

History of African Development Initiatives

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Introduction and Summary

There have been two types of development initiatives in post-independence Africa namely; initiatives *by* Africa and initiatives *for* Africa. The former refers to country-owned initiatives that were designed and implemented *by* African countries after independence. The latter refers to initiatives that are designed *for* Africa and implemented through international financial institutions. The two initiatives have different characteristics: Africa-owned initiatives were people-centred therefore they succeeded, to some extent, in terms human development. All the initiatives imposed on Africa, particularly since the 1980s, have been based on the “blind” and ruthless free market ideology and, they have all failed miserably. Unfortunately, the period during which Africans had the opportunity to initiate their own development policies was very short, lasting less than a decade from independence (between 1960 and 1970). Since then all initiatives have been designed by “aliens” for Africa and, they have all failed. The failure is evidenced by the ever growing debt and increased incidence of poverty on the African continent.

In the following sections, I have traced Africa’s development path from colonial times (the period when Africa was “raped” and robbed of its natural resources by the imperialists and empire builders); through the “Golden Decade” of the 1960s (the period of political freedom, self-realisation, economic growth and increased standard of living); to the 1970s (a decade of political instability); to the 1980s and 1990s (the decades of decay) and conclude with the developments in the present decade.

The Colonial Era: Period of robbery and abuse of Africa

From the outset, let’s remind ourselves that the present African countries were created, not by Africans, but by imperialists whose objectives did not include the socio-economic development of Africa. The scramble for Africa at the infamous Berlin Conference and the subsequent creation of many small countries in Africa was based on pure imperialist greed and insatiable quest for wealth. We cannot forget this because Africa is still grappling with the “social dissolution” (Stiglitz, 2002) that resulted from the indiscriminate division of its peoples without any regard for social cohesion which had kept Africans together for so long. “Colonialism subverted hitherto traditional structures, institutions and values or made them subservient to the economic and political needs of the imperial powers. It also retarded the development of an entrepreneurial class, as well as a middle class with skills and managerial capacity”¹. Thus, the biggest challenge that faced African countries at independence was the uphill task of restructuring the economies that have been structured to produce one or two raw materials for export. The fact that Africa has not yet succeeded in restructuring its economies after 40 years of independence is an indication of the extent of exploitation of the continent and the ruthlessness of colonialism as well as inappropriate policies imposed on the continent.

Africa in the 1960s: A period of state-ownership, economic growth and hope

In 1957, Ghana under the leadership of Kwame Nkrumah, led the way and mobilised the people to free Africa from imperialist greed. Immediately after independence, the development strategies in Africa had one goal – human development. This was to be achieved within long and medium term development frameworks whose objectives

¹ NEPAD (2001)

were to: eradicate the “colonial structure” that had been imposed on African economies, speed up economic growth and to improve living standards of the people. The key feature of African development initiatives in the 1960s was the important role the state played. The state allocated to itself a central role in the development process – building social and economic infrastructure and providing social services to the impoverished people of the continent. Another feature of the development initiatives in the 1960s was the import substitution strategy which ensured adequate protection of local industries and employment. This development strategy, with the central role for the state and the protection of local industries and employment would come to be condemned and dismantled by the international financial institutions with collaboration from local free market capitalist ideologues who see no role at all for the state except to protect their economic interests and to ensure the security of their lives and property.

Nkrumah and a few other visionaries in Africa realised that the most effective way to develop Africa and Africans was to involve the state in economic activities in order to ensure that there was fairness in the distribution of the benefits from national income and growth. The new states, therefore, invested heavily in social services, particularly education and health. Huge investments also went into the building of economic infrastructure such as roads, ports, communications facilities and factories. In Ghana, the number of primary schools increased from 154 360 in 1951 to 481 500 in 1961 (211.9%); middle schools increased from 66 175 to 160 000(141.7%); secondary and technical schools increased from 3 559 to 19 143 (437.8%); teacher training colleges from 1916 to 4552 (137.5%). In 1951 there were only 208 university students in Ghana. In 1951 the number had increased to 1 204 (478.8% increase). In the health sector, number of hospital beds increased from 2 368 in 1951 to 6 155 (160% increase); rural and urban clinics increased from 1 to 30; doctors and dentists from 156 to 500 (220.5% increase). There were similar investments in transport, communications and electricity. Tanzania, Zambia and other countries followed the same path after they achieved independence.

In order to reduce the dependence of Africa on the colonial powers, i.e. to gain economic independence, import substitution strategy (ISI) became the key element of the development strategies across Africa. This needed a massive support for the industrial sector. In Ghana, under Nkrumah’s seven year development plan, 62% of all investments were to go to the social services sector while 38% was to go to the “directly productive sector”. In trade, African states controlled substantial proportion of imports of consumer goods and exports. In Ghana, the state controlled 41% of imports and over 60% of exports (mainly cocoa, gold and timber). The results were remarkable in terms of improvement in standard of living.

However, by the late 1960s, the momentum of Africa’s development had slowed down considerably. The economic slow down in the late 1960s is usually attributed to “over-investment” in the social sector and corruption. What is ignored is the negative and long lasting effect of the cold war on Africa which became one of the battle grounds for the cold war immediately after independence. The West realised that more and more African countries were likely to follow the human-centred path of economic and social development which had proved to be remarkably successful particularly in Ghana, Zambia and Tanzania. The Western powers saw this rapid development, via the socialist oriented policies, as a threat to the free market

ideology. They, therefore, sought to interfere in African political affairs through their secret agencies² and in economic affairs through international institutions - the World Bank and IMF, in the form of huge investments in infrastructural projects across Africa in the 1960s. A typical example was the West's contribution to the construction of the Akosombo Dam in Ghana. The World Bank contributed £17 million, the USAID (£9.5 million), UK (£5million) and Export and Import Bank of the UK (£3.5 million). The objective of this strategy was not to help Africa to develop but it was in the strategic interest of the West. Having all the new African states on their side was a good strategy during the cold war. The long term objective was to undermine state participation in economic activities in Africa. Knowing that indigenous Africans could not takeover the major economic activities (because of lack of entrepreneurship skills and credit), the pullout of African states from economic activities would pave the way for the giant western multinationals to take over these enterprises³. This strategy worked very well, unfortunately.

The sad aspect of this conspiracy was that some African leaders collaborated with their former colonial powers to undermine African unity and its initiatives. This created a division among African leaders particularly between the French-speaking and the English-speaking countries⁴. This disunity among African leaders was evident in Addis Ababa when African leaders gathered to form OAU. As rightly observed by Krafona (1988)⁵, "The [African] leaders who gathered at the Ethiopian capital were by no means united in vision or in purpose; they were divided among themselves over the question whether Africa should or should not unite, a division which resulted in the formation of an organisation which, by its charter of establishment, seems disabled from ever realising the vision of united Africa". African leaders failed to heed Nkrumah's advice that "Our essential bulwark against the sinister threats and other multifarious designs of the neo-colonialists is in our political union... Unless we meet the obvious and very powerful neo-colonialists' threats with a unified African front, based upon a common economic and defence policy, the strategy will be to pick us off and destroy us one by one".⁶ Nkrumah was overthrown in a military coup in 1966 with the active support of the West.

Africa in the 1970s: Political instability, economic decline and the call for new international economic order

² The secret agencies by nature work secretly so we may never know their *modus operandi*. But the results of their actions are always there for every one see. The brutal murder of Patrice Lumumba in 1961 in Congo and the overthrow of Nkrumah in Ghana in 1966 are evidence of actions of secret agents.

³ As a condition for loans from the West to build the Akosombo Dam in Ghana to supply hydroelectric power, a leading US aluminium company Kaiser was to be allowed to invest in Ghana. The tariffs negotiated in 1962 as part of the agreement are still being paid by VALCO in 2003. The implication is that poor Ghanaians have been subsidising the operation of VALCO for over 40 years.

⁴ A typical example of the colonialists' effort to divide Africa was the signing of the so-called partnership agreement between European Economic Community (EEC) and the French-speaking countries in Africa in 1963 - Yaounde I, followed by Yaounde II (1969 -1975). This Partnership was expanded to include African, Caribbean and Pacific countries in 1975 in Lome, Togo (so-called the Lome Convention).

⁵ Krafona K (1988) *Essays in Honour of Kwame Nkrumah*, Afroworld publishing company, London

⁶ Nkrumah K (1985), *Africa Must Unite*, Panaf, London, p.xvii.

By 1970, many African states had been seriously weakened. There was political instability across Africa – from Algeria to Zambia. This was the beginning of the economic decline and marginalisation of Africa. Thus, Nkrumah’s prediction came true, unfortunately. The situation was worsened by the oil price shock of 1973 which left African countries crushing under huge foreign debt.

To create an impression that they cared about Africa and to be able to gain access to the power base as quickly as possible, the World Bank focused on human development issues and provided financial support to health, transport and rural development (because that was what the politicians wanted at the time). What I want to underline here is that during the 1960s investment was driven by the wishes of African leaders. It was during this period that river blindness was eradicated from Africa. But at the beginning of the 1970s, when African countries were visibly weak, terms and conditions of loans were dictated by the IFIs and unsurprisingly human-centred African development priorities were sidelined and replaced by what the IFIs deemed appropriate for Africa. The result was a sharp drop in overall investment in social services and, as expected, this led to equally sharp decline in living standards. Some African economies started recording negative economic growth rates and incidence of poverty started rising again after some remarkable improvements in the 1960s. African leaders realised the falling living standards of their peoples and the marginalisation of the continent. They tried to reverse this trend through regional integration with the aim of fostering cooperation in various sectors of common interest. The formation of Economic Community of West African States (ECOWAS) and the East African Community (EAC) are examples of such regional cooperation.

The Economic Commission for Africa (ECA) came out with a document ***-Revised Framework of Principles for the implementation of the New International Order in Africa*** which became the “intellectual and theoretical foundation “ of the Monrovia Strategy in 1979 and, a year later, the Lagos Plan of Action and the Final Act of Lagos in 1980. This framework and the subsequent strategies advocated a development strategy for Africa with self-reliance; democratisation of the development process; and fair and just distribution of wealth as the cardinal principles⁷.

Despite these initiatives, the challenges of the 1970s proved too difficult for the young African states to overcome. Therefore, the weakened African states with their weakened economies were literally “handed over” to the international financial institutions to manage. From that period until now, the economies of African countries have been in the hands of the international financial institutions. African states were, thus, stripped of their social and economic policy prerogatives. Since then every effort by African leaders to “forge their [own] future and to craft their [own] indigenous development strategies and policies has been pooh-poohed by the international financial institutions with the support, or at least the connivance of the donor community [the West]”⁸. At the beginning of 1980s, the West forced Africa to follow World Bank /IMF structural adjustment programmes by tying all their grants

⁷ Adebayo A. (2002) “From The Lagos Plan of Action to the New Partnership for African Development and from the Final Act to the Constitutive Act: Wither Africa?” A Keynote Address presented at a Forum on Envisioning Africa, Nairobi, April 2002

⁸ Professor Adebayo Adedeji (2002) “From the Lagos Plan of Action to the New Partnership for African Development and From the Final Act of Lagos to the Constitutive Act: Weather Africa?- A Key note address presented at African Forum for Envisioning Africa held in Nairobi in April 2002.

and loans to strict adherence to IMF and World Bank conditionalities. The results have been disastrous.

Africa in the 1980s and 1990s: A Period of Structural Adjustment

By the beginning of the 1980s all economic and social indicators showed that Africa had been left behind. Mass poverty, starvation, diseases and ignorance were widespread in Africa. What we witnessed in Africa in the 1980s was well captured in the following statement contained in a paper delivered by ANC delegation at a SADCC conference held in Harare on March 28, 1988:

“We have seen [in all parts of Africa] the frightened and pleading eyes of both young and old, reduced almost, to animal condition by want and deprivation”. We are familiar with the tragic spectacle of children; mothers and fathers rummaging through refuse heaps in search of morsels of food that had been thrown away because they were no longer wanted. Stomachs distended to the point of bursting; eyes protruding sightless from deep sockets; legs so thin you wonder how they manage to support a body that is itself covered in scabs and festering sores; all these the result of man-made conditions that condemn millions to a life of hunger, homelessness, disease, ignorance and absence of protection from cold, heat, rain and the parching winds [of Africa]”.

Frantic efforts were made by African leaders with support from the United Nations, to reverse the trend. Among them were:

- The Lagos Plan of Action for the economic development of Africa: 1980-2000 and the Final Act;
- Africa’s Priority Programme for Economic Recovery 1986 -1990 (APPER) which later became UN Programme of Action for Africa’s Economic Recovery and Development (UN-PAAERD) (1986)
- The African Alternative Framework to Structural Adjustment Programme for Socio-Economic Recovery and Transformation (AAF-SAP) 1989; and
- The African Charter for Popular Participation for Development (1990)
- The UN New Agenda for Development of Africa in the 1990s (UN-NADAF, 1991)

As mentioned in the preceding sections, all these efforts were not supported by the IFIs and the donor community in the West. Instead, Africa became a fertile ground for the experimentation of the Washington Consensus with official development assistance (ODA) as the main tool. Based on a World Bank 1981 **Berg Report**, the IFIs initiated a policy-based lending and tied development assistance to structural adjustment policies with the focus on macroeconomic policies. Another World Bank Report in 1989 **From Crisis to Sustainable Growth** emphasised “wider issues of state failure” in Africa, stressing governance issues and policy reforms. In 1994 there was yet another World Bank report **Adjustment in Africa** which emphasised sound macroeconomic and structural management as prerequisites for growth and poverty reduction. As Easterly (2000) put it, it is like these policies did not work so let’s try more of them.

With the shift of emphasis from human development to macroeconomic stability (as recommended by numerous IMF and World Bank reports), the ministries in charge of local government, rural development, education, health and employment and infrastructural development were downgraded. Instead, the ministries of finance and

central banks were promoted since they were dealing directly with the Bank and the Fund. In Ghana, the Ministry of Finance and Economic Planning was stripped of its economic planning functions in order to focus all its attention on financial issues mainly inflation and exchange rate management.

Prominent among the policies that were imposed on us in the 1980s were: Privatisation, liberalisation and fiscal austerity. These policies were dictated by the World Bank and IMF in a form of conditionalities which were not based on any sound economic reasoning. As Stiglitz (2002) rightly pointed out “[t]he problem was that many of these policies became ends in themselves, rather than means to more equitable and sustainable growth. In doing so, these policies were pushed too far, too fast, and to the exclusion of other policies that were needed”.

Despite the failure of these policies, the IFIs continued to impose them on Africa throughout the 1980s and 1990s. The two decades of structural adjustment only succeeded in creating many positions and jobs for the so-called “experts” within the Bank and the Fund and increased the number of their missions to Africa. But for the ordinary African masses, structural adjustment brought more unemployment, inflation, low real wages, poverty, destitution, misery, inequality, high taxes, poor quality of education and a huge external debt.

By the end of the 1990s, Africa’s situation had, in fact, worsened by all standards. It is estimated that half of Africans now live on less than \$1 a day and more than one out of every ten children die before their fifth birthday. In Ghana, real wages in the 1990s were a third of their levels in 1960s and 1970s. Incidence of poverty had increased drastically. In some parts of the country the incidence of poverty is as high as 80 percent. Income inequality in Ghana is now among the highest in the world⁹. The situation is similar or worse in countries like Niger, Congo, Liberia, Chad, Mali, Malawi, Zambia, Mozambique and Sierra Leone. No one can deny the relationship between the war and ethnic conflicts we have witnessed in Angola, Mozambique, Sudan, Sierra Leone, Chad, Ethiopia, Liberia and Cote d’Ivoire and the extreme poverty on the continent. At the beginning of this century one out of every five Africans lived in a conflict zone. HIV/AIDS continues to kill thousands of African every week. No wonder this period has been described as the “lost decades”.

Africa in the 21st Century: Any Hope?

At the eve of the 21st Century the African crisis had reached its peak. Most countries had accumulated foreign debt to the tune of over 150% of their GDP over the two past decades of structural adjustment. Many countries in Africa were forced by the Bretton Wood institutions to spend over a third of their export earnings on foreign debt servicing. As a result of the combination of structural adjustment policies and corruption, living standards plummeted further and the key indicator of well-being -

⁹ In 1992, the poorest 10% of the Ghanaian population received a share of 1.2 % of total income as compared to the 36% share of the top (richest) 10% of the population. By 1999, the poorest 10% of the population had a share of only 0.3% of total income while the top 10% had 42.5 percent. The Gini Coefficient increased from 0.48 in 1992 to 0.60 in 1999. In Zambia the bottom 10% of the population receive 0.5 % while the top 10% receive over 50%. In South Africa, the bottom 10% of the population receives 1.4 % while the top 10% receive 42% of total income.

life expectancy - in Sub-Saharan Africa was 30 years less than that in the economically advanced countries – a situation Comrade Castro of Cuba described as “a true genocide”¹⁰.

Based on a 1996 World Bank report ***A Continent in Transition*** and under intense and sustained pressure from the international civil society organisations to forgive Africa of its huge debt, the Bank and the IMF came up with the Heavily Indebted Poor Countries (HIPC) initiative. This initiative required African and other poor countries in Latin America and Asia to prepare a Poverty Reduction Strategy Papers (PRSPs) as a condition for debt relief and access to the IMF Poverty Reduction and Growth Facility and the World Bank concessional loans and grants. In the PRSPs, governments were required to demonstrate their commitment to democratic governance, transparency, accountability, poverty reduction and the Washington consensus in return for debt relief and increased assistance. Another World Bank Report in 2000 “***Can Africa Claim the 21st Century?***”, emphasised the need for reducing conflict and improving governance, investing in people, increasing competitiveness and diversification, improving aid effectiveness and reducing dependence of Africa on aid. Many countries in Africa have since prepared either Interim PRSPs or full PRSPs. They include; Benin, Burkina Faso, Cameroon, Cape Verde, Chad, Congo, Djibouti, Ethiopia, The Gambia, Ghana, Guinea, Kenya, Lesotho, Malawi, Mali, Mauritania, Mozambique, Niger, Rwanda, Senegal, Sierra Leone, Tanzania, Uganda and Zambia.

In addition to the PRSPs other important initiatives that have been taken in recent times include; the UN Millennium Summit and the Millennium Development Goals (MDGs); the Omega Plan and the Millennium Africa Recovery Programme (MAP) which were combined to form the New Partnership for Africa’s Development (NEPAD). The World Bank/IDA is also developing a new initiative known as Assistance Strategy for Africa (ASAF) with the purported aim to complement the effort by African countries within the framework of NEPAD.

NEPAD: Is it the way forward?

Many questions have been raised about NEPAD. One of them is: “Is NEPAD the brainchild of Africans?” If the answer is a genuine “YES” then there is a high chance of its success. If the answer is NO, then we should think again. But how do we know that NEPAD is a *biological African child* but not another *illegitimate child* for Africa? I do not have answers to these questions. But at least I have a clue. That clue is contained in the so-called “G8 Africa Action Plan” adopted in Kananaskis, Canada in 2002. Having pooh-poohed all post-independence African development initiatives, what makes the G8 show such a strong support for NEPAD? Is it not in their economic and social interests? In the first paragraph of the G8 Africa Action Plan, the G8 leaders stated unequivocally that “We accept the invitation from African Leaders, extended first at Genoa... and reaffirmed in the NEPAD, to build a new partnership between the countries of Africa and **our own**”. I am among Africans who are surprised about the overwhelming support that has been pledged by the West for NEPAD. Common sense dictates that you should beware if you see the devil

¹⁰ Statement by Dr. Fidel Castro Ruz, President of Cuba to the United Nations Financing for Development Conference in Monterrey, Mexico, March 2002

laughing. Does the overwhelming support for NEPAD mean that it promotes the Washington consensus – which has been the basis for the West’s assistance to Africa over the last two or three decades? Based on the post-independence experience of Africa, I will be careful about policies that attract so much support from the West. As Nkrumah said over 40 years ago “It is unreasonable to suppose that any foreign power, affluent enough to give aid to an African state, would not expect some measure of consideration or favour from the state receiving the aid”¹¹

In the coming years we may see few dollars coming to Africa in the name of aid; but for what purpose? Is NEPAD not just a strategy to ensure that Africa fully participates in the fight against terrorism and international migration of Africans? These are the major concerns in the West and these are the areas Western grants are going to be tied to. It is desirable to fight against terrorism, AIDS and environmental degradation (other policy areas that are likely to attract foreign grants) but we should make it clear that these are global public goods that benefit everybody whether in Africa or anywhere in the world. AIDS, terrorism and environmental degradation are cross-border issues and so any effort to fight against them should not be seen as a favour or charity to Africa. If the West and the G8 are genuinely committed to Africa’s development, what has prevented them from achieving the official ODA target of ONLY 0.7% of their GNP? We should not continue to deceive ourselves. Africa should take her destiny into her own hands and develop her own policies based on the needs of its people. Africa’s future lies in her own ability to take bold development initiatives. Africa’s future does not lie in spurious and neo-colonial partnerships.

¹¹ Kwame Nkrumah (1962) *I Speak Freedom*, Mercury Books, London

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