

THE POLITICS OF ONE-SIDED ADJUSTMENT IN AFRICA

DANIEL TETTEH OSABU-KLE
Carleton University

THE SUBTLE RECOLONIZATION OF AFRICA

Politics has been defined variously as organizing for human projects, struggle for power, or about who gets what, when, and how. Organizing for human projects gives politics a broader spectrum involving whatever humans do; the notion of struggle for power narrows the definition to the arena of authority in society; and the notion of who gets what, when, and how links politics to economics (the production and distribution of wealth) as close allies. The politics of one-sided adjustment in Africa embraces all these three definitions. This writer expresses the view that structural adjustment in Africa does not conform to natural justice, is one-sided, and not primarily concerned with solution to economic problems in Africa, but about organizing for human projects in which decisions about who gets what, when, and how have become the source of power struggle between the Bretton Woods institutions and African leaders. This struggle may be conceived as an attempt by the Bretton Woods institutions to recolonize Africa on behalf of their allies while African leaders strive to resist that new form of colonialism. The allies of the Bretton Woods organizations are the Western governments, international business, the commercial banks of the West, and some neoliberal intellectuals.

Colonialism is a relationship in which the weaker people one country are subject to the authority, dictatorship and control of more powerful people from outside the territory of that country. In a colonial relationship the colonizer is not accountable to the relatively weak colonized people and may do whatever it pleases despite resistance. The relationship between the Bretton Woods institutions that dictate to and impose harsh conditionalities of structural adjustment and the economically weak African countries are not appreciably different from this colonial relationship. While officials of the Bretton Woods institutions may be answerable to their superiors located in the air-conditioned rooms of Washington and New York, they are not accountable through elections to anyone. Their privileged position is identical to that of the imperialist of the colonial days.

It is partly the economic weakness of African countries resulting from the historical forces of four centuries of slavery, a century of colonialism, decades of neocolonialism, and partly the consequences of the natural forces of drought which have encouraged the Bretton Woods institutions to attempt to recolonize Africa. Because of the economic weakness of African countries in a world in which the rich dictate terms, and the particular history of slavery of Africans, the voices of African countries are not respected in the world community. This situation of discrimination in international circles encourages the Breton Woods institutions to apply double standards in dealing harshly with African countries on the one hand and flexibility with leniency to Western countries on the other. For example, structural adjustment with its harsh conditionalities were not imposed on Western countries which received IMF and the World Bank loans before, during, and after the 1960s, but as soon as the oil pricing and monetary shocks of the 1970s and the 1990s shattered African economies,

structural adjustment with its harsh conditionalities was introduced to control African access to loans. Given that the Bretton Woods institutions derive their power from the voting strength of the rich countries of the West, their double standards and attempt to recolonize Africa is evidently on behalf Western imperialism. Because of the support they enjoy from the West, these institutions are not ashamed or moved as their prescriptions for structural adjustment fail to work everywhere in Africa.

Armed with support from the West, the Bretton Woods institutions display their double-standards by accepting recessions in the West as natural but recessions in Africa as product of mismanagement. It is within this context that when drought-induced recessions occur in Africa these institutions blames it on economic mismanagement by the 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. Prominent among the charges of mismanagement against the African elite is political setting of prices instead of allowing market forces to work in both external and internal trade. The assumption is that the oligopolistically distorted world market deeply characterized by protectionism is an arena for setting the right prices. Closing their eyes to market failures in the West which have encouraged Western governments to institute welfare benefits including food stamps, welfare cheques and unemployment benefits, the Bretton Woods institutions compel African governments to remove all government subsidies to expose African populations to untold hardship and marginalization.

The political hypocrisy of the Bretton Woods institutions makes them overlook the fact that the equivalent of welfare and unemployment benefits in Africa is government subsidy and price control to enable the poorest person get some daily bread, shelter, and clothing from the sweat of his or her own eyes. This may be contrasted with the poor in Western society who are fortunate enough to collect welfare cheques and food stamps without a single drop of sweat. There is some tendency to forget that the fortunate position of the poor in the West is made possible by favourable terms of trade and the structure of the world economic and financial systems which enable an estimated amount of 12 billion dollars to be siphoned away from the Third World to the affluent West for every percent of interest rate in Western banks. The behaviour of the Bretton Woods institutions is reminiscent of the biblical saying “you hypocrite, first remove the beam in your eye so that you may see clearly to remove the mote that is in your brother’s eye.” If these institutions were not hypocrites they should have been bold enough to advise their Western masters to let market forces work unimpeded through stopping welfare and unemployment benefits in their own countries, eliminating subsidies to Western farmers, eradicating all monopolies and oligopolies, and removing protectionist barriers all of which are products of political decisions that distort both the labour and commodity markets.

THE INJUSTICE OF ONE-SIDED ADJUSTMENT

The structure of African economies is not a natural condition or the making of Africans. It is the product of centuries of Western disturbances which messed up the continent. During the four hundred years of slavery, the diversified economies of African social formations were transformed by Western political and economic forces into production of captives for

Western enterprise. During the era of colonialism similar political and economic forces from the West re-transformed African economies into mono-crop and primary product economies to satisfy Western demands, and decades of neocolonialism have witnessed the inability of the weak economies inherited from the slavery and colonial pasts to diversify without assistance from the West who created the whole mess in the first place.

Given that it is easier to destroy than to build and that African economies were destroyed over a period of five hundred years, the restructuring of Africa economies cannot be expected to be achieved through short term projects but long term ones which the short term stabilization projects of the Bretton Woods organizations are not capable of handling. Furthermore, justice demands that those who created the mess should clear the mess themselves or at least bear the cost for clearing it. So far this has not been the case. In their disposition to insult the African conscience and intelligence, the creators of the mess expect African countries not only to clear the mess but also to bear the cost. The intellectuals of the Bretton Woods organizations cannot claim ignorance of these facts but on behalf of West, they play the politics of shifting blame on to the weak economies of Africa. It is within this context of responsibility and cost avoidance that they resort to preaching market ideology, and selling a so-called Western democracy supposed to be liberal but which is in effect polyarchal and elitist.

The one-sided structural adjustment is by itself a product of injustice perpetrated by the whole configuration of Western political and economic interests. Structural adjustment originated from Keynes who was concerned with the creation of an orderly and balanced economic order capable of preventing another World War. His far-sighted plan recommended penalties for countries with surplus and deficit of more than 25 percent of their quota in an International Monetary Fund (Befekadu: 1988; Horsefield: 1969). The idea of preventing a recurrence of the events that led to the Second World War was accepted by the West but due to pressure from the United States which saw Keynes' balanced adjustment not conducive to its selfish interests and its advantageous position in world trade, the two-sided strategy structural adjustment aspect of the proposal was killed and replaced with a one-sided regime of adjustment in which the burden was shifted entirely to the deficit countries. Thus, economic justice was replaced with political injustice, and it is this injustice which the IMF perpetuates on behalf of the whole configuration of Western interests.

The practice of one-sided adjustment does not make logical sense and benefits only the West in their relations with African countries. If two entities **A** and **B** engage in any fair trade it is to be expected that each of them should be price setters of their own commodities. Certainly, a situation in which one partner, **A**, is always the price-setter of both sets of commodities and the other, **B**, always the price-taker of both sets of commodities cannot be said to be a fair one. It is not democratic either for by definition, **A** is a dictator. If **A** turns around and preaches democracy to **B**, then democracy itself becomes a mockery and garbage. Should this dictatorial situation of the market render **A** so rich that he or she diversifies his or her economy and expects **B** out of his or her poverty to diversify his or her economy by obtaining loans from **A** at high interest rates such that **B** gets poorer as **A** gets richer then it is to be expected that at one some point in time **B** may rebel against the

dictatorship of **A**. In the process, **A** may succeed in killing **B**, but then **A** will no longer have a partner and may become like Robinson Crusoe on the lonely island.

The relationship between Africa and the West is similar to the relationship between **A** and **B** except that **A**, the West, may have additional partners **C**, **D**, **E**, and **F** in the Third World and Eastern Europe to kill through its dictatorial policies. However, if **B**, **C**, **D**, and **E** representing the Third World and Eastern Europe simultaneously rebel against the West, then its economy may be jeopardized. So far, the West has been so lucky that the rest of the world is divided. In particular, the development gap between Africa and the West continues to increase as the West assisted by the Bretton Woods organizations plays its dictatorial politics in the world market and perpetuates itself as the sole price-setter.

FINANCIAL LYNCHING BY THE COMMERCIAL BANKS

Among the configuration of interests are that are allied with the Bretton Woods organizations in their political game are the commercial banks of the West which have protected themselves with cross-default clauses. According to these cross-default clauses, any African country that defaults on a loan to any Western bank has defaulted on all Western banks and is disqualified from obtaining any loan from all. The logic of this *kangaroo-justice* is as follows. If **A** commits any offence against **B**, and **C**, **D**, **E** and **F** happen to be the friends of **A**, then each of **C**, **D**, **E**, and **F** are justified in lynching **A**. It implies that lynch justice which is supposed to have died with the slavery has been resurrected not only by the Ku Klux Klan which as recent as 1998 dragged a black American into pieces behind a vehicle, but also by the commercial banks of the West which drag African countries into debt through their high interest rates with the support of the Bretton Woods organizations and the Western governments. In the ensuing political game, these commercial banks descend like vampires upon the weak African economies to offer high interest rate loans after the Bretton Woods organizations have successfully broken the resistance of African leaders and imposed the harsh conditionalities of structural adjustment.

The high interest rates of the commercial banks are themselves reflections of economic mismanagement in the West which tend to crowd out private investment there. It is principally through these high interest rates that bank officials of the commercial banks are lavishly paid, and the poor countries of the Third World including Africa develop the rich by incurring high total debt burdens exemplified by Third World debt payment of \$1.3 trillion between 1982 and 1990 (Rahnema et al: 1997, pp. 207 - 213). This siphoning process from the poor nations to the rich encourages the governments of the West to lend their unflinching support to the Bretton Woods organizations and the commercial banks for, without it, social and political stability may be jeopardized. With the approval of Western governments, the Bretton Woods organizations also charge high interest rates for the principal purpose of lavishly compensating its officials. In this way, the interests of Western governments, the commercial banks, and the Bretton Woods organizations are politically and economically fused. In the case of Africa, the whole political scenario is as though the governments of the West are Shylocks using the Bretton Woods organizations and the Western banks as knives to cut the pound of flesh of unfortunate Antonio - Africa.

THE ROLE OF NEOLIBERAL INTELLECTUALS

The political power of the Bretton Woods organizations as a political and economic agents of Western imperialism is also buttressed to a large extent by the political activities of Western intellectuals some of whom have labeled themselves as Africanists. While it cannot be denied that some of these intellectuals mean well and some have contributed effectively to draw attention to the evils of structural adjustment without a human face, the behaviour of others which portray the African elite as some irresponsible lot leave much to be desired, and have encouraged the Bretton Woods organizations in their political game. For example, in *Markets and States*, Robert Bates attempted to justify why intelligent men of Africa adopt policies and practices which are detrimental to their own countries (Bates: 1981). These intelligent men are accused of controlling prices for the purpose of creating Ricardian rent which they appropriate to their advantage. The assumption here is that Ricardian rent is no longer a concept, model or tool of explanation but the whole truth when it is applied to the African environment. State corporations of Africa are described as inefficient, protected, and staffed by incompetent officials.

The flaws in Bates' arguments might easily have been avoided if he had taken the trouble to explain why intelligent men in the West drive their economies into recessions, why intelligent men in the West drive their firms into bankruptcies, why intelligent men in the West continue to subsidize agriculture, and why Crown Corporations or State Enterprises continue to exist in the mixed economies of the West. Bates closed his eyes to the fact that colonial policies deliberately stifled the development of indigenous entrepreneurs or bourgeois class in Africa, and in their absence, the post-colonial state has no other nationalist choice but to fill the gap.

Similarly, Deepak Lal argues in *The Poverty of "Development Economics"* that some dirigiste dogma explained as Third World government interference with the market which distorts the barter terms of trade, undermines comparative advantage, and stifles free trade is responsible for the poor performance of some Third World economies (Lal: 1985). He overlooks the possibility that the poor performance of those Third World countries may as well be attributed to a combination of their not interfering enough in the market to protect their infant industries as Taiwan and South Korea actually did, and opening their countries too wide to foreign investment which deflated their economies through repatriation of profits to the metropoles. He overlooked the logic that if in the West where entrepreneurial capacity is well developed state enterprises are still justified within a mixed economy structure, then they are much more justified in Africa within the same mixed economy context.

Bates and Lal appear to have forgotten that the development of capitalism in the late industrializing countries of Europe was characterized by protection of infant industries and recognition that international competence differentials might have adverse consequences on relatively weaker economies (Senghaas: 1985; Dobb: 1984). Indeed, African elites learnt how to protect infant industries from the European experience and from their training in the West or locally in accordance with the blueprints of the syllabi of Western institutions. They learnt about international competence differentials and how some European countries such as Portugal which opened their economies too liberally were reduced to the periphery of

European development in the process. From their studies of economics, they learnt about how beggar-thy-neighbour policies of one country can damage the economies of other countries and why Western countries ensure the protection of their economies from dumping. Armed with this knowledge, the benign elites of Africa attempted to protect the infant industries of their countries and in the process were malaligned by the Bretton Woods organizations with the assistance of some intellectuals preaching the market ideology of neo-liberals.

THE CLASH OF AGENDAS AND AFRICA'S SURRENDER

The political arena in Africa has been turned into a game of a power struggle between the Bretton Woods organizations acting on behalf of international capital from the West and the African states about who gets what, when and how in Africa. The two contestants have entirely different political and economic agenda the clash of which lead to confusion and power struggle (Ake: 1996). The agenda of international business whose interest is also served by the International Financial Institutions (IFIs) (the Bretton Woods organizations) is maximization of profit and its repatriation to the metropoles. Neither they nor the IFIs are accountable to any African populations. To satisfy their agenda of maximization of profit, it is in the interest of international business from the West to own the lion's share of productive assets in Africa, control African economies, and hence the levers of political power in Africa. This is the rationale behind the political game of privatization preached by the Bretton Woods organizations and some neoliberal intellectuals. It is within this context that the Bretton Woods organizations, knowing very well that Africa is devoid of a bourgeois class of entrepreneurs, embark upon preaching privatization which is essentially a means for strategically compelling African countries to invite the participation of international business from the West in joint ventures, or surrender complete ownership of the means of production within their borders to the bourgeoisie located in the West.

While African countries are still precapitalist, the Bretton Woods organizations and their allies compel them to embrace Western democracy which is suitable for the capitalist mode of production. The hidden agenda is to enable subsequent contradictions render African countries politically and economically weak enough to be dominated and exploited. African countries are compelled to adhere to their comparative advantage as producers of primary products to satisfy Western interests. The hidden agenda is to keep Africans perpetually as cutters of wood and drawers of water for the West.

On the other hand the agenda of the African elite who are accountable to the African peoples is the development of their respective countries and to catch up with the West. It is for this reason that the African elite including even some notable puppets of the West have collectively and individually endeavoured to resist the Bretton Woods organizations and their allies in various ways. Various position papers of the Organization of African Unity such as *Africa's Strategy for Development in the 1970s* adopted in Tunisia in February 1971, the Addis Ababa Declaration also called *The African Declaration on Cooperation, Development, and Economic Independence* adopted by the OAU in 1973; *The Revised Framework of principles of Implementation of the new Economic Order in Africa* adopted in Kinshsa in 1976; the *Monrovia Declaration of the Commitment of the Heads of States and*

Governments of the Organization of African Unity on Guidelines and Measures for National and Collective Self-Reliance in Social and Economic Development for the Establishment of a New International Economic Order adopted in July 1979 in Monrovia; and the *Lagos Plan of Action for the Monrovia Strategy for the Economic Development of Africa* are collective attempts by African countries to resist neocolonialism.

All these attempts were rendered futile through the political agency of the Bretton Woods Organizations on behalf of the West. The Lagos Plan of Action which was essentially the embodiment of African attempts to resist neocolonialism and to own their economic recovery was eventually killed when the Bretton Woods organizations with the backing of Western governments tactically ignored it. It was frank in blaming the roots of Africa's development problem on colonialism, neocolonialism, settler exploitation, racism and apartheid (OAU: 1986, p.27). In a political maneuver to shift blame on to Africans the Bretton Woods organizations lent their support to a World Bank sponsored study called *Accelerated Development* which ridiculously explained Africa's development on internal factors, suggested that the solution lay in a free play of market forces that would inject efficiency and dynamism, and advised African countries to concentrate on primary products especially agriculture.

Although African countries, in a document called the *Declaration of Tripoli on the World Bank Report Entitled "Accelerated Development in Sub-Saharan Africa: Agenda for Action"* rejected the study as inconsistent with the Lagos Plan of Action and contrary to Africa's interest in diversifying its economy, their objections fell upon the deaf ears of the Bretton Woods organizations and their allies. In their frustration of powerlessness against the Bretton Woods Organizations and their allies, the humiliated African countries were tactically compelled in July, 1986 to compromise their position in *Africa's Priority Program for Economic Recovery* (APPER) which embodied the essential elements of the *Accelerated Development* while casting the elements of the *Lagos Plan of Action* into the garbage can. In this way, the African countries were compelled to surrender their sovereignty to the Bretton Woods organizations which most willingly accepted it. It was not by coincidence that the same year the United Nations came out with its own program for recovery in Africa called the United Nations Program of Action for African Economic Recovery and Development (UNPAAERD). This plan was very similar to the sell-out program of APPER but simultaneously sent the political message that African countries no longer owned their development agenda and that the United Nations is effectively one of the political allies of the Bretton Woods organizations.

APPER is a major milestone in Africa's economic and political history for it was through it that for want of short-term bread and butter African leaders were maneuvered into cowardly surrendering their collective sovereignty. The political miscalculation of the African leaders in this surrender was based on an assumption that despite Africa's enormous wealth in various natural resources, it needs the West more than the West needs it. This misconception was compounded by the inability of the African elite to take a strong and committed stand collectively against the Bretton Woods organizations and their allies whereas those allies are able to take a strong hold on to it till African countries give in. It is therefore not so much the

economic weakness of African countries which is the problem, for Africa is a rich continent, but their lack of collective steadfastness.

The surrender of collective sovereignty has cost Africa a great deal. Since that time, African countries have been compelled to accept the exogenous agenda of the Bretton Woods organizations and their allies, but not without some resistance at the national level. Even before the surrender of collective sovereignty in 1986, various African leaders whether benign, corrupt, or puppets resisted the onslaught of recolonization through the Bretton Woods organizations and their allies in various ways.

TYPICAL RESISTANCE BY AFRICAN LEADERS

African leaders whether benign, corrupt, or puppets have in various ways resisted the recolonization stance of Bretton Woods and their allies. The most corrupt African leader cited by Western academic, economic and political forces as an example of selfish leaders of Africa who ruined their countries was Mobutu Sese Seko of the Republic of the Congo alleged to have accumulated millions of dollars in foreign banks while his compatriots lived in abject poverty. An example of a benign leader who was committed to the nationalist aspirations of Africans is President Kaunda of Zambia. The resistance and struggles of these two African leaders against the domineering attitude of the Bretton Woods organizations provide an insight about how African leaders generally resent the recolonization of the continent.

The allegation that Mobutu is a corrupt leader itself has political roots. The fundamental political issue is not the corrupt attitude of Mobutu per se, but who was responsible for placing such a character at the helm of affairs in the Congo. Certainly Mobutu was not the choice of the Congolese but Patrice Lumumba. However, the same international political and economic forces interested in controlling the economies of Africa to their advantage and on whose behalf the Bretton Woods plays its politics worked to both assassinate Lumumba and to entrench Mobutu as their puppet. The same Mobutu who was praised as “our man in Africa” by the West was described after the demise of the Cold War by the same West as corrupt when he was then assessed to be more of a liability than an asset. Nevertheless, even Mobutu, the puppet, had his own reservations about the politics of the Bretton Woods organizations.

Mobutu’s resistance against the Bretton Woods organizations is a typical one. The only difference is that Mobutu realized too late that a puppet cannot always escape the political chains of imperialism. Given that Mobutu was a puppet of Western imperialism, however, his resistance against the Bretton Woods organization and their allies may be considered a critical case which demonstrates that African countries resent the re-colonization of the continent by the Bretton Woods organizations and their allies.

Being aware that their weak economies are vulnerable to price fluctuations in the oligopolistic world market, African countries contribute to the International Monetary Fund (IMF) as an insurance against the bad day but when the bad day eventually comes they find themselves in the political chains of an International Monster without Feelings (IMF). Like

most African countries, the colonial structure of the economy of the Republic of the Congo was geared to providing raw materials for industry in Belgium. The colonial administration demonstrated its lack of interest in the local economy by leaving economic policy of the colony entirely in the hands of foreign corporate interests dominated by the Union Minière du Haut Katanga (UMHK). Almost a hundred years of Belgian rule provided the country with no local elite with ideas about corporate management (EIU: 1996, Zaire, p.13). Indeed, at the time of independence there were fewer than ten graduates.

In its attempt to diversify the economy and transform the primarily agricultural economy into an industrial one, the country had to obtain technical advice and loans from OECD member countries and from commercial banks of the West. Because of that country's enormous mineral wealth, the attempt served as an opportunity for creditors and investors to trap the country into debt with the hope of siphoning its wealth through interest payments and repatriation of profits to metropoles. Fluctuation of prices in the world commodity market and especially in the price of copper, however, so prevented the country from meeting its debt payment obligations that the balance of payment situation became precarious. It was in this context that the country sought assistance from the IMF as far back as the 1970s with the hope of Paris Club debt rescheduling and the political struggle with the Bretton Woods organizations and their allies began. In 1978, the IMF violated the country's sovereignty by posting its officials at the central bank. Some \$912m standby facility was awarded by the IMF in mid 1981 but after a disbursement of only \$175, the facility was blocked in September of the same year (EIU: 1996, p.32). There was devaluation in September 1983 which impressed the IMF and its allies leading to the provision of five standby facilities for subsequent years but the IMF conditionalities continued to bite and the imposed policies of liberalization failed to work.

Mobutu was compelled by the deteriorating situation of his country to announce a unilateral repayment terms with the creditors. Subsequent negotiations led to the approval of the fourth facility and an additional Structural Adjustment Facility (SAF) credit was approved but had to be blocked for failure to comply with IMF requirements. After further negotiations, both the next standby and the SAF were in June 1989 but had to be blocked again in mid 1990. With Mobutu no longer required by the West to contain communism, in 1991 the European Parliament passed a resolution to suspend aid to his government, the US Congress blocked military aid, and the Bush administration which had been supportive of his government all along agreed that the time was ripe for Mobutu to go. That same year the IMF declared the Republic of the Congo ineligible for funds and proceeded to suspend its voting rights in 1994. These events demonstrate a struggle between the Bretton Woods organizations and the Mobutu government in which the IFIs supported by the West had the upper hand. In the Republic of the Congo itself, the implementation of the harsh conditionalities including the adoption of Western democracy resulted in strikes, demonstrations, hundreds of ethnic-oriented political parties and revival ethnic violence which undermined political stability - the major achievement of the Mobutu government.

The historical experience of Zambia with structural adjustment demonstrates the insensitivity of the Bretton Woods organizations to genuine African problems. Zambia is a land-locked country whose economy is highly dependent on copper and to some

considerable extent on maize. Any changes in the oligopolistic world market price of copper has a far reaching effect on the Zambian economy which may be aggravated by any simultaneous occurrence of drought. Its busiest access to the sea is through Zimbabwe to the ports of Beira and Maputo in Mozambique. The second access is through the Benguela railway system from the Zambian copper belt through the Republic of the Congo to the Angolan port of Lobito. The third access is the Great North Road to Tanzania. The 1973 blockade of the border with Zimbabwe by the rebellious Ian Smith's government hurt the Zambian economy, and the revolutionary disturbances in Angola and the Republic of the Congo since 1975 which render the Benguela inoperable aggravate matters.

Copper prices have slumped since 1975 and within the same period drought has been frequent. The poor state of the Zambian economy cannot therefore be blamed principally on any mismanagement on the part of the Zambian political elite but on drought, its disadvantageous position as a landlocked country, and its vulnerability to fluctuations in the world market price of copper. Despite these facts, when the government of Kenneth Kaunda approached the Bretton Woods organizations for assistance the conditionalities it was subjected to were harsh as though the problem was the consequence of its mismanagement of the economy. In its struggle with the IMF over the imposed policy of structural adjustment a package negotiated in March 1976 was suspended in September of the same year. Further resistance to IMF colonialism led to Kaunda's announcement on May 1, 1987 of a break with the IMF and an institution Zambia's own recovery program (EIU: 1996, Zambia, p 35).

However, faced with enormous difficulties, Kaunda had to give in to the IMF in mid-1989, but the struggle continued. Again in September 1991 aid was suspended when commitment to national obligations prevented the Kaunda government from honouring its payments to the World Bank. After their success in removing Kaunda in 1992 through the multi-party elections they imposed, the Bretton Woods organizations encouraged unprecedented levels of aid that same year, and it appeared as though their relations with the Chiluba government would be smooth for a long time. The Shylocks soon exposed their behaviour. In December 1993 aid was frozen till two cabinet ministers suspected to be drug traffickers were removed. In 1995 negotiations with the IMF was stopped. Struggles of the Chiluba government with the IMF vindicate Kauda and confirm that the Bretton Woods organizations can play politics but cannot solve economic problems.

INEFFECTIVENESS OF ONE-SIDED STRUCTURAL ADJUSTMENT

African countries have been subjected to decades of structural adjustment directed by the Bretton Woods organizations. However, the economic structure of African countries have remained almost the same as what was inherited from the colonial era. The short-term prescriptions by the Bretton Woods organizations and their allies for solution to Africa's long-term problems have proved to be inappropriate. Econometric tests within the World Bank itself have revealed that the one-sided structural adjustment in Sub-Saharan Africa have not led to any statistically significant growth. On the contrary and despite higher exports, it is associated with significantly lower investment and lower savings rates

(Elbadawi: 1992; Elbadawi et al 1992). As a consequence, it is undeniable that one-sided structural adjustment with all its harsh conditionalities and lack of human face has had negligible impact in improving African economies. It implies that the sufferings which African populations were compelled to undergo achieved very little. This is not surprising given that Africans do not own the structural adjustment and the Bretton Woods organizations which owned the adjustment were only playing politics on behalf of their allies. Although there is some new talk about debt forgiveness, there is no indication that the Bretton Woods organizations intend to acknowledge their mistakes and give the Lagos Plan of Action which is owned by Africans a chance to work. Since the economic structures remain the same, the aftermath of debt relief may be another round of political struggle with the Bretton Woods organizations and their allies in which African countries may end again as the losers leading to another round of debt forgiveness and a vicious cycle of political struggles and debt forgiveness.

CONCLUSION

The one-sided structural adjustment in Africa has been a political struggle between the Bretton Woods organizations and their allies on the one hand and African countries on the other. The economic mess in Africa is not created by Africans but by the imperialist West. If justice were to prevail it is the West who must clear the mess or at least bear the cost. However, the Bretton Woods organizations with the backing of their allies of the West have been playing the politics of shifting the blame on to African countries who have in various ways resisted the recolonization of the continent. The Lagos Plan of action which was a recovery program owned by Africans was shelved but despite decades of structural adjustment at the behest of the Bretton Woods organizations, the result has been very disappointing. This is not surprising given that instead of a balanced and two-sided structural adjustment, the Bretton Woods organizations and their allies played the politics of one-sided adjustment with the hidden agenda of promoting an inappropriate Western democracy and neoliberal market ideology in precapitalist Africa. Because of lack of collective steadfastness African countries surrendered their sovereignty to the Bretton Woods organizations and gained very little. The lessons of that political gamble should teach them never to surrender their sovereignty again despite odds. The West needs Africa much the same way that Africa needs the West. Although there is an on-going talk about debt forgiveness there is no guarantee that Africans will be permitted to implement the recovery program they own - the Lagos Plan of Action. What African leaders require is collective steadfastness and courage to play the political game including a call for going back to the two-sided and balanced adjustment proposed by Keynes.

References

Ake, C. (1996). *Democracy and Development in Africa*. Washington, D.C: The Brookings Institution.

Bates, R. (1981). *Markets and States in Tropical Africa: The Political Basis of Agricultural Policies*. Berkeley: University of California Press.

Befekadu, D. (1988). Traditional Adjustment Mechanism, the World bank' the IMF and the Developing Economies; Survey of Theories and Issues' background paper for the *African Alternative Framework to Structural Adjustment Programmes for Socio-economic Recovery and Transformation*, UNECA, Addis Ababa, Ethiopia.

Dobb, M. (1984). *Studies in the Development of Capitalism*. New York: International Publishers.

Elbadawi, I. A (1992) Have World Bank-Supported Adjustment Programs Improved Economic Performance in Sub-Saharan Africa?, *Policy Research Working Papers*, transition and Macro-Adjustment, WPS 1001 (Washington, D.C: Country Economics Department, World Bank.

Elbadawi, I. A, D. Ghura and G. Uwujaren. (1992). Why Structural Adjustment Has Not Succeeded in Sub-Saharan Africa, *Policy Research, Working Papers*, Transitional Macro-Adjustment, WPS 1000, Washington, D. C: Country Economics Department, World Bank.

Economist Intelligence Unit (EIU) (1996). Country Profile 1995-1996, Zaire; Zambia. London: The Economist Intelligence Unit.

Horsefield, J. K (1969). *International Monetary Fund 1945-65. Vol. 1 Chronicle*. Washington, D. C: International Monetary Fund.

Lal, D. (1985). *The Poverty of “Development Economics.”* Cambridge: Harvard University Press.

Rahnema, M with Victoria Bawtree edited (1997). *The Post Development Reader*. Halifax: Fernwood Publishing.

Senghaas, D. (1985). *The European Experience: A Historical Critique of Development Theory*, Leamington: Berg.

Daniel Tetteh Osabu-Kle is an Assistant Professor at Carleton University. His areas of interest include research methodology and data analysis, theory and practice of development in the third world, problems of African development, the African diaspora, comparative political analysis, and public affairs and management.