a presentation of salient features of the process of globalization. A development-oriented conceptual framework is embodied in the analysis. The paper presents relevant internal and external explanatory factors as well as actions taken at the levels of the state, multinational corporations (MNCs) and the people, respectively. Particular attention in the explanation is paid to the various internationally recognized development strategies and plans adopted for implementation in the African economy.

At the level of strategies, consideration is given to: a) agriculture – based industrialization; b) import – substitution industrialization; c) the green revolution; d) export-led industrialization; and e) privatization. Plans and programmes to be analyzed include: a) the Lagos plan of Action (LPA); b) the African priority program for Economic Recovery (APPER); c) the United Nations Programme of Action for African Economic Recovery and Development (UN-PAAERD); d) the United Nations New Agenda for the Development of Africa in 1990s (UN-NADAF); e) the United Nations Special Initiative on Africa (UN-SIA); f) structural Adjustment programmes(SAPs); and g) the African Alternative Framework to Structural Adjustment Programmes (AAF-SAP).

The framework is most critical in facilitating the correct understanding of how economic decisions are made and implemented in the real world, and at the local and international levels, At the end of the day, we are better off in our search solutions to Africa's burning problems if we know how the real world actually operates. In making observations on the relationship between globalization and development, one finds that the perennial problems of the qualification and relevance of statistical data persist. There is a duality in the qualification problem. One aspect has to do with the fact that the world economy exhibits a movement from manufacturing to services. Generally, the production and distribution of manufactured products can be measured reliably. The other aspect is that the "invisible" nature of digital-based information technology renders it enormously difficult to measure the variables accurately, leaving much of its effects unmeasurable to date in conventional terms.

The long-standing conventional measure for development is the change in per capita income over time. In developing countries, especially the African ones, there is the perennial paucity of the statistical database. Even in cases where data on per capita income are considered to be accurate, at best, as an average, it says something about the condition of a typical person in an economy. In the general situation that obtains in Africa economies, where at least three-quarters of the people under subsistence conditions, a positive per capital or real per capital income figure is misleading. This is because it gives the impression that the typical person has some income, which in almost all cases are not true. Once this defect is realized, one can then say that the low per capita income figures indicate the considerable skewness in income distribution. This distribution shows how a handful of people account for the bulk of the income indicated in the per capita income, while the vast majority of the people experience subsistence living. Living no real monetary income at all.

The latest and most influential conventional device for measuring living conditions is the human development index (HDI) published annually since 1990 by the United Nations Development Programme

(UNDP). The HDI is based on a composite of life expectancy at birth, adult literacy, regular schooling and per capita income. The HDI is an attempt to go beyond the conventional economic reliance on per capita income criteria to measure changes in living conditions over time.

Even using the HDI, per capita income continues to play a prominent role. Additionally, the theoretical and policy imperatives for the HDI proceed on the basis that there exists a positive relationship between adult and schooling (referred to as education), on the one hand, and intelligence, on the other hand. According to these imperatives, as adult literacy and schooling situations improve, this necessarily means that the literate and the schooling people use their knowledge to enjoy better living conditions. This view does not hold, primarily because of the general poor orientation found in literacy training and schooling in the poor countries. Because people in these countries do not acquire a useful understanding of their own realities through this form of learning, they are not able to transform the condition of their existence. For the reason, the HDI becomes problematic as it also deals with quantitative changes in people's lives rather than qualitative ones.

In the midst of the considerable statistical data problems, one has to keep searching for appropriate development measurement devices; one useful place to look is in the area of internal conflicts and the refugee problem. Clearly, significant improvements in living conditions would reduce considerably the internal conflicts, especially the violent ones, and the refugee problem. In effect, one cannot observe in an economy the existence of development, on the one hand, and internal conflicts plus the refugee problem, on the other. Conventional data are used in the paper. Additionally, in the analysis on the African experience, internal conflicts and the refugee problem are presented to strengthen the comprehension of the relationship between globalization and development.

Globalization: The Salient Features

Globalization is well documented from the colonial era up to present times. Initially, there was mercantile trade, which characterized the essence of capital movements. The capital moved across national boarders to engage mainly in the purchase of exotic materials for consumption from the developing countries for export to the developed countries. Then we moved to the period of colonization in which the main characteristics was the production of raw materials for export to the metropolitan counties of Europe for their industrial production. This trend in production and trade has continued and in teams of world production and trade.

Globalization has intensified this trend in all directions. The process has produced a differentiation in the production process from material production to the services sector. Important among which is the financial sector. For instance, between 1965 and 1990, trade merchandise more than tripled. During the same period, global trade in services increased by more than 1,300 percent. Financial flows have become the dominant element in the current trends. For instance, within a 24 hour period, more than one trillion dollars moves around the globe in search of higher returns, indicating the highly dramatic levels that finance capital flows now reached in world economic relationships (UNDP, 1996). In a single year. 1994/95, foreign direct investment rose to some \$318 billion, a 40 percent increase over the previous period (UNCTAD, 1996). A trend which was sighted as early as the 19th century persists. That is the domination of foreign direct investment by fewer and fewer firms in a relatively few countries. In terms of assets, size, the biggest one hundred MNCs are based in developed countries. Thirty of these MNCs are based in the United States of America alone. Japan's share in these MNCs is twenty.

The highly dramatic leap in trade in services is accounted for mainly by the impact of digital-based information technology on globalization. The enormous cost-reducing impact of this new information technology has enabled MNCs to globalize further production and financial markets by tasking advantage of the lower cost opportunities. Computer now cost more than a 100% of what they cost 25 years ago. These opportunities have assisted the MNCs to communicate much faster and better. Since 1976 the capacity of digital-based information technology (IT) had increased over one million times. Nearly 40 years ago, there were some 50,000 computers in the world. Now, the number of computers world-wide as at January 2013 has increased astronomically to more than 250 million. In 1960, a transatglantic telephone cable had a capacity of 138 simultaneous calls. Now a fiber-optic cable has a capacity of 1.5 million simultaneous conversations. There is a doubling of internet users yearly, with the invention of ipads, blackberrys, androids, i-phones etc.wth its present user level standing at more than 300 million worldwide.

These phenomenal IT developments have played no small role in enhancing globalization. During that past decade, world trade has been growing twice as fast as world output. For the same period, foreign direct investment has been increasing three times as fast as world output. Daily trading in foreign exchange has exceeded \$1.5 trillion. Since 1970, for the United States economy, international transactions in bonds and equities have catapulted from 3 percent of GDP to approximately 150 percent.

A Development- Oriented Framework

Most crucial to the delineation of a development oriented framework is the view that structural features in the world economy emerged and maintained, developed and changed through the inter-action of various sets economic decision-makers (Tipoteh, 1989). The decision-makers who perceived that they benefit from the persistence of a given structure will work individually and collectively to develop the structure. They will make reform from time to time, in line with change unless their decision-making were to become cost-prohibitive. Those who have interest in it and power to sustain it promote this dominant structure. The 19 October 1987 stock market crash is the clearest catalytic signal to date, providing information with respect to the demise of the follow-the-leader oligopolistic decision-making in the world capitalist economy. The principal long-term capital markets, which were located in Britain before the war and relocated to the US during the post-war period, are now located in Japan and china. The US economy is no longer the bank of last resort for OECD countries. In fact, the US is now one of the world's largest debtor, with Japan,china and Germany as the lenders to the US economy.

In terms of the developing countries, the colonial capitalist production system has been reformed and this persists in the post-colonial era with no significant effects. The colonial strategy of capitalist production remains in the hands of dominant social forces that determined the process. The production of primary commodities for export to the metropolitan countries continues. Through the active collaboration between national economic decision-makers in the developing countries and the owners of the MNCs, which dominated and control these economies, the primacy of the export-orientation is sustained.

As MNCs began penetrating developing economies at a relatively very powerful phase in their evolution, local capitalist initiatives in developing countries relevant to industrialization continued to be over-powered by foreign capitalist industrialized economies. This element of foreign domination and control of local capital was not the case in the capitalist industrialized economies in their transition from agrarian societies to industrialized ones.

Given the relatively low ceiling on the capitalist production vis-à-vis industrialization, the continuous operationalisation of the export-orientation necessarily means the linking of production inputs to imports in a direct relationship. Furthermore, with the foreign tastes and preference of national decision-makers being assets became widespread among the decision-makers. The repression of institutional change consist with rendering the national decision-makers accountable to the people in general provides no incentive for the decision-makers to change fraud mentally. In the midst of persistent resistance to the repression, national decision-makers \have tended to increase assert-holdings abroad, as seen in the capital flight situation. In relatively few, but growing number of cases in the developing world, there have been attempts to build a development-oriented economy such as those in South-East Asia.

Nevertheless, owing to the deep recessions, especially those experienced in the period 1979-82, strong decision-makers in the West tended to resort to the use of soft and hard measures to get the weak decision-makers to bear a large share of this cost of recovery. The soft measures cover the increased use of transfer pricing to reduce "free" market commodities price determination, rendering stiffer the conditionalities of the international financial institutions, higher cost debt rescheduling in the guise of debt relief and adjustment in interest rates. In terms of hard measures, the resort to militarism remains clearly dominant. Thus, it is not at all surprising to observe that total world annual military expenditures are approximately the same as the total debt of the developing countries, which accounts for one-fifth of the expenditure.

It is essentially through the foregoing analytical framework that one can correctly understand the nature of the debt problem and the sufficient conditions for its alleviation. To attribute the emergence of the debt problem to the "all powerful" exogenous explanatory variable (in the international economic environment) is to deny the critical explanatory role played by national decision-makers in the developing countries. It is endogenous decision-makers that leads to capital flight, without which large amounts of capital which should be invested in the developing countries find their way in Swiss or US transnational banks. Finally, it is action taken also at the local level that has resulted in the emergence of whatever development-orientation in the few developing countries that we continue to observe.

Within the developed context, both exogenous and endogenous variables have explanatory roles. The essential collaborative relationship between these two types of variable, with respect to the dynamics of the evolution of dominant economic decision-makers, are fundamental for the validity of the model. It is these dominant decision-makers who take action to sustain the dominant interest in the global economy and their decision-makers account for the evolution of Marginalized economic decision-makers who struggle for the emergence of development-oriented structure. These collaborative relationships involve decision-makers in developing economic system. Within these collaborative relationships, there are tactical disagreements among the dominant decision-makers. Through the dynamic analysis of these relationships, it is possible to understand correctly the conditions under which structures are reformed, on the one hand, and changed fundamentally, on the other.

THE CRISIS IN THE AFRICAN ECONOMIES

Crisis remains a mainstay of the post-colonial experience in African economies. The engine of growth is mass-poverty generating, regardless of whether these economies exhibit high growth or low rates (Tipoteh, 1989b). for most African economies, the picture is one of low growth, while more than a quarter of them have a negative growth experience for the1970s and 1980s. two –thirds of the world's least developed countries are African, in which per capita income decreased by more than 15 percent in the 1980s. According to the OAU, over half of the people live in absolute poverty (Organization of African Unity, 1995).

African ranks among those countries with the highest death rates and the lowest life-expectancy rates. Approximately one-fifth of African children die before the age of one. Only a quarter of the African population has access to safe drinking water. Perhaps there is no other single aspect of the crisis that has an immediate dramatic impact on people as the food situation (ECA, 1990a). during the latter part of the 60 percent of the African people remained threat tended by starvation. For the 1960s, African experienced a 98 percent food self-sufficiency ratio, with dropped to 86 percent in 1980. The food problem has deteriorated further in the1980s. between 1981 and 1989, food production in Africa "grew" at an average annual rate of a negative 0.52 percent. For the same period, food imports per year averaged US$11.8 billion while the average for agricultural export earnings was approximately US$12 billion.

This situation had deteriorated further in the 1960s. imports and food aid are meeting more than 25 percent of Africa's food requirement. These declines in food production with the rise in food imports, given increasing demand for food, have combined to raise food prices. The co-existence of mass poverty with raising food prices necessarily means inadequate access to food, considering that most African working people are subsistence farmers.

With the general persistence decline in economic activity during the 1990s, African economies did not generate production that would curb the already high unemployment situation. Thus, unemployment grew approximately 10 percent annually in over half of the African countries. In this situation, women and youth have considerably more difficulties than men in finding employment. With generally deteriorated economic situations, public expenditures that are crucial people's welfare have been severely slashed in budget-balancing exercises at the command of the World Bank and the IMF.

Commodity prices have collapsed, as they had never done before in the 1980s (ECA, 1990c). At the start of the second half of the 1980s, export earnings fell by at least one-third on account of the unprecedentedly disastrous decline in commodity prices have declined by over half of their 198 levels. This situation had a clear impact on Africa's terms of trade, which decreased by 40 percent during the 1980s. To make matters worse, Africa's declining capacity to earn foreign exchange has worsened the debt situation. Starting with an external debt position of US$48.3 billion in 1978. African external has gone up almost 500 percent to US$285 billion by the end of 1993. External debt has now come to represent over 90 percent of Africa's GDP. The resulting resource gap is widening as Africa is sending more capital abroad than the external financial flows that come into the African economies.

Despite the proliferation of African government's socio-economic development strategies and plans during the post-colonial era, mass poverty or development problems persist. What went wrong? An evaluation of the principal strategies and plans will provide some relevant answers. Almost all agricultural production of monocultures, whether based on green revolution or not, have been based on export, mainly to the former metropolitan centers. Import-substitution industrialization was mainly for a small elite consumption home market, which was not large enough to sustain economies of scale. More significantly, all industrialization strategies depended on imports of both raw materials and intermediate technologies.

Agricultural Development Strategies

An examination of agricultural development strategies and policies of post-colonial African governments shows that they have all been concerned with the continuous integration of producers into international markets. This integration is based on the view that the isolation of producers from these markets is the principal cause of mass poverty. This is not a view, as it has its roots in colonial policy in Africa.

Although a variety of schemes have been utilized to facilitate the integration of African famers into national and international markets, nearly all the famers have remained subsistence famers. The principal devices used to direct the small farmers towards national and international markets continue to be; (a) extra-economic coercion; (b) high taxation; (c) the use of input packages such as high-yielding seed varieties within the green revolution context, fertilizers; and (d) high interest on credits. These devices have tended to undermine the small farmer's capacity to release himself from the grip of agribusiness, which has continued to dominate African agricultural production.

Agricultural production remains basically unimodal, seen in the overwhelming presence of small farmers as individuals and members of marketing co-operatives. At the same time, African governments are giving attention to the development of large-scale irrigation and settlement schemes as well as integrated rural development projects. Which have the same effect? The state, too, has until recently, used produce marketing boards to control peasant production and use it for extortionist taxation and rent-extortion.

The way in which MNCs operate in agriculture continues to exacerbate mass poverty. In terms of the green revolution, the high yielding varieties, which are cost-prohibitive for small farmers, are produced and marketed by MNCs. Furthermore, the best lands are used for green revolution activities and those lands owned by MNCs are engaged in agribusiness, thereby rendering large numbers of small famers increasingly landless. Furthermore, with their strong connections in the state, MNCs manage to hold the productive development of labour at bay by hampering their organizational/collective-bargaining efforts. Most workers in agriculture-based MNCs are either unorganized or scantily organized, resulting in low wages being paid to them.

Import-substitution Industrialization.

Import-substance industrialization strategies became widely adopted by African governments shortly after their entry into the post-colonial era. The implementation of this strategy exhibited the same basic errors made by Latin American states in their respective import-substitution industrialization efforts. Most unfortunately, African states did not learn anything from these mistakes. What were the mistakes?

The inputs for import-substitution industrialization in Africa have been dominated by foreign-produced inputs. As we have noted above, most raw materials and intermediate technology needs have been imported from the MNCs whose products were “Import-substituted” by the nationalized “National Industries”. The assumed comparative advantage of engaging in manufacturing in such industries as textile production neither yielded the expected increase in employment nor the saving of foreign exchange. The assembling of vehicles is considered by African states to be a highly important form of industrialization in Africa, when, in fact, there is very little value added input.

In effect, import-substitution industrialization has enhanced importation of foreign raw materials and other inputs rather than reduced it. Raw materials which can be used for the local production of inputs for industrialization in Africa are, in general exported to the industrialized countries as was done in colonial times, while those required for import-substitution industrialization have been imported in increasing amounts.

Furthermore, in a number of countries, export-led industrialization has also strengthened the colonial division of labour, where Africa consumes what it does not produce and remains promotive of the production of Africa’s abundant raw materials for exportation to industrialized countries for industrial materials produced through the use of low-wage labour. Export processing zones (EPZ) have been set up in several African countries to promote export-led industrialization, which, like import-substitution industrialization, is dominated by the importation of foreign imports. With the trend towards declining commodity prices and the rising trend in import prices, the import-dominated industrialization strategy has run into perennially crippling problems, largely on account of the exacerbation of already difficult balance-of-payments problem. Furthermore, the economic crisis in industrialized countries has resulted in the drastic reduction in financial resource flows. Even the major multilateral and regional financing institutions have begun to receive more funds from Africa, as a result of enormous debt repayments, than they give to African countries, as we noted above.

The current economic crisis in leading Asian economies is particularly instructive for African economies. The export-led industrialization model, which dominates in these Asian economies, is often pointed out to African countries as the model to emulate. The economies of the “Four Tigers” (Hong Kong, Singapore, Taiwan and South Korea) or Newly Industrializing Countries (NICs), as they are also called then, are mentioned as shining examples of the model’s success. For years now, these Asian economies, which have been exhibiting very high growth rates, have been struggling to get out of deep recession, and without success, not until recently.

The very essence of the model explains the quagmire. The use of relatively low-skilled labour to manufacture goods for export to high-skilled labour economies, and the rapid diffusion of advanced technologies in their economies were bound to pose severe problems for them. Additionally, given the dominance of non-democratic social forces in the NICs, the attendant lack of accountability for public decision – making meant the prevalence of considerable corruption in high places, as manifested in the proliferation of non-productive projects which exhibited high growth rates. As such, this was not sustainable over the long term and its day of reckoning had to come.

The foregoing has shown that widely used development strategies are not promotive of long-term and sustainable development. Although African governments rarely criticize their actions, they at one time tried to resist World Bank Strategies through the United Nations Economic Commission for Africa. They laid out a strategy aimed at long-term self-reliant development in the Lagos Plan of Action (LPA). In this regard, the LPA was an attempt to get out of the dependency syndrome. The Plan had noted that indeed rather than result in an improvement in the economic situation of the continent, successive strategies have made the continent stagnate and become more susceptible than other regions to the economic and social crisis suffered by the industrialized countries” (OAU, 1979). To correct this malaise, the African governments made two principal contentions that continue to stand correct on the basis of available evidence. These were, firstly, that Africa must desist from total reliance on the production of raw materials for export, and secondly, that the promotion of self-reliance is of the highest importance for growth and development in Africa.

But this approach flouted the pressures in the world economy towards globalization. Moreover, the African states did not have any independent source of financing the Programme. They still hoped that they would be “associated” by the international community” to achieve their self-reliance. This in itself revealed a deep-seated sense of dependency mentality on the part of African leaders. That is why very soon their efforts were pushed aside by the World Bank structural strategies which the Bank, with the IMF, were working out to restructure the African economies into the global economy to which these economies belonged in the first place.

The dependency mentally of the African leaders was revealed when in 1985 at the height of the crisis, they went on their knees and approached the UN for a special emergency” session of the General Assembly to find solutions to the African crisis. Thus emerged the United Nations African Priority Programme for Economic Recovery and Development (UN-PAAERD). Its failure could almost be predicted. When it did fail, other “Special emergency Programmes” were worked out such as the United Nations Special Initiative on Africa (UN-SIA) and the African Alternative Framework for Structural Adjustment Programmes (AAF-SAP). Thus African governments remained tied to furthering the promotion of the failed generalized development strategies which were being worked out by their bureaucracies in tandem with those of the multilateral institutions to continue the strategy of production of raw materials for export in order to pay growing debts. This is the real significance of the World Bank/IMF Structural Adjustment Programmes (SAPs).

STRUCTURAL ADJUSTMENT PROGRAMMES

Structural Adjustment Programmes are the latest phase of the strategies of the two multilateral institutions, the World Bank and IMF, with respect to promoting the interests of the world economy dominated by MNCs. Foremost, in terms of the objective, the World Bank and IMF seek to promote private foreign investment and profit-making opportunities for the MNCs. This is not surprising because both institutions are controlled by the G-7, who are accountable to their multinational corporations which continue to dominate investment and trade in African economies and the world over. From time to time, Africa governments disagree with the G-7 positions. However, as African governments have no fundamental problem with the principal objective of the World Bank and IMF, they continue to be supportive of these international institutions. It is the foregoing context that one has to observe the policy variations of the World Bank and IMF.

During the 1960s and 1970s, the World Bank and IMF interventions in Africa were of relatively short duration for any given agreement with a government. However, with the dramatic increase in the price of oil in 1973 and the deep recession of 1979-82 in the Western industrialized economies, policy variations appeared. The World Bank, like the IMF, adopted a medium and longer-term horizon in their lending and financing activities. By the early 1980s, the IMF and the World Bank had become virtually indistinguishable in this regard. Although the former is identified mainly with balance of payments support and the latter with broader economic problems and lending, in this period they seemed to complement each other in their policies, which were referred to as economic stabilization and structural adjustment programmes. It is against the foregoing background that structural adjustment policies have emerged and been given primacy.

The 1973 oil price rise raised expectations in many quarters with respect to possibilities for increasing the bargaining power of Oil Exporting Countries in International negotiations. It was hoped that this would act as an example to enable other Third World countries to build institutions of bargaining with the bigger power. However, it is now generally agreed that the oil surpluses, in their recycling, benefited Western industrialized economies far more than poor countries and in the process imposed even greater economic burden on the other Third World countries in terms of high oil prices, which contributed to their debt bondage.

Faced with deep recession in their own countries and the immense difficulties faced by Western industrialized economies, African countries and other poor countries, became the targets for the transferring of much of the Western costs of the recession through adjustment processes, as we have noted above. Since 1968, when IMF conditionality became explicit, African governments acquired a clear awareness of the controlling essence of the IMF Programmes. Although the World Bank did not have a conditionality policy of its own, this soon gave way to the co-ordination of their strategies with the IMF, in which IMF conditionality became an aspect of the Bank’s lending strategies under SAPs. By the end of the 1979-81 recessions, the implicit conditionality of the Bank had become explicit, virtually removing the veil of difference between the World Bank and the IMF.

The World Bank and IMF have selected the policy instruments of structural adjustment and economic stabilization on the basis of the monetarist policies which place emphasis on the adjustment of imbalance between aggregate demand and aggregate supply by controlling money supply to curtail demand. This is believed to increase efficiency in resource allocation in an effort to boost production and thus bring about the long term efficiency of the economy. Based on the foregoing characteristics, the instruments/measures utilized are: credit control, fiscal austerity, currency devaluation, deregulation of prices and interest rates, reduction/elimination of subsidies, and the reduction/elimination of trade barriers, as well as efficiency in public sector management. Privatization strategy, which merely means opening up the channels of globalization with which structural adjustment is concerned.

During the 1980s, most African governments, in their respective capacities as members of the World Bank and IMF, launched formal stabilization and structural adjustment program in line with the recommendations of those two institutions. For the most part, those African governments that do not have such official programmes are in effect implementing policies that are consistent with the pursuance of the principal objective of structural adjustment, since they cannot be funded by these institutions unless they adopt some form of reform of their economies.

In terms of macroeconomic performance, the implementation of structural adjustment policies in Africa has not been successful in the realization of their growth objectives. In a few countries where positive growth has occurred in real GDP, this has come at too high a cost to the communities concerned. For most African economies, there was negative growth in income from their exports and imports for the decades of the 1980s (ECA, 1990b). During this period, the average annual growth rate in per capital income, exports and import was –2.6 percent, -1.6 percent and – 2.0 percent, respectively. From 1980 to 1993, per capital income decreased by more than 15 percent. This essentially means that mass poverty has been exacerbated, given the considerable skewness in income distribution coupled with prevailing inflationary pressures, not to mention demographic pressures. The insurgence in some African countries, notably Nigeria where the Islamic fundamentalist under the guise of 'boko haram', massive loss of lives experienced in the air crashes ,boat mishaps and road accidents have not helped matters.

In specific policy areas, the results from the operationalization of structural adjustment programs have shown the following characteristics: Firstly, stabilization with trade liberalization has resulted in negative export and import growth; secondly, lending was considerably below levels required for import growth; thirdly, exchange rate adjustments have worsened the balance-of-payments situation and have generated an inflationary impact in most economies; fourthly, interest-rate adjustments have not had a positive effect with relatively few multinational corporations bent on the continuation of the profitable production of raw materials for export, as we have noted. It is essentially this export-orientation that is responsible for the African economic crisis. Thus, the privatization measures that have been implemented under SAPs have served to strengthen the export-orientation of the MNCs in African economies, thereby exacerbating the economic crisis.

Therefore, basically, structural adjustment has been contradictory in African economies, which were already (and remain) in a persistent recessionary situation. Generally, the contraction in the various economies is exhibited in the negative and too low per capital reduction growth rate for the 1980s and 1990s. Furthermore, the relatively large reduction in public sector employment under the adjustment programmes, which accounted for 40 percent of total employment in these countries, necessarily meant a serious contraction of income and demand in the economies. As the other sectors have not covered the demand slack, this has inevitably led to deflation in the economies. In addition to reducing employment, government have reduced considerably their spending on vital social services, which, too, has had a negative effect on the economy as a whole.

Perhaps the most costly of all aspects of the impacts of structural adjustment is the promotion of powerful social forces with no interest in poverty alleviation at the expense of the weak social forces actively engaged in poverty alleviation activities. Public spending on state repressive activities are being sustained and strengthened while public subsidization of poverty alleviation activities is reduced considerably or eliminated. With no external wars or threats of external wars, nearly all African governments continue to maintain relatively high national defense spending for purposes of containing internal social tensions. Public subsidies are curtailed to students in institutions of higher learning, from which the leading poverty alleviation organizations usually draw their principal activities. The choice of high defense spending over the subsidization of poverty alleviation activities demonstrates the essentially undemocratic nature of African governments.

The way forward: Growth and Development

After nearly a decade of experience with SAPs, characterized by worsening living conditions and the intensifications of demands for improved living standards. African governments in 1989 launched AAF-SAP, thereby adding yet another pacification device to the already unimplemented package composed of the LPA, APPER and UN-PAAERD. At the level of rhetoric, AAF-SAP makes some sense and is therefore of some relevance. The principal contribution of AAF-SAP to efforts for resolving the African economic crisis is that it provides a framework that essentially stresses the controlling importance of ensuring that short-and medium-term measures are consistent with the long-term measures for promoting growth with development. However, as African governments did not approve AAF-SAP with a view to implementing programmes under such a framework, AAF-SAP, the newest soft measure, has already begun to experience the high predictable fate of veteran soft measures, notably the LPA, APPER and UN-PAAERD, such a fate is manifested in the implementation of SAP by African governments, none of whom is implementing plans consistent with AAF-SAP.

AAF-SAP is suffering the same fate as the LPA because they share a common fundamental error. This error is that neither the LPA nor AAF-SAP makes an analysis of the dynamics of social structure from which one can identify social forces that are promotive of development and those that are not. In the absence of a scientific analysis of the role of the African state, the LPA and AAF-SAP leave their respective implementation measures up to the state to activate, when the state is the very institution that continues to work for growth without development in Africa.

The sponsoring of the African International Conference on popular Participation in the Recovery and Development Process in Africa by the ECA, whose secretariat prepared AAF-SAP, is a step towards correcting the fundamental error in both the LPA and AAF-SAP. The African Charter for Popular Participation in Development, as prepared by the conference participants, does distinguish between developmental and counter-developmental social forces (ECA, 1990). On the basis of its delineation of these two sets of social forces, the Charter appropriately calls for persistent significant support for people's development-oriented initiatives, as they form the way forward in the drive for growth with development. The people are finding ways to solve the development problem in the face of persistent state repression of development-oriented initiatives in Africa.

If the prevailing state – operated development strategies and plans of action are not generating growth with development, then what is the way forward? If the LPA is not being implemented and instead SAPs rather than African governments are actively pursuing AAF-SAP, how can the African people's living standards be improved in a sustained way?

A. People's Initiatives

B. The fundamental mistake in efforts directed at findings the way forward is to conduct a search outside of the concrete actions being taken by the African people to improve their living conditions. Development has to do with people. Therefore, it is not possible to construct a realistic approach to development outside the context of people's initiatives. An examination of thee initiatives in Africa shows that the MNCs, acting through African governments, remain principally responsible for stifling people's development-oriented initiatives.

Actions taken by African governments to crush African people's development initiatives are not at all surprising, especially when one takes into consideration the fact that African elites remain interested in using African people as cheap labour in the profitable production of raw materials for export. The social structure remains highly skewed and African governments implementation of SAP continues to reinforce the prevailing social structure, thereby strengthening the relative power of the rich at the expense of the poor masses.

The crux of the people's initiatives is that they continue to struggle to adjust the social structure and power relations, in their interest. Growth with development can take place only if this struggle of the African people is successful. The high and rising state military/security expenditures in Africa are directed at forcing the poor to accept the prevailing social structure/power relations. It is this use of violent military/security measures against the people that is responsible for the numerous internal conflicts in Africa, with their attending refugee problem.

These internal conflicts are at once the principal obstacles to any meaningful development. State repression of people's initiative renders it immensely difficult, if not impossible, for the people to improve their living conditions. The main non-violent state response to these internal conflicts is the call for stability, arguing that unless the internal situation is stable, development cannot take place. What this call really means is that the African people should end their struggle to protect their development initiatives and accept the status *quo: growth without development*. But, it is essentially when people acquire the power through struggle to determine the leadership and direction of the state and the economy that growth with development can take place. This means that development cannot take place without democracy. The path to democracy is necessarily unstable because of these repressive responses by the African governments. In the face of perennial mass poverty, the people take peaceful initiatives to change their living conditions for the better. State response to these initiatives is state repression of the initiatives. More often than not, state repression takes on violent forms.

In effect, state repression leads to the very instability which the state seeks to avoid. In trying to fend ways to defend themselves, the people take action, which at times involves the use of violence, rendering the environment unstable and ungovernable.These violent actions are, in fact, internal conflicts, which constitutes the centrality of the dynamics in the struggle for democracy and development. At no time in history does one find the co-existence of democracy and development in any economy without a past experience of frequent social upheavals (Kuznets, 1971).

Most political conscientization figures prominently in the people's struggle for democracy and development. The state does not remain static with respect to the use of better communications. Essential to the wide and growing gap between developed and developing countries, as well as the highly skewed worsening income distribution within the developing countries, is the considerable capacity that powerful decision-makers have to use cheaper communications to implement their plans. The capacity of pro-democracy activists to obtain access to new and cheaper forms of information technology and use it to diffuse democratic-oriented political consciousness among the masses is therefore most crucial for enhancing the struggle for democracy and development.

Given the numerous internal conflicts characterized by gross human rights violations, it is not surprising that African is home to over one-third of the world's refugee population. Generally, people fleeing terrible conditions in a country seek asylum in a neighboring country perceived by them to be relatively better off. The distribution of refugees in Africa for the 1990s reflects dismal conditions and their accompanying internal conflicts in all of the African sub-regions.

In the north, Algeria accounts for over 700,000 refugees, Sudan for nearly 800,000. In the South, Malawi hosts more than 700,000 refugees, South Africa a quarter of a million, Zimbabwe a little less than a quarter of a million, and Zambia almost 150,000. In East Africa, Tanzania has almost 600,000 refugees; Kenya has over 300,000, Uganda almost 300,000 and Ethiopia about a quarter of a million. On the West Coast, Guinea is home to nearly 600,000 refugees, Cote d'Ivoire a quarter million, Liberia more than 150,000, Ghana around 150,000 and Sierra Leone over 100,000. In Central Africa, the Democratic Republic of Congo hosts nearly half a million refugees, Rwanda 300,000, Burundi almost 300,000. In West Africa Benin has more than 150,000 refugees in a region that is becoming increasingly unstable (UNDP, 1996).

B. Multi – Party Democracy

Today, Multi – Party democracy is in vogue in most parts of Africa because of the pressures the Western countries have been making as part of the "Adjustment" and "reform" measures pursued by the "donor community". How is it, then, that African states are not supportive of the building of democracy when there is such a euphoria? What is happening is that African elite is trying yet again to abort the struggle for democracy without addressing the fundamental problems concerning the people's needs and aspirations. There is abundant evidence to demonstrate that, while political parties are operating in some African countries, there is in fact no democracy in these countries.

Local electoral commission and the international community have become collaborators in declaring bogus elections free, fair, transparent and democratic. If these elections were democratic, why do the African governments concerned spend such a gargantuan share of national budgets on national security, when there is clearly no foreign threat? When Dr. Chester Crocker was Assistant Secretary of State for the United State government, he heaped lavish praises on the 1985 general and presidential elections in Liberia as being perhaps the most free, fair, transparent and democratic elections in Africa to date.

After he was removed from the commands of government to the demands of academia, Croker lamented that the United State government had made a terrible mistake in Liberia by giving credence to the 1985 elections and unprecedented support to the Liberian government. His lamentation came in the midst of a Liberian civil war that displayed the measure of over 200,000 Liberians, at least 10 percent of the population of Liberia, and displaced 1.5 million people internally and externally. In effect, bogus elections have become principal explanatory factor for internal conflicts. African elites, in collaboration with the colonialists, took over state power and aborted the people's struggle at that time. Now, the African state is yet again seeking to manage change in its interest by manipulating the process of democratic transition in their favour in the same way the colonialists did in the transition from colonialism to independence.

Just as African states are not supportive of installing democracy, they are also not interested in the pursuit of economic integration. African states consider economic integration to be disruptive of the production of raw materials for export systems, which continues to serve African elites and the MNCs so well. For example, this anti-integration posture is manifested in the very low and falling intra-African trade as well as in the continuous depositing of 65 percent of the external reserves of the CFA Zone countries in the French Treasury.

Having delineated the social forces that are supportive of growth with development, we proceed to present some strategies for African recovery. These are: Immediate, short – term, medium – term and long – term development – oriented approaches, which, in essence, constitute the operational agenda for development-oriented social forces. In this way, one would be expecting people's organizations rather than the state to take the lead in the implementation of the agenda for recovery and development in Africa.

Immediate Approaches

Basically, immediate approaches to development in Africa should be designed to attend to famine and disaster relief. Some measures under these approaches are geared towards attending to existing emergencies, while other measures are directed at handling future emergencies given the recurrent nature of famine in Africa. With respect to attending to existing emergencies. Key relevant measures relate to the immediate provision of the following: (a) Food, especially cereals; (b) Water; (c) Transportation, storage and distribution of food and medicines; (d) settlement of families on new lands; (e) Implementation of health programmes and increasing their spread; (f)

Action on maintaining or increasing nutrition levels, particularly through food distribution programmes in times of famine; (g) livestock development; (h) income generating relief projects; and (i) energy production.

The measures related to future emergencies are as follows: (a) provision of inputs for subsequent planting seasons; (b) establishment of security reserves of food, medicines, fodder and water; (c) setting up effective early-warning systems; (d) establishing permanent structures to cope with emergencies; (e) training of emergency-oriented personnel; (f) strengthening the capacity of donor countries to respond effectively to the emergency requests of African countries.

a. Short to Medium – Term Approaches

Early during the short to medium term, principal emphasis should be given to establishing and developing an effective organizational capacity of the poor and marginalized populations. Such organizational capacity would enable them to begin to participate effectively in decision-making that affects them. The present thrust of government policies to foster popular participation in African economies, with the exception of extremely few cases, trends to fuel the development crisis, as these policies only encourage the poor to "participate" marginally in the implementation of decisions already made by a very few top national policy-masters. It is only when the process of effective participation of the marginalized population begins in earnest that measures for the rehabilitation and reconstruction of the economy can become of relevance in terms of dealing with the development crisis.

b. Long – Term Approaches

It is during the long term that greater importance should be given to the strengthening of the organizational capacity of the marginalized and poor people to a higher level. Such high – level organizational capacity of the poor would facilitate the structural transformation of the economy so that it ceases to be poverty-generating and becomes poverty-alleviating for them. At this high-level organizational capacity of the poor, development programmes would embody power-yielding approaches that strengthen the relative power position of the poor within the social structure. The above programmes would be designed and implemented within a strategic framework in which there are relationships among specific programmes in a given broad programmes areas, as well as interrelationships between Programme areas. This strategic approach to development would include programmes designed and implemented to achieve the following;

a) Development of a political and administrative capacity for local, regional and national decision-making that is protective of the interest of the poor.
b) Equitable distribution of land and other rural resources with a view to providing high-priority opportunities for small farmers to improve their socio-economic conditions.
c) The development of local human and natural resources for utilization in industrialization; in this context, foreign trade will be promoted to the extent of capacity to promote industrialization in the African economy.
d) Diversification of social-economic activities in the rural areas so as to generate employment and income opportunities, and the development of small to medium scale industries for agricultural development.
e) Expansion of social services, consistent with raising the productive capacities of the people.

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