Africa is striving for a fresh start

Four years after the World Bank's seminal 1989 report, the continent's crisis is deepening and more children are dying, says **Michael Holman**

NOT SINCE the end of colonial rule, some three decades ago, has Africa been gripped by such a fundamental struggle. At stake is the fate of a continent battling for economic recovery against mounting odds.

Over the past handful of years, the old order has collapsed, or is on its last legs. Apartheid has crumbled. Dictators have been overthrown, democracy sought, and state-controlled economies have succumbed to the market.

As the world itself changed, African presidents lost the patronage of Moscow and Washington, and donors demanded "good governance" from previously tolerated corrupt or mismanaged regimes.

From Lagos to Lusaka, the mood of the continent has altered dramatically as Africa has entered a new era. Africans have fewer inhibitions about criticising their governments, and they speak out more confidently for human rights and against corruption.

Above all, they debate what is critical to their future: structural adjustment – as powerful in its impact as any ideology the countries of sub-Saharan Africa have adopted. Drawn up by the World Bank, endorsed by other official donors and the IMF, criticised by many non-government organisations, and often bitterly attacked within the region itself, it shapes the lives of more than 600m Africans.

Yet some 10 years after its inception, the results are modest. As articles elsewhere in this survey suggest, the business environment in Africa has changed for the better. But in its crucial forthcoming review of adjustment in Africa, provisionally entitled *Progress, Payoffs and Challenges*, the Bank is expected to warn that progress falls short of expectations. Implementation by governments has been weak, the obstacles formidable, the time required longer than expected, the results modest, and elements of the programme flawed.

The report is guarded in its conclusions. But the insights it provides, together with the experiences of FT writers on the ground, point to a sombre conclusion: structural adjustment, while essential to Africa's recovery, is not sufficient. The African crisis is outpacing efforts to resolve it.

For millions in the region, the new era is associated with pain. Factories have been closed, food subsidies eliminated, social services cut, as governments seek to live within their means. The poor are the first to suffer. "Structural maladjustment is even more painful than adjustment," observes Dr Kwesi Botchwey, Ghana's long-serving finance minister. He is sympathetic to their plight, but that is scant comfort.

Even in the most successful of the 30 or so countries in various stages of structural adjustment, relief is modest and the road ahead long and arduous. At present growth rates (5 per cent for GDP, 3 per cent for population) it would take 20 years for Ghana to join the ranks of lower middle-income countries. The less successful have longer to wait: "With today's poor policies it will be 40 years before the region returns to its per capita income of the mid 70s", says a Bank official.

In the meantime, Africa is being left far behind by countries which have made better use of their resources and compete more vigorously for capital. In 1965, Indonesia's GDP per capita was lower than Nigeria's. Today, it is three times higher. Thailand's income per head in 1965 was lower than Ghana's; now it is one of the fastest growing economies in the world.

Equally striking is Africa's declining share of developing-country exports of food and agricultural products. It halved between 1970 and 1990 (from 17 to 8 per cent) with Asia increasing its market share.

"Can Africa's decline be reversed?" asked the Bank in its last important study of the continent's plight: "The simple answer is yes. It can be and it must be. The alternative is too ghastly to contemplate."

Four years later, the region remains racked by disease, disaster and debt: the question becomes more compelling, the alternative creeps closer. The Bank's hopes, back in 1989, that African economies could grow at a rate of 4 to 5 per cent proved optimistic. Growth has been barely half that, well below the region's 3.2 per cent annual rise in population.

Today, more people in Africa are poorer, and more children are dying. Other signs of stress are apparent, beginning with the distressing list of countries that have effectively ceased to function as modern nation states: Zaire, Somalia, Liberia, Sudan, Angola. Hopes raised by the end of the war in Ethiopia, the peace agreement in Mozambique, and a fragile peace pact in Liberia, are offset by renewed civil war in Angola and Nigeria's steady decline, and strife in Sierra Leone and Rwanda.

Former "success" stories and "role models" in the 1970s have since become cautionary tales. Kenya struggles to implement economic reforms which erode the patronage on which the ruling Kanu party has been so dependent. Cote d'Ivoire moves deeper into difficulties that cannot be addressed until the CFA franc is devalued, an obstacle that holds up effective economic reform in the 13-member CFA bloc.

The collapse of the settlement in Angola and continuing violence in South Africa raise doubts about whether, in the short term at least, southern Africa can be the engine-room for regional growth.

Most disturbing of all, perhaps, is the concern that Africa no longer has the adequate institutional capacity to help itself. The technological gap between Africa and the world has widened, and the continent's management is weak. Many schools and universities are without teaching materials. Civil services have been neglected or politicised. The integrity of the judiciary has been eroded.

Meanwhile, Aids takes its terrible toll. More than half of the world's 15m sufferers are in Africa. The virus has already killed about 1.2m Africans. An estimated 14m will be infected by 2000; many are from the skilled urban class on which the implementation of reform greatly depends.

Hopes that the emergence of multi-party politics would prove a simple stepping stone to good governance have proved premature. Opposition parties have turned out to be weak, fractious and susceptible to patronage, owing more to ethnicity than policy for their support.

For the industrialised world, the will to help may emerge only when an ailing Africa is seen as a threat to self-interest, in the form of immigration to southern Europe, or a rise in Moslem extremism, growth in drug-trafficking or health risks posed by a continent that cannot be ring-fenced; or when it is stimulated by the loss of flora and fauna with medicinal value, or environmental concerns.

Self-interest or humanitarian imperative, Unicef's poignant warning is timely: "The abandonment of hopes for the continent would mean the writing off of the talents, aspirations and potential of one eighth of mankind, both now and far into the next century."

From Africa must come a new generation of leaders, committed to reform, and tapping the same spirit that brought freedom 30 years ago. Angered by the failures of corrupt and autocratic leaders, frustrated by economic policies that did not deliver, impatient to recover their lost civil rights, and worn out by wars, Africa's people are striving for a fresh start.