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University of Central Florida

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CURES TO STALLED DEVELOPMENT: CAUSES AND SOLUTIONS TO
ECONOMIC CRISIS IN SUB-SAHARAN AFRICA

by

MONIKA O. THIBOUTOT
B.A. University of Central Florida, 2004

A thesis submitted in partial fulfillment of the requirements
for the degree of Master of Arts
in the Department of Political Science
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Major Professor: Bernadette M.E. Jungblut

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ABSTRACT

The purpose of this thesis is to investigate some of the contending issues associated with economic underdevelopment in sub-Saharan African states. Specifically, this thesis focuses on the combined effects of World Bank and International Monetary Fund (IMF) economic austerity programs, the increased spread of the HIV/AIDS pandemic, and the continuous democratic deficit on the sluggish economic performance within four sub-Saharan African countries – Ghana, Kenya, Botswana and the Democratic Republic of Congo. The research questions are: are there any unique political, cultural, and economic issues that underscore and determine the path of sub-Saharan African development? What are the potentials for sub-Saharan Africa going beyond its present state of socioeconomic and political underdevelopment? Can sub-Saharan African nation-states truly claim the 21st century? It is hoped that what is learned from examining the situation in these four countries may be generalizable to other sub-Saharan African states.

This thesis has been written with the conviction that sub-Saharan Africa, although it has missed opportunities over the past thirty years, has not completely closed the door on economic development. Although sub-Saharan African conditions have not favored development and there is no simple solution for sub-Saharan Africa's economic and social ills, there are a number of 'common sense' approaches toward sustainable economic and social development. This thesis examines why sub-Saharan Africa's economic crisis has persevered for three decades, and why efforts to establish and uphold more effective economic policies and functioning public institutions have been so much more difficult in sub-Saharan Africa than elsewhere. My account concentrates on

political and institutional factors: I explore how the predicament has progressed over the last thirty years, and the repercussions of the long-term nature of this predicament. The focal purpose is to identify and explain the causes which have kept sub-Saharan Africa for several decades mired in an ostensibly permanent crisis. The general theme of the thesis emphasizes that politics and economics are interconnected in sub-Saharan Africa. Moreover, the thesis focuses on the changing role of politics and markets in the process of economic development since the 1970s – and prospects for the future of this region.

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CHAPTER ONE: OVERVIEW AND LITERATURE REVIEW

Introduction

Daily the headlines blare news of coups, mass poverty, or famine in faraway countries. Less often, one can read stories of some nations that have experienced economic growth, rising health standards, or democratic elections. Some nations have developed rapidly, whereas others have stagnated. The Third World is a case in point of countries that failed to develop politically and economically. The economic and social situation in the majority of African countries remains fragile and vulnerable to domestic and external shocks, and the region has a long way to go to make up for the ground lost over the past two decades. Economically, Africa is considered a poor and marginalized continent. Since the demise of the Cold War it has not longer been of any strategic or diplomatic significance to the great powers. Except when there are emergencies necessitating humanitarian aid, no one is really interested in the destiny of the continent's population. Is it the failure of development? Or backwardness? Or is it rather a sign of strength that African societies are rejecting to plunge into the neo-liberal trap, instead founding alternatives to the Western model of development? One of the questions engaging a large number of intellectuals interested in development is why the economic growth record of sub-Saharan Africa has been so impoverished for the last three decades. This research asks: Why do some states succeed and others fail to develop politically and economically? What accounts for a nation's ability to develop? Are development and underdevelopment explained principally by internal or international forces?

The purpose of this thesis is to examine in-depth perspective on the history of economic development, the main theories of development and their implications

regarding policies, particularly in sub-Saharan Africa. This research paper also covers the classical roots of development theory, including modernization, dependency theory, world-systems theory, and globalization. Moreover, to understand the nature and causes of developmental and economic inequalities, we need to unpack what the concept of development actually means. The overall aim of this project is to identify and describe some of the more general kinds of problems that the numerous developing countries, especially in sub-Saharan Africa, may have to struggle with in their contemporary attempts to modernize and advance the level of living of their people.

Development Theory and Practice over Time and Space

Since the end of the World War II, an increasing number of scholars from many different fields have focused their attention on the development problems confronting the emerging nations of the Third World; and several different approaches to or paradigms for understanding the development process have been put forward. Before proceeding any further, however, it is essential to make two points of clarification. First, we should acknowledge that the issue of economic development is an enormously complex one. Second, in order to put recent events regarding development into context, I will focus in this section on changing views of development over time. For many people, the initially ambiguous and prognostic term 'development' still strives to attain a precise meaning. Nonetheless, the concept of development has undergone considerable transformation since the end of the Second World War. Since the term development may mean different things to different people, it is necessary at the beginning that we have some working definition or fundamental perception on its meaning. Without such a view and agreed-on

measurement principles, we would be not capable to realize which country was in fact developing and which was not. For the purposes of this study, I have borrowed Joe Remenyi's definition of development: "Development is a process directed at outcomes encapsulating improved standards of living and greater capacity for self-reliance in economies that are technically more complex and more dependent on global integration than before" (Remenyi 2004: 22). Nevertheless, this definition poses a number of questions: Is it possible to outline or generally conceptualize what we imply when we discuss development as the continued rise of a whole society and social system toward a "better" or "more human" life? What can be done to make capitalism develop further in countries that remain poor and "backward"? What represents the good life is a question that must be sporadically re-examined and answer once again in the ever-changing setting of world society.

At least since Adam Smith, the notion of development has been closely identify with the idea of economic growth. In fact, it is sometimes thought of as being the same thing, though few modern economists or other social scientists would now view development so narrowly. As we will see, not even the major international financial institutions, such as the World Bank and the International Monetary Fund today contemplate of development solely as growth, despite the fact that they once did and even now think it to be central element of development. What Adam Smith sought to promote and enlighten was the attainment of economic growth in pursuit of the "wealth of nations." He argued that the capital that had been "silently and gradually accumulated by the private frugality and good conduct of individuals, by their universal, continual, and uninterrupted effort to better their own condition had maintained the progress of England

towards opulence and improvement” (Smith 1776/1977: 446). This had led to “improvement, in the productive powers of labor” so that more and more people could enjoy “a greater share of the necessaries and conveniences of life” in what Smith called the “civilized and thriving nations,” in contrast to the “savage nations of hunters and fishers” (Smith 1776/1977: 104-105).

Following the World War II when development began to obtain a more precise meaning for Western social scientists, the major issue was the possible political and economic pathways of ‘underdeveloped’ or ‘developing’ countries then coming out of colonial rule, initially in the 1940s in Asia and, from the mid-1950s, several countries in sub-Saharan Africa. With the aim of responding to a growing understanding of the complexity of development, a variety of approaches developed during this time. The post-World War II literature on economic development has been dominated by four major and sometimes competing strands of thought: the linear-stage-of-growth model, theories and patterns of structural change, the international dependence revolution, and the neo-classical, free-market counterrevolution.

Modernization Theory and the Impact of Cultural Values

Modernization theory developed in the mid twentieth century. This theory investigated the modernization of states and noted that economic development promoted political development, and that the two were inevitably compatible. In the beginning, modernization theory, a specific way of thinking about development, gained credibility with many Western governments, international financial institutions, and scholars. Written and developed within the framework of North America’s experience,

modernization theory was deemed as a political and economic tool for the United States to justify her intervention in any nation that seeks any path contrary to the interests of capitalism (Escobar 1997: 85). Originally regarded as both an obvious and visionary concept, the prevalent supposition in the 1950s and 1960s was that 'Third World' (or 'developing') countries would almost inevitably become developed over time. At that time, traditional wisdom had it that sooner or later all countries would inevitably shift from a traditional to a modern state through economic and technological advancement. There was a subsequent emergence of many new countries, particularly in Africa and Asia, to join the existing long-independent, until then, still mostly 'underdeveloped' countries in different areas of Latin America. Now, four decades on, numerous countries, especially in sub-Saharan Africa, what is regarded as 'the development process,' seems to have gone awry in the last twenty years. Nevertheless, it is widely recognized that there are numerous 'development success stories', notably several East Asian countries, also known as "Four Asian Tigers" consisting of Hong Kong, Singapore, South Korea and Taiwan.

Modernization theorists of the 1950s and early 1960s regarded the process of development as a series of successive stages of economic growth through which all countries must pass. It was principally an economic theory of development in which the appropriate amount and combination of saving, investment, and foreign aid were all that was essential to allow Third World countries to progress along an economic growth pathway that traditionally had been pursued by the more developed nations. As a result, development became synonymous with rapid, aggregate economic growth. The most influential and outspoken advocate of the linear-stages theory is Walt Rostow. Rostow,

among other prominent scholars, believed that the rest of the world needed to look to the Western model of modernity and replicate their society like the West in order to make progress. Therefore, the modernization theory embraces the ideas that developing societies would need to change their values, adopt Western institutions, and create an atmosphere which appeals to foreign investment. Consequently, Rostow divided societies into modern and traditional based on their economic wealth, social structures, and their use of technology. According to the Rostow doctrine, the transition from underdevelopment to development can be described in terms of a series of steps or stages through which all countries must proceed. The sequence of development that Rostow outlines includes the following five stages: 1. traditional society; 2. preconditions for change; 3. take-off, 4. drive to maturity, and 4. mass consumption. As Rostow wrote in the opening chapter of his *Stages of Economic Growth*:

This book presents an economic historian's way of generalizing the sweep of modern history ... It is possible to identify all societies, in their economic dimensions, as lying within one of five categories: the traditional society, the pre-conditions for take-off into self-sustaining growth, the take-off, the drive to maturity, and the age of high mass consumption ... These stages are not merely descriptive. They are not merely a way of generalizing certain factual observations about the sequence of development of modern societies. They have an inner logic and continuity ... They constitute, in the end, both a theory about economic growth and a more general, if still highly partial, theory about modern history as a whole (Rostow 1960: 1-3).

In this statement, Rostow pointed out that the industrialized countries had all gone beyond the stage of "take-off into self-sustaining growth," and the underdeveloped countries that were still in either the traditional society or the "preconditions" stage had only to stick to a particular series of tenets of development to take off in their turn into self-sustaining economic growth. In general, the stages of Rostow's development suggest that a society moves from a traditional phase characterized by a lack exposure to Western society, a lack of science or technology, a dependence on agriculture, and a high level of

poverty to a modernized, industrialized, and developed economy. Rostow argues that the first step on the road to development is to meet the preconditions for “take-off.” This entails adequate modernization of agriculture to feed a rising population of non-farmers; basic infrastructure in the form of roads, canals or railroads; and the growing influence and power of a group ready and able to lead the country into industrialization. As soon as the preconditions are met, the country is ready for “take-off.”

Furthermore, many prominent theorists such as Samuel Huntington and Gabriel Almond support modernization theory’s optimism of following the steps of the developed countries’ path of development. They emphasize liberal economic views in which open markets are believed to be the way to strong economic growth. Because of this growth, they argued that development, and in time, democracy would take place. At the core of the modernization notion is the underlying assumption that the structures and processes of all human societies develop from simple forms of traditionalism to complex expressions of modernity. Modern or modernizing societies converge in their main economic, social and ultimately political structural properties and processes. Simply put, it is a process whereby modern societies exercise greater control over their “natural and social environment” through the expansion and application of scientific and technological knowledge (Huntington 1971: 286). The modernization theory appeared after the Second World War because of three main factors. First, the United States emerged as the single powerful hegemon of the world. Second, the Soviet Union vigorously defended ‘development’ through socialism and it made clear that it wanted to spread and lead socialism around the world. Third, new countries in Latin America and Africa emerged independent after decades of colonial rule (So 1990: 17).

Critiques of Modernization Theory

After two decades of domination in development spheres, modernization theory came under attack from a number of perspectives. First, modernization theory failed to distinguish between countries, regions, and structural conditions. Thus, modernization theory ignored the unique historical experiences and cultural factors that may have impeded the development and modernization of a country. Several of the countries, for instance, that would be categorized as “undeveloped” as a matter of fact already had “modern” industries, educational systems, or the other forerunners that were believed crucial for modernity. Second, modernization theorists idealize the economic state of the United States and Europe as the model all “underdeveloped areas” should be satisfied with. Their theory presumes that after traditional nations have embarked on the process of economic development, they cannot stop it. In addition, they outline any aspect of the cultures of primordial nations as undesirable if it does not correspond to the Western concept of modernity. Therefore, tradition is discarded and handled as an impediment to accomplishing economic progress. Lastly, the main focus of modernization theory is utterly on the internal conditions of the countries, thus leaving the external factors behind, in addition to the profound colonial heritage most developing nations still hold (So 1990: 54).

Dependency Theory: Theory of Underdevelopment

Modernization theorists had a difficult time explaining the rising disparities within Third World countries and for growing international inequity. A small number of countries, for instance, were achieve anything resemble Rostow’s “take-off” stage, and

still for those few, growth was often uneven and inconsistent. As a result, after decades of closely following modernization theory many developing nations became frustrated with their lack of development and began to seek new solutions. Particularly, in the 1970s, dependency theorists challenged the views of modernization theory in a variety of ways. They regarded the system itself as exploitative, because of its nature to be dominated by the inequitable power game between the rich core nations and the poor periphery. This power game produces an international division of labor in which the impoverished nations frequently export primary products such as agriculture at the same time as the wealthy countries export tertiary exports, including technologically advanced products. This division will progressively more impair the economies of the less developed nations as they develop and are able to acquire a greater amount of technology concentrated imports. Thus, for dependency theorists, the problem of underdevelopment is seen as an external phenomenon and it is over and over again development itself that in fact triggers it. As Osvaldo Sunkel and Pedro Paz put it:

Both underdevelopment and development are aspects of the same phenomenon, both are historically simultaneous, both are linked functionally and, therefore, interact and condition each other mutually. This results ... in the division of the world between industrial, advanced or "central" countries, and underdeveloped, backward or "peripheral" countries... (Seligson 1993: 205).

The center is seen as competent of vigorous development receptive to internal needs, and as the chief beneficiary of the global relations. However, the periphery is viewed as having an impulsive type of development; one which is both restrained by its integration into the global system and which stems from its adjustment to the conditions of the expansion of the center. As dos Santos points out:

Dependency is a situation in which a certain number of countries have their economy conditioned by the development and expansion of another ... placing the dependent countries in a backward position exploited by the dominant countries (dos Santos 1970: 180).

One of the earliest writers to have provided a political economic explanation of economic backwardness and economic growth is Paul Baran. Baran is possibly the first writer to develop the theory of dependency based on the Marxist tradition. His theory is essentially the Marxist theory of economic development, as it originated in Marx's own writing on the origins, development and contradictions of capitalism (Sutcliffe 1957: 63-64). The central point of Baran's argument for explaining the situation of underdevelopment is that economic growth basically depends on the accumulation of surplus and its proper utilization. For Baran, there are three main types of economic surplus. These are: actual economic surplus, potential economic surplus, and planned economic surplus. Furthermore, he argues that LDCs are underdeveloped because they have lower production, and because the degree of utilization of human and material resources has been lower there as well. Therefore, the size of economic surplus in such countries is very low. This is not because of higher consumption but because of small-scale production and exploitation by the capitalists. Whatever capital LDCs obtain from abroad, is intended to take out surplus from these countries by the foreign capitalists. As a result, every time an increased national income occurs, it does not benefit the ordinary people due to the system of skewed distribution (Baran 1957: 82).

Moreover, dependency theorists acknowledge that nations have individual past such as histories of colonialism, and different resource endowments, thus it is impossible for them all to develop in a similar 'cookie-cutter' manner as the industrialized countries have done. As a result, the dependency theory that was primarily influenced by Marxism believes that economic development occurs primarily by restructuring economic and political systems in such a way that the poor receives a greater share of the world's

resources. This theory emphasizes the relationships between three classes of countries in the international system. The first group, countries at the industrial *core*, is comprised of industrial countries – Western Europe, North America, and their multinational corporations. The second group, countries of the *semi-periphery*, consists of developing countries that have achieved some level of considerable economic growth. The third group, the periphery, is the poorest of the developing countries. These developing countries continue to be large suppliers of raw materials and importers of manufactured goods from rich countries. Yet capitalism strengthens dependency on these wealthy countries. Dependency theory also takes into account the significance of cooperation among poverty-stricken countries, which is considered necessary in order to decrease their dependency on affluent countries. The table below summarizes the main points of these paradigms.

Table 1. The Modernization and Dependency Paradigms

	<i>Modernization Paradigm</i>		<i>Dependency Paradigm</i>	
	Early Theorists	Later Theorists	Dependency Theory	World System Theory
Causes of underdevelopment	Nations start out underdeveloped. Lack of modern technology, capital, entrepreneurial spirit, modernizing elites.	Vicious circle of poverty. Internal Colonialism Lack of social differentiation and social mobilization	Capitalist exploitation Unequal terms of trade Comprador elites Lack of spin-off effects of primary export production	Historical emergence of capitalist world system since 16 th century creates international division of labor, within which each country has its function
Structure of the system	Internationally: developed and underdeveloped countries Internally: traditional and modern sectors	Internationally: developed and underdeveloped countries Internally: dual traditional and modern economies “Colonial” dominance by a major city or region	Developed center and underdeveloped periphery	Developed core, underdeveloped periphery, partially developed semi-periphery
Path to development	Underdeveloped countries must follow the paths traversed by developed countries	Foreign aid and foreign investment to overcome vicious circle of poverty Open trade Export production – at first of primary resources, then of manufactured goods	Import substitution to develop the domestic economy Acceptance of foreign investment but with strong controls to break dependency	May be necessary to “delink” from the capitalist world system for a time Countries can move from periphery to semi-periphery to core
Key Theorist(s)	W.W. Rostow	S.N. Eisendstadt	Andre Gunder Frank	Immanuel Wallerstein

Source: Ted C. Lewellen. 1995. *Dependency and Development: An Introduction to the Third World*. Westport, Connecticut: Bergin & Gravey, pp. 68.

One of the more eloquent spokesmen for dependency theory is Andre Gunder Frank. Even though Frank's study of the problem of underdevelopment is based predominantly on the historical experiences of Latin America, the fundamental argument can also simply be applied to Africa. According to Frank, the causes of the underdeveloped status of Third World countries today are closely connected with the historical causes of development in the industrialized nations. Specifically, development and underdevelopment are deemed as two features of the same system. Furthermore, Frank argues that the industrialized countries were never underdeveloped, however, they have been undeveloped. Underdevelopment, in Frank's view, is not a historical stage of growth through which industrialized countries proceeded, but instead, it is the consequence of the historical development of the capitalist system. The Third World countries have remained underdeveloped through their contacts with the industrialized countries because their colonial status shaped the course of their economic history. In addition, Frank outlined numerous hypotheses regarding his thesis on development on underdevelopment. His first hypothesis focused on the world-embracing metropolis-satellite structure within which the metropolises tend to develop and satellites tend to underdevelop. Second hypothesis claims that the satellites encounter their greatest economic development if and when their links to their metropolis are weakest. The third hypothesis is that the regions that are the most underdeveloped nowadays are the ones that had the strongest bonds to the metropolis at one time. Frank's fourth hypothesis is that "...the greater the wealth that was available for exploitation in the past, the poorer and more underdeveloped the region today; and the poorer the region was as a colony, the

richer and more develop it is today ...” (Frank 1975: 97-98). Frank’s main points of his thesis are summarized below (Table 2).

Table 2. Frank’s Micro-Macro Structures of Underdevelopment and Development

Micro-Structure of Development/Underdevelopment	Macro-Structure of Development/Underdevelopment
Relates to the structure of a backward country having periphery (p) and metropolis (m)	Relates to the structure of Capitalist world having its peripheries (P) and metropolis (M). The peripheries are nothing but the metropolis of so many backward countries
A backward state center (m) is a periphery of world capitalism	Metropolis of world capitalism is not a periphery of anybody or anything
Within the micro-system of a country, surplus is extracted from (p) and sent to (m)	Within the macro-structure of capitalist world, surplus is extracted from all dependent colonies/state centers (m), and it goes to the metropolis (M)
Trough loss of surplus, (op) becomes underdeveloped, and (m) becomes comparatively developed When surplus is extracted from state metropolis (m) by the world metropolis (M), (m) becomes underdeveloped Thus, both (p) and (m) become underdeveloped through macro structural exploitation	No surplus is lost, but it is gained from all dependent colonies/states Hence, (M) becomes developed There is no mechanism/agent to extract the surplus of macro-metropolitan center (M)
Macro capitalist structure unfavorably influences the micro-structure of a backward country and produces underdevelopment in LDCs	No exploitation is possible by the micro-structure. Macro-center (M) develops uninterruptedly Micro-structure of LDCs helps the development of the macro-structure in industrialized countries

Source: B. N. Gosh. 2001. *Dependency Theory Revisited*. Burlington, Vermont: Ashgate Publishing, pp. 50-51.

Nonetheless, the work of Frank is also not without its critics. His historical account of world accumulation was subject to the scrutiny of Quentin Skinner, who referred to Frank’s “inflexible theory of economic determinism” (Skinner 1979: 15) and provided three main objections. One was that “Frank adopts the old-fashioned view that the price revolution of the sixteenth century was primarily caused by imported bullion” when, in fact, “the mines at Potosi were not exploited on a large scale until the 1560s.” Second, Frank presumed the existence of “a single global crisis” during the seventeenth century, however it is hard to imagine a global crisis at a time when China and Japan were so isolated. Finally, Frank’s “emphasis on the role of international trade in

explaining England's 'take-off' into sustained economic growth" was "implausible" (Skinner 1979: 15). Another critic John Taylor attacked Frank on other grounds, for instance, that the concept of economic surplus that Frank drew from Baran's work, "precludes any rigorous analysis of the structure, reproduction and development of modes of production: hence it cannot provide an adequate basis for analyzing either the development of capitalist penetration of non-capitalist modes, or the existence of different forms of this penetration" (Taylor 1979: 85). In addition, Anthony Brewer put forward similar critique:

His normal procedure is to make brief, sloganistic assertions, and then to justify and expand on these by giving a series of historical examples, frequently quoting at length from other writers or from original sources. The problem with this style of argument is that it leaves no room for systematic theoretical exposition ... In addition, crucial terms (development, underdevelopment, metropolis, satellite, capitalism, and so on) are never explicitly defined ... It seems to me that Frank often allows these terms to have a spectrum of meanings rather than a single precisely defined sense, blurring the logic of some of his most important assertions (Brewer 1980: 164-165).

World-Systems Theory

World-systems theory evolved out of the dependency theory. The most original claim made by world-system theorists have to do with the scope and chronology of the world-system they define. They contend that since the sixteenth century a global market has expanded to include the multiple cultural systems of the world's peoples into a single, integrated economic system characterized by a worldwide division of labor (Shannon 1989: 20-23). The first major articulation of the world-system theory, and classic example of this approach, has been closely associated with Immanuel Wallerstein who is generally considered the driving force behind the 'world-system' school of thought. He saw dependency theory as a division of his broader world-system viewpoint. For instance, Wallerstein argues that all states form part of a capitalist world economy in which the existence of differences in wealth is not an incongruity but instead a natural

outcome of the fundamental processes driving that economy. According to this viewpoint, the gap between wealthy and poor eventually will cease to exist, yet only when the capitalist world system that has been in place since the sixteenth century itself disappears. In his own first definition, Wallerstein saw a world system “as a unit with a single division of labor and multiple cultural systems” (Wallerstein 1974: 390). For Wallerstein, a world-system is

a social system, one that has boundaries, structures, member groups, rules of legitimation, and coherence. Its life is made up of the conflicting forces which hold it together by tension and tear it apart as each group seeks eternally to remold it to its advantage. It has the characteristics of an organism, in that it has a life-span over which its characteristics change in some respects and remain stable in others ... Life within it is largely self-contained, and the dynamics of its development are largely internal (Wallerstein 1974: 347).

Two types of world systems are evident in history. The first type includes the world empires or the great civilizations of pre-modern times such as those of Egypt and Rome. The second type entails world economies dominated by nation-states and their colonial networks that can be illustrated by Great Britain and France. Moreover, he describes a hierarchy of wealthy “core” nations, poor “periphery” nations, and a middle group of “semi-periphery” nations which had some characteristics of each and which served to control and fragment the nations outside the core. As a result, the structure of the system, which developed due to multifaceted strings of expansion and contraction, is based largely on an international division of labor between the core, the periphery, and the semi-periphery (Lewellen 1995: 64-65). In addition, technology is a central factor in the positioning of a region in the core or the periphery. Advanced countries are the core and the less developed are in the periphery. Peripheral countries are structurally constrained to experience a kind of development that reproduces their subordinate status (Chase-Dun and Grimes, 1995: 385-417). The degree of difference in power of the numerous states within the system is critical to preserve the system as a whole, since

powerful states strengthen and increase the differential flow of surplus to the core zone (Skocpol 1977: 1075-1090). This is what Wallerstein called *unequal exchange*, the systematic transfer of surplus from semi-peripheral regions in the periphery to the high-technology, industrialized core (Goldfrank 2000: 150-195).

Globalization and its Impact

The nature of globalization and global economic change has been a subject of immense academic research during the past three decades. It is argued to affect everyone on the planet in some way or other and to be the key driving force shaping our lives. Yet anyone who is working on globalization lately bumps into an apparently difficult problem of defining and understanding of what globalization actually is or means. The definitions of globalization, for instance, in the current literature unfortunately remain mainly elusive and ambiguous. Before embarking on further discussion about globalization, we need to clarify the term 'globalization' and define its causes and effects especially in terms of economic, environmental, and cultural development. Nowadays scholars generally agree that globalization should be viewed as "the acceleration and intensification of interaction and integration among the people, companies, and governments of different nations. This process has effects on human well-being (including health and personal safety), on the environment, on culture (including ideas, religion, and political systems), and on economic development and prosperity of societies across the world" (Rothenberg 2003: 2).

The increasing integration of national economies into global markets guarantees to change significantly the capacity and nature of international resource flows. Yet one of

the modern world's paradoxes is that it offers so many life-enhancing economic, social, and political opportunities, but so much of humanity can only dream of attaining them.

The 2000 World Bank report revealed a Third World that largely remained mired in poverty:

Of the 4.4 billion people in developing countries, nearly three-fifths lack basic sanitation; a third have no access to clean water; a quarter lack adequate housing; and a fifth have no access to modern health services. About 20 percent of children do not complete five years of school, and a similar percentage do not receive enough calories and protein from their diet (World Bank 1999/2000: 26).

The subsequent chapters will discuss in more detail the challenges and possible solutions to the economic dilemma that the continent is experiencing at the present.

CHAPTER TWO: THE PLIGHT OF SUB-SAHARAN AFRICA

Challenges Facing Sub-Saharan Africa in the Twenty-First Century

Even though the 1980s and the early 1990s were periods of stagnating incomes, declining employment, and deteriorating poverty for several Third World countries, nowhere was the situation more grim than in sub-Saharan Africa. At the core of the African predicament is an inevitable economic decline, a drop in per capita incomes, rapid increases in population, the loss of export revenues, the limitation of foreign investment, the obliteration of frail ecosystems, and the inability of many countries even to feed their people and meet other basic human needs. A joint report by the International Institute for Environment and Development and the World Resources Institute put it well:

Sub-Saharan Africa poses the greatest challenge to world development efforts to the end of the century and beyond. Recurrent famine there is only the symptom of much deeper ills. Africa is the only major region where per capita income, food production, and industrial production have declined over an extended period: the only developing region where development appears to be moving in reverse ... in recent years, Africa's farmers and herders, its oils and forests, have been chasing each other down a vicious spiral of environmental degradation and deepening poverty. Conventional development efforts by donors and governments have largely failed to halt the spiral, indeed in some cases have aggravated it (International Institute for Environment and Development and the World Resources Institute 1987: 221).

Due to the disappointed record of African countries, scholars have renewed their interest in the study of why Africa failed to develop. Most of that research has blamed the generally stagnant if not negative levels of development in the African continent on the widespread and deepening poverty, immense inequality, deterioration and shortage of infrastructure, extensive unemployment, corruption and persistent political instability. Moreover, some scholars have blamed Africa's continued poverty on policy mistakes made by well-meaning but incompetent and ill-informed policymakers. Indeed, in the 1970s, there was a plea by several observers, including scientists working in the

continent, for the recruitment into the African civil services of more knowledgeable, better trained, scrupulous, highly ethical and disciplined individuals, as a way to decrease corruption among public officials, step up bureaucratic efficiency, and advance governance and the distribution of resources. Yet by mid-1980s, it had become apparent that whatever policies were being implemented to boost up economic performance and tackle penury in Africa, were not working efficiently. As a result, more than two-thirds of the African countries, the majority of them in sub-Saharan Africa, were not longer able to meet their growing financial obligations (Mbaku 2004: 2-3).

Moreover, the failure of post-independence governments to respond effectively to the needs of the vast majority of ordinary Africans led to further impoverishment as well as growing debt commitments. As a result, during the 1980s and 1990, African government had to yield control of economic decision-making in order to meet the criteria for World Bank and International Monetary Fund's loans, known also as Structural Adjustment Programs (SAPs). Under World Bank and IMF auspices, African governments were forced to reduce domestic spending and relinquish control over their expenditure priorities, such as health care and agricultural subsidies. Consequently, per capita income had declined by 25% in most sub-Saharan African countries (Colgan 2002).

Yet it is necessary to note that the reasons for the failure vary from country to country. Despite that one particular issue tends to stand out – why some African countries that undertake all the stabilization and adjustment measures prescribed by the International Monetary Fund (IMF) and World Bank package still fail to grow. Could it be that there are factors in the Washington Consensus that function as impediments to

growth? Do austere fiscal and monetary policies serve as stumbling blocks rather than as stimulants? This section examines the processes and impact of modernization and development paradigms upon poor countries in sub-Saharan Africa because the interactions in the workings of the world capitalist system cannot be understood unless we realize why development and modernization have fallen short in accomplishing the anticipated outcomes in the Third World countries. There is a contention that the post-Washington consensus has not at all triumphed over the inadequacies of the Washington consensus as a guide to comprehending development processes in sub-Saharan Africa.

The fact that 'development' as a plan of modernization has failed to significantly occur in a majority of the countries of the Third World, particularly in sub-Saharan Africa, is no longer in contention. Many 'development' economists and political scientists acknowledge that even with enormous achievement which have been made in this way in numerous countries, the vast majority of the world's population, live in desolate poverty and the gap between the very wealthy and the very impoverished within countries and different regions of the world is becoming wider. As a result, they accept that modernization and other development theories based on Western model of development are far from being universal since these theories have tended to pay no attention to the particularities of different countries and cultures. Thus, what is today analyzed as the gridlock in development theory is a recognition that these paradigms are in need of revision in turn for a new strategy to surface (Nabudere 1997: 203).

Following the intellectual leadership of growth and development economists like Lewis and Rostow, growth in Africa after independence was seen as a function of increased capital formation, as well as increased investment in education and training.

This “modernization” strategy was greatly dependent on flows of external financial assistance, and private investment. Nonetheless, this strategy ignored the participation of the rural population (Mkandawire 2003: 21). As a result, scholars of Africa have long expressed dissatisfaction with theoretical models that try to clarify the political, economic and social dynamics of the continent. According to Chazan, Mortimer, Ravenhill and Rothchild (1988), this situation means that “social scientists have had little alternative but to undertake a search for new conceptual frameworks that would afford a fuller insight into the dynamic processes unfolding on the continent” (Chazan 1988: 13). Others, such as Hayden (1983), contend directly that “Africa needs a new paradigm, or set of paradigms” to elucidate the continent’s development processes (Hayden, 1983: 193).

As we have seen earlier, since the late 1950s, some development theories have taken up the broadest feasible approach by emphasizing global-level processes. The dependency and world-system scholars, such as Frank and Wallerstein, underlined the global level by claiming that the international economy shapes societies around the world. Furthermore, Baran (1957) and Frank (1967) argued that economically developed countries extract raw materials and other resources from poor underdeveloped nations, thus perpetuating underdevelopment. Despite that many African scholars remain unconvinced that these development theories are able to explain the economic development dilemma throughout sub-Saharan Africa. For instance, York Bradshaw and his colleagues have argued that, “development processes are influenced by variables at different levels, with one level often affecting the other” (Bradshaw 1995: 43). Furthermore, they identify three different levels of analysis: the global level, the national level, and the local level. They believe that their “new” approach including these

different analysis, along with deductive and inductive strategies, would lead to more appropriate construction of theories for the continent of Africa (Bradshaw 1995: 61).

One of the results of the African economic crisis was the implementation of structural adjustment programs in most of the countries programs intended to enhance the capacity of the African economies to increase the living standard of their populations. However, structural adjustment programs did not create the environment in which market-led and self-sustained economic growth would take place in stagnating economies. Instead, these policies and practices turned out to be more detrimental to African countries. Nevertheless, there has been no emerging agreement to date as to whether the adjustments in economic policy made by the developing countries have achieved their intended final objectives of macroeconomic stability, increased economic efficiency, and enhanced economic growth. Some, based on more aggregative evidence, argue that GDP per capita continued to decline in sub-Saharan Africa countries in the latter half of the 1980s, regardless of policy reforms. Others have adopted the perspective that where the policy changes have been put into practice successfully, there has been some progress. In spite of the abundant literature on these issues, there is still little evidence of an emerging consensus (Cornia 1994: 25).

A great deal of discussion has also been devoted to whether internal or exogenous factors were the primary cause of sub-Saharan Africa's recent economic despairs. At the core of the matter is in particular the question of how the burden of structural adjustment contributed to the continent's plight. One of the most outspoken critics of structural adjustment is Daniel Tetteh Osabu-Kle. Osabu-Kle argues that structural adjustment is not primarily concerned with solutions to economic problems in Africa, instead, the main

objective of what Osabu-Kle calls “one-sided adjustment” is to “recolonize Africa on behalf of their allies while African leaders strive to resist that new form of colonialism” (Osabu-Kle 2000: 515). According to Osabu-Kle, the allies included the Western governments, international businesses, the commercial banks of the West, and some neo-liberal intellectuals. His confrontational contention is about the ‘political hypocrisy’ of the Bretton Woods institutions blaming economic mismanagement on African elite, “most of whom have either been trained directly in Western institutions or locally in accordance with blueprints of the syllabi of Western institutions” (Osabu-Kle 2000: 517). Moreover, he argues that,

Closing their eyes to market failures in the West that have encouraged Western government to institute welfare benefits including food stamps, welfare checks, and unemployment benefits, the Bretton Woods institutions compel African governments to remove all government subsidies to expose African populations to untold hardship and marginalization... This may be contrasted with the poor in Western society who are fortunate enough to collect welfare checks and food stamps without a single drop of sweat (Osabu-Kle 2000: 517).

Arguing that adjustment in Africa is a political struggle between the Bretton Woods organizations and their allies, on one hand, and African countries, on the other, Osabu-Kle points out:

Structural adjustment in Africa does not conform to natural justice, is one-sided, and not primarily about organizing for human projects in which decisions about who gets what, when, and how have become the sources of the power struggle between the Bretton institutions and African leaders (Osabu-Kle 2000: 515).

To prove his point, Osabu-Kle indicates that after decades of structural adjustment the economic structures of African countries have remained almost the same as what was inherited from the colonial era. For that reason, there is still not much evidence suggesting that adjustment fosters policy reform and economic growth.

On the other side, the World Bank and IMF's economists and analysts do dissent to those claims. They draw attention to "ethnic fractionalism," "traditional ways of thinking" and a "crisis of capability," claiming that Africa's economic history since 1960 is "reflected in painful human scars" and that "it fits the classic definition of tragedy: potential unfulfilled, with disastrous consequences" (Easterly and Levine 1997: 1). Moreover, recent World Bank publications by Burnside and Dollar (1997) and Dollar and Svensson (1998) reach the uplifting conclusion that where structural adjustment programs have failed, or in the many cases where aid has not had a positive influence on economic growth, the blame remains with the "incapacity" of the ill-fated countries concerned, rather than with the quality of aid policy design and implementation in Washington. The contention is that aid has not affected the policies taken on in poor countries, however, some countries have shown the aptitude to adopt "good," growth-supporting policies. These competent countries are not always compensated by aid flows for their support of consensus policies, particularly by the bilateral donors whose disbursement policies are depicted as "inconsistent," but "when good policy and aid flows happen to coincide the outcome has been very good" (Burnside and Dollar 1997: 30). This adds up to an effort to shift the blame, to refute the link between the content and strategy of the Bank's structural adjustment programs and the high proportion of such policy reform programs that have been unsuccessful by any criteria. It has been determined that a large number of adjustment loans were ineffective in low-income countries, especially in sub-Saharan Africa, and it is insinuated that adjustment programs failed because "African countries have characteristics that are not conducive to reform." The issue rests with the character

of African states, too many of which have not been democratically elected, are politically unstable, and “ethnically fractionalized” (Dollar and Svensson 1998: 16-17).

At first glance, the economic dilemma sub-Saharan Africa suffers seems to only predict the fate of its future. The foregoing sections of this research have outlined the background to, and the nature of the ideology and practice of development. As can be noticed from the substantial number of books, articles, and reports referred to in the pages of this study, structural adjustment and development theories have been the subject of intense interest and discourse for many years now. In a sense this brings us back to the problem named at the beginning of this research paper - why do some states succeed and others fail to develop politically and economically? In reading the preceding pages it should have become evident that there is no single theoretical approach that is capable of explaining all the intricacies of the multidimensional conundrum of economic development. Some of the theoretical paradigms may have partial validity for particular countries at certain times, however, there is no universally applicable general theory of development. What I have attempted to do in this study is draw some of the development theories together in a general view that would allow a broader insight of the numerous aspects of the problem, and eventually offer a context for identifying some of the general kinds of policies that the Third World countries might take on in their current struggle to alleviate poverty as well as eradicate the evident economic disparities that set them apart from the industrialized countries of the Western world.

In conclusion, development is not a clear-cut subject matter – there are several theories of development that aim to guarantee viable growth for all countries at some point. While there are solutions and suggestions, it is not always feasible. Nonetheless,

there are a number of factors, including the availability of resources, the values of leaders and citizens, and the availability of foreign aid among others that determine the developmental success of a country. It is also necessary to mention that what makes development such a complex issue is that not all countries agree, not all want help, and most all have, to some extent, an understanding of development and what it means for their country. As a result, not all perceive the notion of progress and transformation as an essential step to improving their lives, making development an unequal process.

Despite that the issue of development in the Third World countries has emerged as the most serious problem facing the humankind today, and it will remain the most critical problem we deal with for several decades to come. Therefore, we must take into account that not only the well-being of the people living in poor countries are at stake, but also the well-being of all of us hangs in the balance.

Democracy and Development in Sub-Saharan Africa

At the turn of this century, Africa is the continent that is the most vulnerable to exogenous and unrelenting shocks, the most poverty-stricken, the most debt-distressed and the most technologically backward. Civil turbulence and political instability, originating from deepening penury and years of authoritarian rule, have shattered the most essential of the social and physical infrastructure on which a dynamic economy can flourish. One of the questions engaging a large number of intellectuals interested in development is why the economic growth record of sub-Saharan Africa has been so impoverished for the last three decades. This chapter asks: Why do some economies grow quickly, while others grow slowly or not at all? Why do some African countries remain

mired in deep poverty, with few signs of sustained growth and development? Is democracy associated with greater economic growth? Do increased political and civil rights lead to improved standards of living, compared to more authoritarian regimes? How can democracy be set up to give a push to economic development? These are some of the salient questions in the study of political economy and undeniably deal with some of the most profound predicaments facing human society today. This section contributes to the literature on democracy and economic growth. In particular, the aim of this chapter is to examine the links between democracy and growth, as well as to look at a theoretical and empirical analysis of how democracy affects long-run economic development- and vice-versa, specifically accounting for the poor economic development in sub-Saharan African countries. In this chapter, I hypothesize that there is a positive association between levels of development and democracy. I will analyze the casual association between a type of regimes and GDP in a sample of the sixteen sub-Saharan African countries –covering the period 1971-1999. I have selected these countries for this paper because of their histories and recent experiences in adopting political and economic reforms.

Additionally, this research pursues a comprehensive approach to the understanding of links between democracy and economic growth. In order to examine the nexus between democracy and development in sub-Saharan Africa, I begin with the summary of Africa's growth patterns and the evolution of African political regimes. Then I look at models of authoritarian rule for insights into the conditions under which elites may forfeit the common interest to extract rents and maintain power, or in which leaders may find means of making growth-enhancing policy politically acceptable. The merit of

this research is to enrich the ongoing debate, as well as to improve our knowledge and understanding about this complex relationship between democracy and economic development.

Political Democracy and Economic Growth: A Theoretical Review

For a long time, democracy and development remained concepts that were strange to each other in the eyes of academic scholars. Yet in the 1960s and 1970s, a small number of experts made an attempt to establish a link between the two. During that same period, numerous developing countries achieved a significant growth rate regardless of being governed by authoritarian regimes. From the 1970s on, quite a few questions began to be raised, predominantly after people had begun to become aware that development was a more complex phenomenon than had been deemed, and one that would almost certainly take longer to result in than had been predicted. As a result, the relationship between democracy and economic development has become perhaps one of the most researched themes of modern comparative politics, since Seymour Lipset, yet scholars still challenge the fundamental facts and explanations. As for the facts, researchers have yet to voice a consensus over the effects of economic development on the probability of transitions to democracy and on the probability of the survival of existing democracies.

Nonetheless, over the years, many thinkers and scholars have participated in many discussions concerning the themes ‘democracy’ and ‘development’ but, until recently, one question had yet to be investigated in depth, namely, the relationship between democracy and economic development. Yet there are two potential explanations for the strong correlation between democracy and economic growth. First, advanced by the modernization theory, is that democracies are more likely to emerge as countries

become economically developed. In spite of that, second explanation holds that it is also probable that democracies emerge without any relation to economic development, but that once set up for whatever reasons, they continue to exist in developed countries.

In recent years, there has been an explosion of empirical research deriving from political science and economics that once again attempts to shed some light on the connection between democracy and economic growth. The main objective of this research has been to explain the variation in per capita growth rates that exists across nations. Two of the most often cited sources of the factors inducing general desire for democracy are Seymour Lipset (1959) and Samuel Huntington (1991). Both contend that economic development breeds increased demand for democracy. Lipset (1959) claims particularly that as incomes increase, citizens become more receptive to “democratic political tolerance norms,” desiring more democracy. Lipset and Huntington concur on the role of education, singling it out as an aspect of economic development that facilitates the desire for democracy. Lipset notes:

Education presumably broadens men’s outlooks, enables them to understand the need for norms of tolerance ...and increases their capacity to make rational electoral choices...The higher one’s education, the more likely one is to believe in democratic values and support democratic practices (1959:79).

Huntington also asserts that economic growth not only increases the rate at which a country reaches a level of income ‘suitable’ for democracy, but also may act to undermine the authoritarian regime. Growth, “raises expectations, exacerbates inequalities, and creates stresses and strains in the social fabric that stimulate political mobilization and demands for political participation” (1991: 69). Moreover, according to Lipset (1959), higher levels of income per capita are strongly associated with a higher likelihood that a country will be a democracy; lower income levels with higher likelihood

that a country will be a dictatorship. Introducing his seminal cross-national study, Lipset observed “perhaps the most widespread generalization linking political systems to other aspects of society has been that democracy is related to the state of economic development” (1959: 75). Simply put, according to Lipset (1959: 56), “the more well-to-do a nation, the greater the chances it will sustain democracy.”

On the other hand, a recent study of democracy and development by Przeworski and Limongi (1997) has maintained that higher income has no discernable causal effect on transitions from dictatorship to democracy. Accordingly, they confront the fundamental hypothesis in modernization theory by backing an “exogenous” theory of regime change, that is, democracies fail in poverty-stricken countries and survive in wealthy ones. Furthermore, they insist that democratic transitions occur randomly and thus, the relationship between per capita income and regime types is the outcome of the effects of higher income on the stability of democracies - once democratic countries arrive at a certain level of income, they are not likely to relapse to authoritarian regime. In other words, Przeworski and Limongi contest the notion that rising economic wealth brings along democracy. In their argument, they find that wealth has a measurable effect on the survival rate of democracy, yet not on the emergence rate of democracy. Simply put, to the extent wealth is an independent variable, poor democracies are more likely to collapse than rich democracies. It is plainly that democracy – if it emerges in a wealthy country – has higher probability to stick there. At the same time, they point out that in fact some authoritarian regimes remain authoritarian regardless of increasing affluence. However, the durability of democracy is powerful and unambiguous if based on the effect of wealth above a certain level. For instance, when per capita income is \$1,000,

democracy's life expectancy is 8 years. When per capita income is between \$1,001 and \$2,000, the life expectancy of a democracy rises to 18 years. A democracy acquires immortality after per capita income is above \$6,055 (1997: 4). Based on their statistical findings, Przeworski and Limongi reject the idea of linearity between wealth and democracy. Summarizing recent studies on the relationship between regime type and economic performance, Adam Przeworski writes:

The statistical evidence is inconclusive, and the studies that produced it are seriously flawed. Among [the studies reviewed], eight found in favor of democracy, and eight in favor of authoritarianism; the other four discovered no difference....Hence I am not suggesting that democracy generates inferior economic performance – only that we still do not know what the facts are (Przeworski 1992: 52).

Furthermore, Przeworski and Limongi remain skeptical of the “endogenous” explanation of transitions to democracy. Hence they disregard Lipset's first hypothesis that dictatorships die as countries ruled by them become economically developed. For Przeworski and Limongi, dictatorships may die for several reasons, such as wars, death of a dictator, or/and foreign pressure. To prove their point, they note that few dictatorships developed over the long-run ...”for most dictatorships this premise is vacuous: only 19 dictatorships – to remind, out of 123 – did develop over longer periods of time and reached modernity.” (1997: 3).

Like previous scholars, Boix and Stokes (2003) have tested the two hypotheses about the relationship between democracy and growth. They claim that there is a direct relationship between modernization and the establishment of democratic regimes. In addition, they argue that there is both a theoretical and empirical basis to such a relationship. Based on their argument, countries do not just turn out to be democratic as a result of contingent factors and remain democratic because they are wealthy. In their

perspective, processes of modernization drive democratization in two ways. First, Boix and Stokes (2003: 518) assert that “development in poor and middle-income countries increases the probability of democracy for both endogenous and exogenous reasons: development increases both the probability of the transition to democracy and the probability that an existing democracy will sustain itself.” Notably, this observation implies that as democratization unfurls, it does so along with an expanding social base. Secondly, they contend that there is a robust and predictable relationship between economic development and democratization. Drawn on their statistical analysis the authors (2003: 535) maintain that, “once we control for the ‘exogenous’ factors of international politics and factor endowments, economic development makes democratization more likely.” In the end, they conclude that income equality affects the spread, the stability and the economic development of democracies. To sum up, “per capita incomes rise in countries where incomes become more equal. Not higher income but income equality causes countries to democratize and to sustain democracy” (2003: 539).

Democracy, for example, is alleged both to promote and to inhibit economic development – yet some scholars conclude that democracy and growth are unrelated. For instance, scholars such as Haggard and Kaufmann (1995), remain skeptical of this view of the connections between democracy and economic development. According to the Haggard/Kaufmann thesis, democratization impedes economic development because democratic regimes pursue different policies from non-democratic ones. More specifically, democratic regimes, according to this theory, will tend to follow policies that are more directed towards redistribution than toward economic growth. As a result, a

democratic regime will tend to find it more difficult to allot funds for long-term investment. The hypothesized negative relationship between democracy and economic growth has theoretical foundations rooted in redistributive democratic politics (Keech 1995). Furthermore, to put to the test the Haggard/Kaufmann model's validity for Africa, Nicolas van de Walle (1999) has made two systematic comparisons. First, van de Walle evaluates the economic performance of Africa democracies with that of non-democracies in the 1990s. The second assessment is between the economic growth of democratized countries before and after the transition. Both comparisons disclose that there is little or no difference between regimes types in terms of economic performance (1999: 23-26).

Since Adam Smith, political economists have agonized that political demands for redistribution of wealth and income are without problems achieved in democratic regimes. To the extent that redistribution reduces growth, democratic regime will grow less rapidly than authoritarian regimes. Alesina and Rodrik (1994) propose that high levels of inequity are detrimental to following economic growth because in democracies, high disparity brings about policies that transfer national income from investment to consumption, thus decelerating growth. On the other hand, some scholars argue that democracy must first exist in order to realize rapid economic growth. For instance, according to Simon Kuznets (1973), even as technological advancement is essential for growth, it is not a sufficient condition. To suffice, technological advancement must be paired with liberal democratic institutions, which give citizens political freedom to partake in the political process, in addition to the economic freedom to play a part in a market economy. This contention tends to support the process of political economic development in Western countries. Though the abovementioned viewpoint may be

mainly true for Western countries, some researchers contend that it is not applicable for the Third World countries. Their line of reasoning is based on the fact that people in developing countries are concerned more about certain fundamental needs than about their political and civil liberties. As soon as their needs are met, the argument goes, will people begin seek democracy. For Michael Nelson and Ram Singh (1998), democratic governments in developing countries tend to promote corruption, bribery, and rent-seeking activities, which can impede economic growth. The case in point that evidently substantiates to this argument is the upsurge in corruption in Russia since embracing of democratic institutions (Nelson & Singh 1998).

Another group of studies have analyzed the impact of democratic institutions on economic growth. These studies have found that a significant positive association exists between democracy and economic growth with a larger direct causal effect of democracy on economic growth (Pourgerami 1988). For instance, in a study of the world's 115 market economies over the period 1960-1980, Gerald W. Scully (1988) discovered that the choice of the sociopolitical institutions considerably affects the competence and growth of economies. He concluded that,

Politically open societies, which bind themselves to the rule of law, to private property, and to market allocation of resources, grow at three times...the rate and are two and one-half as efficient as societies in which these freedoms are circumscribed or proscribed (1988: 652).

In the mystery of the effect of democracy on growth, a significant trace has been followed by John Helliwell (1994), who finds the estimated limited effect of democracy on subsequent economic growth to be negative – although this negative effect is counterbalanced by the positive indirect effect that democracy applies on growth by means of education and investment (1994: 246). In addition, recently, some researchers

have undertaken more systematic attempts to examine the importance of political and institutional factors in explaining cross-country variance in economic growth. For example, many scholars have analyzed whether the democratic character of national political procedure and institutions can help shed some light on cross-country difference in national development. Larry Sirowy and Alex Inkeles (1990) reviewed 13 studies, all of which attempted to assess the economic outcomes of variation in the democratic nature of national political regimes. Sirowy and Inkeles came to a conclusion that the studies they considered present a very mixed and perplexing picture pertaining to the impact of democracy on economic growth. The issue of political instability and economic growth has also been investigated by a number of scholars such as Robert J. Barro. In his cross-section model for 98 countries for 1960-85, Barro (1996) included two variables to measure political instability: the number of revolutions and coups per year and the number, per million population, of political assassinations per year. He interprets these variables as adverse effects on property rights and finds that both variables put forth a significant negative impact on economic growth.

The Interaction between African Democracy and Economic Growth

Sub-Saharan Africa has been undergone profound social and economic changes during the course of the twentieth century. These changes have included violence, political disorder and affliction for millions of Africans and, as is well known, many millions of Africans continue to starve, remain illiterate and are subject to brutality and ruthless forms of exploitation. As a result, for the past three decades Africa has produced a more conspicuously lower reserve of human capital than other developing regions. This

is bewildering because on the brink of independence, the future of Africa showed so much potential. Angus Maddison's (1995) study found that during the first half of the twentieth century Africa was growing more rapidly than Asia, and during the transition from colonialism to independence that growth rate continued to increase. Nonetheless, during the 1970s both the political and economic situation in Africa began to deteriorate, and since 1980, the aggregate per capita GDP in sub-Saharan Africa has declined at almost one percent per fiscal year. Thirty-two countries are poorer now than they were twenty years ago, and sub-Saharan Africa is now the lowest-income region in the world in spite of the fact that during the last two decades Africa has attracted more aid per capita than other developing regions. Since 1990, for instance, the United Nations Development Program (UNDP) has ranked 162 countries in terms of their progress on human development, using the Human Development Index (HDI). It determines the overall achievements in a country based on life expectancy, educational attainment (adult literacy and combined primary, secondary, and tertiary enrollment), and adjusted income per capita in purchasing power parity (PPP) U.S. dollars (UNDP 2001: 14). Each year, African countries compete for the lowest distinctions. In 2001, for instance, the 28 countries at the bottom of the ranking were all from sub-Saharan Africa (UNDP 2001: 142). Moreover, compared to other regions in the Third World, sub-Saharan Africa lagged far behind in terms of economic performance. Not only have already low incomes fallen but per capita GDP growth over the period 1975 to 1999 average -1 percent. In 1999, Madagascar and Mali had per capita incomes of \$799 and \$753 - down from \$1,258 and \$898 twenty-five years ago. In 16 other sub-Saharan African countries, per

capita incomes were also lower in 1999 than in 1975 (UNDP 2001: 12). The subsequent table demonstrates the comparative performance of sub-Saharan Africa in stark terms.

Table 3. Comparative Economic Performance 1975-1999

Region	GDP Per Capita, 1999	Annual Growth of GDP Per Capita 1975-1999	Annual Growth of GDP Per Capita 1990-1999
East Asia and Pacific	\$3,950	6.0	5.9
Latin America and Caribbean	\$6,880	0.6	1.7
South Asia	\$2,280	2.3	3.4
Sub-Saharan Africa	\$1,640	-1.0	-0.4

Source: UNDP, *Human Development Report*, 2001: 181

Moreover, the United Nations conference on Trade and Development's (UNCTAD) Report, *Least Developed Countries*, 2002, for example, noted that both the extent and depth of poverty have increased dramatically in sub-Saharan Africa: "The proportion of people in 29 African countries living below \$2 per day increased from 82 percent in the late 1960s to 87.5 percent in the late 1990s. For those in extreme poverty – under \$1 per day – the increase was from 55.8 per cent to 64.9 percent. The number of African[s] living in extreme poverty rose dramatically from 89.6 million to 233.5 million over the same period" (Africa Recovery 2002: 9). Table 2 gives some basic information on population, GDP, standard of living, and growth rates for countries of sub-Saharan Africa.

Table 4. The Economies of Sub-Saharan Africa

Country	Population (Millions) 1997	GDP US\$ m at 1990 1997	GNP per Capita (PPP \$) 1997	GNP Average Annual % Growth per Capita 1965-97	Life Expectancy at Birth (years)	% of Population below \$1 a Day (early 1990s)
Angola	11.6	9,886	728	...	48	...
Benin	5.7	2,540	1,240	...	48	...
Botswana	1.5	4,458	7,440	7.7	66	33
Burkina Faso	11.1	3,643	936	0.9	47	...
Burundi	6.4	939	661	1.1	51	...
Cameroon	13.9	11,254	1,739	1.4	57	...
Cape Verde	0.4	393	...	...	66	...
Central African Republic	3.4	1,420	1,254	-1.4	50	...
Chad	6.7	1,492	978	0.1	49	...
Comoros	0.7	251	...	...	57	...
Congo	2.7	2,433	1,275	1.7	53	...
Congo, Dem. Republic	48.0	6,094	698	-3.7	...	...
Cote d'Ivoire	14.3	13,320	1,676	-0.9	50	18
Djibouti	0.4	384	...	...	49	...
Equatorial Guinea	0.4	541	...	...	49	...
Eritrea	3.4	1,010	990	...	52	...
Ethiopia	60.1	11,327	493	-0.5	49	46
Gabon	1.1	7,280	6,480	0.4	55	...
Gambia	1.0	332	1,372	0.5	46	...
Ghana	18.3	7,892	1,492	-0.9	57	...
Guinea	7.6	3,699	1,763	...	46	26
Kenya	28.4	9,879	1,150	1.3	55	50
Lesotho	2.1	998	2,422	3.2	62	...
Liberia	2.5	...	...	...	57	...
Madagascar	15.8	3,187	892	-1.9	58	11
Malawi	10.1	2,480	688	0.5	45	...
Mali	11.5	3,132	715	0.5	47	19
Mauritania	2.4	1,346	1,654	-0.2	53	31
Mauritius	1.1	3,755	9,147	3.8	71	37
Mozambique	18.3	2,144	541	-0.1	47	...
Namibia	1.6	3,141	4,999	0.7	60	...
Niger	9.8	2,776	824	-2.5	48	62
Nigeria	118.4	34,418	854	0.0	51	31
Rwanda	5.9	1,979	643	0.1	47	46
Senegal	8.8	6,708	1,670	-0.5	50	54
Seychelles	0.1	435	...	...	...	...
Sierra Leone	4.4	...	401	-1.4	40	24
Somalia	10.4	...	...	...	48	...
South Africa	43.3	117,089	7,152	0.1	64	24
Sudan	27.9	13,119	...	-0.2	54	...
Swaziland	0.9	1,031	...	...	59	...
Tanzania	31.5	4,956	608	...	52	11
Togo	4.3	1,726	1,408	-0.6	56	...
Uganda	20.8	6,822	1,131	...	44	69
Zambia	8.5	3,564	900	-2.0	48	85
Zimbabwe	11.7	7,904	2,207	0.5	52	41

Sources: *African Development Report* (1998); and *World Development Indicators* (1999).

At the end of the 1980s, sub-Saharan political landscape was still dominated by authoritarian governments. Nonetheless, there have been striking changes on the political landscape in sub-Saharan Africa, with elections, multi-partyism, civil society and human rights as the new political clichés. A majority of authoritarian regimes have been compelled to yield political freedom and bestow civil and political rights to their citizens. For instance, between 1988 and 1992, in most cases following domestic political protest, 33 of Africa's 42 non-democratic regimes had visibly increased civil liberties. By 1994, 16 of these countries had held genuine multi-party elections, making the continent a major participant in what Huntington (1991) has characterized as the "third wave" of democratization in the modern world (Ndulu and O'Connell 1999: 49). Yet, by the end of 1994, 29 countries had held a total of 54 elections, with spectators recognizing more than half of them as 'free.' Voters got rid of 11 sitting presidents, and three more had turned down to run these elections held during – what has been portrayed as – the "African Renaissance" (Alagiah 2001: 263). During 1995-1997, 16 countries held second-round elections, so that by 1998 only four countries in all sub-Saharan Africa had not granted themselves some sort of competitive contest during the 1990s (Bratton 1997: 21).

From the previous section, we can deduce that Africa's postcolonial economic performance remains depressing and prospects for the new millennium are, to put it bluntly, gloomy. In addition, the African experience with democracy in the postcolonial period has been multifaceted and perplexing. Virtually, all African countries are underdeveloped, and the majority of them do not even practice democracy. Yet that is not the primary explanation why they are not developed. If democracy is the recipe to economic prosperity, then that is news to the people of Southeast Asia, who for years

have experienced authoritarian rule and at times absolute dictatorship while making remarkable economic progress. Quite the opposite, African countries, which also won independence in the 1960s like their Southeast Asian counterparts did, have been marking time. They are practically the exact contrary in every imaginable aspect with the exception of dictatorial regime. Why have only relatively few countries in sub-Saharan Africa succeeded in making the changes necessary to develop since the 1960s? The short answer is that the dynamics of African politics have worked against policies that would result in greater development. Therefore, sub-Saharan Africa's development predicaments are inseparable from its politics.

Data and Methodology / Empirical Findings

As the interest of this study lies in the long-term relationship between democracy and economic development, the average cross-country data for a sufficiently long period of time seem appropriate for the testing of the different hypotheses. For this research project, the dependent variable is a country's per capita income growth, which is measured as the growth rate of gross domestic product (GDP) per capita. The GDP is actually operationalized as the actual percentage of annual growth per year for the period of 1971 through 1999 for each of the sixteen sub-Saharan African countries. For the measure of democracy, the independent variable, the Freedom House survey rates countries based on the rights and freedoms enjoyed by individuals in each country and on the basis of the effect that the political conditions in a country have on freedom. The Freedom House Survey ratings are based on two series of checklists - one concerns political rights and the other civil liberties. Political rights are defined as rights to

participate meaningfully in the political process. In a democracy, this means the right of all adults to vote and compete for political office, and for elected representatives to have a decisive vote on public policies. Civil liberties are rights to free expression, to organize or demonstrate, as well as to a degree of autonomy such provided by freedom of religion, education, travel, and other personal rights. Political rights and civil liberties are both rated on a seven-point scale with 7 being the least free or least democratic and 1 being the most free or most democratic. From these two ratings, Freedom House derives the annual status of political freedom for each country as free, partially free, or not free. In addition, the remaining two indices, Polity IV and Vanhanen, focus on the realization of democratic institutions. They both embrace procedural definition of democracy. Polity IV, developed by Keith Jagers and Ted Gurr, measures democratic institutionalization using two scales. Countries are assigned a democracy and an autocracy score for the following five dimensions: competitiveness of political participation, regulation of political participation, competitiveness of executive, openness of executive recruitment, and constraints on chief executive (Jagers & Gurr 1995: 469-482). By the way of summary, the variables employed in this study are defined in the Appendix.

Moreover, the paper employs another set of institutional indicators, such as the Fraser Institute index of economic freedom, compiled by Gwartney, Lawson and Samida (2000) [GLS]. The data on the growth rate of the real GDP per capita and those on the initial per capita real GDP for the sixteen countries in the sample (see Table 5 for summary statistics and Appendix A for the complete list of countries) are obtained from the World Bank's Africa Key Indicators Reports from 1971 to 1999, and are converted into five-year averages over the same period. The data on (total) investment ratio are

obtained from the Penn World Tables, Mark 5.6a, extended with data from the IFC's *Trends Private Investment in Developing Countries*.

A visual analysis of the data is first conducted. Figure 1 demonstrates a scatter diagram (with a regression line) relating changes in the index of economic freedom to the growth rate of GDP. In spite of the degree of the variability around it, the regression line takes on a positive trend, pointing out in general, a positive correlation between economic freedom and economic growth. Thus, more liberal economic structures tend to be associated with higher economic growth levels. With regard to political rights and civil liberties, the correlation between each of these indexes and economic growth is negative in figures 2 and 3, indicate that increased levels of democracy and civil liberties appear to be linked with increased economic growth for the African countries in the data. The table 2 represents the impacts of economic and political freedoms on growth. The model regresses the growth in real GDP per capita on the initial GDP, the ratio of investment to the GDP, the (Fraser Institute) freedom summary index, the (Freedom House) civil liberties index, and the (Polity 98) democracy index. All variables have the predictable indication and are substantially significant. Particularly, initial GDP has a negative sign and is significant at the 1% level, and the investment ratio has a positive sign and is significant at the 5% level. Additionally, economic freedom is positively and significantly associated with growth. The civil liberties index is negative and significant (.05), suggesting in this case, that higher levels of civil liberties are associated with higher levels of growth, and the democracy index is a positive and significant determinant of growth.

Conclusion

The interaction between the economy and the political environment has long been a subject of interest for academic scholars, especially political economists, who have long held the perspective that political changes characterize transformations in the governmental institutions, which can have a great influence on a country's economic growth. As we have seen, there is an extensive literature that attempts to establish the link between democracy and economic growth through regression (Barro, 1996; Dawson, 1998, Perotti, 1996). Some of these studies find no correlation, while others find positive correlation. This section attempts to assess the impact of political and economic changes on economic growth in sub-Saharan Africa. The major findings of this study of the relationship between democracy and growth can be summed up as follows. First, this study finds strong statistical evidence that developing countries (in this case sub-Saharan African countries) with governments that provide higher levels of political and civil liberties to their citizens achieved significantly higher GDP growth rates than those with autocratic governments. Thus, lack of democracy and political freedom can gravely impair nations' economic performance. Generally, the study finds that promoting economic freedom, political and civil rights is beneficial for the growth in African countries. Consequently, to accomplish higher economic growth, African governments should to expand both economic freedom as well as political rights. Nonetheless, the relationship between growth and democracy needs to be further reevaluated, with much greater stress on the core factors influencing both variables and the political and economic development path of countries. Nonetheless, there are no straightforward answers to the questions raised at the beginning of this chapter. Democracy does not

seem to 'cause' growth, yet economic differentiation unquestionably generates demands for democratic participation, which government must subsequently meet in the interests of additional economic growth. Even so, democracy is not a quick fix for development problems. In due course, however, democracy and growth can turn out to be reciprocally reinforcing.

A Comparative Synthesis of Four Case Studies

At the onset of the twenty-first century, sub-Saharan Africa is recognized as one of the least developed regions of the world. The new millennium presents not several crucial opportunities as well as challenges facing the region, including determination of the appropriate role of religion and culture in state-society relations, the need for increased economic development, the historical legacy of colonialism and the conflicts that have taken place in its aftermath. In the post-Cold War era, Ghana, Kenya, Botswana, and the Democratic Republic of Congo, as well as the rest of the continent, have faced an arduous task in reinventing their economies to match the dominant Western style, currently leading the world. Like many sub-Saharan African countries, the case countries' history is marked with colonialism, economic malaise, political unrest and the emergence of anti-Western feelings. As sub-Saharan Africa gained independence in the late 1950s and 1960s, it held great promise. Even though sub-Saharan Africa started with limited educational attainments and experience in governance, it enjoyed relatively generous land and resource endowments. Yet the 'Dark' continent's promise has not been realized. Its surge of post-independence economic growth could not be maintained. External shocks, poor policy responses, and ineffective development strategies brought economic stagnation in many countries, causing even front-runners such as Kenya and

Botswana to lose momentum. In this section, we look at the historical experience of each country that created distinct economic arrangements and patterns of politics that affected the nature of the state, class formation, and relations with the external world. It is impossible to understand modern sub-Saharan Africa, or in fact any society, without some understanding of its antecedents. Particularly, some knowledge of pre-colonial African history is imperative, especially since the colonial period was surprisingly short – just three generations. Politically and socially, the colonial impact (discussed in more detail in Chapter 3) may have been much slighter than is generally expected.

Botswana

Botswana is a landlocked country comparable in size to the state of Texas (220,000 square miles). Botswana borders Zimbabwe to the northeast, South Africa to the east and south, Namibia to the north and west, and touch Zambia at one on the Zambezi River in the north. Approximately 1.6 million people inhabit Botswana. Since 84% of Botswana's land mass is largely uninhabitable Kalahari Desert land, 80% of Botswana's population lives along the fertile eastern border of the state (Parson 1984: 4).

In pre-colonial years, Botswana was inhabited by a variety of ethnic groups, each with its own language, unique cultural, political and social attitudes and customs. For centuries most of these ethnic groups had existed as independent societies within their own political organizations. For instance, indigenous conditions in Bechuanaland (present-day Botswana) exhibited a reasonable amount of cultural and ethnic homogeneity. The ancestors of the modern Tswana tribes are made out of were eight main Tswana tribes the Bangwato (Seretse Khama's tribe), Batawana, Bangwaketse, Bakwena, Balete, Bakgatla, Barolong and Batlokwa. There were a number of

characteristics of Tswana political and economic organization that stood out. The chief was the most important political figure in these societies with power to assign land for grazing crops and residences. His authority was exercised through a hierarchy of relatives and officials and ward headmen. A particular type of ward was for outsiders who the Tswana integrated into their tribal structures. Within the tribe, *kgotlas* were the primary means of distributing information to the community. At the public forums, adult males would get together with the chief to discuss public issues. The chief obtained advice, criticism, and he was accountable for implementing law and order (Dale 1995). As Schapera (1952: 64) argued, popular assembly was not a common practice of African tribes. In fact, “this feature [popular assembly] is far more characteristic of Sotho, and especially Tswana, than any other Bantu.” Botswana’s tribal experience a unique one in that in contrast to other African tribes, was relatively tolerant of dissension. Even though Botswana did not develop modern democratic institutions prior to independence, it did have pro-democratic institutions.

Furthermore, areas of Botswana were populated by flourishing agricultural communities. In the 14th century, these communities came under the control of powerful Tswana dynasties originating in the region to the east, which is now South Africa’s Gauteng Province. An additional chain of migrations followed the disintegration of the main Tswana kingdoms, the *Hurutshé* and the *Kwena*, from the late 17th century. These migrants were firmly established in the southern part of Botswana and had established a powerful military state controlling hunting, cattle-breeding and copper mining by the 18th century. While land was collectively owned, cattle were privately owned and the chief and aristocracy were large owners. As Parson points out, “herds were divided among a

large number of clients who had the use of the cattle (as well as some of the meat and milk). In return for the use of the cattle, non-cattle owners were expected to provide political support for the officials” (1984: 16-17). The beginning of the 19th century, however, was marked by another period of turmoil, as peoples from the north, dislocated by slavery and the breakdown of their local economies, moved to a new territory. In particular, rivalries broke out between the Batswana and Boer settlers from the Transvaal. After pleas by the Batswana for help, the British Government in 1885 put “Bechuanaland” under its protection. As a result, the Tswana tribes were merged into the British Empire mostly due to the strategic location of their territory, not because the territory was believed to be especially valuable or appealing in itself. Thus, the protectorate’s main function was to both contain German and Boer expansionism and guarantee Greater Britain and later Botswana South Company (founded in 1889) an internal access. In consequence of the way in which Botswana became the British protectorate, and due to the reputed merger with South Africa, colonialism was exceptionally subtle. In 1885 the high commissioner delineated the role of the British government as follows:

We have no interest in the country to the north of the Molope [the Bechuanakland Protectorate], except as a road to the interior; we might therefore confine ourselves for the present to preventing that part of the Protectorate being occupied by either filibusters or foreign powers doing as little in the way of administration or settlement as possible (Picard 1987: 36).

Like most colonized countries, Botswana’s economy was and still is closely amalgamated in the economic structure of industrialized countries, particularly that of the colonizing power, and in the case of Botswana the economies of South Africa and Great Britain. Started from an extremely frail and dependent economy, because historically the colonial powers intended ultimately to unite Botswana, Lesotho and Swaziland into the

Republic of South Africa and thus did not take any interest in developing these countries as feasible economic entities, Botswana has made great effort to become self-sufficient. In 1965, the British officially granted independence to Botswana. Independent Botswana was faced not only with a problem of shortage of skilled labor, but also with an acute shortage of capital, necessary to provide basic infrastructure, including roads, schools, and hospital, from which the economy could develop. Since its independence, Botswana, unlike much of sub-Saharan Africa, has always pursued a pragmatic path to development, with the combination of state intervention, and openness to market. Botswana's economic record has several characteristics that make it noteworthy. First, investment rates in both physical and human capital have been high. Second, like many other sub-Saharan African countries, Botswana has been affected by serious shocks in the form of volatility of the terms of international trade, oil crisis, and significant output fluctuations in major sectors, such as agriculture and mining. Moreover, the Botswana government has been always played an active role in the development. For instance, immediately subsequent to the independence, the government created a transitional plan for economic and social development that made an attempt to ordain priorities. After only few years, this transitional plan was renewed, and the practice thereafter has been to revise the National Development five-year plans every two years. When he launched the third revised plan (for 1970-1975), Sir Seretse Khama, the President of Botswana, asserted that:

Planning is choosing. There are so many things we should like to do for our people, to improve living standards. Because Botswana is such a poor country, we can undertake only a few projects and the task of choosing is that much harder. Do we provide more schools or more hospitals? Do we improve hospitals in towns or concentrate on extending preventative medical services in the rural areas? Do we improve roads or water facilities? Do we increase the number of primary school places or train more teachers? We also have to decide where the facilities which we can afford to provide should be located. And, here as elsewhere, we have to reconcile the demands of national economic growth with the need to maintain national unity by spreading benefits as evenly as possible throughout the country. We must, if our planning is to be successful, take social and political considerations into account. Above all we must be constantly aware of the needs and

wishes of the people themselves. Genuine development and continuous economic expansion over a period depend on conditions of social and political stability. Pragmatism and principle alike dictate that our policies take fully into account the demands of social justice (Chiepe 1973: 320-321).

In the political sphere, since 1966, Botswana has been ruled successively by the Botswana Democratic Party (BDP). This party has followed capitalist policies, even during the prime of African trials with socialism. Thus, Botswana is one of the exceptional countries that have experienced an unparalleled record of political stability in sub-Saharan Africa. In addition, there are a number of indicators that suggest a sturdy democracy in modern Botswana. First, free and fair parliamentary and local government elections have been regularly held, as prescribed by the Constitution. Second, Botswana has secure and well-defined property rights which enabled the remarkable economic progress in a market economy. Moreover, at the time of independence, the government initiated several important growth-promoting policies. Among the most important policy areas were: minerals, land and agriculture, international trade among others. For instance, the central government legislated itself as holder of mineral rights in tribal lands in order to direct the state's share of the mineral wealth to national purposes. By doing so, the government ensured that the mineral wealth would be distributed equally among its populations. Another important policy of land tenures parallel that of mineral rights. Nevertheless, unlike mineral rights policy, land policy directly affected virtually everyone in the country (Leith 2005: 55-64).

Kenya

Kenya is a country on the eastern coast of Africa, located right on the equator. It is a land of striking landscapes, ranging from snow-capped Mount Kenya to rich

farmlands, barren deserts and tropical beaches. It is surrounded on the north by Sudan and Ethiopia, on the east by Somalia and the Indian Ocean, on the south by Tanzania, and on the west by Lake Victoria and Uganda. Kenya officially became a British colony in 1922, an event that in several ways determined the path of the country's development. A dual economy was a foreseeable result of the mixture of a British administration, a well-organized, white-settler commune, and a very efficient South Asian business community. Until independence, both these communities lobbied, attained significant privileges, and set up a variety of institutions that endorsed their goals. The British first occupied Kenya due to their necessity to provide for the strategically valuable Uganda. Once occupied, they were under persistent pressure to develop the resources of the colony if only to make it self-sufficient. Since the country was meagerly populated and lacking evident mineral resources, in contrast to our other case countries, a sequence of British governors persuaded immigrant European families to settle in the highlands in hopes that these people would in due course turn into the engine of economic growth. Nonetheless, it is important to note that Kenya's colonial history was never influenced by any vision or grand plan. At the same time it is lucid that no cohesive colonial policy transpired in Kenya, it would be a blunder to overstate the disarray and dissection within the European power elites, their administrators, or settlers. In spite of their struggles for preeminence and their habitually changeable views of the shape Kenya should undertake, they shared extensive ambits of agreement. Therefore, Kenya's colonial history was exemplified by recurrent, forceful clashes between different colonial groups as each sought to exalt its own powers at the cost of the others (Tignor 1976).

Moreover, for much of Kenya's history, its ethnic groups were unchained social formations, flexible and continually transforming. In the late 19th and early 20th centuries British colonial rule congealed ethnic identities among Kenya's people. Colonial administrators linked ethnic groups with particular areas of the country by assigning areas where only people with a specific ethnic identity could dwell. In particular, a more pertinent aspect of Kenya's colonial background is the way ethnocentrism became institutionalized as a way of life: in conscription of the armed forces, in employment in different sectors of the economy, in the administrative structure of the country and its political life as the country strutted for independence. Ultimately, this blueprint of ethnically based settlement has endured in Kenya since it became independent, although economic and political development has increased mobility and urbanization among the country's population. In the social sphere Kenya was a three-tiered racial society, consisting of Europeans, Asians, and Africans who lived in separate parts of the same cities. They hardly ever intermingled socially, and possibly more meaningfully, their offspring attended segregated schools. As a result, in nearly all of the vital realms of the political economy the European settler population appropriated the lion's share of the affluence and power leaving the remnants to be wrangled over by the Asian and African population (Oucho 2002).

During the forty years of colonial control the Kenya economy and polity mirrored the interests of the European power elites. Economically, Kenya depended on an agricultural export economy dominated by the European farming community. The state granted much needed aid in terms of a railway rating policy giving preferentiality to settler exports, extensive research performed to ease settler agriculture and stock-rearing,

tariff supports, and the stipulation of considerable subsidies, particularly during the depression. Consequently, the establishment of the colony of Kenya brings in its train of racial hostilities. New legislation on land tenure, for instance, blatantly favored the settlers. As a result, in many areas Africans were officially dispossessed of their land and were confined in reservations (the Kikuyu, the largest tribe, being the main losers), while the 'White Highlands' policy limited the ownership of the best farming land to Europeans. By 1905 European farmers had claimed over a million acres in this area. On the other hand, indigenous peoples banned from this region and restricted to reserve areas where land could not be sold, leased, or otherwise transferred. Furthermore, they were not allowed to grow export crops in the reserve areas since this practice might present a threat to the monopoly sustained by white settlers. This agricultural structure persisted until the *Mau Mau* rebellion instigated Britain to declare a state of emergency in the early 1950s (Walton 1984: 105-40). Thus, the *Mau Mau* rebellion was a reaction to colonial practices that ruthlessly exploited African Kenyans, especially some ethnic groups like the Kikuyu by estranging them from their land. The British ultimately recognized the repercussions of this turbulence and put into practice the Swynnerton Plan of 1954 to strengthen and develop African agriculture. This land tenure reform involved "consolidating land fragments into single holdings and issuing registered freehold titles to individuals. The larger leaseholds would then be able to borrow from the commercial banks or from the government on the security of their titles" (Leys 1952: 52).

Kenya became an independent state in 1963, after four decades of British colonial rule. Until 1960 British policy aimed at the development not of an indigenous African country but rather, of multiracial state. Great Britain hoped that the substantial European

settler community that had wielded great power during most of the colonial period would continue to do so under an independent constitution. These and other tensions were manifested in the later developing political scene. Unquestionably, the independent Kenya government inherited from the colonial power the conflict-ridden institutions that have been embedded in the Kenyan society till this day. For example, the institutions have given rise to explicit prejudice against particular ethnic groups and infused bias that gives the impression of being standard rather than unfortunate. As a result, Kenya has been a nation of many 'nationalities' who are sharply divided along administrative unit, ethnic, political and economic lines. Thus, an infuriating situation effortlessly triggers conflict that manifests itself in a variety of ways.

Yet, most observers would agree that Kenya, since independence in 1963, has been one of the most enthusiastic adherents of African capitalism. In particular, the government has followed a strong agricultural export strategy, fostered both foreign and domestic investment, and was able to maintain political order throughout society. Like Botswana, Kenya's political stability was the country's main economic asset. On a continent where military coups, ethnic conflicts, and other forms of violent uproars have been ordinary, Kenya was seen as an anomaly. For instance, the regime of President Jomo Kenyatta had maintained perpetual and comparatively peaceful civilian reign since the country's independence. Yet, Kenya's period of stability came to a sudden end in early 1975 when the country began to experience a series of crises and chaos making up the worst violence since the 1950s nationalist *Mau Mau* uprising. The Kenyatta era, which lasted until 1978, was a period of substantial social change and economic growth for Kenya. Kenyatta appointed members of many different ethnic groups to government

positions and encouraged the people of Kenya to collaborate as Kenyans, rather than focus on their diverse ethnic affiliations. Many settlers had left the country when Kenya became independent, and Kenyatta partitioned their land among native Kenyans. These Kenyans were heartened to grow export crops such as coffee and tea on their new land. Bolstered by a steady flow of foreign investment, mostly from Britain, Kenya's economy thrived. The standard of living went up for most Kenyans, and the nation's economy made Kenya a showpiece in post-colonial sub-Saharan Africa. Yet, following Kenyatta's death in 1978, Daniel arap Moi succeeded as the next President of Kenya. Unlike his predecessor, Moi regime pushed the frontiers of authoritarianism even further. Evidently, the 1980s were a period of time when totalitarianism had its high noon in Kenya. Whereas the pillar of order under Kenyatta was oppression, Moi for his part created a brute of a leviathan (Nasong'o 2005: 16-23).

In the post-independence decades, Kenya alone has achieved considerable success in both political and economic development by averting the destructive ethno-political warfare of the DRC. Kenya was able to set up effective political institutions that became the underpinning of political stability while yet allowing a sensible degree of authentic democracy embedded within a one-party framework. Its government did not take apart the economic structures inherited from the colonial era but instead choose to Africanize them and, where viable, to enhance them. Thus, the economy was further developed without being excessively encumbered by an expanding state apparatus until the 1980s. Notwithstanding, Kenya's has been at time seen as the ideal economic powerhouse in the Eastern African region, its ability to usher growth in the region has been marred by corruption, lack of commitment and poor management of resources. Moreover, similar to

other sub-Saharan African economies, Kenya's flourishing economy deteriorated in the 1980s as a result of a rising trade deficit, 1970s oil crises, and financial mismanagement on the part of the government among other factors. Kenya's slowing economic growth rate and expanding budget deficits led the government to resort to structural adjustment policies advocated by the International Bank for Reconstruction and Development (World Bank) and the International Monetary Fund (IMF) as part of their economic assistance to Kenya. The impact on structural adjustment programs on Kenya is discussed in a more detail in the next chapter.

Democratic Republic of Congo (formerly Zaire)

The Democratic Republic of Congo (DRC), formerly Zaire, bestrides the equator in Central Africa. It is the third largest country in sub-Saharan Africa, and shares borders with nine African nations. The Congo is centrally located in a vast area of linguistically and culturally related peoples. The country's nearly 60 million people embody roughly 250 different ethnic groups that inhabit the Congo, yet most of them share many cultural traits. The DRC is potentially one of sub-Saharan Africa's richest countries. It is endowed with fertile land, vast mineral resources (copper, cobalt, diamonds, and gold to name a few), huge hydroelectric potential, and one of the largest rain forests in the world, holding abundant species of precious wood. The country inhabits the basin of the 4,300-kilometer-long Congo River, with 11 highly diverse provinces stretching from the Great Lakes region to the Atlantic Ocean. Its regional importance, with internal waterways and land links to nine states, makes the DRC a potential engine for regional growth as significant as South Africa. Yet this exceptional bequest has been more of a curse to the Congolese than a source of development. For instance, external interests in the rich

natural resources have fuelled conflicts in this country. As a result, the DRC has been plagued with ethnic turmoil and civil war, exacerbated by the massive influx of refugees from Rwanda and Burundi, which has reduced a once prospering country into a state of turmoil. Forty years after its birth as an independent state, the DRC still bears the imprint of its colonial past. Behind the ubiquitous practices of control forged by President Mobutu Sese Seko, lurked the shadow of King Leopold II of Belgium, whose absolute and arbitrary sovereignty instituted symbolic expression in cultural aspects of the Congolese people (Clement 2004).

In contrast to three other case countries, the DRC was a Belgian colony until 1960, when the country gained independence. The region was first united as the Congo Free State, a colony created by Belgian king Leopold II in the late 19th century. When King Leopold II of Belgium held his first conference on the Congo in 1876, he maintained that his intention was to carry out a civilizing mission that would Christianize the Congolese and free them from a world of darkness. In its place, he brought in a greater darkness than any that the Congolese could have ever envisioned, along with the creation of the ironically named Congo Free State in 1877. The Congolese, who had by now lost millions of people to the Portuguese slave-traders, discovered their lives even additionally drained by the system of forced labor that was embraced by King Leopold's administrators. By means of a tax and quota system, the Belgian administration laid down unfeasible norms for the extraction of rubber, palm, and ivory and the many Congolese who inevitably failed to meet them were either killed outright or were subjected to grisly ordeals (Slade 1962: 11). Unlike British colonies, the Congolese people were subject to forced labor, starvation, and outright extermination during the Belgian colonial rule.

Specifically, the greed-stricken Belgian King Leopold II brought such earth-shattering destruction to the region and its people that the tremors are still being felt today.

Ultimately, the death toll was horrendous. In other words, the Belgians victimized the very people that they necessitated for their workforce. This was recorded by the British consul Roger Casement, who noted down the following in his diary:

After a few hours we came to a State rubber post... At one place I saw lying about in the grass surrounding the post ... human bones, skulls and in some cases complete skeletons. On enquiring the reason for this unusual sight: "Oh," said my informant, "when the *bambote* (soldiers) were sent to make us cut rubber there were so many killed we got tired of burying, and sometimes when we wanted to bury we were not allowed to." [I asked] "But why did they kill you so?" "Oh, sometimes we were ordered to go and the sentry would find us preparing food to eat while in the forest, and he would shoot two or three to hurry us along. Sometimes we would try and do a little work on our plantation, so that when the harvest time came we should have something to eat, and the sentry would shoot some of us to teach us that our business was not to plant but to get rubber.... (Singleton-Gates 1959: 118).

In 1908, Leopold transferred the Congo to the possession of the Belgian government. The colony was called the Belgian Congo from 1908 until 1960, when it gained independence as the Democratic Republic of the Congo. As a colony the Belgian Congo was strongly marked by the Leopoldian legacy as a system of economic exploitation, political repression and cultural oppression. When Belgium take over the running of the Congo, the Belgian government have to operate on the basis of what had already been establish economically and administratively since the late 19th century.

According to Roger Anstey:

Belgium inherited not only a colony, but a colony possessed of a certain structure. The elements of that structure were a sparse population and a battered customary society; a vast territory which had not been properly administered; a system of direct economic exploitation, or an unfettered variant of the concessionaire system, and, as a consequence at a further remove, abuse and atrocity. Thirdly, the fact that the Congo was a legacy meant that Belgium had no relevant tradition of policy to invoke, no positive aims regarding it (Anstey 1966: 261).

Although the Belgian control of the Congo offered relatively much more humane conditions, the situation remained essentially unchanged pertaining to the exploitation of

precious natural resources. Nevertheless, advances were made largely in terms of education and in the development of housing, medical care, and social services for those people who were engaged in mining. The shareholders who owned the companies deemed that their very feasibility rested on the health and well-being of the workforce, such that housing, medical care, and even social security were now afforded to their employees (Brausch 1961: 13).

While the Belgians built schools, hospitals, roads and bridges, and drained off profits to countries overseas, very little was done to get ready the Congolese for independence. As a result, the Congolese had very little opportunity to observe or practice democracy and were commonly naive about the free market system.

Independence arrived unexpectedly after quite a few protests concluding in those of the 1960s. Like the other pre-colonial crises-ridden countries of sub-Saharan Africa, it was not long before post-colonial DRC tumbled into chaos. In the First Republic, from 1960 to 1965, the MNC party or Mouvement National Congolais, led by Patrice Lumumba, won the parliamentary elections, and Lumumba was appointed Prime Minister. Joseph Kasavubu, of the ABAKO (Alliance des Bakongo) party, was elected President by the parliament. After a fleeting moment of seeming recovery this first period came to an end with a surge of insurgencies which overwhelmed one-third of the country during 1963-65. For example, shortly after independence, several provinces engaged in secessionist struggles revolting against the new leadership. In particular, a rift developed between Lumumba's "nationalists," who supported a strong central government and an independent foreign policy, and the "moderates," who were discreetly sponsored by the Belgians and needless to say preferred a lax federation and strong ties to Belgium.

Following events led to a crisis between the President Kasavubu and the Prime Minister Lumumba which resulted in the dismissal of Lumumba from office (Afoaku 2005: 60-65).

The second period was initiated with a military capture of power in 1965 which put Joseph Mobutu, a former chief of staff of the new Congo army (Armee Nationale Congolaise) in office. In the beginning, Congolese found Mobutu's rule a long-awaited relief from the chaos of the early 1960s. For the first decade or so, high prices for copper and other mineral exports kept the economy strong. Mobutu government seemed to be sturdily in control, and the country reaped the benefits as well as enjoyed the stability not seen in years. Despite that unbridled corruption and suppression remained widespread. During the first decade of Mobutu governance the unity and authority of state institutions were reinstated, however, the personalization of power by Mobutu arrived at wobbly peaks. Under this authoritarian state, trace of the powerful colonial regime, with a combination of patrimonial layer, a period of apparent economic recovery and expansion took place. In retrospect, the revival was largely misleading. In the third period, at the onset of 1974-75, rapid decline emerged. State institutions, for instance, lost their capability to transform public resources into social services. A progressively more omnipresent corruption infested the public sphere at all levels. Because of it, the state turned out to be not only the foreign tormenter of colonial memory but also a simple marauder, at best extraneous to the daily needs of the ordinary people. At the end of 1989 the shock waves from the fall of the Berlin Wall, and the concurrent dissolution of authoritarian regimes across sub-Saharan Africa, engulfed the DRC and inducted the

fourth phase of post-independence politics, bringing in a renewed call for democracy (Birmingham 1998).

However, like many other sub-Saharan African countries, the DRC was not spared of the 1970s oil crisis, in addition to a long, steep slide in prices of mineral exports, such as copper. Moreover, the Congolese army experienced a great humiliation when it interfered in the Angolan civil war. The end of political stability, coupled with a debt crisis due to the country's extravagant borrowing in the good years, produced a crisis of confidence among Mobutu's foreign supporters, such as the United States, France and Great Britain. To gain the already shattered confidence of his backers, Mobutu held parliamentary elections in 1977, and he provided the parliament with an increased role in national affairs. However, the Mobutu government could not stay long away from their suppressive ways. Eventually, the growing opposition to Mobutu's dictatorial rule for a quarter-century combined with other domestic and foreign political pressures, forced Mobutu to flee into exile.

Ghana

Ghana is one of the five African nations along the northern coastline of the Gulf of Guinea. It is bordered on the west by Cote d'Ivoire, on the north by Burkina Faso, and on the east by Togo. The country consists mostly of low-lying savannah regions, with a central belt of forest. In the pre-colonial times the area of the present-day Ghana consisted of a number of independent kingdoms. One of the most powerful centralized political systems in this area was the once-great Ashanti Empire, which rose to power during the late seventeenth century. Ghanaian pre-colonial societies were fairly self-sufficient economic units. By this time, the Ashanti Empire conquered the majority of

other tribal states and turned its attention to dominating the trade routes to the coast. The gold and slave trades also boosted the financial and military capabilities of the pre-colonial Ghana. Due to its mineral deposits of gold, ivory and timber, European powers scrambled to control the trade. By the late 19th century, the entire Ashanti Empire fell under the British domination. British interests had been both strategic and commercial in expanding their control especially inland. Though the contribution made the British occupation of Ghana should not be underrated. Yet, the costs should not be dismissed either. The nature of the British rule was at times authoritarian and lacked the consensus of the Ghanaians as articulated by that principle of legitimacy 'one person, one vote.' Therefore, the British ruled and traded for their own benefit, the objectives of Ghanaians were of lesser importance. On the other hand, British colonial authorities constructed several coeducational schools and technical institutions, as well as miles of rail lines and roads. As Kay sums up the economic development picture of pre-colonial Ghana:

In many parts of pre-colonial Ghana the social division of labour was quite advanced and petty commodity production, exchange and monetization were all firmly established. The simple uninformed view of many development economists that so-called traditional societies were more or less completely dominated by subsistence production is less applicable to southern Ghana than perhaps any other region of sub-Saharan Africa (Kay 1972: 5).

Known as the Gold Coast during colonial times Ghana was one of the first African nations to receive its independence following World War II. Although Ghana is rich in natural resources, like many sub-Saharan African countries, it has been rocked by political turmoil since independence in 1957. Despite being rich in mineral resources, and endowed with a good education system and efficient civil service, Ghana fell victim to corruption and mismanagement soon after its independence. The corruption and internal military strife proved to be evidently difficult problems, and Ghana underwent a

prolonged period of instability in the 1960s and 1970s marked by military rule. Since then the country has made gradual steps toward stability and economic prosperity, and appears today to possess one of the most promising futures of any of the West African countries (Dzorgbo 2001).

During the colonial period, the Gold Coast began to develop economically. For example, large-scale commercial gold mining began, and Western-style education was introduced, culminating in the founding of University College of the Gold Coast in 1948. The education system trained a class of Ghanaians that found employment in the colonial administration. Furthermore, British colonial government, while authoritarian and centralized, however, granted Ghanaians a role in governing the colony. As a result, chiefs or other local leaders participated in the governing bodies such as the Legislative Council and later the Executive Council. This system of rule gave Ghanaians experience with modern, representative government to a degree unmatched elsewhere in sub-Saharan Africa. Nonetheless, like their other sub-Saharan African counterparts, the country's natives longed for independence. Following Second World War, the drive for independence began under the auspices of the Convention People's Party, founded by Kwame Nkrumah in 1949. Britain granted independence in 1957, under a governor general as representative of the crown and Nkrumah as prime minister. In 1960 a new constitution created the Republic of Ghana, the same year that Nkrumah was elected president.

When Britain handed over power to her first tropical African colony in 1957, the first country in sub-Saharan Africa to do so, it enjoyed remarkable economic and political advantages unsurpassed elsewhere on the black continent. The economy was firmly based

on the production and export of cocoa, of which Ghana was the world's leading producer, minerals, especially gold, ivory and timber. In addition, Ghana had a well-developed transportation network, relatively high per-capita income, as well as low national debt. At independence, it had more schools and health services per capita and a better road system than any other British territory in sub-Saharan Africa. During the early period of independence, Ghana's first President, Kwame Nkrumah (who ruled from 1957 to 1966) followed a socialist economic agenda. The country at that time relied on revenues from cocoa exports to pursue industrial development. Nonetheless, the decline in the price of this primary commodity and rapid urban industrial development, which relied on imported capital-intensive inputs, led to an economic imbalance. This further drove the administration into acute dependency on imported capital-intensive products. At the same time, however, Nkrumah's rule became extremely authoritarian. Consequently, in 1966, Nkrumah was ousted by a coup, because of growing dissatisfaction with the economic and political situation. A series of military governments with intervals of civilian rule followed. Months before a scheduled democratic election in 1979, a group of young soldiers led by Flight Lieutenant Jerry Rawlings took power, promising to rid Ghana of corruption. His regime ushered tough economic reforms and controlled any opposition; however, it allowed democratic elections in 1989. At present, there has been a democratically elected government, and Rawlings has been in power as the President, and head of the government (Duignan 1986: 33-44).

In the economic realm, after the overthrow of Nkrumah, the conditions in Ghana have worsened rapidly. The economy became stagnant, and Ghanaians became divided. Ghana has been caught in a vicious cycle of onerous debt, weak commodity demand, and

currency overvaluation, which has brought about the deterioration of productive capabilities and a crippling foreign debt. As soon as the price of cocoa fell in the mid-1960s, Ghana received less of the foreign currency essential to pay off loans. Both adverse externalities and protracted unsuitable domestic policies were at the root of this extensive decline. The effects of deteriorating international terms of commodity trade, a series of severe droughts, the debt servicing overhang, the oil price hikes of the mid-1970s and early 1980s, inefficient public policies and bureaucratic mismanagement were compounded by a severely over-valued exchange rate. The Ghanaian economy had reached its lowest ebb with the advent of Rawlings regime. Between 1970-1985, GDP had declined by 0.5 percent per annum, real per capita income had dropped by 30 percent, import volume has fallen by 65 percent at the same time as real export earnings had diminished by 52 percent, falling from 21 percent of GDP in 1970 to 4 percent in 1982 (Sarpong 1997: 32). Clearly, a large part of the country's economic downturn was caused by dilapidated productivity. Cocoa, the largest single export crop agriculture, has been the backbone of the economy in terms of export revenue generation. For example, cocoa output, which generally provided some 60 percent of export earnings, plunged from a high of 557,000 long tons in the 1964-65 crop year to 227,000 in 1977-78 and to an estimated 100,000 tons in 1983-84. Gold, the leading factor in the Ghanaian mining industry has fallen progressively in terms of aggregate output, regardless of the relatively high price that this metal still obtained in international markets during the 1980s. While 724,100 fine ounces of gold were mined in 1972, production dropped to 402,033 fine ounces in 1978 (Ravenhill 1986: 260-262). In the face of the difficulty early years of the Rawlings regime Ghana's economy had begun to show signs of recovery by the late-

1980s and preparations were on track to restore the country to some form of democratic government. The following chapter looks at the destructive effects of colonialism on sub-Saharan Africa as well as how colonization differed in regions across the continent.

CHAPTER THREE: A COMPARISON OF FOUR CASE COUNTRIES

The Colonial Legacy

For decades, sub-Saharan Africa has been lagging behind the rest of the developing world. Sub-Saharan Africa is the continent with the largest proportion of poverty and the least modernized economy. The poor performance of sub-Saharan Africa is partly due to the colonial legacy and post-colonial policies, partly due to natural impediments and international market system. Nearly all African countries struggle with the legacies inherited from their colonial periods. For instance, numerous sub-Saharan African nations remain entrenched in the cultural, legal and other practices of their former British, French or Portuguese colonizers a generation or more after achieving independence. Thus, the colonial legacy is significant to the standing of post-independence erosion of democratic institutions. Undoubtedly, colonialism has had profound impacts on the political map and economic development of sub-Saharan Africa - from pre-colonial conquest with export of human beings into slavery, to the colonial exploitation of the continent's vast natural resources, and its disadvantageous incorporation into the global economy. On the other hand, there have been arguments that whatever may have been the shortcomings of colonialism the overall outcome was positive for sub-Saharan Africa. Unquestionably, the colonial powers exploited sub-Saharan Africa's natural resources, yet colonialism reduced the economic gap between sub-Saharan Africa and the West. For example, the introduction of modern communications, exportable agricultural crops and some new industries provided a foundation for economic development.

Nevertheless, more than three decades after most sub-Saharan African nations became independent, there is no consensus on the legacy of colonialism. With most sub-Saharan African countries still only tottering on their feet and many close to collapse, some tend to ask the same basic question, directly or indirectly: What are the causes for the 'underdevelopment' of the African continent? Almost all scholars lay the blame for sub-Saharan Africa's grim situation at the door of colonialism and the structures and processes inherited from their colonial past. In light of the prevalent African situation stemming from their colonial legacy, Gutkind and Wallerstein note:

Indigenous economic structures largely lost their functions and autonomy as they were incorporated into the colonial capitalist state with the primary objective of extraction of resources, both physical and human. Subsistence economies were transformed into peasant or wage-labor structures. Africa's rural economy was transformed into a vast reservoir of labor to be shunted about according to the fortunes of the capitalist economies; and, as a result, there was set in motion the process of proletarianization dependency, and internal center-periphery relations, i.e., the dominance of towns over the rural areas, one region over another, or one African country over another (Gutkind and Wallerstein 1976:8).

In trying to understand the African past, it is essential that certain continuities and discontinuities about the colonial period needed to be understood. In other words, to what extent did the pattern of colonial administration shape the political and economic realm of African nations after independence?

In the immediate post-colonial period there was optimism and confidence that independence could get to the bottom of most of the crises in sub-Saharan Africa, yet that period has now become a nightmare of shattered hopes, both politically and economically, adding to the frustrations of African leaders to meet the basic needs of their citizens. Today, when virtually the entire continent of Africa is made of sovereign states, Africans find themselves living in conditions of internal conflict and strain compounded by external pressure which they have neither the man-power nor the

economic capacity to keep under control. Exploring the continent as a whole, one can say that the political reform that brought African leaders to power has without doubt failed to fulfill the economic and social needs of the people. This has resulted in the ousting in several cases of the elected government by their armies and in other to the enforcement of one-party states, generally under the strong leadership of politicians who might still be associated with the struggle against the former colonial power (Adu 1967: 295).

From the colonial period, as is well known, the newly independent countries of Africa have inherited an abnormal and lop-sided economy that was initially taken up to meet the needs of foreign monopolistic capital. The economic content and character of colonialism are generally emphasized. Imperial ambitions were believed to have been triggered by needs to find new markets in order to acquire sources of supply of materials. As result, colonial development was oriented to producing the raw materials exports required by the factories of Europe, and importing the manufactured goods those factories produced. For instance, this situation involved a succession of proscriptions for the colonies: they were not allowed to sell or buy elsewhere than in the mother country; nor make up on the spot their own raw materials; nor make use of foreign ships for transport, etc (Leduc 1969: 40).

The Economic Benefits and Costs of Colonialism

Any evaluation of Africa's current development dilemma should take into account colonization and its legacy. The irrefutable fact is that colonization did cause detriment sub-Saharan Africa through its unjust and brutal practices. For instance, barbaric punitive expeditions and carnage were often used to suppress rebellion or uprisings. Behind the

official veil of civilization, the actual rationale of European colonialism rested in the quest for raw materials and new markets. By giving unprecedented power to Europeans to dominate indigenous peoples, carving artificial borders with little or no consideration to the existing distribution of indigenous ethno-cultural groups, and launching exploitative and atrocious reign, colonialism deserted sub-Saharan Africa with painful scars that continues to trouble the continent in the present day. Explaining on how traumatic colonization was on Africans, John Hatch argues that:

The effects of sudden change always tend to be destructive of social and personal security. Africans have been subjected to more catastrophic changes than most of mankind. Many African societies were uprooted or dislocated by three centuries of the slave trade. Then virtually the whole continent found itself under European rule. But it was the impact of European technology and social manners rather than of alien government which had the most catastrophic effect on the way of life of the majority of Africans (Hatch 1974: 60-61).

Even though other regions of the world witnessed some form of colonialism, such as Latin America and Asia, Africa's was the most violent and ruthless. In the face of colonial policies and practices being blamed for the underdevelopment of the Third World, the absence of significant industrialization, ethnic conflict, weak state capacity, disperse and permeable borders, and corruption, there have been arguments that maintain that the colonial period was both necessary and, on balance, good for the continent. Thus, sub-Saharan Africa provides a stunning example of these contradictory arguments. Roland Oliver asserted the matter briefly: "For the integration of East Africa with the general progress of mankind in the world outside, a drastic simplification of the old political diversity was an inescapable necessity. It was a problem which, judging by historical precedent, only a period of colonial tutelage could solve" (Oliver 1963: 456). Two social scientists that espoused an even more determined viewpoint of the hypothetical need of the colonial period and the benefit that Africa derived from it are L.

H. Gann and Peter Duignan. Their contention for the positive nature of colonial rule runs as follows:

It is difficult to assess the Europeans' imperial record as a whole. Contemporary discussion on the subject indeed bears some resemblance to the interminable debates concerning the war-guilt question after the First World War ... We do not share the widely-held assumption that equates colonialism with exploitation. Neither do we believe that profits necessarily imply exploitation... We thus take a more favourable view of white ...entrepreneurship... We should also be more inclined than some ... to stress the immigrants' technical and technological contributions.... We also agree that European immigration to Africa, while occasioning all manner of new social problems, represented at the same time a much-needed transfer of modern skills. We accordingly interpret European imperialism in Africa as an engine of cultural transfusion as well as of political domination. We thus regard the European era as most decisive for the future of Africa.

We likewise look favourably on many of the Europeans' political achievements.... In our own view, for instance, the pacification and administrative unification of a huge territory such as Nigeria – a country never previously united under the same flag – was in itself a major achievement. Imperialism, according to our interpretation, acted as a means of cultural transformation. Among other things, the whites brought to Africa modern forms of education, medical facilities and a host of economic techniques ... (Gann and Duignan 1969: 22-23).

Moreover, colonialism produced a more rigorous integration of sub-Saharan Africa into flows of world trade and investment. In terms of investment, African colonies become recipients of capital from the 'mother' countries. With regard to trade, practically all of sub-Saharan Africa came to export a small number of primary crops or minerals to the West, such as cotton, coffee, cocoa, sugar, copper and oils. As economies expanded, colonies imported more European manufactured goods and technologies. Therefore, colonialism instituted an *international division of labor* that has substantiated surprisingly long-lasting: African countries became exporters of primary commodities and importers of manufactured goods (Harrison 2002: 7). In addition, apart from the political stability it caused, the colonial occupation, particularly in the later years, put down the economic underpinnings of independent sub-Saharan Africa, such as the building of roads and other infrastructure and the establishment of export crops or mines. According to the 1969 Pearson Commission Report, economic growth in Africa between 1950 and 1967 averaged 4 percent a year (Pearson 1969: 358). This indicates that, allowing for the lower

population growth at the time, average living standards were rising at the same rate as in the post-colonial period. Additional two great influences that transformed the continent for good were Christianity and education. Both of them have affected man's deep-rooted views about himself and his position in the world, as well as have been the door to knowledge and the bridge to the modern world (McCarthy 1994: 88-89).

Although the colonial experience diminished sub-Saharan Africa's isolation and ushered her into the world economy gradually, it continued to afflict the economic development of the 'Dark' continent by aggravating the already present problems. Therefore, the colonial legacy hindered the natural development throughout the continent as it increasingly exhausted its resources and obliterated its culture while advancing the dependency syndrome in virtually all areas of life, particularly the political economy. In general, colonialism has been a major force in shaping the political and economic structure of the modern world. It was perceived as a predictable outcome of great power politics. In James Wunsch's words,

Colonialism must be seen as an epochal event in Africa's history. In many powerful respects it worked to prepare and incline the path of post-independence politics toward Hobbesian theories of sovereignty, to depreciation of the value of indigenous and decentralized social infrastructure, and to reliance on centralized, hierarchical mechanisms to order human relationships (Wunch 1990: 23).

Furthermore, the colonial economy, designed as an appendage to the metropolitan economy, was characterized by disarticulation, market imperfection and monopolistic predispositions, and evidently dependence on the metropole for its technological and monetary requirement. Due to this distinctive relationship to the metropolitan economy, two very different and seemingly incongruous pictures of the colonial state have surfaced. On one hand is the 'strong' state, the powerful bureaucratic agent of

imperialism by the means of force, indirect pressures, and material incentives crushed the self-reliance of pre-colonial Africa. Mamdani (1976: 142-143) introduces the colonial state as

a geographical extension of the metropolitan state...simply put the colonial state represented an absentee ruling class, the metropolitan bourgeoisie, and it performed the functions of both state and ruling class in an "independent" nation. The colonial state created the structures of the underdeveloped economy at both levels of production and exchange..[it] destroyed entire classes.

On the other hand is the notion that sees the colonial state as the feeble vehicle of colonial administration, the paternalistic intermediary striving to uphold a wobbly sovereignty over the competing interests of colonial society. Being an extension of the metropolitan state, the colonial state throughout Africa performed two basic and contradictory functions. First, it warranted the stipulations for the extraction of raw materials and the accumulation of capital by the metropolitan bourgeoisie. Second, it provided a structure of stable political order and efficient hegemony over the native peoples (Gana 1985: 117-118).

Differences among Colonial Regimes: A Look at the Case Countries

European colonization began with the voyages of exploration and discovery that preceded religious missions, resulting in the formation of colonial administration and the inequalities it created and maintained when it lasted. We require no more analytical mileage than to point out how the Europeans dislocated the African population to ethnically carved out 'native reserves' after their lands had been isolated for European occupation. During the last quarter of the 19th century, various European countries staked claims for nearly all of sub-Saharan Africa. Some of these were the old interlopers spreading out their grips: Portugal, France, and Great Britain. Others were novices

rummaging around for a place in the sun: Belgium, Italy, and Germany. All searched to lock raw materials and markets, and all look enviously on each progress by the others. Colonialism has been “out of the Dark continent” for the last four decades but for a majority of countries there has been some disastrous consequences as an aftermath. This section focuses on the European colonial policies, the imposition of colonial rule upon the African peoples and on the nature of colonial administrations within four case countries. Like many other sub-Saharan African countries, these four countries – Kenya, Ghana, Botswana, and the Democratic Republic of Congo, have experienced some form of colonialism. European colonialism had undeniably profound, lasting, and wide-ranging effects on the development of contemporary African nations. Nevertheless, it is important to note that in sub-Saharan Africa, the struggle against colonialism was carried out in the east and the west of the continent against completely diverse backgrounds. Historically, Western Africa was the home of once prosperous empires that had weakened, yet at the arrival of colonialism, the region was dominated by stable, economically sophisticated, and frequently densely settled tribal societies. The West African environment was hostile to European settlement and culturally resistant to European influences. As a result, the colonial leaders have of necessity to set up a fairly intellectual safeguard class between themselves and the masses, and this class afforded eventually recruits for a variety of professions such as law, teaching, and lesser administrative ranks of the civil services.

Eastern Africa, in contrast, depicted a totally different picture. Rather than dense populations and highly developed economies and states, many parts of eastern Africa offered to the European colonizers a vista of comparatively empty spaces, a hospitable climate and few apparent indigenous states which could have provoked immediate

problems of land rights. Thus, European settlers came and stayed and build up their own societies. This contrasting situation between these two parts of Africa would eventually play in important role in the immediate post-colonial period (Adu 1967: 296-297).

In sub-Saharan Africa, British colonies were founded in modern Botswana, Gambia, Ghana, Kenya, Lesotho, Malawi, Nigeria, Sierra Leone, South Africa, Sudan, Swaziland, Tanzania, Uganda, Zambia, and Zimbabwe. Most of these regions were characterized by multifaceted and populated pre-colonial societies, which dissuaded British migration and institutional establishment. Instead British colonizers practiced *indirect rule*, exercising power through customary institutions and without completely displacing existing political structures, courts, and landholding patterns (Fage 2002). As a matter of fact, generally only a few hundred British administrators were responsible for overseeing indirect rule in each colony. Yet this form of colonialism did not leave local social structures unaffected. Rather, British colonialism drastically changed local social and political arrangements by giving chiefs considerable power and maintaining their authority under practically all circumstances. In a small number of cases, specifically Kenya, the British set up a hybrid form of indirect settler colonialism. Whereas the full-blown settler included a “frontier of exclusion” that excluded indigenous groups, these indirect settler colonies were signified by a “frontier of inclusion” between settlers and indigenous labor positioned within the same territory (Abernethy 2000:56). Furthermore, the greatest degree of difference in colonial regimes, such as the British and Belgian colonial systems, was based upon different ideologies and methods of control. According to Rupert Emerson

The nature of the colonial setting and the contrasting colonial policies of the powers have played a significant role not only in the shaping of nations, but also in the development of nationalism, influencing the speed with which nationalist movements have swung into action, their membership

and structure, the demands they pose and their tactics and strategy...Such matters as the type of economy the imperial power encourages, the goals it sets, the colonial institutions it establishes, the civil and political privileges it extends to the people, the centralization of direct or indirect rule are all of major consequences in determining the character of the political mores which arise to challenge the colonial overlords (Emerson 1960:61).

In contrast, in their work *Burden of Empire*, Drs. Gann and Duignan have argued that:

The British were on the whole pragmatic and more respectful of established chieftain authority while the French were more legally minded, bound to the continental tradition of centralized administration. The French thus based their government on centralized rule from Paris and on the same administrative concepts that dominated their outlook on government at home. They generally saw themselves as the new chiefs, and the French services produced a whole generation of rois de la brousse who governed their districts with an iron hand. French Governor Generals exercised a much tighter control over local Governors than the British Governors over their local Residents or British Residents over their district commissioners (217-218).

Turning to the Belgians, the authors conclude:

The Belgians like the French believed in extreme centralization. Leopold ruled the Provinces and Brussels ruled Leopoldville. The inhabitants of the Congo both white and black remain strictly excluded from all influence in government. Under the French Chiefs, however remained nothing but the agents of the administration without independent judicial or executive powers. Former soldiers or clerks with knowledge of French were put into office only to be dismissed if they did not carry out their duties in a manner acceptable to the French (221-222).

Even though their systems had the same broad goal – control of the African polities – the British and Belgian colonial administrations were based on different philosophies and had different organizational characteristics. The results of these differences in colonial strategies can be found in the patterns of and levels of economic and political development in the post-colonial states. In order for us to understand the full intricacy of the European colonial powers' plunder of sub-Saharan Africa and its repercussions for the future of the continent, it has been essential to provide, in one place, a respectable but succinct analysis of these historic events, so that no one can doubt our impatience to realize the instantaneous rebirth of African society in terms of its economic development. For instance, all three countries – Kenya, Ghana, and Botswana – despite being located in a different region of sub-Saharan Africa, became British protectorates.

The British Colonial Office exercised rule by means of local governors and local executive and legislative councils that were effectively controlled by the administration. Unlike the previous three case countries, the Democratic Republic of Congo (formerly Zaire) was occupied by Belgium. In contrast to British colonial rule, the Belgian government extended no rights of participation in any political bodies in the Congo to native peoples or to resident Belgians. Thus, their administration was wholly official and paternalistic. However, it is necessary to note that one positive result of the Belgian preoccupation with economic development was their willingness to train Africans to do the work of more expensive Europeans. As a result, the Belgian colonizers emphasize the practical aspects of education by extending of primary and technical education (Fetter 1979).

Nonetheless, the ultimate impact of Western colonization remains subject to a heated discussion. Critics of colonialism continue to stress the negative aspect of the colonial experience. They point out its coercive nature, such as the extensive use of forced labor for railway building and road construction. In general, they put emphasis on the detrimental upshots European colonization on indigenous culture and on indigenous state system. As for the contention that sub-Saharan African countries would have been better off emancipated from colonial rule, one has only to take a look at the backwardness, abject penury, and misrule of Liberia (never under colonial rule) and Ethiopia (rule only for a short time by Italy) to comprehend the fallacy of this view. For all their shortcomings, the European colonizers made positive marks on sub-Saharan Africa. For instance, they introduced Africans to completely new methods of economic production, new ways of governance, and improved forms of sanitation and medical

services. A. Adu Boahen, an African scholar, has appropriately summed up the effects of imperialism in an essay otherwise judgmental of the colonial legacy:

The positive legacy has been the infra-structure of roads, railways, harbours, and airports. In many independent African states, a large number of roads have been widened, resurfaced or tarred, or straightened; but not many miles of new roads or railways have been added since independence ... [Another] positive impact is urbanization. There is no doubt that many urban centers in Africa, and even the very capitals of some of the independent African states, owe their foundation or rapid growth to the colonial impact.. [Also] we have seen the emergence of two classes unknown in traditional African society: a literate middle class and a predominately illiterate working class. A [further] permanent feature has been the transfer of power within the African society itself. The process of decolonization has meant not only the overthrow of colonial rule, but also the transfer of power from the traditional ruling aristocracy to the new middle and lower classes.... Independence has not revived the powers of the great kings of precolonial and colonial Africa. Still another contribution has been the introduction of cash crops and cash economy, and the consequent entry of African economy into the orbit of world economy (Boahen 1969: 521).

For better or worse, colonialism produced deep-rooted transformation, such as introducing sub-Saharan Africa into the world economy; colonial rule passed on new skills, new practices, new ideas, and pioneering methods of governance. Undeniably, the past colonial rule has left its imprint on the present social, economic, and political situation. For example, colonialism did great violence to the African social structure of families and tribes, leaving segments of the population impoverished, itinerant and displaced. Given their colonial experiences, it would have been a miracle for sub-Saharan African countries to have succeeded in overturning the constraints of underdevelopment after gaining political independence in the 1950s and 1960s. Colonialism also brought in a substantial array of new dilemmas and new strains, such as ethnic strife, corruption, and heavy indebtedness.

Figure 1. Map of Colonial Partition of Africa – “The Scramble for Africa”



Source: http://www.worldbook.com/features/explorers/assets/LR003919_afcolony.gif

Forty Years of Independence in Africa: ‘The Lost Decades?’

Decolonization and independence represented a significant turning point for sub-Saharan African countries. It was an opportunity for them to decide on the ‘right’ path, one that could improve governance and the formation of the wealth that the people needed to deal efficiently with widespread poverty as well as deprivation. In the early years of independence, the new African governments seemed to have an encouraging stability and started out on democratic and constitutional paths which testified of promising well for the future. Yet the history of the post-independent sub-Saharan Africa is marked with immense democratic and development failures. In the 1950s there were doubts about political change, but after 1960 Africa was increasingly free of colonialism, with the potential for governments that would be more responsive to domestic needs.

At the beginning of independence, the future of sub-Saharan Africa showed lots of potential. For example, Angus Maddison's 1995 study found that during the first half of the twentieth century Africa was growing more rapidly than Asia, and during the transition from colonialism to independence that growth rate continued to increase (Maddison 1995). During the period 1960-1973, economic growth in Africa was more rapid than in the first half of the century. Conversely, during the 1970s both political and economic matters in Africa deteriorated. Since 1980, aggregate per capita GDP in sub-Saharan Africa has declined at almost one percent annually. The decline has been extensive: 32 countries are poorer now than in 1980. Nowadays, sub-Saharan Africa is the lowest-income region in the world (Collier and Gunning 1999: 3-4).

Since the 1970s, sub-Saharan Africa has been the only region to experience an overall decline in its national economies. Two of the most important factors that have influenced Africa's poor economic performance over the several decades are its history and geography. Much of sub-Saharan Africa was colonized by European powers, beginning in the 19th century and extending to the late 1960s when a majority of African nations gained independence. Although there is no doubt that Africa was particularly victimized by colonization, colonial powers cannot be held completely responsible for poor post-independence policies. Nonetheless, the legacy of the colonial era should not be discounted as a significant explanation of sub-Saharan Africa's present dilemmas. Simultaneously, it should be mentioned that sub-Saharan Africa's performance in a decade directly subsequent to decolonization was considerably better than that seen in the previous years. Some very poor choices were ostensibly made in the initial years of independence that continue to have consequences of great magnitude today. For instance,

at the dawn of independence, sub-Saharan African countries, with little or no experience in dealing with economic and social development, faced numerous challenges. As a result of the lack of experience, many African nations initiated new strategies that were of a dictatorial nature (Alemayehu 2000).

The failure of post-independence governments to react effectively to the needs of the vast majority of ordinary Africans caused further impoverishment in addition to mounting debt commitments. Consequently, during the 1980s and 1990s, African governments had to yield control of economic decision-making in order to meet the criteria for World Bank and International Monetary Fund's (IMF) loans, known also as Structural Adjustment Programs (SAPs). Under World Bank and IMF auspices, African governments were compelled to cut down on domestic spending as well as hand over control over their expenditure priorities, such as health care or agricultural subsidies. As a result, per capita income declined by 25 percent in most sub-Saharan African countries (Colgan 2002). Additionally, this economic insecurity, periodically in conjunction with droughts that were prevalent in Sub-Saharan Africa in the 1980s, has in due course reinforced migrant labor patterns, which in return have facilitated the spread of HIV/AIDS. Moreover, relentless economic shocks such as the oil price hikes during early 1970s, rising international interests rates associated with the international debt crisis, and declining terms of trade were among key factors leading to economic stagnation in Sub-Saharan Africa.

Sub-Saharan Africa's current economic predicament is said to be the outcome of a synthesis of numerous economic and social factors, both internal and external. Scholars disagree on the primary causes surrounding the causes of underdevelopment in sub-

Saharan African countries – and also diverge on the salience of specific explanatory factors. There are two major strands of thought when it comes to accounting for the bleak performance of the SSA in relation to the rest of the world. One stresses the ‘external factors,’ while the other holds the ‘internal policy distortions’ accountable for its slow growth. Although a vast literature identifies a distinct set of potential causes of sub-Saharan Africa’s ills, ranging from faulty policies, to inadequate education, to political instability, to poor infrastructure, present work does not explicate why some countries opt for growth-enhancing policies while others undertake growth-inhibiting ones. As a result, the dispute is basically unresolved. Understanding sub-Saharan Africa’s growth tragedy necessitates not only an explanation of the relationship between slow growth and unfavorable country characteristics, but also an understanding of why country features were so adverse. For instance, William Easterly and Ross Levine argue that in the case of sub-Saharan Africa, economic growth is associated with low schooling, political instability, underdeveloped financial systems, distorted foreign exchange markets, high government deficits, and insufficient infrastructure. In addition, they point out that high ethnic fragmentation is a significant factor in explaining of most of these characteristics (Easterly and Levine 1997: 1241).

On the other hand, Svedberg argues that the structural weaknesses of the SSA negatively harmed its competitiveness and performance in the global trade. He summarizes the deterioration in Africa’s trade performance. SSA’s share of world exports decline from a little over 3 percent in 1950 to barely one percent in 1990. Between 1950 and 1970, SSA increased its share of all developing countries’ exports, despite the decline in its global share. According to Svedberg, the decline in SSA’s share of global

exports cease during the 1970s mainly due to the two consecutive real oil price increases. Conversely, the declining share of SSA exports is also a result of failure to boost alternative exports, particularly the manufactures exports. For instance, between 1970 and 1988 this share fell from 7.0 percent to 3.7 percent. It is thus not startling that at the onset of the 1990s the SSA share of world exports was down to one percent that of less developed countries (LDC) exports to five percent. Specifically, “export earnings in current dollars fell from US\$50 billion in 1960 to about \$36 billion at the beginning of the 1990s. The whole of sub-Saharan Africa, forty-five countries with almost 500 million inhabitants, now has export revenues less than half of those of Hong Kong, a nation of 6 million people” (Svedberg 1995: 21-22).

The External Debt Burden

At the dawn of the twenty-first century, sub-Saharan Africa finds herself in the midst of several interconnected and mutually reinforcing crises. Social dissension and military actions press forward political instability; the burden of servicing external debts in a context of deteriorating terms of trade contributes to regional fiscal emergency and declines in per capita income; and abject penury, attended by diminished nutrition and health, is widespread. The external debt problem is one of the most critical manacles to the realization of significant socio-economic development in much of the African region. Unless a feasible answer to the problem is uncovered, thus, heavily indebted African countries should not foresee to make progress in socio-economic development. Simply put, no amount of market reforms, pluralism and multi-partyism will in all probability

conclude in the formation of workable business systems and the attainment of preferred levels of socio-economic development in such countries if the debt crisis is not settled.

The indebtedness of sub-Saharan African countries originates from two sets of factors – external and internal – that came together to shape the economy as a whole in ways not favorable to economic and social progress. The major external causes consist of: the international recession and the additional decline in terms of trade; the high cost of external credit and the unfavorable role of international banks and international institutions; the deterioration in net inflows of capital and net transfers of resources; the fluctuations in the exchange rates of main international currencies to which African are measured; and the lack of coordination of policies among aid donors to guarantee the utmost and positive impact of aid and loan packages on development. On the other hand, within the cluster of internal causes of SSA's external indebtedness, the following can be categorized: a policy of excessive dependence on external resources for financing development; poor economic management together with mishandling of resources and depletion of public funds; the failure of policies and institutions for monitoring the contracting of external debts, their utilization and servicing; and the absence of trained personnel to administer resource policies (Adedeji 1985: 60-61).

While external factors, past and present, have indubitably impeded sub-Saharan Africa's economic growth, their significance in giving reasons for the economic situation on the continent time and again been overstated. African leaders as well as critics on SSA's ills at times fall short to acknowledge what the effects of domestic policies on the economy are. Two events for which developed countries have frequently been held

responsible are the debt crisis and the deteriorating terms of trade. For instance, Adjei Dickson, in his article, “Who says the GATT Accord will benefit Africa?” argues:

The high percentage of our [Africa’s] GNP paid service debts to the West and the ridiculously low prices paid for our exports are the two most fundamental problems impeding development in Africa. Over the past 30 years cocoa prices, for example, have halved and many African countries have been compelled to pay 20% of their GNP to service debts to the West (Mshomba 1997: 50).

As a consequence of the failure of post-independence African governments to respond effectively to the needs of the vast majority of ordinary Africans led to further impoverishment as well as growing debt commitments. As a result, during the 1980s and 1990s, nearly all countries in sub-Saharan Africa incurred large foreign debts in their efforts to industrialize and to provide their rapidly growing populations with modern social services. Total African foreign debt rose 24-fold since 1970 to a staggering \$350 billion in 2002, which was equal to its yearly GNP, making the region the most heavily indebted in the world. Currently debt service obligations absorb about 40 percent of export revenue, leaving scant foreign exchange for the importation of capital goods, essential spare parts, and medical supplies (Ayttey 2005: 289-290). Only about half of the outstanding debts are actually being paid, while on the other half arrears are continually being rescheduled. A large chunk of sub-Saharan Africa’s foreign debt – about 80 percent - is owed to Western governments and multilateral financial and development institutions such as the International Monetary Fund (IMF) and the World Bank. Under World Bank and IMF auspices, African countries were compelled to reduce domestic spending as well as relinquish control over their expenditure priorities, such as health care or agricultural subsidies. Subsequently, per capita income declined by 25 percent in most sub-Saharan African countries (Colgan 2002).

During the 1970s and 1980s, the international debt crisis has expanded dramatically throughout sub-Saharan Africa. All African countries have experienced significant increases in total long-term public debt between 1970 and 1985, furthermore, total long-term debt as a percentage of GNP and total long-term debt service as a percentage of exports have also increased during this period. In reply to this heavy indebtedness, two major international lenders – the International Monetary Fund (IMF) and the World Bank – have made future aid to African countries dependent on the imposition of sure austerity measures. These “structural adjustments” measures usually incorporate the devaluation of local currency, the limitation of government spending, and the cutback of all workers’ wages (Bradshaw 1990: 229). Moreover, the weak, for the most part primary-product-dependent, highly trade-dependent sub-Saharan African economies were afflicted sternly by a strings of external shocks, including the oil shocks of 1973 and 1979; widespread drought; and a major depression experienced by the industrialized North, result in overall decline in both demand and prices for African commodity exports. In addition to these shocks, the already frail African nations were also confronted with declining or negative growth rates, stagnant or falling per capita income figures, and severe balance-of-payments and debt-service problems. Furthermore, these obstacles were often exacerbated by inapt policies, inefficient investment, worsening infrastructure and productive capacity as well as widespread corruption. By the 1980s the situation in that region had become disastrous. Between 1980 and 1984, the gross domestic product of African countries declined an average of 1.4 percent a year; per capita gross national product, an average of 4.4 percent a year; export volume, 7.4 percent a year; and import volume; 5.9 percent per year (Hardy 1986). To summarize, the

influx of the debt crisis which occurred in consequence of global collapse in the prices of commodities that developing countries export, such as coffee and cocoa, and rising oil prices and interest rates, forced these countries into a position where they were incapable to make payments.

Is SSA's Debt a Cause or Outcome of its Economic Difficulties?

Sub-Saharan Africa's economic performance has been very poor particularly during the recent four decades. Thus, the impacts of Structural Adjustment Programs (SAPs) implemented by most sub-Saharan African (SSA) states under the auspices of the IMF and the World Bank, need to be seriously analyzed and discussed since these programs have been the single most important economic policy during the past three decades. For instance, in a number of countries where the IMF and World Bank have imposed SAPs, people have seen deterioration in their standards of living, reduced access to public services, devastated environments, as well as plummeting employment prospects (Cheru 1989). Nevertheless, it is important to note that the complete collapse of the economies of nearly all sub-Saharan African countries has been also blamed on several other factors, such as economic mismanagement by the governments, political instability, and inequitable exchange. Therefore, it is necessary to look at the aspects of the deep-rooted underdevelopment in SSA during recent decades, and to examine the impacts of SAPs on these aspects.

In order to attain an understanding of the full impact of the debt crisis in sub-Saharan Africa, we must recognize the value of its effects that have differentiated across the continent. African states differ in many ways: in their administrative capacity, the

character of political leadership, structure of production, and level and composition of external indebtedness at the very least. This section seeks to contribute to an understanding of the crisis by looking at the domestic effects of international debt in four differing countries: Ghana, Botswana, Kenya and the Democratic Republic of Congo (DRC). While all are designated low-income countries, the Democratic Republic of Congo (formerly Zaire) is potentially wealthy because of its extensive mineral resources. Unlike the three former British colonies, the DRC has been notorious for their administrative inefficiency and corruption. Moreover, Kenya, Botswana and to some degree Ghana have been relatively politically stable, whereas the DRC have been prone to recurrent unrest and coup attempts. In examining the various ways that debt has manifested itself in these diverse milieus, we shall focus on the following questions: How did each country get into debt? How indebted are they, on what terms and to whom? What are the political repercussions of their indebtedness both at the international and local levels?

Economic Recovery, Debt and Dependence

The pressure of external debt on African economies is not a novelty of the 1980s, yet one observes little recognition of earlier experiences in the current literature. Within a few years of their independence, for instance, the government of Ghana had acquired insupportable debt burdens through a mixture of abandoned acceptance of suppliers' credits and home bred inflation. Debt servicing was also burdensome in some African countries thirty years earlier, during the world depression. As a proportion of export earnings during the period 1930-35, it was nearly 38 per cent in Kenya, 23 per cent in the

Belgian Congo, and 16 per cent in Nigeria. Both in Kenya and Nigeria, external debt service necessitated nearly one-third of government revenues in those years. In the Congo, over four-fifths of ordinary revenues were used for debt service in 1933-35. According to Herbert Frankel, the major causes of the mounting debt in these countries included: deteriorating terms of trade, substantial obligations abroad in the form of fixed-interest borrowings, heavy reliance for public revenue on the taxation of external trade (Rimmer 1990: 284). To little surprise, the 1980s has not been different. There has again been a decline in the commodity terms of trade; according to the IMF, there has been a fall of 32 per cent between 1980 and 1987 for the entire sub-Saharan Africa. Moreover, the deterioration in relative prices pursued a long period in which export volumes were deficient in resilience. According to the World Bank, sub-Saharan Africa lost half its market share in exports of primary products other than oil between 1970 and 1982. Yet the dependence of public revenues in SSA on the values of external trade has remained sturdy (Greene 1989).

During the 1970s and early 1980s, the weak, for the most part primary-product-dependent, highly trade-dependent sub-Saharan African economies were afflicted severely by a series of external shocks, including the oil shocks of 1973 and 1979; widespread drought; and a major depression experienced by the industrialized North, resulting in overall decline in both demand and prices for sub-Saharan Africa's commodity exports. In addition to these shocks, the already feeble states of sub-Saharan Africa were also challenged with declining or negative growth rates, stagnant or falling per capita income figures, and severe balance-of-payments and debt-service problems. Moreover, these impediments were frequently aggravated by out of place policies,

inefficient investment, worsening infrastructure and productive capacity as well as widespread corruption. By the 1980s the situation in that region had become disastrous. Between 1980 and 1984, the gross domestic product of African countries declined an average of 1.4 percent a year; per capita gross national product, an average of 4.4 percent a year; export volume, 7.4 percent a year; and import volume, 5.9 percent per year (Hardy 1986).

Since the early 1980s, sub-Saharan African governments have renegotiated their debt repayments with their main creditors. Most SSA states are indebted to individual governments and the international finance institutions (IFIs), that is, the World Bank and International Monetary Fund (IMF). In general, structural adjustment programs (SAPs) are a package of market-based economic reforms involving rolling back the interventionist role of the state in the adjusting economies in favor of a free and competitive market system. There are a lucid collection of common objectives within SAPs, based on the economic theories of monetarism and neo-liberalism. The key components of SAPs are:

- *Rolling back the state.* Eliminating the state from several areas of the economy, for instance: the disbanding of state marketing boards, the privatization of state-owned enterprises and actions to bring down budget deficits.
- *Liberalizing the economy.* Allowing prices to be determined increasingly by supply and demand, including: elimination of subsidies on consumer goods, the establishment of user charges for medical and education services.
- *Opening the national economy to the world.* Promoting a closer incorporation into the world economy via the exclusion of barriers and the stipulation of incentives,

such as: elimination of controls over foreign currency market, incentives to foster foreign investment and the revision of investment codes in order to follow a more capital-friendly path (Harrison 2002: 57).

Additionally, these ‘structural adjustment’ measures include the devaluation of local currency, the curtailment of government spending, and the reduction of all workers’ wages. The IMF contends that such policies will ease exports and help local governments save capital, thus allowing them to service their debts. In contradiction of this view, however, many sub-Saharan African governments maintain that austerity programs increase economic dependence on developed countries, diminish national self-reliance, and reduce the overall quality of life in impoverished nations. Former Zambian President Kenneth Kaunda recently condemned the IMF by asserting:

The IMF [structural adjustment] program has been with us for close to 12 years now and we began to see nothing but a contraction of the economy, contracting, contracting. In the end, we were living to pay the IMF, nothing else! And we were not developing, the economy was not expanding, it was contracting (Meldrum 1987: 44-45).

However, the implementation of the economic remedies prescribed by the World Bank and the IMF has failed to assuage the suffering of the Africans. The Structural Adjustment Programs (SAPs) and market-based cures, with their inexperienced and emblematic economic slogans, have gone amiss on diagnoses of the multifaceted, interrelated problems of the ‘Dark’ continent. For instance, the majority of the sub-Saharan African population has no access to public health care, and has been entrapped in a ferocious circle of poor health and poverty. Thus, in this region, it is beyond comprehension how the benefits of economic globalization and market-driven economic growth (as promised by the IMF and World Bank), if any, would reach the most impoverished. In fact “global public ills”, such as poverty, hunger, and pandemic

diseases, including HIV/AIDS, call for global solutions to alleviate them (Mkandawire, 2003). The failure to bring to a halt the sub-Saharan African quandary may give rise to first major health and development crisis of the 21st century, and have across-the-board consequences for all. Furthermore, the complexities of African economic problems, generally inextricably linked ones, restrict not only Africa itself but also the Western nations in reaching appropriate solutions to tackle the unfolding human tragedy in our world. Resolving these ‘global public ills’, such as penury, hunger, and life-threatening diseases, will require global solutions. The crucial obstacles in solving sub-Saharan Africa’s crises are its current and dominant economic paradigms and thus, it is a time for all developing countries seriously to reassess their economic development path.

The Impact of Structural Adjustment: Case Countries’ Experiences

For most of the last three decades, development strategy has been influenced by a “Washington consensus” viewpoint that encapsulated the economic wisdom of the IMF and the World Bank. The consensus perspective was that the economic performance of all developing African economies could be improved by a reliance on market forces and the reduction of state intervention and expenditure to a minimum. In this section, we look at case countries experiences. Like most countries in sub-Saharan Africa, Ghana, Kenya, Botswana and the DRC have been persuaded to design their macroeconomic policies within the framework of IMF conditionality.

Ghana

Ghana had lapsed into a serious economic downturn by the early 1983, and was saddle with a heavy foreign debt. The deteriorated state of the economy was succinctly depicted in *The Economist* (September 3, 1989: 40) as “an extreme case even in Africa.” For the years immediately preceding adjustment, 1980-1983, Ghana’s total GDP growth rate was –14.9 percent, with an annual average of –5.2 percent (Huq 1989: 46). As a result, Ghana’s ability to meet its debt-servicing commitments was at risk. This situation was largely the consequence of “two decades of financial laxity and mismanagement that had led to macroeconomic chaos. Exchange-rate overvaluation and high export-taxation led to rapidly declining exports (cocoa, timber, gold) from the mid-1970s, while external factors plus a large public spending deficit increased the rate of inflation to an average 80 percent per annum” (Engberg-Pederson 1996: 11). Consequently, Ghana, like many other heavily indebted countries, was at the same time attracted by the foreign loans, scared by its fiscal crises and balance-of-payments deficit, it accepted the terms of the economic prescriptions.

Globally, Ghana is heralded as one of the countries with a comparatively good track record in turning around a dilapidated economy by implementing SAPs. The Ghanaian economy witnessed negative growth, aggravated by volatile internal and external imbalances until 1983. These are illustrated by increasing fiscal deficits, acceleration of inflation, overvalued exchange rate and deceleration of the growth of output in all spheres of the economy. These macroeconomic problems were caused by both domestic and external factors. The main external factors consisted of the deterioration of terms of trade, cocoa commodity price instability and the transmission of poor growth performance of

industrialized countries unto developing countries via export-import mechanisms. Among the domestic policy-generated factors included the mismanagement of development instruments as well as price-mechanisms in domestic resource allocation (Sarpong 1997). In its fairly diversified manufacturing industry, for instance, average capacity utilization dropped to 21 percent and production declined 20 percent in 1982. In contrast to some countries which left behind or called a halt to their programs attributable to the failures of economic recovery programs to work miracles, Ghana demonstrated political resolve to endure a sustained process of reform long enough to attain a turnaround in growth and ongoing recovery. It began with stabilization and structural adjustment in 1983. Among the outcomes accomplished were: average GDP growth rate of about 4.7 percent during 1983-1991 in relation to 1.5 percent during 1970-1983; percent changes in fiscal deficit from 2.7 percent of GDP in 1983 to positive 1.5 percent in 1992; and an increase in the share of capital spending in total government expenditures from 7.9 percent in 1983 to 20.1 percent in 1992. As a result, Ghana was among the adjusting economies that were able to boost their investment/GDP ratios from 10.1 percent to 14.8 percent during 1980-1989 and 1990-1994 correspondingly (Alemayehu 2000: 64).

Kenya

The debt crisis of the early 1980s turned Kenya into a highly indebted country. Like many other sub-Saharan countries, Kenya deals with severe economic predicaments. An increasing external debt, a declining currency, a lower per capita income and a disruptive international financial environment characterize some of the most important challenges to the country since its independence. In the forty years since independence,

the Kenyan economy has generally performed well. Between 1964 and 1971 the economy grew at an average annual rate of 6.5 percent. During the same period, the newly developed industrial sector grew at a yearly rate of 8.2 percent undoubtedly surpassing the dominant agricultural sector, despite the latter publicized a robust average annual growth rate of 4.2 percent. The consequence was a gradually improving per capita income. As the economy expanded the central government expanded services. Yet this remarkable performance is now imperiled by the rising burden of external debt.

According to the World Bank, Kenya's total debt as of 1987 was \$5.9 billion, which represented 77 percent of its Gross National Product (GNP). The country's scheduled payments for 1989 total \$614 million, more than a third of its export earnings. As a result, the Kenyan government has realized that debt servicing is one of the most imperative issues it must confront if the country is to continue to advance economically (Mwembe 1989).

The Kenyan debt has being attributed to a number of factors. These involved the oil crisis of the 1970s, the deteriorating terms of trade, low export growth, squandering of borrowed funds, widespread corruption and ineffective governance. Economic and political circumstances worsened by the late 1970s. Two oil price shocks created balance of payments problems while increasing the cost of international trade. The booms of Kenya's main commodity products – coffee and tea – ceased suddenly. Moreover, in 1977, the collapse of the East African Community and the closure of the Tanzanian border hindered much of its inter-regional trade. In 1984, the country also experienced a devastating drought. Certainly, man of the same factors impinged on other sub-Saharan African countries as well. Nevertheless, the point is that Kenya endured the external

shocks with greater success than most. The other point that needs to be stated is that the growth was evident both in agriculture and in industry. Between 1965 and 1980, the agricultural sector grew at an average of 5 percent per annum as against mere 1.6 percent in neighboring Tanzania. On the whole, one can deduct that Kenyan economic performance was above average with respect to the rest of sub-Saharan Africa (Nugent 2004: 158).

In 1980 an extended period of structural adjustment started that ebbed and flowed over the next two decades. The Kenyan economy slowed under the initial belt-tightening measures but recovered somewhat, and then descended into recession in 1992-93. At the time, inflation hit 55 percent. Donor balance of payment support was deferred from 1991 to 1993 due to the sluggish rate of reform, new political troubles, and worries over corruption. Despite that a new series of reforms was launched, yet the situation continued to go down hill once again. As a result, the IMF and the World Bank discontinued lending. The grim economic situation led to increased level of civil turbulence throughout the country, placing Kenya's prolonged record of political stability in grave danger (Fox 2006: 122).

Botswana

When it gained its independence from Great Britain in 1966, Botswana was one of the twenty poorest countries in the world with per capita income of only \$40. Therefore, Botswana had all the ingredients for another post-colonial sub-Saharan African tragedy. Pessimist gave the country less than a few years to self-destruct and fade away. Yet decade after decade Botswana is one of the very few countries in sub-Saharan Africa that has been able to sustain high growth rates. Specifically, Botswana's economic

record includes not only growth of per capital GDP but also several measures of human and political development. Blessed with diamond mines that opened in the late 1960s and remarkably not impeded by both the corruption and the excessively striving investment that were so unbridled elsewhere on the African continent, the country's GDP grew by 14.5 percent per year in the 1970s and 9.8 percent per year in the 1980s, a record going above every other African nation by far and even outshining such Asian giants as Korea, Hong Kong, and Singapore. The second half of the decade of the 1970s thus marked the beginning of important changes in the structure of the economy of Botswana. In the 1990s, the mining sector, which by then was established as the leading source of domestic product, was followed by commerce, general government, financial sector, construction, manufacturing, and so on. A conspicuous characteristic of this transformation of the economy is a drift away from heavy dependence on agriculture that was quite challenging to accomplish in other countries in sub-Saharan African region.

The country was one of the 20 poorest in the world at independence, and is now one of the wealthiest in sub-Saharan Africa. Nevertheless, unlike many of its fellow sub-Saharan countries, Botswana has avoided the 'African growth tragedy.' The success lied in the ability of the Botswana's government to successfully implement growth-promoting policies. One particular significant factor that not only contributed but also derived benefit from this growth has been political stability. At the same time, not all section of the country equally did reap the benefits from the mounting wealth, and accordingly, socio-political tension did become common (Bever 1996: 191).

Although various scholars have accredited Botswana's success to its mineral wealth in diamonds, a blend of factors have added enormously to form the milieu critical

for economic prosperity. The salient factor has been the absence of civil and political dissension regardless of Botswana's multiethnic society. In contrast to other developing countries, Botswana's outstanding performance is due to good governance. Generally, corruption, authoritarian rule, and mismanagement have not played part in the political environment in Botswana, as has been the case for instance, in Kenya, the DRC and Ghana. Yet Botswana's political stability alone cannot justify its economic growth, nor is mineral exploitation the only answer. Other factors play a role in economic performance even in countries with as single leading asset or resource. Moreover, following independence, the Botswana government has pursued noticeably sensible economic policies, allowing common sense, rather than emotional rhetoric, to triumph. For instance, revenues from minerals and donor funds were devoted largely to investment in infrastructure and to provide greater public access to basic needs, such as water, health care, and education (Ayittey 2005: 355-360).

Not everything in Botswana has been rosy. Despite Botswana's considerable economic progress during the past four decades, there were not enough jobs for those seeking employment, and therefore, unemployment has become of some concern in the country. After declining gradually from 1984 beyond, the unemployment rate began to rise in 1991 and stood at 20 percent by 1998. In 1998, the female unemployment rate was 24 percent in comparison with 17 percent for males. By 2000, the unemployment rate was estimated to have declined to 15.8 percent. In addition, there is growing concern regarding poverty and inequality in the distribution of income and wealth between and within the urban and rural areas. This is due to the belief that poverty confines the development of human, social, as well as economic potential. More than half of the rural

population has incomes that are insufficient to meet the basic needs. In the most recent official statistics estimate the number of households living poverty to be 43 percent. In the terms of the distribution of disposable income, the 1993-94 Household Income and Expenditure Survey (HIES) indicates that the poorest 40 percent of households earned 11.6 percent of the total national income; the next 40 percent earned 29.1 percent of the national income; and the richest 20 percent earned 59.3 percent of the total income. The corresponding figures from the 1985-86 surveys were 10.7 percent, 27.8 percent, and 61.5 percent, respectively, for the three categories (Hope 2002: 5-6). To make matters worse, Botswana has one of the highest adult incidences of HIV/AIDS in the world with 36% of adults being HIV-positive, and has been struggling to come to terms with the development and implementation of an appropriate national response to alleviate the development effects of the disease (Hope 2002:8).

The Democratic Republic of Congo (DRC)

From 1968 to 1974, the DRC witnessed a spectacular economic recovery. This recovery was made possible by political stability, the devaluation and change of the currency from Congolese francs to Zaire's in 1967, above all by high copper prices because of increased demand. The high level of economic activity and exports, with the GDP growing by about 10 percent between 1967 and 1970 and about 5 percent between 1970 and 1973, in conjunction with the very liberal investment codes established an encouraging environment for foreign investment. Yet the long-term economic recovery was endangered by the prestige-seeking economic policies linked with wasteful expenditure of the Congolese government on expensive and futile construction projects as well as rampant corruption. Thus, the crisis itself can be tracked back to the

mismanagement of the economy during the years of economic growth, when the Congolese ruling class wanted to implement greater control over the economy in general and the commercial sector in particular.

Like other developing nations on African continent, the DRC's economic predicament exacerbated during the 1970s in consequence of the Middle East oil crisis. In particular, the worst year of the crisis was in 1978, when output was 17 percent below the level of 1974; the manufacturing sector was operating at about 40 percent of capacity; inflation rate (December 1977 to December 1978) averaged 100 percent; real wages and salaries were at one-fourth of the 1970 levels; and malnutrition was on the rise. In an attempt to revive the economy, the Mobutu government implemented sweeping measures of Zairianization and radicalization. During the first phase, practically all the foreign-owned commercial and agricultural businesses were confiscated. Consequently, the state distributed them as free loot to the political class. In the second (radicalization) phase, the state took control of a broad range of Belgian-owned enterprises and put leading Congolese political figures in domination of these ventures. Yet both sets of measures caused a great infliction on the economic life of the country. For instance, because of the interruption of numerous enterprises, widespread shortages happened, and inflation started to bring in a thrust that has not yet faded away. As the World Bank Mission to former Zaire reported in 1979:

Zairianization led in many instances to the destruction or dispersion of the capital stock, as many plantations were abandoned by the new owners after selling their newly acquired assets (trucks and other movable equipment); it disrupted marketing by causing an exodus of small expatriate intermediaries who traditionally played a vital role in the distribution of inputs and consumer goods as well as in the collection and commercialization of farm output. To take one example, the decline in palm oil production of about 30 percent between 1974 and 1978 is attributable in part to the negative effects that *zairianization* had on the output of small plantations, which had significant as a group (Ayittey 2005: 211-212).

In addition, the Congolese involvement in the Angolan civil war had painful ramifications on the already feeble economy. While external factors, such as the depressed level of copper prices and the closing of the Benguela Railway, played a part, the main causes of the crisis were internal, including the heavy external borrowing, ill-advised and badly implemented experiments of *zairianization* and “radicalization” shortcomings in management of the economy, misallocation of the country’s resources, and the frequency of corruption (Nzongola-Ntalaja 2002: 148-149).

To make matters worse, in 1975, the country stopped servicing its debt and requested an IMF-supported program for the first time to help rescue the DRC from its economic malaise. To improve the economic and financial situation, and eradicate the significant distortions that had escalated in the previous period, the government began to put into practice in the 1980s a strong stabilization and liberalization program. This plan had a positive impact as real GDP, which had decreased by 2.2 percent in 1982, regained with an average annual growth rate of 2.6 percent during the period 1984-86. Following year, in 1987, with the backing of the IMF and the World Bank, the government introduced a structural adjustment program directed at instituting the basis for long-standing economic growth and a sustainable external financial position. The program also derived benefit from improved terms of trade, mostly indicating a strong rise in copper prices at the onset of early 1987 (Clement 2004: 181). In spite of that, failed attempts at political liberalization, control over economic policies was lost during the 1990s, and as a result, the country fell into the grip of a vicious cycle of economic recession and further debt crisis. This distressing economic and social situation was also burgeoned by the full-fledged war that broke out in 1998. In general, for the Congolese people, the major

outcomes of the Mobutu's regime that institutionalized pilfering and corruption has been the wreck of the country's economy and social fabric, accompanied by state deterioration and breakdown. In the DRC, as in the rest of the sub-Saharan Africa, the unrelenting economic and state crises have brought about a growing understanding that a close connection does exist between the incapability of the state apparatus to guarantee a decent livelihood for its citizens and the lack of democracy.

To sum up, over the last decades, the African governments have embarked on several policy reforms that seek to adjust the political-economic situation.

Unquestionably, progress has been made in several respects. Yet, for sub-Saharan Africa to free itself from the manacles of the debt burden, it must first frankly and objectively find out the primary causes of its economic dilemmas. Moreover, this chapter has abundantly demonstrated the market-oriented pattern of development policy and economic performance in Botswana and the lessons that can be derived there from for the rest of sub-Saharan Africa. As pointed out by Freeman and Lindauer (1999: 19), "Botswana stands as an important example of the possibility for economic success in sub-Saharan Africa and of the importance of good governance in overcoming the obstacles to sustained economic growth." In particular, African countries must have the audacity to recognize the inadequacies of their domestic policies and actions, in addition to the understanding to enhance them. For instance, political instability and bad governance over the years had an equally devastating toll on the economy and national development of these countries. Moreover, African countries should question why they borrowed in the first place and how they spent the money. With the exception of extraordinary circumstances such as drought and famine, external loans should be predominantly used

only for development and/or investment projects, including building roads and schools, improving telecommunications, providing electricity and water. If African governments fail to do so, the debt-servicing burden will persevere and continue to grow unless they take the rap and accept the fact that some of SSA's economic problems are the direct result of certain domestic policies and their lack of accountability. Overstressing the impact of external factors and unjustifiably pointing the finger at others may lessen the possibility of Sub-Saharan Africa discover remedies for its problems. To facilitate finding effective resolutions, sub-Saharan African countries must be practical, accountable, and resourceful. Ultimately, based on the experiences of our case countries, the fiscal and economic reforms prescribed by the IMF and the World Bank will in all probability generate little real improvement in the debtor countries' economic performance unless they implemented in combination with political reforms. The subsequent chapter examines the most critical issue that affects its developmental progress facing the "Dark" continent nowadays – the HIV/AIDS crisis. Moreover, the chapter discusses AIDS-related challenges within the continent, with specific references to the case countries.

CHAPTER FOUR: AIDS – SUB-SAHARAN AFRICA IN PERIL

AIDS in Africa: Heartbreak and Hope

Sub-Saharan Africa is home to more people infected with HIV or AIDS than the rest of the world combined. Approximately 70 percent of adults and 80 percent of children infected with HIV/AIDS in the world reside in that region. In eight countries on the continent of Africa over fifteen percent of adults are infected with the disease. In some places, however, the spread of the disease is beginning to slow down. The number of new infections fell from an estimated four million in 1999 to an estimated 3.8 million in 2000 (HIV/AIDS in Africa, 2001). By the end of 2001, the number of new infections had dropped to 3.4 million. Nevertheless, progress in slowing down the spread must also be weighed against the reality that 28.1 million Africans were infected with the disease (AIDS Epidemic Update, 2001). With this epidemic occurring in one particular region, one should take a look at the conditions of this region to learn why HIV is so prevalent. In order to gain an understanding of the HIV/AIDS pandemic in sub-Saharan Africa one must first raise several questions. What is the basic social and economic impact of the disease? What are the alternatives for prevention, education and care for the ill? What would be most useful to African governments in combating the pandemic?

The acquired immunodeficiency disease syndrome (AIDS) is now a well-known disease. Since its discovery in the early 1980s, the epidemic of AIDS has developed rapidly involving many parts of the world, becoming the paramount threat to their development. In order to comprehend this problem, it is necessary to provide a brief summary of the biology and pathogenesis of this disease. As the name implies, AIDS incorporates a broad variety of clinical conditions that are the result of a suppression of

the immune system. HIV (Human Immunodeficiency Virus) is a virus that attacks and breaks down the body's immune system the "internal defense force" that fights off infections and disease. AIDS (Acquired Immune Deficiency Syndrome) is the name for the condition that people with HIV have if they develop one of the serious infections connected with HIV, or if blood tests show that their immune system has been very badly damaged by the virus. It usually takes many years before HIV breaks down a person's immune system and causes AIDS. Most people have only a few, if any, symptoms for several years after they become infected. As soon as HIV gets into the body, however, it can do serious harm to the immune system. People who appear perfectly healthy may have the virus, without knowing it, and pass it on to others (AIDS, 2004).

The Social and Economic Impact of HIV/AIDS

It had been clear for some years that problems associated with the epidemic have enormous effects on national economic and political development, leading to potential changes of the social and institutional landscape of sub-Saharan Africa. This virulent disease has brought unspeakable agony to Africa, destroyed almost a half-century of development, and raised fears that peace and security could be threatened by unprecedented population losses and economic upheaval. In addition, the epidemic has greatly weakened possibilities for increased autonomy in many countries, and shattered chances for major improvements in their quality of life. Moreover, political responses are critical to addressing the AIDS situation. The lack of local political awareness and economic resources means that meeting these challenges is very problematical. Initially, many leaders failed to address the problem preferring instead to assume the future leaders

would deal with it. These multifaceted aspects of the AIDS impact are expected to influence African development in a negative way for the foreseeable future. Moreover, the fact is that AIDS is concentrated predominantly in groups aged from 20 to 40, with slightly more women infected than men. Since the infection is concentrated in this age group, AIDS is relentlessly assaulting the most sexually active and the most economically productive sector of the sub-Saharan African population. When AIDS claims the lives of people in their most productive years, grief-stricken orphans and the elderly must struggle with the unexpected loss of financial support, and communities must bear the burden of looking after those left behind (Wehrwein, 2000).

There is no single factor, either biological or behavioral, that determines the spread of HIV infection. Still, most HIV transmission in sub-Saharan Africa occurs through sexual intercourse, with unsafe blood transfusions and unsafe injections comprising a small portion. Although sexual behavior is the salient factor affecting the spread of HIV in sub-Saharan Africa, that behavior differs to a great extent across cultures, age groups, socioeconomic classes, and genders. Sexual behavior is itself also shaped by a multitude of factors, varying from the daily and pragmatic, such as economic and social circumstance, to the multifaceted and abstract, such as culture. For example, modernizing trends, such as increased transportation and communication networks, have combined with factors such as environmental degradation and high unemployment to encourage migration to urban centers, as well as increased the numbers of migrant workers. Higher numbers of sexual partners have consistently been found to be connected with greater probability of HIV infection. The odds of individuals engaging with commercial sex workers, and thus having more partners, is increased when large numbers

of single, migrant men live together. In the presence of social, socioeconomic and biological factors, including poor economic conditions and the lack of ethical behavior, the AIDS epidemic may increase at a rapid rate (Miller, 1988).

Furthermore, prevention efforts to combat the rapid spread of HIV/AIDS have been impeded by the lack of leadership on the part of governments and national leaders. Although governments have the responsibility to publicize their aims to tackle the problems of AIDS, they are often prevented from discussing these problems candidly or engaging the public in HIV prevention efforts due to sensitive cultural issues. In addition, African political systems and leaders have demonstrated their incapacity or unwillingness to deal with other quality of life problems, such as widespread poverty and illiteracy. Compounding the difficulty facing this, many African nations have enormous debts that they accumulated during the 1980s. As a result, after making repayments of debts, there are insufficient financial resources left to fund AIDS education programs and health care (Fredland, 1998).

In addition, people living with HIV or AIDS have also been the targets of stigma and discrimination by their communities. Even with three decades of public education, prevention efforts, and passage of protective legislation, HIV/AIDS-related stigma remains a serious problem (Herek, 1999). Because of the AIDS stigma and pre-existing negative assumptions, people from ethnic groups have experienced discrimination on the basis of actual or imputed HIV status. Often, people who are HIV positive are less likely to access treatment and health services. In addition, people may choose not to seek to learn their HIV status or receive counseling essential aspects of prevention out of fear that they will be ostracized, rejected and even harmed by their communities and families.

As a result, HIV/AIDS stigmatization and discrimination increases vulnerability to HIV infection because it can prevent people from accessing information and education about HIV transmission. Additionally, the spread of HIV across sub-Saharan Africa has been fuelled by cultural taboos surrounding discussions of sexual activity (Ruiz, 2001).

HIV/AIDS is disastrous both from a public health perspective and in terms of its impact on economic and social stability in many of the most severely affected countries, particularly in sub-Saharan Africa. The catastrophic impact of the pandemic proved to be the biggest single impediment for reaching development goals in sub-Saharan Africa. Given that AIDS kills largely people in the 15-49 year age group, it is depriving families, communities and entire nations of the young and most productive people. It is thus exclusively destructive in terms of increasing poverty, reversing human development achievements, eating away at the ability of governments to provide and maintain necessary services,, reducing labor supply and productivity and putting a brake on economic growth. To address the causes and effects of the AIDS disease in sub-Saharan Africa, it is important to summarize numerous factors leading to the debilitating disease. There are various socio-economic factors leading to the rampant spread of this deadly disease in nearly all sub-Saharan African countries. The major factors have been in part the result of:

- *Migrant workers* – In many sub-Saharan African countries, lack of economic opportunities forces the poor to migrate from rural areas to urban areas in hopes of finding a job. Thus, men who migrated between urban areas were more likely as non-migrants to engage in high-risk sexual behavior—that is, to have more than one sex partner while not using a protection. Women whose husbands are

migrant workers are exceptionally vulnerable to AIDS, as their spouses may have other sexual partners. The women themselves may engage in commercial sex in periods of economic stress.

- *Social and political turmoil* – Wars, famines, and civil strife bring about massive movements of people, invigorated by permeable borders, regional development corridors and political change.
- *Rapid political and economic change* – The HIV/AIDS pandemic has an impact on labor supply, through increased mortality and morbidity. This is compounded by loss of skills in key sectors of the labor market. Lower domestic productivity reduces exports, while imports of expensive healthcare goods slowly increase. AIDS reduces productivity as people become ill and die and others spend time caring for the sick, mourning and attending funerals. The result is severe labor shortages for both farm and domestic work.
- *Breakdown of the African social structure* – AIDS has particularly a devastating impact on rural families. The father is typically first to fall ill, and when this occurs, the family would be forced to pay for his care by selling their precious belongings, such as farm tools or animals. If illness ends in the premature of a key family member, and in particular the mother, the family and household may literally fall apart. After the death of their parents children become even more vulnerable. There are increasing cases of child-headed households, as well as street children, as orphans who cannot stay in the family home move to towns and cities.

- *Gender inequalities* – Women’s lower social status and their poorer income-generating possibilities make them more vulnerable to the economic impact of HIV/AIDS. For instance, many women may be driven to work as prostitutes to earn living for themselves and their dependents. In addition, in many sub-Saharan African countries, gender discrimination is widespread, leaving women powerless to make decisions and to act independently. As a result, in many developing countries, women are often economically, culturally and socially disadvantaged and lack equal access to treatment, financial support and education.
- *Social and Cultural Beliefs* - Cultural beliefs, values, norms, and myths have played a role in the rapidly increasing epidemic in the rural African communities. HIV-related stigma and discrimination remains an enormous barrier to the fight against AIDS. Fear of discrimination often prevents people from getting tested, seeking treatment and admitting their HIV status publicly. Moreover, social ostracism and alienation that result in the deterioration of civil, economic or political rights can be a consequence of the stigma linked with HIV/AIDS.
- *Poor health care and lack of health education* – Many African governments had to decrease their expenditures on health due to the World Bank and IMF-imposed budget cuts. The lack of education and available accurate medical information on AIDS and prevention factors leads to “high-risk sex” and the further proliferation of the disease.

What the above examples of the factors reveal is the extent of the grim effects of the HIV pandemic for the entire performance of the economy and of civil society within sub-Saharan Africa. Clearly, there is a gap of effects that need to be pinpointed and

tackled through governmental policies and programs. Yet what the evidence uncovers is the interaction of social, economic and political systems, and it is in particular this ability of societies to function as usual that is being challenged by the pandemic. To further the understanding of the scale of sub-Saharan Africa's deadly disease and the challenges this pandemic represents to governments, one must start from the fact that the pandemic is multifaceted, complicated and affected by many social, economic, and cultural factors (Engel 2005: 103-110).

SSA at the Crossroads: Battling HIV/AIDS in Case Countries

Just as no two countries' economic, political, social and cultural history and experience are identical, so the AIDS experience of no two countries is the same. Undeniably, numerous factors contributed to determine the pattern of HIV in any one country. However, one decisive factor is irrefutable. While not confined only to impecunious people, AIDS is regarded as a disease of poverty, marginalization and social and economic inequality. The disease without doubt differs significantly from country to country in its transmission, rates, demographic distribution, and societal impact; each affected country has differing public and private capacities, financial resources, and relevant research and health care infrastructures to deal with the pandemic. The case countries face up to the possibility of sharp increases in the incidence of HIV, and none has a feasible strategy or sufficient resources for wide-scale treatment. Their success or failure in stopping the tide against the pandemic will have important consequences for these other sub-Saharan African c countries intertwined in similar struggles. Like other Third World regions, sub-Saharan Africa has enormous poverty, illiteracy, and

socioeconomic inequalities between men and women, all which make the battle against AIDS remarkably discouraging.

Botswana has been known as ‘economic miracle’ of the most poverty-stricken region in the world. In particular, Botswana’s economic transformation during the past for decades is one of the most highly regarded success stories of the African continent. Botswana’s record in human development is as substantial as is its record in economic development – with one important exception – the spread of HIV. As a result, these gains during the past decades are now grimly jeopardized by the plague of the lethal disease. The first AIDS cases were reported in Botswana in 1985. Since then, the HIV/AIDS pandemic has been increasing at a startling rate and Botswana now ranks as one of the countries with the highest HIV/AIDS prevalence rates in the world. For instance, a 2002 survey estimate that about 35.4 percent of adults aged 15-49 years carried the virus. The overall prevalence rate has more than doubled since 1992, and an estimated 138,000 Botswana had died of AIDS by 2002, out of a population of about 1,5 million. The high prevalence rate has caused falling life expectancy, from 65 years in 1991 to 56 years in 2001, according to official census data. The infant mortality rate is estimated at 55.2 percent per 1,000 live births, in relation to 48 per 1,000 in 1991, and contrary to an estimated 26.3 per 1,000 in the absence of AIDS (Masha 2004: 287-290). Botswana’s response to the pandemic can be separated into three phases: the early phase (1987-89) focused primarily on the screening of blood to eliminate the risk of HIV transmission through blood transfusion; the second phase (1989-97), and the first Medium Term Plan (MTP), witnessed the introduction of information, education and communication programs, such as adopting the Botswana National Policy on AIDS; in the third phase

(1997- onwards), the expansion of education, prevention and comprehensive care together with the provision of antiretroviral treatment took place. Like many other sub-Saharan African nations, Botswana has endured enormous social costs. For instance, families have continued to disintegrate because of the loss of adult heads of households, while the number of orphans is expected to rise steeply in future years. The Botswana Task Force on AIDS project "... that the direct and indirect costs associated with HIV/AIDS (e.g. medical costs, lost productivity) will have increased sevenfold between 1996 and 2004, accounting for 4.9% of the country's wage bill... Within 25 years the country's economy will be 31% smaller than it would have been in the absence of AIDS... Over the next decade HIV/AIDS will result in a cumulative budget deficit of 2% annually; reduce government revenue by 7%; and cause expenditure to rise by 15%. Because of the epidemic, poverty alleviation expenditures will increase as the government compensates households living below the poverty line for the loss of breadwinners" (Brigaldino 2002: 1). Even with over two decades of active advertising campaigns and the extensive cheap/free distribution of condoms, behavior did not change and transmission of HIV accelerated throughout the country. To stop the already soaring incidence rates, multilateral and bilateral foreign donors including the Bill and Melinda Gates Foundation along with the involvement of major international drug companies became active players in combating this deadly disease. As a result, Botswana has become the first sub-Saharan African country to offer free anti-retroviral drugs to everyone who needs them as a part of a comprehensive prevention and treatment campaign (Leith 2005: 14-16).

Nonetheless, declines in adult national HIV prevalence appear to be happening in one of the region of sub-Saharan Africa – East Africa. East Africa continues to provide the most valuable signs that serious AIDS pandemic can be reversed. The nationwide decline in HIV incidence among pregnant women seen in Uganda since the mid-1990s has been emulated in urban parts of Kenya, where infection levels have been steadily falling. In both countries, behavioral changes are the most common explanation to the trend shifts. The epidemic in Kenya reached its peak in the late 1990s with an overall HIV prevalence of 10 percent in adults, which dropped to 7 percent in 2003. With the active involvement of government, in Kenya’s case, there has been evidence that significant numbers of Kenyans have assumed safer sexual behavior. For instance, condom use with casual partners has risen, most noticeably among women: in 2003 almost 24 percent said they used a condom the last time they had casual sex, in relation to 15 percent five years earlier. Furthermore, the proportions of men and women with more than one sexual partner reduce by more than half in 1993-2003, and more young men and women are delaying sexual debut (UNAIDS/WHO 2005 Epidemic Update). In Kenya, like in other sub-Saharan African nations, geographic mobility is generally seen as one of the main facilitating preconditions of HIV transmission. For instance, the spread of AIDS in Kenya since the early 1980s has been simultaneous with extraordinary urban growth – a tripling of the urban population between 1980 and 1995 and annual growth rates of about six percent Nairobi, the capital city (United Nations 1995). Additionally, the rapid spread of the pandemic stemmed from the failure of government to acknowledge it as a problem early enough and introduce essential measures to respond to it. The struggle against HIV/AIDS in Kenya, like other sub-Saharan African country, has undergone a

number of broad stages. In the first stage, during the 1980s, the disease was not looked upon as a serious issue for the country and was portrayed in the press and by policy makers simply as “disease for Westerns.” Eventually, the stance changed once it became apparent that the pandemic was having an effect on tourism, one of Kenya’s foremost earning sectors. For example, in early 1987, the British army barred its soldiers from taking leave cite the threat of HIV among the commercial sex workers in the city of Mombasa. Following the HIV/AIDS scare, tourism considerably plummeted as the tourists decided on other holiday destinations. The second phase was marked by political leaders giving AIDS a more pragmatic judgment as a potentially detrimental health problem. Yet, the third stage was the first indication of significant changes being underway in Kenya. For the first time the Kenyan government released bleak data on HIV/AIDS and leading to the proclamation of the pandemic a national disaster. After that the Kenyans have undertaken a more proactive role by appealing to the international community, local organizations and individuals to aid in the battle against the disease. Despite various initiatives, measures and programs, tangible results are yet to be felt on the ground. For instance, the process of implementation of programs has been too slow, poorly managed and in some cases absent on the whole (Kwena 2004: 113-131).

Even though the pandemic in West Africa differ in extent and intensity, this region historically has been less rigorously distressed than other regions of sub-Saharan Africa. Ghana was among the first countries in the West Africa that realized the risk posed by HIV/AIDS and took a crucial step to keep the spread under control since its discovery in 1986. In the mid-1980s, for instance, over 80 percent of all the reported cases in the country were females. This was in contrast to the situation observed in some

parts of sub-Saharan Africa where the sex ratio of infected persons was about even. The number of people infected with HIV in Ghana has increased progressively since the start of the pandemic. By 1994, an estimated 118,000 Ghanaians were living with HIV or AIDS and the number tripled to more than about 404,000 in 2004. However, in 2002 in Ghana, the adult (ages 15-49) HIV prevalence rate was 3 percent, and thus, having the lowest HIV incidence rates in sub-Saharan Africa (Oduro 2005). Moreover, the distribution of HIV/AIDS in Ghana is higher in densely populated areas. As evidenced in other countries, the spread of HIV/AIDS also affects both the supply and demand aspects of education due to an increasing number of HIV cases among teachers and declining enrollment. The HIV/AIDS epidemic is a heavy burden for a country that has otherwise made great development-related strides, including improvements within the areas of reproductive health, the national economy, education, and literacy. The earliest national response of the government was the establishment of the National Advisory Commission on AIDS to deal with AIDS-related issues. Despite all their efforts, Ghana, like other sub-Saharan African nations, continues to struggle against this deadly disease.

HIV/AIDS has emerged and spread in Central Africa as a result of a collection of historically specific economic and social relations. The Democratic Republic of Congo (DRC), one of the Central African countries, has perhaps suffered the most harm in all spheres of life, including socio-economic, health and political during the last century than any other case country. It suffered to a legendary degree under the colonization of Belgium's King Leopold and has enjoyed little more than exploitation, atrocious warfare, and remained to be unsettled with persistent violence among its ethnic groups and neighboring countries. The intermittent civil strife also impeded the DRC's ability to deal

effectively with the rapid spread of HIV/AIDS. Moreover, various programs and social services to aid in combating the disease were virtually non-existent until recently due to the civil war that devastated the country and destroyed the healthcare infrastructure. Despite that the DRC was one of the first sub-Saharan African countries to acknowledge the existence of HIV/AIDS in its territory. The first HIV/AIDS case was reported in 1983, but the DRC officials have not reported the first cases of the disease to the World Health Organization (WHO) till 1987. During the same year, the government put in place a number of institutions and program tackling this national crisis. As of the end of 2003, the DRC had more than one million people estimated living with HIV/AIDS (UNAIDS 2004). Yet the DRC's HIV/AIDS have still been relatively low corresponding to the sub-Saharan African region as a whole. Unlike the other three case countries, this low-income country is in a post-conflict period and as a result, faces numerous challenges, such as rebuilding its ravaged economy, the lack of appropriate medical system, and widespread poverty, factors that have fuelled the spread of HIV/AIDS. Moreover, in comparison with other parts of sub-Saharan Africa that have been subjected to economic crisis, male labor migration in search of income is still considered as the major contributor to the rapid HIV transmission within the DRC. As experienced in Botswana, Ghana, and Kenya, the common reaction to AIDS was denial on the part of the government as well as individuals themselves (Schoepf 1988: 626-630).

The growing HIV/AIDS pandemic is imminent to defy the economic, social, and democratic gains made in sub-Saharan Africa in recent decades. Moreover, severe penury and underdevelopment persist to beleaguer sub-Saharan Africa. Still, there is much potential for the future based on current experiences in most countries on the African

continent. According to USAID report, sub-Saharan Africa has enormous potential to become a significantly larger actor in global trade and commerce. The positive results of the African Growth and Opportunity Act (AGOA) of 2000 validate this potential. For example, in the first six months of 2002, AGOA imports added up to almost \$4 billion, a 20% increase over the same period a year earlier. Textile and apparel imports increased seven-fold and transportation equipment more than doubled. Foreign direct investment in Africa has also increased from just under \$1 billion in 1995 to \$6.3 billion in 2000. Regarding the HIV/AIDS pandemic, encouraging results from Uganda and, more recently, from Zambia, demonstrate that the right responses, combined with political determination and strong leadership from the top, can be effective in reducing prevalence rates. There are other positive health indicators on the continent. Infant mortality under five has decreased in a number of countries between 1960 and 1999. In Botswana, for example, infant mortality has declined from 173 to 59 per 1,000 live births and in Mali from 517 to 235 per 1,000 live births (USAID, 2004).

Lessons Learned About Combating HIV/AIDS

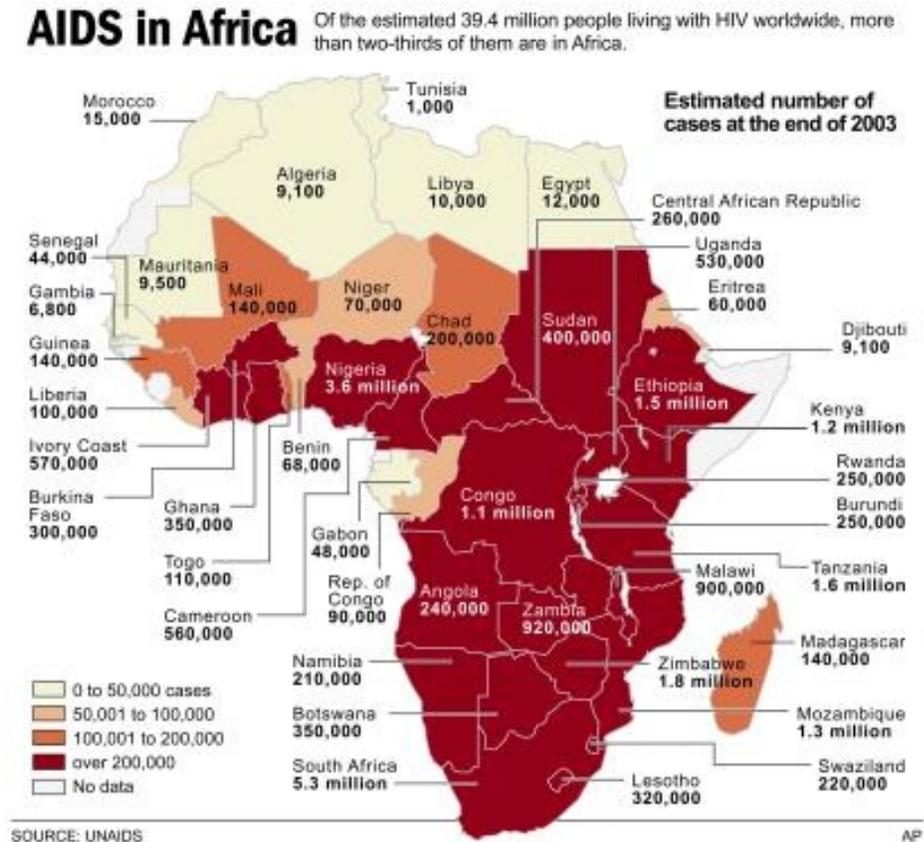
For more than twenty years, the world has been fighting the AIDS epidemic in a sequence of predominantly losing battles. Each year, more people become HIV-infected, and more die from AIDS in more countries. Until recent years, there were some areas of the world that had remained fairly impervious by AIDS. Today, there is not a single country in the world which has completely circumvented the AIDS epidemic. On the other hand, in spite of ever-changing global AIDS epidemic, one matter has continued to be unaffected; no region of the world endures higher rates of HIV infection than sub-

Saharan Africa. In the past, hardly any plagues have had such devastating demographic consequences. For instance, AIDS in sub-Saharan Africa has dramatically reduced fertility rates, increased mortality rates, abridged average life expectancy, multiplied the number of orphans, and disrupted family structures. Furthermore, constraints such as social norms and taboos, and lack of decisive or effective institutions have all contributed to the deteriorating situation in sub-Saharan Africa. In spite of depressing reports, there have been a few countries that have been able to halt the increasing rate of the HIV epidemic.

In conclusion, the HIV/AIDS pandemic represents one of the greatest challenges facing developing countries. HIV/AIDS threatens to undo decades of hard-won development gains. It strikes people in their most productive years, wipes out families and communities, and puts heavy financial burdens on the economy. There is no shortage of statistics that predict the impending social and economic destruction of this pandemic. Regardless of the horrors of the pandemic, the international response has been quite limited and till recently have the majority of sub-Saharan African governments begun to publicly attend to the crisis. Most of sub-Saharan Africa is paralyzed by the shackles of poverty, caused by a history of colonialism, misrule and cultural taboos about sex, and misperceptions about the root and seriousness of AIDS. Other factors such as political instability and violent conflicts keep many sub-Saharan African governments from focusing on the AIDS crisis. Therefore, there are major gaps in both the present knowledge and understanding of what is actually taking place. Across the 'Dark' continent, there are few facts or awareness in all countries about the dispersal of the

pandemic in terms of its effects and the potential consequences on the continual survival of sub-Saharan African economies.

Figure 2. AIDS in Africa



CHAPTER FIVE: SOLUTIONS FOR ECONOMIC RECOVERY AND ALTERNATIVE DEVELOPMENT STRATEGIES

Looking Ahead: Long-Term Prospects for Sub-Saharan Africa

Sub-Saharan Africa's contemporary problems create the impression that the continent has always been wretched. Nonetheless, this would be misleading. As evidence in some sub-Saharan African countries reveals, such as Botswana, at independence, the political and economic landscape looked quite promising – showing the limitless possibilities for the future. Once a region with copious stores of buoyancy and hope, sub-Saharan Africa now wobbles on the verge of economic breakdown, political pandemonium, and institutional and social decay. Thus, the African post-colonial experience was on the whole marked by violence, poverty, authoritarianism, and corruption on an enormous scale. Unraveling the causes why sub-Saharan Africa has lagged so far behind other developing regions is a challenging task. In general terms, the economies of sub-Saharan Africa play against a common assortment of challenges, including isolation from global markets for goods, services, and investment and a wide range of demographic, geographical, historical and political factors that hamper economic growth and development. The preceding chapters in this thesis attempted to come to terms with some of the complexities of sub-Saharan Africa's development puzzle and connected challenges of the 21st century. The main point of this section is to pool together previous chapters that contend with issues that have an influence on the survival and thriving of Africans in the current century. The lessons we have learned through this thesis is that it is apparent that both the problems and the solutions that will work are particularly disheartening.

At the dawn of the twenty-first century, sub-Saharan Africa finds herself in the midst of several interrelated and reciprocally reinforcing crises. Social conflicts and military actions progress political instability; the burden of servicing external debts in a context of deteriorating terms of trade contributes to regional fiscal emergency and declines in per capita income; and abject penury, attended by diminished nutrition and health, is widespread. In addition to these serious and seemingly difficult dilemmas is another, related, predicament – the devastating impact of the deadly HIV/AIDS pandemic. Twenty-first century sub-Saharan Africa also bestows a broad range of paradoxes and yet more inconsistencies. Indisputably, underdevelopment in sub-Saharan Africa remains to be one of the most puzzling issues of this century.

For a long time academic scholars have sought to isolate the causes of underdevelopment of the continent and the Third World in general such that the whole intellectual pursuit has turned out to be a cliché. Development scholars have formulated bold attempts to explicate sub-Saharan Africa's poor macroeconomic performance. While there is no consensus on a single cause, the present acknowledged factors consist of the continent's colonial legacy, its backward technology, extremely unfavorable geography and climate, demography, social conditions, ethnic partitions, flawed governance, and reliance on primary commodity exportation. At independence, there were great prospects of rapid economic and social progress, along the lines of the democratic consolidation of then new nation-states. These potentials were largely attained in the 1960s, when production grew and real per capita incomes increased substantially. In spite of this first period of growth, most African economies stagnated in the 1970s and eventually deteriorated in the 1980s. Even though many sub-Saharan African countries took on

sweeping adjustment and reform programs with significant success, the region's aggregate economic performance continued to be unsatisfactorily fragile, together with declining the standards of living and intensifying poverty on the continent. As a result, the quality of life for most people throughout sub-Saharan Africa appears to have not improved or only done so marginally. As a result, the dominant conventional development paradigm used to explain sub-Saharan Africa's dismal economic performance has fallen short. While a few countries such as Botswana have better withstood the development crisis that has distressed the region, the rest of the continent has witnessed more than three decades of economic stagnation and deterioration.

What are the proper solutions for sub-Saharan Africa? Put together, China, India, and Europe are smaller than the African continent. For a continent so diverse – in its demography, in its inhabitants, their cultures and traditions, and unexploited resources – to propose that one can lay down an array of viable solutions, let alone find them, is supercilious. In looking at the troubles and workable solutions for sub-Saharan Africa, this thesis underlined the daunting challenges that confront sub-Saharan Africa, subsequently opens a window to a threadlike ray of hope that is perforating the mist of misery. A brief synopsis of the case countries reveals a whole range of agonizing problems mainly thanks to ineffective leadership and government mismanagement. More than four decades of independence appears to have produced more negative than positive benefits to the region, and even though is more propitious to hold accountable sub-Saharan Africa's litany of problems on colonial legacy, the heartbreaking veracity lingers that Africans, particularly their post-independence leaders, are the focal source of their misery.

Undeniably, colonialism has played a critical role in the underdevelopment and downfall of the nations of sub-Saharan Africa. The contention asserting that the economic implications of colonialism were a decisive feature in shaping the lesser-developed standing of these countries in the contemporary milieu appears to be realistic. However, it is not so much the evil effects of colonialism or neo-colonialism or a regime of artificial borders that keep Ghana, Kenya, the DRC, and sub-Saharan Africa in general, impoverished. It is true that colonialism did not hand down much to sub-Saharan Africa that the African leadership could not preserve, let alone increase, the little that it inherited. Colonialism planted the seeds of the intellectual and material development in sub-Saharan Africa. It passed on enlightenment where there was ignorance. It also subdued slavery and other barbaric practices such as pagan worship and cannibalism. It introduced formal education and modern medicine to African indigenous people who had narrow understanding or control of their physical environment. The establishment of modern communications, exportable agricultural crops and some new industries became the keystone for economic development. Moreover, sub-Saharan African countries were introduced to new and more effective forms of political and economic institutions. As a result, militaristic societies were amalgamated into modern nation-states with greater prospect of survival in a competitive world than the numerous small units that existed prior to the arrival of colonial powers. Based on this argument, the African continent is experiencing political and economic mayhem nowadays because of its failure to take advantage of its colonial legacy.

On the other hand, the exploitation and brutal treatment of the indigenous peoples in some colonies such as the Belgian Congo casts doubt on the validity of the preceding

argument. According to some critics of colonialism, colonial rule left sub-Saharan Africa poorer than it was prior to the colonization. By dismantling the pre-colonial political entities, colonialism bred political crisis resulting in ethnic conflicts throughout the region. With the exception of few countries in sub-Saharan Africa, ethnic conflict and wars have turned out to be the definitive approach of dealing with political and economic dilemmas of scarcity, international clashes concerning land demarcation or adequate access to natural resources. The cases in point are Kenya and the DRC. Both countries experienced some level of ethnic conflicts since they gained independence. The conflicts in Kenya and the DRC, like some other conflicts in sub-Saharan Africa, have numerous issues in common. Aside from the political or distributive mire, which is usual and standard, they all have signs of situations where insurgents and other fighters are drawn to exploit mineral resources and sustain a monopoly over the extraction of such resources (Warburton 2005).

Stories from sub-Saharan Africa often depict such a forlorn portrait of its regions that good and positive stories repeatedly are overlooked because they do not epitomize the picture imprinted to the 'Dark' continent. We know that Botswana is one of sub-Saharan Africa's most successful economies since independence; in a region characterized by generally bleak economic growth records, the country has enjoyed steady and at times stunning growth. Additionally, Botswana is both stable democracy in a region better known for its autocratic rulers; for much of the last three decades, it has been the only among few states in the region to consistently assemble free and fair competitive elections, and to give full political and civil rights to their citizens. As a result, Botswana's record of growth and democracy therefore has been contrary to that of

the rest of the continent. This poses a puzzling question: What has enabled Botswana to succeed while other sub-Saharan African nations failed to develop? In Botswana, a number of factors, including far-seeing political leadership right after independence, helped set up democratic political systems with effective checks on the executive branch and empowered technocrats to make effective development policies, which soon brought about economic growth. In turn, economic gains strengthened these political choices, helped to consolidate democratic governance, and formed domestic constituencies that had a share in the prolongation of the same blueprint. There are several major lessons for African development must be learned from Botswana's experience for the twenty-first century. Although there is not likely to be a sole blueprint for successful development, the factors that played a role in Botswana's success present more hope for other sub-Saharan African countries longing to imitate the successful conditions, in the sense that suitable policies may be able to promote their replication. First, African governments should always keep in mind that they are custodians, therefore, in framing or executing development policies, a key concern should be that they have a responsibility to both the living and future generations. Second, the economic success of Botswana is largely thanks to its adoption of sound policies. These policies that have fostered rapid accumulation, investment and the socially efficient exploitation of resource rents, stemmed from a fundamental set of institutions of private property. The factors contributing to the overall Botswana's success are following:

- Unlike other sub-Saharan African countries, in the aftermath of independence, well-enforced property rights were in the interests of Botswana's political elites, making the top priority in favor of establishing effective institutions. Such

institutions protect the property rights of actual and potential investors, provide political stability, and ensure that the political elites are limited by the political system and the participation of all spheres of the society.

- Like other countries on the continent, Botswana is very rich in natural resources, especially diamonds. In contrast to other countries, the Botswana government officials did not take advantages of the generated from diamonds to enrich themselves, instead, they invested the revenue to more highly valued public uses. For instance, increases in education and improvements in social infrastructure raised the proceeds to wealth formation by enhancing the human capital stock, in addition to enlarging the size of the market.
- Botswana's limited military spending in the early years following independence helped the country stay away from problems of corruption.
- On the contrary to the vicious reign of Belgium in the DRC, the British colonization only had a limited impact and thus, allowing the pre-colonial institutions to endure far into the post-colonial era.
- Botswana's success was further reinforced by several critical decisions made by the post-independence leaders.
- Due to its relative political stability, Botswana has been able to attract large amounts of foreign direct investment that, in turn, fuelled the economic growth.

Because of wise leadership, Botswana has experienced remarkable economic growth rates, and significant improvements in human development over a period of about four decades. Botswana is also considered a 'shining liberal democracy', with elections held every five years, an independent judiciary system, and low levels of

corruption. Overall, the Botswana evidence advocates that a combination of history, interests, and effective institutions, working within a democracy helped explain the country's rapid economic growth. Had any part of this combination been missing, Botswana's success story would have been conspicuously different.

Sub-Saharan Africa: Claiming the 21st Century?

The challenges of sub-Saharan Africa are huge and many-sided, but the new century also offers a window of opportunity for growth and development throughout the 'Dark' continent. Nevertheless, a synthesis of economic, social, political, environmental and institutional restraints continues to taunt the development efforts by the African governments and their donors. For instance, the growing HIV/AIDS pandemic is looming to flout the economic, social, and democratic gains made in sub-Saharan Africa in recent decades. Moreover, absolute penury and underdevelopment continue to harass sub-Saharan Africa. Still, there is much potential for the future derived from current experiences in most countries on the African continent. According to USAID report, sub-Saharan Africa has enormous potential to become a significantly larger actor in global trade and commerce. The positive results of the African Growth and Opportunity Act (AGOA) of 2000 validate this potential. For example, in the first six months of 2002, AGOA imports added up to almost \$4 billion, a 20% increase over the same period a year earlier. Textile and apparel imports increased seven-fold and transportation equipment more than doubled. Foreign direct investment in Africa has also increased from just under \$1 billion in 1995 to \$6.3 billion in 2000. Regarding the HIV/AIDS pandemic, encouraging results from Uganda and, more recently, from Kenya, reveal that the

appropriate responses, in conjunction with political determination and strong leadership from the top, can be useful in reducing prevalence rates. There are other positive health indicators on the continent. Infant mortality under five has decreased in a number of countries between 1960 and 1999. In Botswana, for example, infant mortality has declined from 173 to 59 per 1,000 live births and in Mali from 517 to 235 per 1,000 live births (USAID, 2004).

Another good sign for the continent is that backing for democracy continues to build up. For example, in a lot of countries of SSA, civil societies have become gradually more vivacious because of the greater than before freedom of the press and new communications media such as the Internet have expanded public access to information, and making citizens be nowadays more responsive to their basic human rights. Plausibly, the solitary most important factor in economic growth and for accelerated poverty decrease is investment in and empowerment of people. For instance, investment in knowledge and entrepreneurship is imperative for sub-Saharan Africa's economic development because the knowledge revolution era in which African finds herself calls for the human resources that are able to compete worldwide. Therefore, provision of greater access to education and health services is an indispensable element in putting together a more educated and healthier workforce. Undoubtedly, the future of sub-Saharan Africa hinges on her skills to innovate and to endorse science and technology as a plan to generate prosperity. Though, SSA has the human and natural resources to generate her own wealth. For example, the leading component that brought about a revolution in the computer industry and cell phones – coltan - emanated from the African

continent. For that reason, investment in knowledge is vital to African development. As stated,

many African states remain on the scientific, technological, economic, political and military margins of the world largely because they are consumers, rather than producers, of knowledge...The way forward for African countries is to develop their human resources and knowledge economies, using at least four sources of knowledge: indigenous knowledge producers; home-based African researchers; expatriate knowledge brokers; and African scholars in the diaspora (Makinda, 2003).

Sub-Saharan Africa entered the 20th century an impoverished, mostly colonized region in the world. Yet at the arrival of the 21st century, there have been indicators of advances. For example, numerous countries have experienced gains in civil liberties and political participation. Furthermore, better economic management has led to increasing incomes and exports, and in some cases, alleviated severe penury to some extent. On the whole, sub-Saharan Africa has the capability to undo decades of social and economic marginalization in a progressively vigorous and competitive world. As a result, sub-Saharan Africa has a potential to “claim the 21st century” (World Bank, 2000).

Moreover, the past five decades have seen marked changes in our understanding of development. We know that development is possible, but not inevitable. However, it is important to emphasize that as is true with virtually all theories, theories of development should be applied with caution because different situations present different problems and solutions. Thus, there is no single development theory that may be applied in its totality in all societies. Some theories appear to work for a while and then stall; some theories appear to work in some countries and not in others. As a result, development theory has evolved to account for the successes and failures. As we have seen throughout this thesis, there is no single theoretical approach that is able to provide reasons all the “ins and outs” of the multidimensional puzzle of economic development. Some of the theoretical

paradigms may have partial validity for particular countries at certain times, yet there is no universally applicable general theory of development. Sub-Saharan Africa is at a critical crossroads, and the decisions made by its policy-makers today can move the continent toward peace and sustainable development or toward increased poverty and further marginalization in world affairs. Whether the region winds up at the periphery or the core of the global milieu in the new century will be shaped by the path chosen today. Concisely, development is not clear-cut subject matter – there are more than a few theories of development that aim to guarantee possible growth for all countries at some point. While there are solutions and suggestions, it is not always feasible. Nevertheless, there are several factors, including the availability of resources, the values of leaders and citizens, and the availability of foreign aid among others that determine the developmental success of a country. It is also essential to point out that what makes development such a multifaceted issue is that not all countries concur, not all want help, and most all have, to some extent, an understanding of development and what it means for their country. Accordingly, not all see the concept of progress and change as a necessary stride to improving their lives, making development an uneven process.

Sub-Saharan Africa's prospects to achieve a sustained, equitable and environmentally sound development in the near future are still uncertain unless much more is done to increase the continent's capacity. Even though most sub-Saharan African countries have developed a range of mechanisms and action plans to create a better understanding of their economic crises and to manage them appropriately, they have not been very successful in their efforts. This has been primarily due to resource problems of various magnitudes, such as financial, knowledge, technological, and

management/organizational. The issue of development and the spread of HIV/AIDS in the Third World countries have emerged as the most serious problem facing the humankind today, and will remain the most critical problem we deal with for several decades to come. Therefore, we must take into consideration that not only the well being of the people living in poor countries is at stake, but also the well being of all of us hangs in the balance.

There are a number of lessons to draw from the case countries' experiences. The first is that development is a dynamic intertwined process in which success in one realm underpins that in another. An open, democratic society, free of an uncorrupt government, promotes external participation of aid agencies, and of foreign investors, not as exploiters but as collaborators, but most significantly lets ordinary people to have some control of their own lives. Moreover, as shown throughout this thesis, development is indubitably viable on the sub-Saharan African continent. In a nutshell, although there is no simple solution for sub-Saharan Africa's economic and social ills, there are quite a few 'common sense' approaches to economic development as well as curbing the AIDS epidemic. Those 'common sense' approaches include: a strong political commitment on the part of the governments and national leaders; openness about the HIV/AIDS epidemic; effective education programs targeting at all the segments of the at-risk population. In the economic sphere, these factors consist of the achievements of macroeconomic stability, a strong export orientation, increased human and physical capital, strategic interventions and flexible labor markets. Furthermore, nation-building should be one of the foremost priorities on the government's agenda. Additionally, African nations need to strengthen efforts in the pursuit of sound policies and maintaining market-oriented policy reforms

that are essential for the immediate future and beyond. The key to African development is reliant on the political culture that would re-establish the disparaging forms of corruption and oppressive regimes. Thus, it is clearly not contingent on which economic development theory is embraced just now, but what political structure and institutions would further growth and development by way of accountability or goodwill, in short, growth and development in the proper political milieu. To sum up, it is now up to sub-Saharan Africa's leaders to provide the necessary leadership for a home-produced attempt at sustainable socio-economic development to make the twenty-first century a reality as 'The African Century.'

APPENDIX: STATISTICS SUMMARY

APPENDIX: STATISTICS SUMMARY

<i>Country Name</i>	<i>Date of Independence</i>	<i>Region</i>
Benin	August 1, 1960	West
Botswana	September 30, 1966	South
Burundi	July 1, 1962	East
Cameroon	1960	Central
Congo, Dem. Rep.	June 30, 1960	East
Cote d'Ivoire	August 7, 1960	West
Ghana	March 6, 1957	West
Kenya	December 12, 1963	East
Madagascar	June 30, 1960	South
Malawi	1964	South
Nigeria	1960	West
Senegal	August 20, 1960	West
Togo	1960	West
Zambia	October 24, 1964	South
Zimbabwe	November 11, 1965	South

Country Specific Constant Terms

BEN_: Benin
BOS_: Botswana
BUR_: Burundi
CAM_: Cameroon
CNG_: Democratic Republic of Congo
CTV_: Cote d'Ivoire (Ivory Coast)
GHA_: Ghana
KEN_: Kenya
MAD_: Madagascar
MLW_: Malawi
MTS_: Mauritius
NGR_: Nigeria
SEN_: Senegal
TGO_: Togo
ZAM_: Zambia
ZMB_: Zimbabwe

Definition of Variables

GDPGR: Growth rate of real GDP
INIGDP: Initial GDP
IVGDP: Ratio of Investment to GDP
FRDSUM: Economic Freedom Summary Index (Fraser Institute)
CVLB: Civil Liberties Index (Freedom House)
DEMOC: Democracy Index (Polity98)
POLRTS: Political rights (democracy) index (Freedom House)

Table 5. Summary Statistics on Economic and Political Freedom Indicators

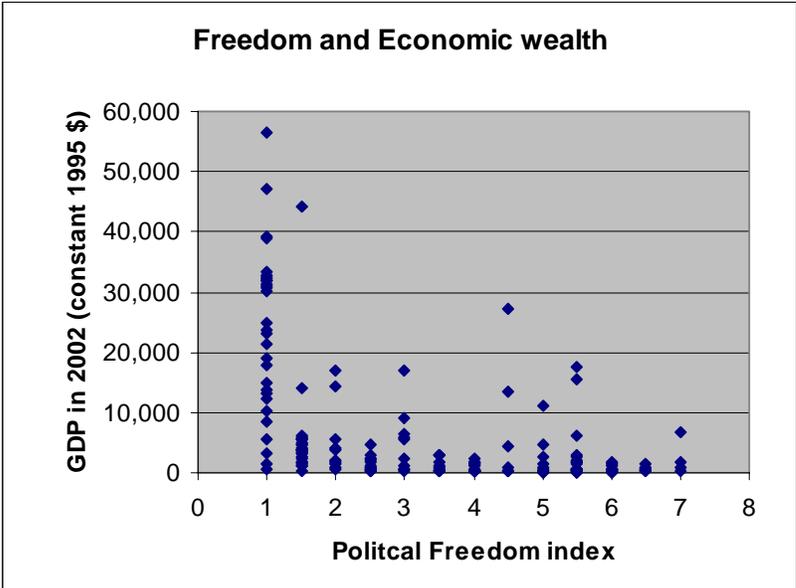
	Mean	Standard Deviation
GDPGR	0.80	3.02
IVGDP	19.60	6.80
FRDSUM	4.70	0.94
CVLB	4.80	1.21
DEMOC	1.40	7.42
POLRTS	4.98	1.64

Table 6. Impacts of Economic and Political Freedoms on Economic Growth

Variable	Coefficient	t-Statistic
INIGDP	0.002	(-6.28)***
IVGDP	0.10	(2.24)**
FRDSUM	0.72	(2.63)***
CVLB	-0.42	(-2.002)**
DEMOC	0.07	(2.17)**
BEN_	-1.87	(-0.95)
BOS_	3.37	(1.79)*
BUR_	-0.33	(-0.17)
CAM_	-1.48	(-0.46)
CNG_	-1.43	(-0.51)
CTV_	-1.70	(-0.77)
GHA_	-1.36	(-0.81)
KEN_	-1.67	(-0.75)
MAD_	-3.57	(-1.98)**
MLW_	-1.79	(-0.91)
MTS_	2.61	(1.30)
NGR_	-3.39	(-1.47)
SEN_	-1.48	(-0.84)
TGO_	-3.67	(-1.61)
ZAM_	-3.71	(-2.09)**
ZAMB_	-0.43	(-0.22)
N	98	
R-Squared	0.78	
F-Statistic	10.81	

Notes: All variables described in appendix one. The dependent variable is the five-year average growth rates of the real per capita GDP from 1971 to 1999. Sample countries itemized in appendix one. ***, ** and * show significance at the 1%, 5%, and 10% correspondingly.

Figure 3. The Correlation between Freedom and Economic Wealth



Data source: Freedom House 2003 survey (for year 2002)
World Bank Development Indicator of year 2002

The Leading Challenges Facing sub-Saharan Africa Today

Colonialism

The colonial period was relatively brief, yet it is difficult to overemphasize its impact. Without a doubt, the majority of sub-Saharan Africa states still feel the impact of colonialism. While colonial powers exploit the African continent through barbaric practices, colonialism helped also facilitate the movement of ideas, knowledge, and cultural expression. Thus, one may wonder – how long would it take to African leaders to realize that dwelling on the past or using colonialism as an excuse to exploit and plunder their countries, instead of taking responsibility for their actions?

Civil Conflicts and Wars

There have recently been numerous civil wars and conflicts going in sub-Saharan Africa, some of which are still keeping on. There have also been a number of multifaceted reasons explaining the increased incidence of ethnic conflicts on the continent, including conflicts over basic resources such as water, access and control over rich minerals and other resources as well as various political agendas. This has been fueled and supported by various national and international corporations and other regimes that have an interest in the outcome of the conflict. Moreover, political corruption, lack of respect for rule of law, human rights violations are identified as additional causes.

Corruption

Corruption in sub-Saharan Africa is a persistent and widespread pattern of behavior that is irrelevant to good governance, economic freedom, and competition – all three of which are important facets of market-oriented economies. In the post-colonial era, corruption in sub-Saharan Africa has reached cancerous proportions, emerging as a serious ethical crisis with significant negative repercussions on socio-economic development. Controlling corruption requires ethical political leadership, accountability, transparency as well as strong civil society.

Scarcity of Human Capital

Most sub-Saharan African countries has a scarcity of human capital - the supply of labor and its productivity - has been devastated by decades of war and disease, and by the persistent lack of access to education and health care. The continued erosion of human capital due to HIV/AIDS pandemic has not only personal costs for those affected, but also significant social costs in terms of lost output because of morbidity and the premature mortality of those who have been educated and trained at great expense.

HIV/AIDS

Because of HIV/AIDS, sub-Saharan African states are today facing a daily experience of declining standards of living, reduced capacities for personal and social achievement, an increasingly ambiguous future, and a lessened capability to sustain what has been acquired over past decades on the subject of social and economic development. Poverty, a major driving force behind the AIDS pandemic, affects the course of HIV/AIDS because the uneducated have the least access to knowledge about which behaviors put them at higher risk for contracting or transmitting HIV. Thus, the virus has substantial potential to further impoverish Africa's poor in such a way that intensifies the spread of the epidemic itself.

Poor Governance

Post-colonial sub-Saharan Africa has been overwhelmed by governments founded not on strong institutions, but on the personal charisma of a single leader. Whether led by brutal dictators or enlightened despots, these leaders often regard the state as their personal property, suppressing the development of resistance, regular elections, a free press, and other mechanisms of accountability related to developed democracies. As a result, these regimes are frequently susceptible to coups d'état and series of crises.

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