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HOPE FOR AFRICA

Selected Speeches
of
**Olusegun
Obasanjo**

ALP PUBLICATIONS



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Selected Speeches
of
Olusegun Obasanjo

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1

Africa: Retrospect and Prospect

Preface

Introduction:

That the world has witnessed phenomenal changes in the recent past is stating the obvious. But then, most observers have not given much thought to the nature of the change. They see it mostly in positive terms. The plot could not have ended better if George Orwell himself had written the script. The Iron Curtain finally fell!

Minor economic and trade disagreement and zoning apart, while the industrialized countries of the North may rejoice at the fall of the Iron Curtain, the reunification of Germany, the emerging phenomenon of a military unipolar world or the survival, to all intents and purposes, of only one global power and the somewhat forceful restatement of the objectives of the United Nations Organization through the Gulf War, what can we in Africa claim to be our gain in these recent events? And where are we in the scheme of things? All the events of the past few years seemed to have passed us by and not even as spectators as some will argue.

When independence came to a large number of African states some 32 years ago, one could breathe in the air the optimism, enthusiasm, hope and promise. We thought we were apparently going to develop by leaps and bounds, now that we were masters of our destinies. The popular refrain then, as Nkrumah exhorted, was "seek ye first the political kingdom, and every other thing shall be added unto

you". It now seems, with the benefit of hindsight, that we took that exhortation too literally. It seems, after gaining the political kingdom, we sat back, folded our arms and waited for every other thing to be added unto us. But did we even succeed in gaining the political kingdom? Are we not merely holding unto the shell while others retained the content?

Starting Wrong; Going Wrong:

The political inadequacies of Africa at independence and after were of two broad kinds. One was structural, and the other related to leadership. Most African countries inherited a neo-colonial political structure. Those who achieved political independence through negotiation were handed down a structure and set of rulers that ensured that colonial power relationships would not be violently disrupted. Even those who achieved independence through defiance as well as wars of national liberation - already had their roles cut out for them by the international environment. They either went Westwards and were absorbed into the neo-colonial relationship as dictated by capitalist imperialism, or went Eastwards and were sucked into the socialist network woven around the defunct Soviet Union. Either way, it was a choice between the devil and the deep blue sea.

The second set of problems, which are no less central to the present crises in Africa are those related to leadership. Most African leaders arrived at leadership positions unprepared for the roles their offices demanded of them. They were ill-equipped and ill-prepared for the demands of the world in which they were going to operate. This inadequacy of leadership in Africa was exacerbated by a very weak infrastructural base. They had no access to data, statistics and information upon which good planning and execution of state policy is predicated. Where such relevant information was available, it was out dated, or was not enough to make the critical difference between critical information input and non-information. In addition to this must be added the debilitating effect of an absence of a pool of skilled human resource from which capable and experienced personnel could be drawn.

Take the case of Zambia at independence. The country had only 100 university graduates. In Zaire it was worse; yet in another country, at independence there were only five people who could read or write in its Ministry of Education. The Minister himself was only 21

years old, and a fresh university graduate to boot. In yet another country, only five indigenous people knew how to drive a vehicle! These were the realities of our lived experience. Consequently, most, if not all African leaders merely blundered and fumbled in the dark from day to day, coping or attempting to cope with their multifaceted problems as best as they could. There was no critical mass. Although qualified and limited successes were recorded in dots on the continent, Africa never got to taking off with a bang as it had expected at independence.

The minuscule African intelligentsia that could have made some difference in creating the critical information base on which the political and other leadership in the continent could grow did not deliver. They were, at different times and places, overwhelmed, not given the chance to deliver, i.e., not consulted, and, when consulted, gave the wrong information and prescription, having read all the wrong books, in the sense of not being independent enough in thought to meditate particularly and peculiarly on African solution to African problems. Like everyone else the intellectuals also saw the world through the binoculars of either the East or the West. They came with irrelevant and misleading theories from either side of the Cold War divide and attempted to graft them to our different African societies lock, stock and barrel. They, of course, failed. Either the theories refused to work in African societies, or the African societies rebuffed the theories.

The international community that could have come genuinely and massively to our aid was busy with the politics of the Cold War. African countries were relevant only in as much as they could be used to further the Cold War objectives of either side of the bi-polar world. The development of Africa, in an altruistic sense accounted for very little in the calculations of the international powers.

The African leadership, of course did not limit the quest for information and advice to the local intelligentsia. Foreign experts were called in again and again to give advice. Often times the foreign advisers did not even wait to be called upon before they gave 'expert advice'. The important point to note, in any case, is that their prescriptions were for the most part misleading, irrelevant, or self-serving. And because the African leadership was in any case, ill-equipped and not sufficiently experienced, it often failed to see the

cleverly-hidden motives of the foreign advisers. Advising Africa became a booming industry and experts proliferated in thousands on subjects varying from desertification to snow clearing. Most of them depended on the experience and inputs of local inhabitants for the advice they offered to African leaders.

Ethnocentrism and other primordial sentiments that emerged during the decolonization process fuelled and encouraged by the departing colonial masters, gained such a strong current that issues were no longer considered from the national point of view (which was the practice during the anti-colonial struggle) but from the peculiar and narrow viewpoints of maximizing the pay-offs to the clan, village, community, provinces, ethnic groups and regions. This trend became so destructive that anything done, including the corruption of office and embezzlement of public funds, was condoned as long as it could be explained within the peculiar rationale of furthering sectional interests. As bizarre as it sounds, our people even applauded embezzlement of public funds and found explanations for it from the viewpoint of getting *our own share of the national cake*.

The malaise has tended to be more widespread and endemic to the dictatorial states in Africa, i.e. one-man, non-pluralistic, military regimes. These antitheses to democratic structures, imposed with the excuse of having the potential or ability to make for greater unity, or correcting the ills and abuses to which the operators of the different democratic experiments in Africa subjected their countries to turned out to be perhaps more divisive and prone to corruption than the regimes they ousted. In most cases the dictatorial regimes have tended to exacerbate the ills against which they, ostensibly forced their way into the seat of power. All of these imposed unnecessary burden on the African people. In time, the people picked up the gauntlet and sought to take their destinies in their own hands.

Through a combination of popular revolt, mass strikes and national conferences, the political landscapes in Africa changed and soon became a minefield for dictators, non-democratic or one man rulership. Those leaders who could still manage to think, saw the handwriting on the wall. The intransigent ones stuck to their guns and were soon swept off. Those still hanging on to their illusions are faced with a balancing act making their position akin to that of the chicken perched on the clothes line. Of course, neither the chicken nor the clothes line will know any rest.

However, the current wind of democratization that we are living witnesses of, cannot be categorically said to have been engendered by fine ideas or philosophies. At the root of the present wave of restiveness on the continent of Africa lies the unsavoury fact of the non-performance (or, is it bad performance) of the various dictatorial regimes in Africa. Still, I remain convinced that while the current surge of moves for democratization may be seen as the needed poker to pull the chestnut out of the African fire of political instability, trends seem to indicate that some of the newer emerging leaders might in the long run, if not in the short run, precipitate an unwholesome scenario, in addition to the apparent stalling of the process.

The new leaders who may just have ridden to position on the crest of pro-democracy rather than on their own ability to perform might not only imbibe the prejudices, biases and other inhibitions of the past but may unwittingly undo and reverse the few gains of the past. A veteran Zambian politician observed of the Zambian experience that while it took President Kenneth Kaunda twelve years to begin his decline journey, it may take his successor, Frederick Chiluba and his own associates less than twelve months to begin a similar moribund journey!

In addition, there are the associated spinoffs and developments of the pro-democracy movement. Some Africans who had previously become voluntary refugees in Europe and North America have moved back home. This has created a problem of its own at the political level. The brain drain reversal is welcome. But the development has of course created a problem for their involvement in the political process. Given their long estrangement from the internal political processes, they have become somewhat alienated, 'uprooted' so to say. No matter their conviction, where they fail to get their foot on the ground to seek a rational, instructive and concrete understanding of the realities, limitations, defects, and potentialities of their countries, much of their attempt to influence the process in beneficent ways will be unproductive. Of course, it should be a re-learning process rather than a learning process for them.

In spite of all these grey areas, however, it is my firm belief that the political process in Africa may never be the same again. It is becoming increasingly clear that African people can assert their own

will. It is a great sign of better tomorrow.

I must sound a note of caution here. Democracy, as an end in itself, makes for sustainable good government, which enhances the pursuit of happiness and fulfilment. While making for good government and freeing the bottled-up capacities of the people for initiative and entrepreneurship, democracy must lead to the beneficial transformation of the lives of Africans, most of whom live below the poverty line. In other words, democracy must produce a dividend for Africa and Africans.

Who Broke The Pot?

Towards the end of the 70s, the world economic recession set in with Africa, structurally weak and saddled with inept leadership, being the worse for it. The industrialized West, facing economic crisis at home, literally passed on the weight of the crisis to the under-developed South, with Africa, as usual, carrying the bulk of the burden. What little successes were scored in the import substitution strategy were reversed as the foreign exchange crunch set in. When the global recession gathered momentum at the beginning of the eighties, most African countries witnessed a sharp reduction in capacity utilization in industries based on the import substitution strategy and the collapse of others. Rather than move forward, Africa, as a matter of fact, took one or two steps backward, with capital making a hasty flight northwards.

In order to come to grips with this crisis, African countries ran hither and thither. Before long, one by one and in a rehearsed fashion, and on the instructions of I.M.F. and the World Bank, Africa embraced and instituted ill-suited Structural Adjustment Programmes (SAP).

SAP, which was designed to make for greater efficiency and discipline in African countries within the market economy context has failed to effectively address the crisis. Great sacrifices in the standard of living of Africans have been made, with the result that more than 140 million Africans are now living below the poverty line. Unemployment and under-employment have greatly increased. Capacity under-utilization and collapse of firms in both industry and agriculture continue to be facts of life for us, all against the background of rationalization, removal of subsidies, privatization and commercialization of public enterprises, with the result that the traditional social

service role of government has been greatly undermined. What have been responsible for this state of affairs?

Internally, there are: the inadequacy of infrastructure, an *unsuitable* political environment, a dearth of resources, a dearth of qualified personnel and other societal problems such as corruption and mismanagement. Arguments and counter-arguments have of course been proffered as to the origin and cause of the African economic crises. Most of us seem to have taken the line of least resistance by placing the blame at the doorstep of the industrialized countries. After over thirty years of political independence, we are still looking for a scapegoat. It is like the case of a school boy who fails his examinations and reports to his parents that the teacher has failed him; or the girl who is sent to the brook to fetch water and when she breaks the pot, she goes home to report to her mother that *they broke the pot*.

That is the story of our present impasse. We ourselves were substantially responsible for breaking the pot of African economic life and by so doing, we spilled the water of our social existence. I am contending the verdict of history against our enslavers, colonizers and senior trading partners. However, the point at the moment is not so much a question of who broke the pot. The point is how to put things aright. What options do we have? To throw the pot away or glue it together or go back to the kiln? We need to reset our priorities, get our bearing right and make more informed choices. It is not just a question of restructuring or reforming the economies. The important point is to take due cognizance of the social and political cost of our economic adventurism in the era of SAP. E.V.K. Jaycox, World Bank Vice President for Africa apparently understood the scenario when he observed that *adjustment programmes which rend the fabric of society cannot be sustained*.

It is obvious that the present level and magnitude of the social cost of imposed structural adjustment to Africans cannot be said to be realistic or sustainable in the medium- and short-run.

To realistically and effectively tackle this crisis, Africa needs more, not less. But in the face of declining commodity prices and debt servicing to the tune of 100% of foreign exchange earnings for some African countries, where will the resources come from? And yet, to

encourage investment and get optimum output from investment on the ground, infrastructures like energy, communication, water, transportation have to be improved. So, not only will Africa need a solution to the debt crisis that has hit it the hardest, if it must be in a position to launch self-sustaining growth and development, it will need more and more resource inflows. And, herein, lies the crux of the matter. There cannot be alleviation of poverty without growth. In Africa, 3% annual growth equals zero growth per capita, if we adjust for population growth. In some cases, 3 per cent annual growth will be negative growth, since it falls below the rate of population increase. It is estimated that at 6 per cent growth, something is left over for the middle and upper classes, professionals and businessmen. The poor are excluded. Income distribution remains skewed. The poor finally get drawn into the process at 10% annual growth or over.

With the eclipse of socialism, the traditional sources of resource inflows to Africa, both in Official Development Assistance (ODA) and Direct Overseas Investment (DOI) terms, are being concentrated in Eastern Europe and the former Soviet Union. Over the years, Africa has had to contend with less and less O.D.A and D.O.I. Capital has generally been in flight. With the coming into operation of Europe '92, that trend had not reversed. It seemed to be gaining further momentum.

The Gulf and South-East Asia are the two other areas that are going to attract more and more resources. The Gulf, because of its strategic importance to the energy needs of the West, and South-East Asia because it is a lot safer and more rewarding to invest there. Its infrastructures are better than what exist in Africa, and its political environment more stable and safe for investment. There is also abundance of skilled manpower, and attitude conducive to development and growth.

The wholesale imposition of the Structural Adjustment Programmes on African economies where markets are weak and disorganized has led to stagflation and heavily devalued currencies. We appear oblivious of the fact that the market forces and the market economy do not and cannot solve all the problems. They do not remove all the inequities in society; they do not redistribute effectively. We must learn the lesson of the limitation of the market.

Which Way Out:

Africa is noted for good words and not so much for deeds to actualize the words. We are awash with diagnosis, and have become adept at precepts. We are currently being choked with studies on all kinds of subjects. It is evident that we need to become actualizers rather than students. We need to become actors rather than speech makers. Let us stop giving excuses on why things cannot be done. Let's get things done. We have the studies, let us have the action.

As fundamental and central as political democratization of Africa is to the sustainable growth and development of the continent, it is only one side of a good coin. It must go concurrently with the reinforcing process of economic democratization and growth.

Economic democratization, in this context, would be different from the situation where the state controlled the commanding heights of the economy and actively participated in the ownership and management of economic enterprises. As our experience in Africa has shown, in most cases, these state enterprises were not only poorly run, they also gave rise to and exacerbated corruption in our economies. The task of the state should be the maintenance of law and order and generally providing a hospitable environment (and this does not exclude providing regulations for businesses in the national interest) for investments to thrive.

In essence, economic democratization must be seen as the process of qualitative and quantitative resource management within the framework of a mixed economy which possesses in-built and autonomous mechanism for equity, empowerment and capacity building, and in which access to the system is open, free and equal. The process encourages and generously rewards citizen initiative and participation, resulting in optimum positive beneficial transformation of the lives of the people. Perhaps the most important point to be stressed from the foregoing is that economic democratization must lead to empowerment and capacity building of and for the people. It must enable them perform by providing the right policies and assistance to them towards the objective of sustained economic development and growth through initiative and entrepreneurship.

The social cost of the present economic crisis in most African countries is phenomenal. Able-bodied Africans now emigrate to virtually all parts of the world as a result of unemployment, under-employment and immobility of their lives in their countries. North America, Europe, South America, Asia, the Middle East have, willingly or unwillingly, become hosts to Africans. We used to talk of the brain drain. It seems to me that in addition to the previous notion of brain drain that has always agitated us, we are now witnessing a brawn drain as well.

So much has been written and said about the debt crisis, but a truism which practically everyone agrees with is that Africa's external debts, are in the main largely irredeemable. The concern of the advanced industrialized countries is understandable. The major concern that is expressed, especially when debt forgiveness is the topic, is that countries of the Third World would find themselves in a similar debt crisis in a few years time, if the debts currently owed are forgiven just like that without any preconditions. And I believe such a thought process is largely correct. The problems with African economies are structural and attitudinal, and if those problems are not addressed, we are likely to find ourselves in the present impasse in a few years, even if debts are forgiven now. The debt problems for Africa are not only financial problems but they are management problems as well. With the debt crisis, technological backwardness, insufficient capital and other debilitating characteristics of African economies, can these economies be expected to develop?

While the debt crisis has been the focus of attention internationally, various solutions have been proposed. The Baker Plan, Brady Plan, Toronto Guideline and the Trinidad Approach have not been adequate in solving the problem. While creditor-nations and institutions are not comfortable with the idea of a write-off of debts because of the bad precedent it would create, the debtor-nations want to be allowed to embark on development and growth without the debilitating sacrifices of nutrition, education, health care and other social costs which present Structural Adjustment Programmes force on them. One truth we cannot run away from is that the burden of servicing the about US\$1.3 trillion, debt without talking of repaying the principal, has resulted in a lost decade in economic growth terms in the 80s for most Third World countries. The lost decade I am talking about is not even in terms of our remaining on the same spot. In some case, countries have actually taken some steps back.

One possible solution to the debt crisis put forward by Karl Ziegler suggests an institutional framework for the resolution of the debt crisis. At the heart of his proposal is an autonomous body of experts and administrators from the creditor-nations, answerable to a body of the creditor-nations, e.g. the G.7, setup expressly to swap debts for environmental enhancement and backed up by the IMF in monitoring compliance with agreements by the debtor-nations of their undertaking as it concerns environmental enhancement. He suggests a freeze of debt principals, and a gradual write-off of interests, depending on the commitment of the debtor-nations in abiding with agreements.

I am not uncomfortable with such an agreement. The general idea is not repugnant if acceptable to creditor-nations. For too long, the creditor-nations have behaved like ostriches burying their heads, pretending that the debt problem is a problem between their bankers and the debtor-nations.

Ziegler's suggestion recommends itself if it has nothing to do with what I see as compulsion, or coercion, arm-twisting of debtor-nations to redress the environmental degradation that has been our contemporary lot in the world and mostly brought on us by the industrialized nations. The idea of an institutional framework with the express aim of resolving the debt crisis is a welcome one. But we must always be mindful of the fact that, change, any social change, in order to be durable and sustainable, has to come about as a result of internal dynamics of the society concerned. Imposition from outside may lead only to transient and unsustainable change.

The institutional framework, I think will be durable should consist, mainly, of experts and administrators from creditor and debtor-nations alike, with IMF personnel playing a support role. Such an institution can be answerable to a Council consisting of representatives of creditor-nations e.g. G.7 and representatives of debtor-nations. What such a framework would then be monitoring would be self-imposed conditionalities on the part of the debtor-nations. The self-imposed conditionalities should contain, in the main, political reform, economic discipline, social equity, commitment to the rule of law, limitation of military expenditure, environmental development etc. and like I said elsewhere, the focus of such a framework should be future

good governance and not past performance.

This framework would ensure common responsibility and would enhance the revitalization and growth of the world economy in general, while in particular, it should lead to the growth and development of Third World economies to the extent that they would not find themselves in another debt crisis before long. For the framework to succeed, the institution set up for the purpose will have to monitor debtor-nations' compliance with their self-imposed obligations. A breach or default of commitments should lead to a re-imposition of debt-servicing by the IMF after a period of grace has elapsed without change. The ceasing of debt-servicing, as we envisage, would release local resources for high-priority development programmes, while the sustained commitment and dedication to this strategy (based on contractual programmes) should make the debt principals inconsequential.

The world economy contains the capacity to lead us, in Africa, from despair and despondency to hope, and to growth and development. What we need is a sense of responsibility and commitment by all concerned, Africans and non-Africans alike, debtor and creditor-nations. Africa needs access to external funds and advanced environmentally sound technologies to be able to develop with the preservation of the *global commons*.

It is true that African economies (in the main, suppliers of raw materials and buyers of finished goods) relate with the industrialized economies on an unequal exchange basis. In this context, we are talking of the USA, Japan, and the individual European countries. Although there have been verbal assurances that Europe does not plan to become a fortress economy with the coming into being of the European Community, from whatever angle we look at it, the unequal exchange of today will be strengthened and deepened from the end of 1992 onwards in our relationship with Europe if concerted attempts are not made to galvanize and move the African economy forward. What goods and services are Africans in a position to provide in the expected boost in demand for them by the coming into being of European Common Market?

Trade blocs euphemistically called integral communities have, lately gained wider and deeper current in the efforts of nations towards sustainable development and greater relevance in international affairs. We have the U.S. - Canada Free Trade Area, the Australia - New

Zealand Free Trade Agreement. There is one in the offing in Asia and the Pacific, APEC and we have the E.C. In July 1991, African leaders, at Abuja, signed the African Economic Community Treaty, but its take-off is supposed to be in the year 2025! What a time scale in a world of trade blocs and increasing regionalism and integration? Africa, with about 600 million inhabitants known more for their economic fragility and uncompetitiveness cannot and must not go into the 21st century unprepared. The way to structural transformation, recovery and development, the way forward, I am convinced, lies in African regional integration. It is a necessity for now and not a luxury for the future.

The wobbly history of our attempts at economic integration need to be reformed and reshaped. We cannot continue to justify our inaction. One of the major reasons given for the failure of the East African Economic Community was that it was too small to survive. How do we rationalize the obvious failure to take the ECOWAS into effective action? For me the problem at this point is not the Treaty. It is the problem of leadership. It is one which revolves around tearing down the barrier to free trade. It is a problem of enamouring and giving free rein to private initiative.

I have said elsewhere that much of the speed with which economic and political integration of Africa would be achieved, would to a large extent, be determined by the degree of elbow room given to private initiative. Is it not ridiculous that Beninois experience difficulties in seeking to carry out legitimate business transactions in Nigeria? In a similar vein, it is absurd for any Nigerian to experience unnecessary difficulty in seeking to carry out legitimate trade in Cameroon or Senegal. It is time to tear down the borders, it is time to blow away the tariffs, it is time to move consciously and meaningfully towards the achievement of a free trade area within the African region. It is the only way in which we can build true unity. It is the only modality for resolving the impulse toward division.

Arms importations have no direct benefit, whatsoever, for African citizens. More often than not, such arms are used to suppress and liquidate Africans within our different borders. The second sense in which Africans lose from the huge arms importation bills is that the money used to procure such arms could have been put to more productive use. I support the call by the World Bank that financial aid

to development countries be tied to their defence spending. There must be a sharp reduction in defence spending. Most countries in Africa spend more on defence than they receive in ODA and much more than they spend on Education, Health or Agriculture. What a waste!

At the global level, the terminologies of the past decades that denote political and economic fissures have been rendered anachronistic and irrelevant, e.g., East-West, *free world*, behind the *iron-curtain*, and such other labels. With the end of the Cold War, the world certainly does not need to spend the stupefyingly wasteful amount of resources it has been spending on defence and security related issues. As the late Chancellor, Willy Brandt puts it, these peace dividends can be channelled to foster the growth of the developing world as well as protect environment on a global scale. These are the two leitmotifs because, as we know, the present decade has to wage a determined fight on two fronts - poverty in the developing world and pollution of land, water and air on a global scale.

The changing constellation of the world requires that we Africans pull ourselves up by our bootstraps. I believe that our singularly most important move in this direction requires the forging of a new compact; a compact built on closer cooperation and collaboration and the realization that we can only maximize our benefits in the changing world through a joint effort at redressing our situation. There have been very modest gains in the area of provision of social services by African governments. During the decade of the eighties, the social situation has deteriorated badly and seriously. Perhaps, worse still is the apparent refusal of the international community to help consolidate even our modest integral and developmental efforts in Africa. The industrialized countries have now made democratization, human rights enthronement, market economy and peaceful resolution of national and regional conflicts as basis and pre-conditions for assistance and cooperation.

Continued neglect and marginalization of Africa amounts to literally consigning one-tenth of humanity to the garbage heap of global existence. But more distressing for Africa is to see cooperative efforts of the international community for assistance go to other regions of the world who have not attained any better results in meeting similar conditionalities set for them.

In Africa, more than 70% of the people live below the poverty line. Another 20% of the remaining 30% live on the fringes of

poverty. Poverty and democracy are strange bed fellows, whereas poverty, violence and instability seem to cohabit with relative ease. The only way forward is to seek the promotion simultaneously of democracy, human rights, pre-eminence of market forces in the management of the economy, peaceful resolution of conflicts, cooperation and alleviation of poverty.

Africa must hasten the implementation of its economic community and in strength seek cooperation with Europe, APEC and NAFTA (North America Free Trade Area). Africa must not miss the boat again this time.

A strong ray of hope on the economic front is held by increasing awareness by Africans that they are the main architects of their fortune or misfortune. The second ray of hope is drawn from the road-to-Damascus conversion of the World Bank, at least as regards the causes of African economic situation. If recent publications and reports of the World Bank are a true indicator of the direction of thinking in that institution and its allied organizations, we might very well be on the way to engendering a true prognosis of the prostrate nature of the African economies. I refer here to the recognition of the serious influencing leverage of the political process and governance on economic performance by African states.

Even then, that perhaps is where it stops. It would be unfortunate if the World Bank decides to impose political conditionalities in addition to its plethora of economic conditionalities. What is important is the encouragement of a democratization of the political process and not the imposition of structural arrangements which in the medium and long-run prove dysfunctional and at variance with the realities of the people whom the structures are expected to serve.

It would be amoral, asocial and against the turn of history to expect miraculous recovery from Africa for as long as the low levels of capital formation exist, and capacity under-utilization prevails and persists alongside poor infrastructure and similar disincentives to investment, economic growth and development.

Much as one would ordinarily be willing to be persuaded to accept that the near castration of most African economies and the

attendant mass deprivation, pauperization and destitution that have come in the wake of the near fanatical implementation of IMF/World Bank induced and advised structural adjustment programmes in Africa were purely unintended consequences of an hastily conceived and imposed economic adjustment programme, recent developments tend to indicate that such a conclusion would not only be ahistorical, but must have been informed by a puerile understanding of the internal dynamics of the thought processes of the bank and its officials. Otherwise, how else would one rationalize the December 12, 1991 internal memorandum by Lawrence Summers, Chief Research Officer of the World Bank who wrote inter alia

"Just between you and me, shouldn't the World Bank be encouraging more migration of dirty industries to the LDCs? I can think of three reasons;

The measurement of health impairing pollution depends on the forgone earnings from increased morbidity... I think the economic logic behind dumping a load of toxic waste in the lowest -wage country is impeccable and we should face up to that".

The downright insensitivity can be matched only by the cynicism and contempt in the memo.

Bread For Guns:

Undoubtedly, progress has been made in the area of conflict resolution in Africa, largely attributable to the thawing of the Cold War. It is obvious that with little or no need for theatres and amphitheaters of war, the Angolan question is being seen in light of what it really is. Namibian independence would no doubt have remained a forlorn hope without a change in the international power calculus.

Although there are no military blocs in Africa, security problems are nonetheless real. It has therefore become necessary that disarmament and a common defence process (structures and all) be initiated for Africa by Africans. These structures should be sub-regional in scope. It is only within the regions that we can hope for an effective security arrangement which is then plugged into a networking arrangement at the regional level. The fact that efforts towards a peaceful resolution of the conflict in Angola were initiated and brokered by forces outside Africa should be cause for thoughtful reflection by African leaders. If we allow others to decide for us when we should have decided for ourselves, then we may lose the moral right to

complain about the nature and scope of decisions imposed on us. But the Liberian, Sudanese, Angolan, Mozambican, Rwandese, Somalian, Polisario - Morocco crises are still with us. And there are fresh potential ones in the horizon. We need to do more than we have been doing. There seems to be signals of hope from South Africa and it is heartening that dialogue towards change in that country is being managed and sustained by the leaders and the people of South Africa, with the world being an interested observer. With the present crop of leaders in South Africa, I am convinced that the on-going process would be brought to fruition, although, a lot of political will and engineering will be required. Greater energy and vision will be required to deal with the rising social and economic expectation.

While the South African question remains, appreciable progress appears to have been made in the movement towards its eventual resolution. As I have remarked elsewhere, notwithstanding the removal of the legal structure that underpin apartheid, there is still the constitution which is the shell in which apartheid has been contained. This shell has to be cracked for the new South Africa to emerge.

A post-apartheid South Africa holds a ray of hope for Africa because of its import for economic cooperation. It is the only basis from which we can advance a move towards the creation of Pretoria-Abuja-Cairo Cooperation Agenda upon which the Africa economic cooperation and integration can be made to rotate.

The current trend of events in the world has made it clear that Africa cannot hope to march on in the world without a clear cut agenda of action for the next millennium. Whatever agenda we may draw up, it may come to nought if we refuse to confront headlong the all important issues of stability, security, development and cooperation on a regional level.

A study was carried out in the seventies in the Netherlands to compare the resource contents of each continent of the world in terms of minerals, soil quality and productivity, water resources, flora and fauna diversity and the study rated the continents of the world in order of their land and soil richness. South America came first, followed by Africa with Asia coming third and Europe coming fourth. North America came fifth and Australia came sixth and last. All other

continents are ahead of Africa in development and the quality of life and well-being of their citizens. What makes the difference is leadership, and the right policies. I have no doubt that there is hope for Africa and we must keep that hope alive because to lose hope is to lose life itself. Let us not be weary and tired because of unfulfilment borne out of long expectation which can diminish or destroy hope.

Edgar Pisani, a former French Minister and a former European Commissioner for Development while working on a book he decided to call *Ends and Beginnings on Africa*, wrote: "Take a close look and the first thing you see is that there are many world-class people in Africa, which was not the case twenty years ago. Once upon a time there were people with charisma in Africa, but now there are people who, while remaining African, can understand the rest of the world, negotiate with it and stand up to it, and - this is the second thing - they want to stay there in Africa. The idea that any cultivated African has to leave Africa if he wants to carve out a career for himself no longer has the currency it once had. A lot of people want to stay there and that is important. The third thing is that I happened to talk to one of the top men at Shell International and the President of the *Energie de France* recently. They both run firms in Africa and apparently African businesses are now only short of the keystone in their company structures, as all the rest is there. There is still some need for discipline to do away with the tradition of patronage and behind-the-scene fixes and the idea that time didn't matter. So all things considered there are signs that African society is changing. We are seeing things come to an end, not easily, while the beginnings are waiting in the wings".

The dates June 12th, June 23rd and August 26th, 1993 would remain as major dates in the annals of Nigerian political history. During those sixty six days or thereabout, Nigeria was faced with one of its worst political crisis. During these days Nigeria tottered on the brink of a severe civil strife and breakup of the country. The country was in addition faced with the possibility of a dictatorship not too dissimilar to the Zairean experience.

Thankfully the crisis was resolved with minimal loss of life and not too grave a disruption of our socio-political structures and processes. What is more the solution to the crisis was home grown, home induced and home based, of course with the support and encouragement of our international friends. That Nigeria could resolve this major crisis without embarking on the road to Sudan, or taking a

leap to Somalia or nearby Liberia is a tribute to the resilience of Nigeria and the Nigerian in finding solutions to their problems regardless of the magnitude. I do realize, of course, that the solutions may not be the most ideal, it may not even be the best. What is important is the fact that we devised a pragmatic modality for steering ourselves away from the trauma of war, the carnage of destruction and attrition. We cannot be complacent yet. The structure left behind is susceptible to manipulation and could easily lead to confusion which may make the man who stepped aside to step in. There is also evidence of oiling of campaign machinery for a return. What is required on the part of all Nigerians is the need to be eternally vigilant in countering the success of such moves.

What is applicable to Nigeria by and large is applicable to the rest of Africa. I believe that is where the hope and challenge of Africa lie.

2

Forging A Compact In US-Africa Relations

Mr. Chairman
Ambassador David Abshire
Ladies and Gentlemen

Let me thank Dr. Jordan and the Center for Strategic and International Studies for inviting me for this year's Abshire lecture. I particularly appreciate the opportunity afforded me by the Centre to meet friends in Washington. Dr. Jordan's firm, energetic and purposeful direction of the affairs of the Centre over the past years has made it the independent and great institution it is today. I salute and pay tribute to the vision and commitment of Dr. David Abshire, the co-founder of this Centre in whose honour this annual lecture was established. In recognizing his presence in our midst this evening, let me also welcome him a little bit in advance back to the Centre.

The US has world-wide political, economic, strategic and security interests that naturally encompass Africa. While Africa's major political and developmental problems stem from an interaction between complex of events past and present, internally induced and externally imposed, most of the past events of a historical nature which still have their influence on Africa's problems are largely beyond African control, but the fundamental weaknesses in most African institutions and policies are within African control.

In the medium- and long-term, is a compact possible between the US and Africa that will address the issue of great and immediate concerns to Africa while taking cognizance of recognized US interests on a basis of common security and common prosperity, globally?

A compact is more than an understanding or agreement. It is above all, a binding understanding, even without a legal interpretation, between parties. To be part of such a binding relationship, the parties involved must share, in some respects, a fundamental platform of interests and concerns. Otherwise, the relationship becomes *ad hoc*, fitful and opportunistic, marked by exigencies of the moment and without enduring features. The relationship of the United States with independent Africa over the last three decades except for a short period in the seventies conforms more or less to the latter model. But the United States and Africa must seek out and nourish the fundamental linkages in their interests as a basis for developing an enduring relationship into the future.

Can Africa and the United States share a platform of common interests in the present world system? Cynics are right in posing such a question. After all, the United States as a world power has a global perception of its interests and responsibilities. Africa, on the other hand, contains most of the world's least developed and poorest countries.

Again, the diversity of Africa is enormous and the countries are many. More than fifty of them. But it is important to recognize that there are certain long-term development problems that tend to affect, adversely, almost all the countries of Africa and all its people. It is therefore not impossible to seek common general strands of understanding for Africa as a whole but with appropriate emphasis for detailed implementation for each country. The United States is considered the richest country in the world, while the majority of African countries are barely able to exploit their own natural resources, abundant as they are, without outside assistance. How can a weak and dependent Africa coexist, much less form a compact, with a powerful and rich United States without undermining further its present fragile autonomy? Furthermore, the United States is deeply involved in an alliance which contains Africa's erstwhile colonial masters, whereas, decolonization is fundamentally an African movement which seeks to dismantle the prevailing colonial structures in Africa in order to give way to authentic African development.

In seeking and working out a compact or understanding with Africa by the U.S., the influence of erstwhile colonial masters should not be ignored. It should not be a matter of parcelling or sharing out

spheres of influence but rather, taking advantage of the historical presence of Europe in Africa. Their knowledge of our institutions some of which they established or which we copied from them and the close cultural identity and security interest between the US and Europe. It should be easier to work out a joint US-West European compact for strengthening the political institutions of Africa and enhancing economic performance through human and material inputs. The economic position of Japan in the world, her interest in ensuring expanding world trade and her close security interest with Western Europe and the US will naturally make her a useful, desirable and important participant in a US-Western Europe -Japan compact with Africa.

While this position contains some merit, the fact remains that Africa's hold on the interests, actual and potential, of the United States is formidable and those interests are yet to be fully realized and exploited through cooperation, for the mutual benefit of both sides.

The first fundamental source of US-Africa compact is a product of the historical accident which resulted in a significant presence of Africans in the United States long before the waves of immigration from Europe in the 18th and 19th centuries. Thus, Africa contributed, through sweat and blood, to building the foundation of U.S. economy and society. Today, the African community constitutes a sizeable component of U.S. population.

This factor naturally creates a stake in Africa for America, and opens an avenue for a positive American role in the continent. Great sons of Africa in the United States have over the years identified with Africa through recognition of the existing mutuality of interests. For instance, early in the century, the renowned Afro-American educator, Booker T. Washington demonstrated a crusading interest in the well-being of the African people when he urged Americans to contribute toward the improvement of the human condition in the continent.

Washington's effort resulted, in 1920, in the first privately organized American action on the advancement of African education through the work of the Phelps-Stokes Educational Commission on Africa. And an American-educated scholar from Nigeria has concluded: "The historical preoccupation of such people as Washington, W.E.B. Dubois, Marcus Garvey, Ralph Bunche and others, with the African situation it illustrates the fact that the real cultural bond between Africa and the U.S. is established by the presence of about 30 million citizens

of African descent in the United States".

Increasingly, Afro-Americans view U.S. policy on Africa as an extension of the civil rights struggle within the United States, just as the Independent Movement in Africa gave impetus to the Civil Rights Movement earlier on. The progress of Afro-Americans in the attainment of civil and human rights, including equality with other Americans, must ultimately be matched by a progressive U.S. policy toward Africa; one reinforces the other. There cannot be a dichotomy between the two without great damage to U.S. image as a democratic society in the eyes of all Africans. This will call for the abandonment of a foreign policy framework which is not informed by the reality of situation in Africa, but by a preoccupation and competition with the Soviet Union on our continent.

A second fundamental source of Africa-US compact is traditional US anti-colonialism. It is on record that up till 1945, the United States government, under President Roosevelt, was sympathetic with the anti-colonial impulses in Asia and Africa. The American President raised the banner of hope and freedom for all colonial peoples, even before the end of World War II, by insisting that the problems of *self-determination* in all colonial dependencies - not just in enemy-controlled territories - be addressed in the Atlantic Charter. American values and ideals, as reflected in Roosevelt's *four freedoms* and later enshrined in U.N. Charter, nourished Africa's thirst for freedom, independence, self-esteem and self-assertion.

It is, therefore, an anomaly for the U.S. to compromise its own values by failing to champion wholeheartedly Africa's desperate struggle for political emancipation and for general economic and social advancement. That the U.S. has compromised its ideals, in favour of a narrow conception of its economic and strategic interests, undermines the natural basis of a common African-American approach to the solution to the problems of racial hegemony and political domination in Southern Africa, for example.

A third fundamental source of Africa-U.S compact is that Africa poses no inherent threat to American economic and strategic survival. Africa does not pose a threat to U.S. security in the continent simply by the low level of its development. Rather, Africa provides the U.S. (and its Western allies) with a vast reservoir of mineral resources and

other raw materials and an expansive market for its products and capital investment. What Africa requires, in the economic realm, is to attract the United States into a virile partnership for the development of its full potential in the agricultural and technological fields for the upliftment of its people. There is no room for hostility in Africa-US relations so long as U.S. Africa policy is constructed around a framework which directly addresses Africa's conditions and requirements. That is, Africa and the United States must engage in a partnership for their own sake and not one that is adjunct to considerations of ideological and strategic relationship with the Soviet Union.

The direction and orientation of American policies in Africa are still very much cast in the mould of cold war era as the last Director of the C.I.A. late William Casey wrote in the last Winter edition of *Presidential Studies Quarterly Magazine*. "There are many dimensions in the challenge to our national security today. There was a time when dealing with the direct military threat posed by the Soviet Union was all that mattered. It is still, of course, the paramount cancer. But the primary battle-ground of our age-old struggle with totalitarianism may be shifting to the jungles and deserts and cities of the Third World". Soviet designs cannot affect tangibly an Africa-U.S. partnership that responds, purposefully, to Africa's real needs and requirements. A U.S. feared Soviet strategy in Africa can only thrive and take roots in a situation of cold war competition and rivalry and in the absence of the type of US-Africa understanding being advocated. The truth of this proposition has vividly been attested to since the collapse of the Portuguese-colonial empire in Africa. It is also currently being played out by developments in Southern Africa, which if not arrested will surely destroy the basis of existing western interests in the sub-region.

With the economic and social reforms taking place in the ex-Soviet Union and the new arms reduction agreement between the U.S and the Soviets, attention should in due course be turned to regional conflicts and the new spirit of cooperation should lead to consensus in seeking solutions to existing conflicts in parts of Africa.

An Agenda of Africa-U.S Compact Political:

The United States must not judge Africa's experiment in self-rule by the democratic standards of the West. Africa and the West need not share nor practise a similar democratic culture to engage in a fruitful partnership, so long as the end of the political process is to

serve human needs by satisfying their basic political, economic and social rights as free and participating citizens of their societies. Whether these ideals are attainable through the medium of a one-party or multi-party systems should not constitute a yardstick for measuring Africa-U.S. partnership. The United States must respect Africa's right to learn through trial.

Whatever political arrangement and form of government is adopted by an African country, what is important is that this must incorporate certain factors:

- Freedom for full participation by all sections of the society to satisfy the aspirations of the people.
- The government must be representative, both in geographical and sectoral terms.
- Freedom of speech to include freedom of constructive dissent must be protected.
- Human rights, including the right to work, the right to medical care, the right to education and the right to affordable housing must be assured.
- A peaceful and orderly procedure of succession must be established in order to avoid uncertainty and violent change.
- The objective principles of state must be clearly spelt out and rules of adherence to these principles strictly applied. These must include provision of food and transport.

If these conditions are ensured and consolidated so as to promote stability, then the cancer of military intervention in politics should recede. But there must be a role for the African military in the process of nation-building and development given their skill and experience and the resources African societies have invested in their training and upkeep. The nation-building role must be purely *developmental* and not political.

Ultimately, the path of Africa's political development leads to larger configuration of states. The present fragmentation of the continent into mini states is one cause of Africa's weakness and lack of material progress. Consolidation into larger units (confederation or federation) offer a more hopeful potentiality toward economy, security and development, political cooperation, consolidation and integration.

The superpowers and indeed all nations have to work with others in the areas of security, economy, trade, the environment and health. It is also through this approach that Africa will best be able to resist outside pressures against its integrity and security. The fragility of African states and their fledgling institutions and thin margins of financial resources tend to hobble efforts even when they are made, to cope with devastating external factors of debt, drought and desertification.

The US contribution in the political aspect of the compact must be essentially human resource training. We cannot build a viable political structure in all our countries without the personnel imbued with the right spirit, right exposure and right orientation for those basic democratic principles enunciated. Such human resource training is best provided in situ with sprinkles of visits and interaction for contacts and exposure. The weakness of most African institutions springing from paucity of human resources must be re-dressed if we, in Africa, will have stable and sustainable political structures on which economic super-structures can be placed. Sovereignty is surely enhanced by the strength, stability and durability of political institutions.

Economic:

The economic problems facing African countries are manifested in stagnant or negative economic growth, heavy debt-service burden, and widening trade and balance of payment deficits. We have to deal with the roots of the problems rather than the symptoms.

In matters of economic development as in politics, the philosophy employed should not be the focus of attention. The yardstick should be whether the economic programme serves the human purpose. Where appropriate, both private initiative and public enterprise must be appreciated and encouraged. The essence of development effort must be to develop a capacity to produce our basic needs in industry and agriculture. Our industry should support our

agriculture by providing the necessary implements while agriculture should feed our industry with processing of primary commodities. Development must aim at assuring the people's welfare through the provision of work, food, medical care, housing and other social amenities.

In an inter-dependent world, we cannot develop in isolation, and throughout history, development has come to any region or any nation principally through their own sweat and collaborative efforts of others in form of labour, capital, technology or market. It can be argued that historically and institutionally, Africa's present economic predicaments are to some degree, the result of external economic conditions and arrangements that it has not caused. Africa continues to pay the price of living in an interdependent world as a weakling. To my mind, Africa is not simply the hapless victim of impersonal economic forces over which it has absolutely no control. Other regions of the world in comparable circumstances with us have suffered far less. We must admit our fair share of mistakes in policy development and implementation.

We must correct our neglect of agriculture, discriminate in favour of exports, re-dress our mounting trade and budget deficits and reduce government intervention and control in the production process. We must reform, or where necessary, eliminate inefficient public enterprises. Extravagant projects not designed for economic viability must be discarded. Abandoned economic projects must be completed and put into operation.

We have ignored maintenance in the interest of new projects, either because maintenance is less glamorous or because there is more money for gratification in new projects. But, whatever it is, we must pay greater attention to maintenance. There is no excuse whatsoever for the destruction of Africa's ability to feed itself. The private sector must be encouraged to invest and earn reasonable returns on its investment in agriculture.

There is also desperately needed government investment in research, in training, and in extension services. Where limited economic progress had been made in Sub-Sahara Africa, it has been predicated on agriculture, free movement of labour and capital. Capital, whether internally generated or externally injected, must be

protected.

The US-led Western side of the compact must include provision of adequate capital and appropriate technology for a quantum leap in environmentally desirable agricultural development in Africa. This compact must have among its goals the elimination of famine and starvation from the continent of Africa within this century. Here, I must make reference to the joint efforts. A couple of years ago, I participated with the Council on foreign Relations and the Overseas Development Council to discuss and work out a long-term programme of US economic assistance to Africa. I must say it was a laudable effort. I do know that that effort, coupled with others, have resulted in Congressional Draft For an African Fund - which attempts to put in one pot, assistance to Africa in different programmes and sectors.

While the idea and the efforts are appreciated, the funds must be significantly higher than the present \$500 million to make an impact on the company. In this connection, it is also pertinent to make reference to President Reagan's executive order for coordination of economic policies for Sub-Saharan Africa, dated 23 June 1987. For an Administration which is noted for not rating nor raising its relations with Africa high, the executive order with the aim of ensuring that all United States economic programmes and policies for sub-Saharan Africa are consistent with the goal of ending hunger in the region through economic growth, policy reform, and private sector development must be seen as a relatively significant action.

For a goal or target of this nature to be meaningful, however, it must be measurable in time and space and substantial new resources must be injected to match the staggering magnitude of the problem. Setting a goal without supporting resources or means cannot be taken seriously or worse still it can lead to frustration. Once the US has lived up to this challenge, other countries might join in such a programme, given the past US leadership role in mobilizing resources within the Eastern alliance and multilateral organizations. The impact of US assistance would be greatly enhanced if at long last, after a period with many successive and not always compatible Africa-oriented initiatives, the US would adopt and pursue a truly bipartisan programme, which would be oriented towards the long-term requirements of the continent and would provide a badly needed predictability of sustained assistance flows beyond the term of one single administration. Such a programme would reduce considerably the temptation to politicians of shifting grounds and should establish a solid base for medium and long-term

planning for African development.

Europe and Japan must be brought on board and efforts in other areas of multilateral nature must be galvanized, incorporated and coordinated. Nothing should be done to undermine proven and effective multilateral organizations.

Such measures and policies would go a long way towards meeting the target of the United Nations Programme of Action for African Economic Recovery and Development which represents a global compact identifying the political measures, required resources and the moral and political will needed in Africa and other continents to accomplish a peaceful resolution of the critical economic and social situation in Africa and to launch its sustainable development and growth.

I wholeheartedly subscribe to this programme adopted by the United Nations in 1986 with one only exception: I see it as a compact running initially to the end of the century and not just a five-year programme of 1986-1990. I also would welcome if the process of accommodation and cooperation, between East and West being nurtured by the two superpowers would lead to increasing and coordinated Soviet and East European input. Let me also mention the critical role NGOs, in particular from Africa, can play in this process, a fact which was demonstrated to a wide audience and the general public in sensible declarations and recommendations made in connection with the UN General Assembly's special session on Africa last year.

The US had had glorious accomplishments that had moved the world forward and extended the frontier of technology. One of such challenges was landing man on the moon. I wonder whether in spite of the SDI, the time has not come for another technological challenge in the areas of transportation, particularly automobiles. Can the US not lead the world in the pioneering and mass production of environmentally clean automobiles driven by hydrogen and the waste product of which will be clean water?

The energy needed to produce the gas should be derived from the sun. The Sahara can be used to set up the gas-producing plant from solar energy. There will be need for the development of a new

form of transportation for the distribution of the gas all over the world, but, particularly, in North America, Europe and Japan. This can be an achievable goal before the end of the twentieth century. The use of the Sahara for this project can offset part of Africa's debt.

The debt problem must be solved through multilateral effort involving the debtor and creditor countries as well as commercial banks and the international financial institutions. The responses by the international community have not been too encouraging. Although, in value terms, our debt in Africa is smaller compared with those of Latin America, as a percentage of our foreign exchange earning, it is crippling. We cannot have development and growth without resolution of the debt problem.

We have had the Baker Plan which, admittedly is inadequate but for the first time accepted the principle of joint solution. The Baker Plan's initiative has been followed by the decision to replenish IDA resources with substantial allocation to Sub-Saharan Africa. Efforts have been made to increase official development assistance ODA to some countries and in some cases, ODA debts have been canceled with the recent Canadian announcement to write-off \$250 million debts owed by a number of African countries.

From the report of the just-concluded Franco-Africa Summit, France seems to be following the Canadian footsteps. What Canada and France do, the US can do. The decision of the last OECD conference in Venice that consideration be given to the possibility of charging lower interest rates on existing debts of African countries that are pursuing structural adjustment programmes is also welcome.

The realism of private commercial banks in making provision for possible bad and doubtful loans in their books is a positive sign. Piecemeal solutions will remain inadequate. Muddling along will be more retarding for the revitalization of the world economy. There is need for concerted political efforts to solve the debt problem.

At the June ECA Conference at Abuja, Nigeria, it was pointed out that the level of annual external resource flow in new monies as calculated under UN Programme of Action for African Economic Recovery and Development will be in the range of 24 to 34 billion U.S. dollars for Africa. And this is for a continent that suffered a net outflow of 14 billion U.S. dollars in 1986 mainly through debt-servicing and depressed commodity prices. It was a situation of the poor

feeding the rich or the rich bleeding the poor.

In the short-term, improved and increased external resource - flows are imperative for survival, but nothing short of Africans being able to get their act together under a policy of collective self-reliance will sustain them. While individual countries improve their lot, they have to come together to have effective voice and take advantage of economy of scale and they cannot overlook interaction with other Third World countries.

For Africa to overcome its present predicament, there is the need to boost its scientific and technological capacity. Acquisition of technology must start with training in basic science. The continent needs to be helped in education generally, but in science education in particular.

Nonetheless, there is the need for Africans to come together, and speak with one voice in seeking relief. That must be encouraged and I welcome an African initiative in this regard which has just ended in Addis Ababa. It is only through collective, responsible and sustained action of the debtor-nations that pressure can be brought to bear on the political leaders in the creditor countries and their banking institutions to work together with debtor-countries to seek growth - induced and oriented solutions.

Let me venture to propose some concrete measures which I know enjoy the full support of experienced leaders and statesmen like Helmut Schmidt, Lord Callaghan, Pierre Trudeau, Takeo Fukuda, just to mention a few colleagues of mine in the InterAction Council. Within the framework of that Council, we have recently called for:

- a. Multi-year rescheduling of 20-30 years.
- b. Medium term 5-10 year grace periods for both capital and interest which may then be capitalised.
- c. Discounted debt equity swaps.
- d. Interest caps.
- e. Buy-backs or repurchase of loans by debtor nations at

- a discount based on secondary market value.
- f. Exit bonds - banks not wishing to participate in new money packages may exit at a concessional discount.
- g. Special measures for low-income Sub-Saharan African countries which should include:
 - i. Cancellation of all their outstanding official debt including that of export - trade agencies.
 - ii. Provision of new additional finance through increase of long-term ODA on concessional terms.
 - iii. Conclusion of agreement to triple the IMF Structural Adjustment Programme facility and agreement to increase World Bank capital so as to significantly increase assistance to African countries.
 - iv. A new allocation of SDR on non-quota basis and conditions favouring low-income countries.
 - v. Increase of the soft loan facility of the African Development Bank.
 - vi. Stepping up trade financing, encouragement of investment and waiver of counterpart funds to avoid delayed implementation of projects and programmes.

Here, the compact must ensure some protection for the creditor banks while allowing increased economic activities for development and growth in the debtor-nations of Africa. In other words, an improved world economy and increased world trade must be the ultimate objective.

Regional cooperation and domestic self-reliance offer the best hope for Africa's economic survival and progress. The advantage of larger markets for intra-regional trading is most desirable, given the prospect of increasing protectionism in the metropolitan markets. The experiments in ECOWAS and SADCC with support and sustenance by

Africans and the United States should serve as models of future cooperation to other sub-regions of the continent.

Foreign investment generally, but US private investment in Africa in particular, should be targeted sub-regionally, through the existing sub-regional organizations. The fear of political instability within a country and its effect on foreign investment will be substantially reduced if investment is sub-regionally based. This approach will in turn help the evolution of larger configurations of states in Africa.

One of the keys to Africa's future is South Africa. There cannot be a lasting solution to Africa's problems on the whole until a multi-racial, just and fair society is created in South Africa. Just as events in the rest of Africa have implications for South Africa, events in South Africa itself have implications for the economic strength and political stability of Africa.

Eighteen months ago, the Commonwealth Eminent Persons Group submitted its report, in which we were forced by the South African government's rejection of our negotiating concept to advocate sanctions that would nudge that government to accept negotiation as the means of breaking the cycle of violence, ending apartheid, and establishing a structure of genuine democracy in South Africa. Furthermore, it is almost a year that the Secretary of State's Advisory Committee on South Africa released its report. Unfortunately, not much has happened inside South Africa since the release of these reports to suggest a serious movement towards change of policy.

I have had occasion to say that the best chance to create unity in South Africa among all black groups, including Inkatha, lies in the reconciling role Nelson Mandela can play, once he is released and political activities are allowed. As a result of conversations with him, with Buthelezi, and with others in and outside South Africa, we are certain of this possibility. Such a United Front is not likely to be palatable to a South African government wedded to its hitherto successful divide-and-rule policy. But here again, her trading partners of North America, Europe and Japan may be able to persuade them that their self-interest lies in such an arrangement.

This United Front would contain mature, seasoned, responsible leadership that can carry the bulk of the black population with them in

an orderly and negotiated change.

The policy by the US of constructive engagement which means dealing virtually with only whites in South Africa and attempting to weave the sub-region together under the domination of South Africa without eradication of the policy of apartheid has failed. That policy should be substituted with Cooperative Engagement with all the forces, internal and external, working for a change of policy in South Africa and for peace, development and harmony in Southern Africa.

This year's election in South Africa and the events leading to it have shown that the Afrikaner camp is fractured and fragmented. The fissures would have been more profound but for P.W. Botha's battle cry of security. White or multi-racial groups seeking accommodation with blacks must be encouraged and assisted to build bridge-heads of influence and link with different black organizations. A process of elimination of fear, building of confidence and moderation of aspiration must now start with the people, the ordinary people. White liberalism must be encouraged to minimize black radicalism, especially among the young. I have confidence in the inevitability of victory for the black in south Africa and I believe that we can bring it about without revenge, recrimination and bitterness. Humanity must face up to that challenge.

Here again, the compact must involve the US, Western Europe and Japan on one side and Africa on the other. For a start, the US Administration must press Europe and Japan to conform with action legislated by the Congress of the United States last year. Concerted pressure must be brought on the South African Government to lift its pervasive press censorship. The South African Government needs more sticks than carrots to move in the direction of negotiation.

Based on my experience in South Africa, President P. W. Botha had the authority and the power to bring about the changes necessary. His successor may very well not have such authority for some time, particularly in view of Botha's special relationship with the military. Again, Nelson Mandela who can be a moderating influence is not only incarcerated but advancing in age. So is Oliver Tambo who is in exile. If these three important personalities disappear from the South African scene at about the same time, no one can say for sure what the outcome will be for the country, the sub-region or indeed for Africa and the world.

The rift between Buthelezi and Inkatha on the one hand, and ANC and UDF on the other will widen and deepen. Hence, there is urgent need for increased pressure on De Clarke's government from the outside to persuade him to enter into necessary negotiation. The urgency is the more undeniable with the prolonged state of emergency, the ruthless press censorship and the more audacious policy of destabilisation on South Africa's neighbours.

There is need for a total review of US relations with the countries of Southern Africa. This should be part of the policy of Cooperative engagement. A programme that will encourage political and economic participation by all citizens of these countries on the basis of democratic principles mentioned earlier should be encouraged while discouraging insurgents and destabilisation forces harboured, trained, equipped and supplied from South Africa. Nationalism in the countries of Southern Africa must not be construed as communism and therefore a cold war battle-field.

I am convinced that America's economic, strategic and security interests and those of its Western Allies are best protected by participating actively and cooperatively with institutions and organizations working to eradicate apartheid in South Africa and to strengthen and defend frontline States against military and economic destabilisation and reprisals.

Finally, in our independent world, no nation or system can escape influence from without - or should wish to. The potentials for positive development are there for Africa's political and economic growth. Naturally, we aspire to an even passage and a secure future. We cannot do it alone as events beyond our borders impinge on our capacity and resources. The compact must be in the mutual interest of Africa, the US and its allies and the greater world. Together, we can move forward in a new spirit of internationalism, common security and common prosperity.

Thank you.

3

Aspects Of A New World Order

Introduction:

War and peace are basic contradictions of human experience. The history of mankind at the global level is a study of crisis, wars and the search for peaceful co-existence. The history of global evolution is a variegated picture of crises. In essence, one form of global crisis after the other has for a long time dominated international relations. In the same vein at the end of every major global crisis or war, humanity has usually tarried awhile to learn lessons from the processes and mistakes of the past and to seek new modalities for tackling and confronting new developments and ordering of human interaction for a foreseeable future.

Such events gave birth to the League of Nations. The covenant of the League was designed to bring together responsible leaders at the end of a major war to commit themselves to maintain peace. The indivisibility of peace and the notion of collective security was the axis upon which the League was supposed to rotate. The failure of the League, resulting in the outbreak of World War II, convinced statesmen of the need for a more enduring organization devised, programmed and run *to save succeeding generations from the scourge of war.*

Thus began the United Nations Organization in 1945 which has in a way managed, to somewhat save the world from the very disturbing, destructive and highly unsettling experiences previous global crises had unleashed on mankind. While the United Nations has not prevented local or regional wars, it has prevented a global holocaust. Some may argue that it is not the United Nations that has prevented global holocaust since 1945 but rather the balance of terror between the two superpowers and the two blocks. In the same vein, it may be

added that the UN secured the base for the evolution of the superpowers and the two blocks.

The Changing Face of the World:

However, many far reaching events have been creeping in on the world for sometime now. The wind of decolonization blew across Africa, the Caribbean and part of Asia and enlarged the membership of the United Nations. Such enlarged membership has meant the need to respond to a number of demands in the drives of these entities to build nation-hood as well as escape from poverty. Technological and industrial expansion have also widened possibilities, just as such efforts brought with them the environmental degradation that now threatens the existence of all species on earth.

In recent times, however, two major factors or events have brought the issue of arrangement or rearrangement of interrelationships in the world sharply into the fore. These two major events are: the end of the Cold War at least as it was waged on and off between 1945 and 1989 and the American-led coalition's success in the recent armed conflict in the Gulf. I am convinced that a proper starting point in taking a look at the likely new world order, at least in strategic terms, must commence from lessons derivable from these two major events of the last two years.

The end of the Cold War has a lot of strategic implications. Gone are the days when national liberation wars and armed conflicts were seen as opportunities for the re-alignment of ideological and military balance of power. The East and the West competed with each other and confused reality in such a way that the closer cooperation in various fields of mutual interests to humankind such as arms control, economic cooperation and social development could not be fully realized. Repressive and corrupt governments were favoured in order to gain or preserve spheres of influence as human rights values were sacrificed on the alter of the cold war.

The crisis and the eventual war in the Gulf was, in a major way, a critical eye-opener to the inherent weaknesses in the present regime of international peace and security. On the one hand, the conflict enabled

the Security Council to function as it was conceived, leading to a speedy, unified response. On the other hand, the question arises whether it would not have been possible to take effective anticipatory and preventive measures and to achieve a peaceful settlement of the conflict. Overall, in this major conflict the UN served to provide legitimacy for the war.

At another level, it is necessary to see the international community's response to the Gulf crisis as a reinforcement of the notion of common responsibility for the maintenance of international peace and security.

One thing is certain: the newer emerging reality is one in which we cannot hope to save succeeding generations from the scourge of our own failings if we perchance give free rein to militarism. Whatever security arrangement we devise, whatever strategic planning we concoct, whatever balance we decipher, the new security system in the world and in the regions must be anchored, nurtured, sustained, lubricated and programmed to take due cognisance of the principles of non-aggression, sovereignty, the need for common and collective security mechanisms and the observance of the rule of law.

Essentials of the New Order:

Each time I read the Charter of the United Nations, I am struck by the far-sightedness of the founding fathers of the Organization. In large part, the Charter remains adequate to take on the problems that we face in the present times. With some minor fine-tuning, the Charter is flexible enough to ensure a better-managed World for humankind today. Whether we talked of the improvement of the existing order or the enthronement of a new world order, it must rest on two main pillars: the Security and Strategic parameters, as well as Socio-Economic parameters.

A. Security and the Strategic Parameters:

The concept of security is really all-embracing. Beyond the traditional concept of military security, a number of other issues have implications for security. In this respect, mention must be made of poverty, food, environmental degradation and adequate, safe sources of energy and population growth. The preamble to the Constitution of UNESCO states that *wars begin in the minds of men...* This is accurate

enough, but one might add that, increasingly, war results from real or perceived material deprivation. But I am, for analytic purposes, separating other concerns under security from the core concern that is made the responsibility of the Security Council under the UN Charter.

A.1. Prevention of Conflict, Peace-making and Peace-keeping:

A new international security regime must be structured in such a way that not only the normal peace-keeping forces continue to operate in the fire-fighter mode but also serve as fire prevention forces. The Security Council has over the years provided peace-keeping forces to put adversaries at par in many regions of the world since the UN Charter came into operation. Peace-keeping operations, with varying mandates, have normally followed serious destructions and human loss in certain nations and regions.

This reactive process must now be refined and expanded. The Secretary-General must deploy a monitoring scheme and global watch team who will give early warning of impending crisis which should be reported to the Security Council and on which the Secretary General could invite the Council to initiate preventive actions including preventive peace-keeping. This perhaps may be the only effective strategy capable of bringing to fruition the required effectiveness of the preventive orientation of the United Nations.

Common and collective security is attainable only with a scheme akin to that of having an international police or alarm raisers. As a corollary of this, in practice, the UN must have its fire-fighters - a permanently, securely financed and logistically-backed peace-keeping force both for prevention and for peace keeping.

The relative ease with which wars can be prevented depends to a large extent on how much the principle of willingness to talk on the part of parties in a dispute is exploited fully and meaningfully. The provisions of Chapter VI of the Charter on "Pacific Settlement of Disputes" when read along with Article 2 paragraphs 3 & 4 (which specifically enjoins member nations to refrain from the use of force) provides the necessary breathing space.

Aside from discussions, there are a number of things that the international community can do before the outbreak of war. When the determination and willingness is there, we have seen that sanctions could work, even if slowly, but they need the concerted effort of the international community for full effect.

The Gulf crisis drove home a significant point that had been with humanity for a long time and will remain with humanity for some time to come. And that is the fact that the determined will of a global power or at least a few of such nations is essential for the implementation of desirable goals of the international community. Such role of a global power in pulling others along is not new in human history.

However, while the world will continue to look on to a global power in exercising active leadership, it is also heartening to note that the current global power has expressed that its desire is not to dominate but to positively influence the outcome of events and situations through collaboration, cooperation and coalition in multilateral organizations and in other existing institutions. In the words of President Bush in his address to the current General Assembly of UN, America seeks "pax universalis."

I do not need to preach that it is human to resist domination. Maintaining peace and security in the world must also involve regional organizations which must be the first line of contact and action and which must earmark resources under the umbrella, coordination and support of the United Nations. The regional organizations can be supported to play a more active role on their own and as agents of the UN in a global watch and in the maintenance of peace and security.

A.2. Disarmament:

There are, of course, the related issues of peace, disarmament, arms control and control of arms trade. One of the positive effects of the post cold war era has been the rapid and productive manner in which disarmament negotiations have been completed and are still being pursued. We all must salute the leadership shown by Presidents Bush and Gorbachev with the recent signing of START and the special unilateral action of President Bush in scrapping theatre nuclear weapons to which President Gorbachev and Prime Minister, John Major have replied in kind. Let us move forward to deepen these cuts, thereby inducing other nuclear powers to join the process. Especially,

the time has come when chemical and biological weapons should be removed from the face of the earth.

Perhaps it is important to point out an emerging trend which is dangerous because it is oftentimes not taken into account. It is an irony of history that Third World countries in recent times have become the largest market for arms. It has been noted that 75% of the arms sold annually are bought by the Third World countries. Given more disturbing, a UNDP report suggesting that some poor countries readily divert hard earned foreign currencies from *schools to submarines and from physicians to fighter planes*. In its 1990 *Human Development Report*, the UNDP pointed out that arms import by developing countries alone rose from 1.1 billion US dollars in 1960 to almost 35 billion dollars in 1987.

The situation, bad as it is, is further exacerbated by the entry of some Third World countries into the suppliers' fold. Talks on arms limitation and trade must by necessity involve and integrate these new arms producers and associated traders. I believe that the United Nations is strategically well placed to effectively monitor arms trade after an agreement has been reached.

The dividends of a peaceful world lie in releasing resources from armaments to the pursuit of international cooperation and development. Figures released by SIPRI indicate that billions could be saved annually if more concerted and serious steps were taken towards the issue of disarmament. A recent report has pointed that if global military spendings were frozen, about 2.15 trillion US dollars could be saved by the year 2,000. The unfortunate development to note is the degree of soft credits and *illegal gratuities* being offered to most developing countries to purchase arms and ammunition.

In a similar vein, it is becoming increasingly inescapable that the size of the military must be drastically reduced. The effect is to free resources tied to such wasteful and destructive venture for the pursuit of more enduring objectives of improving human development. Huge military expenditures are no longer defensible or acceptable. This point is underscored if we realize that in the last 45 years, there have been more than 125 wars and conflicts resulting in the loss of over 40 million people in the developing countries. If we add the yet to be fully

accounted for level of destruction and waste in the Gulf, we cannot but shudder at the human loss and tragedy resulting from mass destruction in wars and conflicts.

One of the many recommendations of the report: *Facing One World: the Report of An Independent Group on Financial Flows to Developing Countries* chaired by Chancellor Helmut Schmidt and on which I served is relevant here. In that report, we advocated that when decisions on allocation of foreign aid to the developing countries are being contemplated, more favourable consideration should be given to countries that spend less than 2% of their GNP on military security.

We know the size of the savings that could be made if countries spend less than 2% of the GNP on arms. We can also have some idea on the volume of resources that would be released for the financing of development projects which are more relevant to life and decent living in the developing countries than the arms and armaments on which scarce resources are literally wasted. It would be commendable if the current proposal by the World Bank to discourage countries that spend a disproportionate and *offensive* percentage of their national budgets on the military is implemented. For me, it would be a highly welcome development.

Excessive military expenditures are also a fact of life in Africa, a continent that has in the last twenty years been ravaged continuously by famine, hunger and starvation. I have seen this phenomenon and its consequences at close quarters. I find this reality disturbing. What applies to Africa, applies to most if not all developing nations in differing magnitude.

Unfortunately, most developing countries do not possess the resources within the confines of their borders to redress this unwholesome situation. The active collaboration of the international community is required for success in this respect. After all, in truth and in fact, most, if not all, famines and wars in developing countries today either had their progenitors in, or were further aggravated by internal controversies and conflicts over the control of resources, participation in decision making and self determination.

B. The Socio-Economic Parameters:

A truly Common Future:

We live in a world that is being daily confronted by evidence of an increasing globalization. The erosion of national sovereignty, globalization of world financial markets, diminution of non-renewable energy resources, increasing relevance of transnational corporations, the global implications and the universality of environmental problems, the drug problem, international terrorism, international migration and refugee problems and the instantaneous effects of communications technologies are realities that have come to stay. At this Forum, I can only explicate on some of these problems.

I agree with some of the proposals in the Stockholm Initiative, in particular that the emerging New World Order must be based essentially on peace, democracy, development, human rights and respect for international law. These must be seen as the essential building blocks of a new vision required for reshaping the world. That, in itself, is our new challenge in the years ahead.

Let me also add that I am convinced of the positive lessons to be learned from the European Helsinki Process for other regions of the world. Each time I reflect on the history of Europe, I find it amazing that a region previously divided, literally atomized and engaged in intermittent wars, has become the living example of cooperation and harmonization on all fronts - although cracks are beginning to appear recently.

A few months back, I initiated a process for Africa aimed at a conference patterned along the European experience with the Helsinki Act and its subsequent process, called a Conference on Security, Stability, Development and Cooperation in Africa. The enthusiasm which greeted the idea of CSSDCA in African and non-African circles within a period of three months jump-started the process towards the convening of this Conference.

President Museveni of Uganda, then Chairman of the Organization of African Unity (OAU), hosted from 18 to 22 May 1991 in Kampala,

Uganda, a Forum on CSSDCA which was attended by some 500 people from around the world. The gathering included some serving and past African heads of states and ministers; senior representatives from countries outside of Africa; and a representative gathering of NGOs, professional organizations, business and trade unions, academic institutions, international organizations, foundations and eminent personalities. The Kampala Forum discussed and finalized the proposal for a CSSDCA, which was submitted to the OAU summit held in early June 1991 in Abuja, Nigeria.

In view of the momentum the CSSDCA has acquired, we believe that African leaders in whose enlightened interest the CSSDCA would be eventually carried out, would approve and launch the implementation of this proposal. They might give the current Chairman of the OAU in this capacity a mandate to start the preparatory work, initially with the convening of a preparatory conference of plenipotentiaries.

Socio-economic disparities between affluence and want, between surplus and hunger are one of the strongest precipitatory factors of crisis in the world. It is a bad reflection on the state of human development that in 1991, 77% of the world population earn less than 15% of the income in the world. In a more graphic sense, I am talking here about a situation where the average annual income in the North, which according to the 1991 Human Development Report of the UNDP is put at \$12,500, is 18 times the average in the South which is recorded as being \$710. There are many in the South with incomes even less than \$300.00.

The irony of the present order lies in the fact that while collective security in the military sphere has been entrusted to the Security Council, collective security in the socio economic sphere devolves to a series of intergovernmental bodies without binding decision-making power and, furthermore, is made the responsibility of an un-coordinated series of independent, and, for all practical purposes, "sovereign" organizations, i.e. a polycentric set up.

A new trend is emerging where international organizations are acquiring greater authority and powers to enforce treaties protecting vital aspects of the future humanity.

Other supranational agencies in the economic field have begun to introduce political conditionalities. The first article in the agreement establishing the European Bank for Reconstruction and Development is

a clear indicator of this new approach. The article states:

"In contributing to economic progress and reconstruction, the purpose of the Bank shall be to foster the transition towards open market oriented economies and to promote private and entrepreneurial initiative in the Central and Eastern European countries committed to and applying the principles of multiparty democracy, pluralism and market economies".

Perhaps for full and added measure is article 8 paragraph 3 of the same agreement which states inter-alia:

"In cases where a member might be implementing policies which are inconsistent with Article 1 of this Agreement .. the Board of Directors shall consider whether access by a member to Bank resources should be suspended".

We must take this alongside part of the statement of the InterAction Council of former Heads of State and Government at the end of their Lisbon meeting in March, 1991. Chancellor Helmut Schmidt is the President while Prime Minister Takeo Fukuda is the Honorary President of the Council. The statement of the InterAction Council reads in part:

"Global interdependence increasingly affects all aspect of human activity. As such, it is a reality which can no longer be ignored. Yet, approaches to problem solving remain largely focused at the national level. The concept of national sovereignty, the inviolability of borders and the autonomy of the nation-state, encapsulated as they are by international law, now function against a backdrop of ever-shrinking national autonomy. Unilateral national instruments cannot solve the growing number of global problems which confront us. Alone, the nation-state cannot cope.

To ensure stability for the twenty-first century, effective and cooperative steps must be taken to curb environmental degradation; to redress both the persistent economic imbalances between North and South and the financial disequilibria among industrialized countries; to stabilize population growth; to eradicate absolute poverty; and to reduce consumer demand in developed nations.

Managing interdependence will require the establishment of a new-essentially holistic - global order encompassing the areas of peace and security, the global economy, the population-environment-development nexus and human rights. This order will be characterized by the exercise of delegated sovereignty based on the principle

that decisions should be taken at the lowest possible level at which they can be effective. This will entail the strengthening of existing, or the creation of new, institutions".

By way of example, I would like to refer to the decision of 24 Heads of State and Government in March 1989 at The Hague, Netherlands, who called on the UN General Assembly to create a High Authority for Environment with powers and means of enforcing decisions affecting the totality of humanity in the environmental field. This call is yet to be taken up and translated into reality.

The monumental strides that have been taken in transportation and telecommunication have further integrated the world. These developments have enabled transnational corporations to become prime movers and stimuli to the world economy without regard to national borders. This must explicitly be recognized through the creation of mechanisms providing participation and financing of multilateral activities by TNCs. This broader approach would be fully in consonance with the UN Charter which in its preamble refers to *We, the peoples* and not only to governments.

Now, I turn to one lingering and consuming problem that the international community must concern itself with. This is the problem of debt confronting the world in general and the developing countries in particular. Different plans have been proffered and tried and yet the debt crisis remains substantially with us. While the developed nations may carry the burden of their debts given the productive levels of their economies, how can the developing countries escape the throes of the poverty asphyxiating them?

In 1988 alone over \$43 billion of their earnings from trade surpluses was transferred to the developed and industrial countries all in a hopeless bid to repay debts. That is a serious depletion of the savings available to these countries for development. Between 1984 and 1988, a total of \$140 billion was transferred to the North to pay debts. Still the debts still grew from \$950 billion to \$1 trillion, 240 billion. In addition to this is the fact that both the IMF and the World Bank for a while became net recipient of funds from the developing countries particularly of Africa.

While creditor-nations and institutions seek to induce a genuine change of attitude, improved discipline, accountability, adoption of market economy and democratization in debtor-nations, no comprehen-

sive solutions to the debt problem have been put into place. Any solution must satisfy both sides and should ultimately enhance the revitalization and growth of the world economy.

The burden of servicing the Third World debt of US\$1.3 trillion, not to talk of repayment, has resulted in a decade of lost development and growth and environmental degradation on a global scale. The emphasis for debtor nations must be on self-induced or self-imposed sacrifice or *conditionality*. Such *conditionality* which will elicit relief from creditor-nations and institutions would be based on commitment to social, institutional, political, economic and environmentally sound development.

Most of the problems of Third World countries resulting in bad government, political repression, abuse of human rights, can be jointly attacked on the basis of programmes formulated by the debtor-nations themselves. The conditions would be based, among others, on political reform, economic discipline, social equity, commitment to the rule of law, limitation of military expenditure, environmental development, etc. The idea should be to focus on future good governance rather than on past performance.

The elements of a practicable debt relief package could provide for a linkage between self-induced political reform objectives and the progressive elimination of debt servicing levels and debt principal.

A further feature could be debt repurchase arrangements, negotiated with commercial, bilateral and multi-lateral institutions or lenders at the maximum possible discount rate. Proper monitoring arrangements about compliance should also be put in place. Sustained commitment and dedication to this sort of strategy and contractual programmes would be attractive to creditor-countries and multi-lateral agencies.

The problems of indebtedness in the developing countries should not and cannot be laid at the footsteps of the North alone. The leadership in the South must accept their role in the under-development of their countries through mis-management and greed. The level of corruption in some developing countries is beyond belief. The UN may have a role to play in the active development of responsibility and

accountability. There is no amount of official development aid that will have an elevating impact if corruption and dishonesty remain the order of the day in the developing countries.

We have often heard the slogan that what developing countries want is *trade, not aid*. But I have always wondered if scrupulous application of relative advantage in production and market forces in production and distribution especially with tariff and non-tariff protectionism will ever make trade as advantageous to primary commodity and product producers of the Third World countries. And yet the world economy gains strength and vitality from increased and improved world trade. The Uruguay Round of GATT negotiation should be concluded with minimum delay as a means of giving confidence to increased world trade rather than giving protectionism encouragement. Encouragement of trade and investment must go hand-in-hand.

Developing countries should monitor carefully the impact of the growing globalization of financial markets. This trend will affect their ability to finance domestic development programmes as well as their efforts to establish viable capital markets and a banking system capable of supporting domestic investment needs.

The efficacy of the United Nations system in the area of socio-economic cooperation depends on the practical implementation of chapters IX and X of the UN charter. Regrettably, the effectiveness of the ECOSOC to table the pressing agenda of development related issues and the stimulation of global economic growth has lagged behind. Innovative initiatives should urgently be taken to infuse new dynamism into this critical area. These chapters deal extensively with international economic and social cooperation.

There have also been suggestions to move towards the institutionalization of a form of authority which could ensure compliance with decisions of the UN closely linked with the International Court of Justice. Whether we look at it from the strategic security point of view or the human socio-economic point of view, we cannot but agree that the UN that was devised at the end of World War II together with its specialized agencies are sufficiently well-placed to tackle the myriad of problems confronting the world today. What is required is the political will to give history and nature a gentle push in the right direction. Now is the time for the world to rediscover itself through an honest self searching and reflective soul searching for an effective and equitable solution. The UN system contains within it the requisite

mechanisms for a re-invigorated, international co-operation in support of peace and comprehensive global security and the welfare and well-being of all mankind.

Conclusion:

Order in the world, like the order in the home or a community, is a desideratum for all aspects of development. Injustice is the bane of order. The big and the small must feel there is something in the order for them, so must the rich and the poor. An order ordained for only one section or one group cannot be an enduring order.

One of the best pictures of the planet Earth in all its beauty that has ever been produced was that taken from outer space. It shows earth as a tiny colourful ball surrounded by the darkness and emptiness of space. It is a beautiful picture, indivisible into racial segments. It is one world, our place of abode, from where we must remove the contradictions between love and hatred, poverty and plenty, war and peace, rich and poor, black and white wasteful consumption and hunger. We have the means to form what that picture depicts into a beautiful, harmonious and near perfect world, We only need the will.

Thank you all.

4

The African Region In Post-Cold War Global System

Introduction:

In precise historical context, the Cold War is that period of uneasy peace and tension, with rival nuclear superpowers, ideological and economic blocs, which the International Community lived through from the end of the Second World War in 1945 until very recently. The dramatic political events in Eastern Europe in 1989/1990 which culminated in the collapse of the Berlin Wall and the eventful reunification of the two Germanies symbolically marked the end of the cold war era.

The Cold War was also characterized by political, ideological and strategic confrontation between the Superpowers. The main fissure was between the East and the West, that is between the Soviet Union and the United States. In the West, allied with the United States were the industrialized capitalist countries of Europe as well as Canada and Japan. In the East, all the countries of Eastern Europe, except perhaps Yugoslavia, were ranged on the side of the Soviet Union. Most characteristic of this period was superpower hegemony and rivalry structured on opposing political ideology, threats of military confrontation, an arms race and strategic balance of terror. The existence of the North Atlantic Treaty Organization (NATO) grouping the Western Alliance and of the Warsaw Pact encamping the Eastern bloc dramatized the global confrontation of that period.

Economically, while the Soviet Union and the socialist bloc vigorously promoted socialism, the United States and its Western allies promoted capitalism and the market economy. But, as the Cold War

years advanced, growing inequalities between the industrialized nations of Europe and America on the one hand, and the under-developed countries of the Third World on the other, introduced new tensions, new fears and added another dimension to the already tense international atmosphere of the Cold War.

Ironically, however, the end of the Cold War order came about as a result of the crisis of one of its ideological pillars, that is, the crisis of communism.

In the analysis that follows, I will examine briefly the place of Africa in the Cold War and the influence of ideological politics on the region. The implications of recent political changes in Europe and of the emerging new world order for the African region will be the main focus of this presentation.

Africa in the Cold War Era:

Of all the regions of the world, Africa fared worst in the political and economic arrangements that characterized the Cold War

Most of the countries of Africa attained their independence in the 1960s, a phenomenon aided by post-World War universal recognition of the right of independence for all colonized peoples. By the 1970s the euphoria of independence had yielded place to disillusion, despondency and sense of inadequate performance on the part of the new nations. The 1980s were very bad for the continent, with chronic manifestations of political instability and insecurity, crushing debt burden and virtual economic collapse, falling and degrading standard of living, and endangered environment.

Under these conditions, one is bound to wonder whether the 1990s would usher African countries into a more politically stable and economically viable twenty-first century. But as political analysts have warned, although the change from the cold war psyche to a relaxed international environment promises a welcome alternative to the tension and confrontation of the past, it should not give room for unnecessary euphoria because of the many uncertainties in the present situation. In fact, it appears the future harbours many unanswered questions.

The influence of the cold war on Africa, Asia and Latin America was pervasive and in some cases profound. In spite of the emergence of the idea of the Non-Aligned Movement in the 1950s, most of the countries of the Third World did not escape the contagion of super power ideological polarization. Many of the non-aligned countries even had military cooperation pacts with the superpowers or their allies and they were consequently involved in the arms race.

Like the other parts of the Third World, Africa too became a victim of the ideological division between East and West. Although the Soviet Union was not a colonial power in the classical sense of it and consequently had no colonies in Africa, it succeeded to a very large extent in carving for itself areas of influence by virtue of the preponderant role it played ideologically and militarily in Africa's liberation struggles in the 1950s and the 1960s. The continued economic and military assistance of the Soviet Union to the newly-independent countries helped to strengthen the ideological position of the East in Africa.

The effects of cold war politics on Africa are mixed, and in the main negative. In a positive sense, cold war politics encouraged and assisted the course of political emancipation from what is perceived as Western colonial domination. Apart from the fact that the declarations of the United Nations Charter accorded legitimacy to the right of colonized peoples to independence, liberation struggles in Africa received considerable military and moral support from the Eastern bloc. Secondly, Cold War rivalry impelled the superpowers and their allies into some competitive economic assistance to the newly independent African States in the 1960s.

On the other hand, the involvement of the new states in super power ideological politics aggravated their internal conflict and encouraged instability. Besides, the readiness of the super powers and their allies to supply arms to Africa encouraged unnecessary arms build-up in the new states and diverted resources meant for development to unproductive and wasteful ends.

At the continental level, every issue was seen with the prism of the Cold War. Consequently, African States could not take objective decisions or reach consensus on issues vital to their interests. The division of African States into Casablanca and Monrovia groups in the early 1960s for instance, was a result to the ideological polarization of African leaders at that time, along the West-East divide. Even when

the OAU was eventually created in 1963, this congenital discord among the two groups hindered the successful pursuit of such objectives as common and collective security, economic and political union of the continent, etc. To cite another example, the crisis of the Congo in the 1960s and the tragic aftermath were externalised as the unfortunate consequences of the cold war in Africa.

If, at the political level, the foregoing represents examples of the effects of Cold War politics on the continent, the picture is more depressing on the social and economic platform.

By the 1970s, the euphoria that accompanied Africa's political independence had virtually disappeared. The 1980s were worse years in economic and social terms and were rightly referred to as the lost decade. The list of Africa's social, economic, and human problems is long.

In a lecture in June this year, entitled *De-Marginalising Africa*, I cited socio-economic indicators to show that Africa is in crisis, and that it is being marginalised on all fronts by the international community and sadly enough by itself.

Whatever statistics we cite, the picture is one of a continent that can be described as derelict, despondent, disillusioned and detached from the main stream of the rest of the world. Most socio-economic indicators depict the continent as losing its shares in world trade and manufacturing, even as its relative global proportions of such negative indices such as poverty, infant and maternal mortality and illiteracy are increasing. The most visible indices of Africa's increasing marginalisation are its sharply declining shares in world's exports, imports, foreign direct investment and official development assistance. The persistent deterioration of Africa's terms of trade is also an index of relative regional deterioration. Unbearable external debt burden is another graphic measure of Africa's deteriorating global position.

This is indeed a hapless picture and represents the situation on the continent as the Cold War ends and the world order changes. It will be appropriate now to examine what the observable implications of the changing international order for the African region are. What is the place of Africa in a post-Cold War global system?

Africa and the "New World Order":

The political and economic restructuring that took place in the Soviet Union and the subsequent changes that swept through Eastern Europe have produced far-reaching political implications world-wide among which we have noted, most significantly, the end of the cold war, the end of super power ideological and strategic confrontation, the dissolution of the socialist bloc of Eastern Europe, the drastic slowing down of the arms race, and the high-tide of pro-democracy and liberalization movements globally.

For Africa, the implications are manifest in the domain of conflict resolution, renewed surge of pro-democracy agitations and the general effects on the economic relations and prospects of African countries in the emerging world order.

The decision of the Soviet Union to re-order its global priorities and re-define its commitments to its allies also affected its satellite socialist states in Africa. In practical terms, this re-definition involved the withdrawal of both economic and military assistance to these countries which had hitherto heavily relied on the Soviet Union for support.

The withdrawal of Soviet military aid coupled with the spirit of cooperation and understanding between the super powers facilitated the resolution of a number of conflict situations in Africa. For instance, the withdrawal of military aid and the evacuation of Cuban soldiers from Angola speeded up the independence process in Namibia. Of course, this process was also encouraged by the political acumen and foresight of Namibia's leading political figures who had opted for the adoption for the country of a constitution which embodied, among others, the principles of multi-party system, justiciable bill of rights, free press, limited presidential tenure, etc. A favourable international and domestic environment was thus provided for Namibia's independence.

Even in South Africa itself, the wind of change blowing through the apartheid enclave and the near resolution of its problems are also partly attributable to the withdrawal of Soviet threat in that region. The "Mandela Factor" which has now become a living reality is as a result of a new thinking in South Africa, a fact reflecting the global liberalization mood of the times and emanating from the events in the

Soviet Union and Eastern Europe. The experience in Ethiopia also is indicative of the hollow base on which many dictatorial regimes in Africa rest. The end of the protracted armed conflict in that country was abruptly brought about by the withdrawal of Soviet aid to the dictatorial Marxist government.

The undisputable conclusion from these examples is that the end of the cold war encouraged the process of conflict resolution in Africa. One other significant implication of recent world events on developments in Africa is the encouragement given to pro-democracy movements on the continent. The winds that swept away corrupt dictatorships and autocratic one-party systems and state structures, inefficient systems and unresponsive social institutions in Eastern Europe are not unfamiliar to Africa.

But their success provided moral encouragement to their counterparts in Africa which were smouldering or dormant. Hitherto, pro-democracy movements in Africa were either suppressed or tagged subversive by the eyes of the outside world. The withdrawal of Soviet support from those regimes in Africa which camouflaged their dictatorship under the banner of socialism strengthened the ranks of existing pro-democracy movements on the continent and increased their chances of success.

Furthermore, the demise of communism helped to expose those right-wing dictators in Africa who firmed up their repressive rule on the premise of containing the spread of communism, and made their further existence unjustifiable. The result is that, in Africa today, both the left-wing and the right-wing dictators are being forced by popular pressure to accept a policy of democratization based on pluralism.

The factor of conflict resolution and political liberalization in Africa described above is indeed a welcome trend on the continent. It is a phenomenon that relates to governance and political leadership in Africa. We may be entering a new era on the continent in which the leaders will no longer choose to ignore the voices and the votes of their people and trample upon their fundamental human rights. The present situation, if managed and harnessed properly, may open the way to security and stability which are indispensable for social and economic development.

Attractive as this trend may be, the vacuum created by the collapse of communism and consequently of Soviet influence in Africa predicates inherent dangers for future developments in the region. With the socio-economic inequalities characteristic of the capitalist system, the question arises whether, in the long term, a democratic welfarist model would not provide a better and more sustainable solution to the development problems of Africa.

An obvious cause of unease in the region is what is seen in some quarters as an attempt to impose Western democratic models lock, stock and barrel on African countries as a condition for economic assistance for development. Democracy to endure must be home-induced, home-growth and home-sustained. Africa has a tradition of some form of democracy which should not be completely discarded but be allowed to evolve and develop, and that a single model of democracy may not be applicable to all societies. Moreover, the democratization process might take more time in some countries than in others.

To make democracy grow and flourish, it will be necessary to exercise patience and tolerance and make allowance for cultural peculiarities. It should also be realized that under the present African situation, "while good government is a necessary condition for development, it will not be sufficient by itself, in the light of crushing debt burdens, falling commodity prices, inadequate flow of resources, to meet the social demands that will invariably accompany free speech and pluralist democracy".

In other words, how durable will the resolution of conflicts on the continent be or how will popular democratic process endure, if the chronic developmental problems are not tackled and solved? The swapping of ideologies is not just sufficient to provide relief for Africa. Democracy and poverty are strange bed fellows. Conflict resolution and democratic reform will be fragile and inconclusive unless they are matched by resources to accelerate economic growth and enhance human development in Africa.

Africa's Economic Prospects in a "New World Order":

Present socio-economic indicators underscore the marginalised status to which Africa has been reduced particularly within the last decade. The non-democratic and autocratic nature of most regimes in

Africa has, more than any other factor, undermined the continent's potentials and opportunity for sustainable economic development and growth.

Right now, the global economic prospects of Africa do not appear quite bright under the emerging world order. From the 1990s right to the opening decades of the twenty-first century, the world economy is going to become more and more competitive, with the emergence of economic blocs and trade zones. The European Community from 1992 promises to provide added opportunity for increased trade between Africa and Europe. The whole of Europe is going to become a great economic market and exchanges between East and West will increase considerably.

But, the opportunities are not going to be offered to Africa on a platter of gold. African states must brace up to face the challenges because the competition is not going to be easy. To be able to partake in the expanding trade environment emerging in the world and in Europe most especially, they must carry out radical reforms in their economy in tune with the politico-economic mood of the times. The new political thinking, the objective of which is the complete dismantling of all authoritarian regimes in Africa must be accompanied by a similar thorough-going restructuring of the economy. The released energies from the political and economic renewal process on the continent must be channeled into productive forces at all levels in order to revive and sustain the present tottering economy.

To appreciate the magnitude of the challenges which African states face under the emerging world economic system, it must be realized that for a number of reasons, internal and external, the dynamics of global economic permutations tend to operate negatively against Africa's development calculations. This situation is by no means improved by current political events in Europe.

The impact of the Soviet Union's policy of global disengagement and the subsequent political changes in Eastern Europe had far-reaching political, military and economic effects in the Third World, and in Africa in particular. Apart from the cessation of military aid, this policy brought about a drastic reduction in the volume of economic assistance from the Soviet bloc to African countries. Right now, it is hoped that the evolution of events in Eastern Europe will not diminish

or erode from the understanding and cooperation which have developed between these countries and Africa for over thirty years.

The dissolution of Eastern Europe as a socialist bloc and the attendant radical political transformation that followed has attracted the attention and the economic interest of the West and has opened the way for massive investment opportunities in those countries, seemingly at the expense of the poorer and more needy countries of Africa. It is true that Eastern European countries provide a better and a more conducive investment environment for the West than Africa, in terms of infrastructure, proximity, cultural affinity, etc. It is equally true that these countries have put forward a host of incentives to attract foreign investors, the type of which African states are not in a position to offer. Besides, from the point of view of political sympathy and self-interest, massive resource flow from the West could be justified on the grounds of the need to rescue Eastern Europe from communist domination.

But it is common knowledge that the marginalisation and the precarious socio-economic conditions of Africa predate events in Europe. Yet Africa has never enjoyed similar relief package from the West.

Not only is the near-spontaneous increase of resource flow from the West to Eastern Europe remarkable and almost unprecedented, the magnitude of it is unparalleled since the Marshall Plan. The establishment of the European Reconstruction and Development Bank (ERDB) for the rapid modernization of Eastern European economies institutionalized and crowned the appropriation of development finance. Eastern Europe, must receive attention and assistance from the West because an economically improved and politically stable Eastern Europe is an advantage to the economy of the world from which Africa should eventually benefit. But that is in the long run. Between Africa and Eastern Europe there should be feeling of empathy, understanding and accommodation and not recrimination, fear, suspicion and antagonism. There is enough for both regions to have adequate resources and attention to make a difference to their economic situations and consequently leading to the revitalization and improved health of the world economy. Both regions should be calling for adequacy of resources and attention to them separately and collectively.

For Africa, resource diversion has now become a naked and troublesome fear. Hitherto, resource flow to Africa only came in

trickles. With developments in Europe, the inevitable question is whether this meager flow will continue. Will direct foreign investment and ODA not decline further for Africa, now that most OECD members are paying more attention to Eastern Europe? For instance, there are proposals recently among donor-countries to set ODA targets for Eastern European countries almost at double the level meant for the least developed countries, which are of course mainly African countries. Direct foreign investment in Africa which stood at \$2.4 billion in 1982 fell to \$0.8 billion in 1987, and this is likely to fall further in view of the present requirements of the Eastern European countries. Can these be justified and substantiated in absorptive capacities alone?

Although we would like to remain optimistic that Europe 1992 will provide wider trading opportunities for Africa, attendant developments of the European community may deflate this optimism. The emerging Europe, even without the expansion of the twelve to admit the newly democratic Eastern European countries, will forge closer economic relations, closer security cooperation and closely harmonized foreign policy. In other words, Europe will speak more with one voice. That should normally in a way augur well for global action in areas of concern to Africa.

The march towards full integration of the European Community itself by 1992 embracing the enormous economic potentials of united Germany risks diverting from Africa the attention of big investors from North America, Europe and Asia to Europe which promises to be the biggest market yet. What is more, an enlarged, strong and integrated Europe could give rise to a Euro-centrism and lead to a protectionist Europe which, in terms of trade relations, may create problems and prove unhelpful for the ACP countries. Even right now, the ACP countries face declining trade possibilities as a result of ad-hoc preferences granted to products from Eastern European countries irrespective of any preferences that may have been accomplished in the context of the Lome agreements between the European Community and ACP countries. To compete successfully in the market of the emerging Europe, the ACP countries particularly Africa will have to put their house in order, understand the rule of the game and give aggressive pursuit.

Africa stands to lose in several other ways, relative to Eastern Europe. Future ODA flows commensurate to the challenges of Africa

are unlikely to be provided. Eastern Europe will make increasing claims on the resources of international financial and development institutions, inevitably at the expense of the Third World. The volume of resources available for rescheduling, reduction or outright debt forgiveness for African countries will, shrink. The best brains or talents in government, multinational and medium-sized corporations and banks in the West will be assigned to programmes and projects in Eastern Europe. Political and media attention and concern will be diverted from the Third World, particularly Africa, to Eastern Europe.

Even at the global level, African countries face the threat of economic isolation. The emergence of regional economic blocs in many parts of the world risks leaving Africa isolated in the present emerging global economic configuration. The following groupings have already emerged or are likely to emerge: Europe - 1992; North and South America zone; North America zone to embrace the US, Canada and Mexico; Japan and South East Asia; Pacific economic cooperation zone; the Middle East region because of its oil and strategic location. Under the circumstances, self-reliance, rapid physical and economic integration of the African continent are indispensable for Africa's economic survival in the 1990s for socio-economic transformation and competitiveness with the rest of the world.

Viewed against the near-spontaneous reaction of the West to the situation and developments in Eastern Europe, the attitude of the major international economic actors to the present human and economic problems of Africa provides scant comfort. At their meeting in London in July, the seven major industrial democracies and the representatives of the European Community noted the progress by African governments towards sound economic policies, democracy and accountability which they felt was improving prospects for economic growth on the continent, and they promised continued support to Africa, "focused on stimulating development of the private sector, encouraging regional integration, providing concessional flows and reducing debt burdens".

Although they declared that Africa deserved their special attention, it was evident that they were not by any means disposed to encourage and support democracy and current developments in Africa with the same spontaneity and similar magnitude of resource flows which they put at the disposal of Eastern Europe.

It is conclusive from the scenario presented above that the

international economic environment which has hitherto not been favourably disposed towards African initiatives at development and survival has not changed, even with the euphoria of a new world order. In fact, it appears that African countries are finding themselves pushed more and more by evolving world events to the periphery. The entire experience of African states for the past three decades is a cheerless picture.

But should we raise up our hands in despair? Of course, not. The trend is reversible. History is replete with the rise and fall of peoples, of nations, of kingdoms, of empires. What Africa needs is to make conscious efforts to redress the distressing and depressing situation of the present and outlive its inabilities. New initiatives are needed to achieve effective political and economic restructuring of society. Responsive and effective governance is required to motivate economic growth, promote human development and, at the same time, re-attract and revive the dwindling interest of the international community for Africa's development efforts. This can only be achieved, in sum, in an atmosphere of peace, security, stability, cooperation and development.

A Framework for Progress:

In search for a meaningful solution to their problems, African states now fortunately have at their disposal a set of interrelated pre-conditions that must be instituted and institutionalized to meet the aspirations of their people for responsive governance and for development, and which would at the same time elicit the cooperation and support of the international community.

In May this year, participants from Africa converged in Kampala, Uganda, to deliberate on the issue of security, stability, development and cooperation in Africa. This was the CSSDCA process modelled on the Helsinki process but with African realism. The Kampala Document which was the outcome of the deliberations stipulated that peace, security and stability are the pre-conditions and the basis for development and cooperation in Africa. The security, stability and development of African states are inseparably interlinked; the erosion of security and stability is one of the major causes of the continuing crises and one of the principal impediments to economic

Popular participation and equal opportunity and access must be promoted and sustained as a crucial basis for the realization of Africa's development objectives. Domestic partnership in development should be promoted. Leaders and the governed should assume responsibilities for various aspects of development. Leaders should provide the vision that guides development. This development process is to create a truly people-centred development. Out of pragmatic necessity the CSSDA process addresses limited but key development issues to ensure a realistic chance of success.

The Kampala Document also provides a framework for collective action and for cooperation on continental, regional and international basis. It provides for cooperation between African states, between South and South and between North and South; economic integration of African states in the African Economic Community; joint development of common natural resources; inter-dependence based on beneficial cooperative relations with other developing and industrialized nations; supranationality based on the need to devolve certain key responsibilities to continental institutions.

The CSSDA process has thus charted an invaluable course and framework for Africa's development based on self-reliance, effective and responsive governance, regional integration and international cooperation.

Integration and cooperation are to be guided by some basic common policy measure. If orthodox technical cooperation has not yielded satisfactory results for both donors and recipients, and if projects like the UN programme of action for Africa's economic recovery and development has made very little impact due to lack of support for Africa's reform efforts, a new attitude, a new approach to technical cooperation should be on the basis of a compact that can challenge and satisfy both sides through target and objective setting, and through monitorable results, involving donor agencies and the private sector in the donor-countries as well as the NGOs and the government in the recipient-countries.

At the same time, efforts should be made to enhance endogenous institutional capacity beginning with cooperation in ensuring communal efforts, peace and security within the locality, the nation, at sub-regional and regional levels, and motivate incentives for develop-

ment and increased assistance.

I should like to conclude by stressing that African countries cannot successfully embark on the road to economic recovery and sustainable development unless the chronic problems of debt burden is resolved in Africa's favour. A crushing external debt burden is another indicator of Africa's deteriorating global position. Africa's debt multiplies at an average annual growth rate of 10 per cent. Estimated at \$48.3 billion in 1978, it rose to \$230 billion by 1988 and \$250 billion by 1989. Unfavourable lending conditions have aggravated the burden. With interest rates rising from about 6 per cent in the 1970s to over 10 per cent in the 1980s, rising interest rates now constitute about \$75 billion of the total stock of debt.

With the outbreak of the debt crisis, and a number of countries no longer able to make repayments when due, a series of measures have been proposed in the recent past to deal with the situation, but none has proved adequate or satisfactory so far. Measures such as Baker Plan, Brady Plan, Toronto Guideline and Trinidad Approach have their inadequacies. While accepting the principle of joint responsibility and joint solution by creditors and debtors, each of these measures does not provide modalities to ensure discipline with development and growth in the debtor-nations. At the same time, while creditor-nations are worried about the danger of a one-year debt write-off, they want to see a genuine change of attitude, improved discipline, accountability, adoption of market economy and democratization by the debtor-countries.

I would like to proffer a solution which would take cognizance of the fears and aspirations of creditor-nations without sacrificing the developmental aspirations and capacity of debtor-nations. In the first place, the debtor-nations should embark on a policy of self-induced or self-imposed sacrifice or *conditionality*, such as would elicit relief from creditor-nations and institutions. These self-imposed conditions would be based on, among other considerations, on political reform, economic discipline, social equity, commitment to the rule of law, limitation of military expenditure, and environmental development.

As a second step, with these self-imposed conditions as guarantee, the terms of a new debt relief package should be based on the freezing of the debt principal for a period of twenty years or more; and on the cancellation on annual basis of their debt interest, thus relieving debtor-nations of current debt servicing burdens.

This should be a compact between the debtor-nation and the creditor-nation on the basis of agreed programme and openness. Defaulting on agreed programme should lead to a one-year period of grace to change, failing which payment of interest should be re-imposed. The IMF should supervise the programme and monitor defaults on commitments.

Sincere commitment to and the execution of this strategy based on these contractual programmes would encourage creditor-countries and multi-national agencies, and at the same time release local resources for high-priority development programmes for Africa.

The debt problem in Africa is not only a financial problem, it is also a developmental and management problem. The solution must be all-embracing. It must involve debt relief, capacity building, democratization, accountability and instituting sustainable sound policies committedly executed. The African situation is not a basket case. It is a calabash case, and its reversal is essentially the challenge of leadership.

5

Prospects for Peace in Africa

What I want to do for the little time we have left is to emphasize the interrelationship between economic development and growth, democracy and security and stability. Almost everybody who has spoken so far today, starting from his Excellency Salim Ahmed Salim through to the lunchtime keynote address, has made this inextricable interconnection. Peace is a precondition for democracy, and for economic development and the welfare and well-being of our people.

Let me quote from the report of the OAU Secretary-General, which he gave to the council of ministers only last month in Addis Ababa: "Conflicts have for long been a problem with us. We have accepted to deal with them at various points in time... We have witnessed dramatic deterioration in the situation in the continent. The shocking images of walking human skeletons in Somalia do vividly come to mind and may never be completely erased from our memory. Africa watched in apparent helplessness while the carnage went on there".

The situations in Liberia and Angola also evoke feelings of sorrow, revulsion and anger in every African. Sorrow because of the death and misery and anger because of the apparent helplessness of Africa. And even the simmering tensions in Togo and Zaire have added to the feelings of despair and fury". Quotation from the address of the Secretary-General of the OAU, Salim Ahmed Salim at the fifty-seventh ordinary session of the Council of Ministers in Addis Ababa, February 15 - 19, 1993. That description is incomplete because Mr. Salim Ahmed Salim did not comment on the situations in Rwanda and Sudan which were equally deplorable and the uneasy calm in Mozambique, South Africa.

Until recently, major thinking in conflict management and resolution tended to focus mainly on inter-state wars. Although Africa was no exception as most of the initial troubled spots in Africa were largely boundary disputes. Although issues of self determination, identity, ethnic rivalries were to subsequently gain prominence, most of the troubled spots of Africa remained essentially results of intra-national wars. Most of these conflicts arose most of the time out of refusal to resolve fundamental questions of nationhood.

The prominence of intra state wars in Africa is largely to be expected as most African states at independence were characterized by institutional fragility, a political structure and process that was more of a precarious balancing act and thus a political chessboard with a surfeit of kings and queens which literally reduced every move to a dangerous adventure. The overwhelming intensity of the Cold War era aggravated and further compounded most of these conflicts. In consequence, most of the conflicts that would otherwise have landed themselves to easy resolutions became intractable and with time became wars of attrition.

In the last eight years the number of major conflicts in Africa had remained constant at about a dozen with varying intensity. On the 7th of February, 1993, the New York Times was reported to have published a list of 48 existing and potential violent conflicts. Out of the 48, nineteen are new conflicts that have erupted between 1992 and now. 10 out of the new entrants into this unattractive club are from Africa including my country Nigeria. Destabilization of peace in Africa is fundamentally caused by the issue of identity which is essentially the root cause of conflict world over. This is often exacerbated by human greed, injustice, lack of equity, domination and oppression. But in Africa these situations are even made worse by the endemic poverty and the external influence of the Cold War years.

Although the Cold War had been declared over between the East and the West with the pulling down of the Berlin Wall and the apparent solidarity of the permanent members of the U.N. and the economic superpowers in fighting the Gulf War. Hot wars/battles emanating from the Cold War or exacerbated by it are still being waged in Africa. The hope or the expectation that the end of Cold War will bring eternal peace to Africa is becoming illusory. Of course it can be

argued that maybe too much is being expected much more too soon.

It is unlikely that the issue of basic identity will be eliminated from any nation except with the most heinous crime of genocide which today is masked under ethnic cleansing in parts of Europe. In any case, diversity of identity normally enriches a nation. But the issues which fed on identity to exacerbate division and to lead to conflict and lack of peace can be tamed, controlled, curtailed and managed and the instruments in terms of access to arms and armament being limited, reduction and elimination of military weapons.

There are four broad issue areas that must be addressed if we are to talk of promoting lasting peace in Africa. These are:

- a. Redirecting the mind
- b. Redefining sovereignty
- c. Redefinition of Security
- d. Institutionalization of democracy

The mind must be the first object to attack if there will be enhanced prospects for peace in Africa. The value and ethical orientation of leaders and followers in Africa will have to be essentially re-directed or changed. The traditional values of love and brotherhood, hospitality, communalism have been gradually eroded to the point of non-recognition or non-existence in some communities. So have the ethical considerations of justice, reciprocity and equity. The pull and push and the demands and the scarcity of resources have fed on man's natural inclination and penchant for greed to turn us from our brother's keeper to his brother's hunter. We must deliberately seek to cultivate a new culture of forbearance, tolerance and a love of peace. This must be pursued as a life long process. It must be made to permeate household, the community, our various nations and even at the international level.

The concept of sovereignty in an interdependent world must not be seen in terms of absolute sovereignty of each state but in terms of cooperation and collaboration for the overall interest of all.

There must be a vision of national security which is broader than the conventional narrow focus on military or strategic security.

Welfare must condition security rather than warfare. And many of the dangers to African security and survival - population, environment, poverty, disease and drugs cannot be dealt by reducing armaments alone neither can it be dealt with successfully unilaterally by one nation. The increasing awareness of the limitation of the nation-state to provide security for its citizen alone by itself, the awareness of peace as the foundation of all wholesome human interaction and endeavour and the concept of security to include the welfare and well-being of individual, the family and the community to participate in the political, economic and social life of their nation unfettered will enhance peace in Africa. Security must at all times be taken beyond the narrow confines of its traditional definition. It must be seen to include food security as hunger is one of the potentially destructive and a major catalyst of conflict.

After inadequate performance of other forms of government since independence, democracy is now being seen almost through Africa as a worthy form of government. It has the intrinsic value of seeking the consent of the governed. It releases energies for development. It has mechanism for preventing and resolving disputes and conflicts through dialogue, discussion, debate, consensus, mediation and conciliation. It should guarantee basic freedoms and fundamental human rights including economic and social rights.

Conflict resolution may remain the final objective but conflict prevention has gained the currency it should have had at the beginning. It is for the moment the kernel of the U.N. Peace Agenda and it is rightly described as preventive diplomacy. To quote the UN Secretary General, effective preventive diplomacy, is "action to prevent disputes arising between parties, to prevent existing disputes from escalating into conflicts and to limit the spread of the latter when they occur".

There are prospects but it must be in effective conflict prevention, and conflict resolution. The responsibility must start from the national level. In Africa it has become evidently necessary that we evolve a corps of mediators, respectable and respected, responsible and influential who can anticipate potential conflict sniff these potentially volatile situations and who can take the initiative to snuff out these conflicts before they escalate into major violent outbursts. The carnage, the destruction and the waste that attends conflict

prevention must be avoided. At the regional level the mediatory roles, capacity and capability of regional organizations must be fully utilized.

Even more importantly they must be empowered to adopt a pro-active capability to conflict prevention. In effect they must hold themselves ready and willing to step into potentially explosive situation and evolve leeways that can allow boiled tension to subside. In achieving all these the organizations must have the means to be effective. In some cases it can be really effective only with the support of the international community. I say this because the challenges confronting us in peacemaking in the future will be decidedly different. As I have said above the mental disposition of even our conventional soldiers would have to be decidedly different. Accurate and timely facts and data gathered on the economic and social dimensions of conflict would remain a strong point in the process.

The concretization of all of these would also require advancing the process of the on going pro-democracy movements. The essential task in these regards is that of Africans themselves and they have begun but are still a long way off. Through internal agitations and external pressures some changes are taking place in Africa to enhance prospects for peace. But more needs to be done and can be done. The pace of democratization process which seemed to be steady two years ago, is not stalling. Africa needs greater external pressure to maintain the momentum. The USA's liberal heritage makes it incumbent with the end of the Cold War to encourage the defence of human liberty and fundamental human rights everywhere.

In spite of its intrinsic value, I still believe that democracy will take root fast and firmly in a society where democracy goes hand-in-hand with prosperity of the government. Democracy and poverty are strange bed-fellow. Democratization process may in the short-run exacerbate dispute and conflict. Increased prosperity may blunt it. Debt is the greatest bane of Africa's economic well-being today.

Let me say here that there is another illusion that democracy by itself will resolve all African conflicts and put peace in place. Quite unfortunately we seem to be making the same mistakes African nationalists made in the early days of independence struggle when they believed that the ultimate was to seek first the democracy kingdom in the false and unfounded belief that all else would be added thereafter. In essence democracy is being seen as a means to two ends; the ends of peace and security and the ends of economic prosperity because of

the perceived economic redemption that democracy is expected to foster.

While democracy is a worthy form of growth it may not necessarily overnight bring about peace or increase the availability of bread to share. Even where the bread is available, affordability may still be denied to a lot of people. The aggravation of a sense of deprivation may become a veritable source of conflict.

In essence economic democratization must be seen as a concomitant or the corollary of political democratization. It is in fact and indeed the flip side of the same coin. Economic democratization is a process of qualitative and quantitative resource management within the framework of a mixed economy which possesses in-built and autonomous mechanism for equity, empowerment and capacity building and in which access to the system is open, free and equal. The process encourages initiative and participation by the citizens and rewards these generously, resulting in optimum positive beneficial transformation of the lives of the people. Perhaps the most important point to be stressed from the foregoing is that economic democratization must lead to empowerment and capacity building of and for the people. It must lead to enabling them to perform by providing the right policies and assistance to them towards the objective of sustained economic performance through initiative and entrepreneurship. This, inexorably, leads to the beneficial transformation of their lives.

Permit me to sound a note of caution here. Democracy, as an end in itself, makes for sustainable good government, which enhances the citizen's quest for happiness. Particularly, from the African point of view, it is also hoped that democracy, while making for good government and freeing the bottled up capacities of the people for initiative and entrepreneurship will end up in the beneficial transformation of the lives of Africans, most of whom live below the poverty line if looked at from the advanced economies' precepts. But even if looked at from the peculiar view-point of Africans, the social cost of our present economic crisis is better described than experienced. To sustain democracy in Africa, as such, the present state of affairs, whether by action or inaction, must not be allowed to remain. The hope and promise that democracy holds out for our people right now has to do with having their lives go forward.

For areas where conflict has raged, the process of reconciliation must be continuous to the ballot box and beyond. For instance a number of lessons can be learned from the Angolan experience.

1. While multi-party democracy is to be ensured, multi-army presence at the national level is counter-productive and destructive to democracy.
2. Confidence building and reconciliation must be an essential part of the democratization process.
3. The presence of international observers does not necessarily lead to acceptance of the legitimacy of the results if all parties do not play according to the rules and especially if the international community is not ready to enforce observance of agreed terms of settlement and negotiation.

In the search for a meaningful solution to their problems, African states now fortunately have at their disposal a set of interrelated pre-conditions that must be instituted and institutionalized to meet the aspirations of their people for responsive governance and for development, and which would at the same time elicit the cooperation and support of the international community. One of such initiatives that can contribute towards the concretization of the agenda for peace in Africa is the effectuation of the Conference on Security, Stability, development and Cooperation In Africa (CSSDCA).

In May 1991, about 500 participants from different parts of Africa and the international community converged in Kampala, Uganda, to under the auspices of the Africa Leadership Forum, a Non Governmental Organization which I established in 1988 to deliberate on the issue of security, stability, development and cooperation in Africa. This was the CSSDCA process modelled on the Helsinki process but with African realism. The Kampala Document which was the outcome of the deliberations stipulated that peace, security and stability are the pre-conditions and the basis for development and cooperation in Africa. The security, stability and development of African states are inseparably interlinked; the erosion of security and stability is one of the major causes of the continuing crises and one of the principal impediments to economic growth and human development on the continent.

The Kampala Document further noted that peace constitutes the basis of all human wholesome interaction and with peace should go security. Lack of democracy, denial of personal liberty, abuse of human rights, are the causes of insecurity. The concept of security transcends military considerations. On the one hand, it includes conflict prevention, containment and resolution, and derives from common and collective continental security. On the other hand, it embraces all aspects of the society, including economic, political and social dimensions of the individual, family, community, local and national life. By this, it is understood that the security of a nation must be construed in terms of the security of the individual citizen not only to live in peace but to have access to basic necessities of life, participate in freedom in the affairs of society and enjoy fundamental human rights.

The issue of stability is equally important to development. Promoting political and social stability in individual African countries is, therefore, a key component of the CSSDCA process. Under the stability guidelines, all African states are to be guided by strict adherence to the rule of law, popular participation in governance, respect for human rights and fundamental freedoms; political organizations should not be based on religious, ethnic, regional or racial considerations; there should be transparency in public policy making; and absence of fundamentalism in religious practice.

In like manner, for the purpose of economic development, African states are to subscribe to certain fundamental principles under the CSSDCA process. Development based on self-reliance is the only viable basis for Africa's self-sustaining economic development and growth. Rapid physical and economic integration of the continent is indispensable for Africa's socio-economic transformation and survival, and for her competitiveness with the rest of the world in the 21st century.

Drawing on the generations of experience in Africa one of the kernels of the Kampala Document is the recommendation for the establishment of an African Elders Peace Council. The Kampala Document stated inter alia that "to move Africa from the confinement of purely reacting to events, to a capacity of anticipatory and containment measures for its security, an African Peace Council should

be formed and charged with the task of ensuring that Peace and harmony reigned in the continent and a state of intra-African and inter-African tranquility is created and maintained. The African Peace Council under CSSDCA, should be pre-eminently comprised of the most distinguished personalities and African elder-Statesmen..." Africa's pre-colonial political structures referred to age and wise counseling. The political processes thrived on the ability of the centres of influence being able to hold society together during moments of drift and were able to douse possible conflagrations in moments of inflamed passions. That is a past we should not throw away. It is a solid basis and foundation to build our peace strategies for the future.

Thank you.

6

The Politics of International Debt

When I was subtly approached to give the first lecture for one of the latest addition to our burgeoning civil society sector, my initial reaction was to decline. I have already given two major speeches this year on the state of our nation as I saw it. But when the representative of the association who spoke to me insisted that I consider the topic, he succeeded in preying on the special attachment I have towards a search for the solution of African or developing countries' indebtedness. So, I accepted to lead what I hope will be a serious and useful discussion this evening.

The debt crisis is one of the most serious problems that Africa faces as the curtain is about to be drawn on this century . The crisis is bound to continue to have serious debilitating effect on the totality of our lives on the African continent for some time to come.

In dealing with the debt problem, we have been labouring under various economic theories and prescriptions, the most recent of such economic solutions being the IMF/World Bank imposed SAP. I will say no more on SAP. Nonetheless, I cannot but be amused these days when the high priests and founders of SAP on the Nigerian scene now openly and belatedly seek to dissociate themselves from it by passing the buck. The moral in the exercise is plain.

The debt problem is more than an economic problem and I assume that the realization on your part that the quagmire in which we have found ourselves is not just a question of finding the right econometric model has led to the formation of your organization. Lawyers are as crucial to the management of sovereign indebtedness as economists or accountants. Badly drafted or one-sided loan

agreements account for part of our indebtedness today.

In the past and probably up until now, we embarked on loan negotiations without having lawyers on the negotiating team probably as a result of false thinking that the lawyer only needs to be involved when the loan agreements are to be executed.

But our creditors, being well-prepared, have always had lawyers behind the scene who work relentlessly to insert onerous clauses in our loan agreements. The result today is that even though we borrowed, in some instances to execute projects, even when it can be proved that there was a collusion between the lender and the supplier from the beginning which resulted in a failure to receive goods or services contracted for, we are still unable to walk away from re-payment.

I can go on and on to examine various issues that succinctly bring the lawyers' role to the fore with respect to debt management. But if I were to continue along this path, an unintended by-product of my effort could be free public relations work for lawyers. But then lawyers are not known to offer free services. So, I will today focus my attention on the importance of politics to the solution of our sovereign indebtedness. I maintain that any effort by the African people in trying to wriggle out of the debt crisis without a proper focus on politics is doomed to fail. To start with, however, there is the need to set out with an understanding of how we got into the quagmire as well as the current situation on the sub-Saharan African indebtedness.

Present Debt Crisis:

It is usually posited that present crisis broke in 1982 when Mexico found itself unable to meet its debt obligations. But as I intend to show shortly, sovereign default in meeting of obligations to repay debt is as old as the period of the industrial revolution if not earlier. For now, however, I will explore some of the factors that got us to where we are today.

There is nothing wrong in borrowing in the modern world economy. It is a means of development. But I must enter a caveat; such borrowing must be purposeful and productive and well managed.

And it is with respect to purposeful and productive borrowing, efficient and competent/fair management of our resources borrowed or earned that we as a people failed. At independence, partly as a result

of the scheming of our colonialists, (I will return to this shortly) we lacked the necessary capital formation to pursue modern agriculture and industrial development and growth. So, we started borrowing on the continent in order to meet the needs of economic development. Some of our development plans under the guidance of the World Bank depended almost totally on external sources for funding.

Even countries like Nigeria depended on the external environment for the implementation of our first and second development plans after independence. Thus, our own borrowing in Nigeria did not start in 1977 as some people have suggested. To cite two instances, we borrowed for the Kanji dam, we borrowed for Nigerian Railway extension to mention a few, all in early sixties but under more favourable terms than in later years.

The small amount of capital that could be internally mustered as well as the money we borrowed was in the large part mis-managed in our penchant for white elephant projects all over Africa. Misallocation and corruption were responsible for the failure of Nigeria to properly utilize the oil boom which started in 1973. Again, between 1979 and 1983, although we were earning about \$40 US on a barrel of oil at a particular time, due to mismanagement, we still found ourselves in dire economic straits. Stories abound of projects for which we are still paying the loans incurred within this period and in respect of which no site was cleared even after the loan had been fully drawn. Most of these cases of corruption could not have taken place without the active connivance and collusion of foreigners especially our suppliers and exporters and their backers and bankers.

Furthermore, the economies of most developing countries were over regulated. There were severe foreign exchange restrictions and import licensing requirements. The intention of these regulations were to enable the young governments on the continent to have control over their economies and their imports and therefore encourage growth in priority areas of agriculture, agro-allied industries, infrastructures, education and social services. Over-regulation, unfortunately resulted in bureaucratic coercion and corruption.

The debt problem arising after the oil crisis of 1973 was not created by the actions of the debtor nations alone. But even before then, there were other external factors that arose in the colonial and

immediate post-colonial periods. During the colonial period, investment from countries other than the metropolitan power were not encouraged in the colonial territory. In addition, the nature of metropolitan power investment was restricted to purely extractive industry and production of raw materials to satisfy the industrial needs of the metropolitan country. This investment policy did not encourage capital formation in the colonies but rather the flow of raw materials and primary products to the metropolitan power.

As the colonies gained their independence, the post-colonial nations began to put in place fiscal measures and laws which were intended to protect their local economy from inflation and invasion by cheaper goods and services from developing countries. The consequences of these policies were disastrous for developing countries as they resulted in higher interest rates and collapse of commodity prices. Higher floating interest rates meant higher and unstable cost of funds obtained for development projects.

Commodity prices collapsed as a result of artificial glut caused by tariff and non-tariff barriers established in industrialized nations and their use of synthetic alternatives. Then the various oil crises that the world has faced brought a lot of difficulty to the poor non-oil exporting countries of Africa. To start with, these countries had to pay more for energy. But more importantly for the present debt crisis was the accumulation of petrol dollars in Europe as oil producing countries lacking absorptive capacity started putting huge deposits into European banks.

Today's debtor-countries were goaded by commercial banks, (which had surplus deposits of petro-dollars to recycle), and the creditor-nations, which supported their banks. Let me digress a little, to share my own experience. In 1977 and 1978, at the time of slight dip in the oil market, international bankers were descending upon us in droves. They pressed the case that our economic strength was such that we were grossly under-borrowed, especially for a nation with our type of visionary development programme.

Our local community of economists and advisers came up with serious and credible arguments in favour of productive loans for development. They pointed out the virtues of being credit-worthy and made the case on how we needed such resources to pursue some of our developmental goals. Thus, we took the loan which today looks like a paltry sum of one billion naira. I definitely accept responsibility for

this loan that was channeled towards our development efforts. But I would like to note, however, that my government quickly responded to the dip in the in-flow of resources from oil by embarking on what the Nigerian people at that time called "low profile" and encouragement of local production and by so doing we were able to stem the tide and build huge external reserves for the in-coming civilian administration. We banned importation of what we could do without or what we could produce locally.

Unfortunately, our successors in governments did not follow in our foot step of frugality, moderation and encouragement of local production. For instance, self-sufficiency in rice and poultry production was replaced by the Presidential task force for rice importation and massive poultry importation. Tastes for exotic imported goods sharpened. Commitments became uncontrolled and uncoordinated. We incurred debt to import consumables and not for machinery and infrastructure. Our total external debt which stood at about 8 billion dollars in 1980, jumped to about 19 billion dollars by 1983. The government shunned frugality and embarked on an irresponsible spending spree and encouraged capital flight in the process. The chicken has come home to roost.

Reactions by International Financial Institutions:

The international financial institution for the regulation of the international financial system grew out of the Bretton Woods conference of 1944 during the World War II. It was at this conference that the allied powers, whilst the war was still raging, laid the foundation for the establishment of the IMF (International Monetary Fund).

Now, when the present debt crisis erupted in 1982 with Mexico about to default, the international financial system reacted in a panicky manner. The system feared a general default by other high debtor-nations such as Brazil and Argentina. Consequently, the IMF quickly gave current account support to Mexico and as part of its usual conditionalities ensured the institution of reformative programmes by the Mexican government.

The reformative or structural adjustment programme popularly known as SAP, was held out by the IMF to be the ultimate solution to

put the country back on its feet. The same medicine that was administered on Mexico has been given to each debtor-nation that has stepped forward for IMF assistance. But the economic base, infrastructural base and technological base not to talk of location of Mexico is different and what works for Mexico may not necessarily work for others.

The rationale for the initial reaction of the international financial system is that temporary debt relief to correct the balance of payment account is all that is required and that the debtor-country will commence full payment obligation as soon as its balance of payment difficulties are overcome. Naturally, this attitude was understandable, considering that the creditor-nations who control the international financial institutions took the position embodied in the latin maxim "pacta sunt servanda" meaning that contractual obligation must be met. It follows that early efforts of the international financial system at debt management was restricted to balance of payment account relief by IMF to ensure that the debtor-nation can meet its obligations to the international financial institutions.

Another institution that grew out of the Bretton Woods Conference was the International Bank for Reconstruction and Development (IBRD), better known as the World Bank. This institution was the main channel for funding the reconstruction of Europe after the Second World War. In the present situation it became involved in providing assistance for development projects in the Third World countries provided these countries follow the dictates of the IMF.

As if these multi-lateral institutions were not enough, the creditor countries came together under what is called the Paris Club, while the commercial banks came together as the London Club. These creditors' clubs then started the re-scheduling of outstanding debts.

Debts rescheduling merely postponed the payment of due obligation over a long period and capitalised interest on it. This method of debt management is defective in two respects. First, it simply postponed payment while the total debt stock of the debtor-nations accumulated, second, it did not aim at development and growth in the debtor-nation economy; rather it led to negative growth and underdevelopment.

The Baker Plan was conceived to address the issue of growth and development in the debtor-nations. The solution was thought to

be the injection of limited new money in debtor-nations for economic development as a reward for meeting previous obligations. The measures and the responses were inadequate. The commercial banks failed to respond.

As the debts grew, another plan, the Brady Plan was initiated. It called for a reduction of the debts owed to the commercial banks. After initial hesitation, the commercial banks have now accepted debt-reduction as a viable option for debt management and have been concluded under the auspices of the London Club. There has since been a number of pronouncements by creditor-nations under various tags, such as Toronto Plan; Trinidad Plan; Houston Plan etc. In addition, the creditors have started taking advantage of the privatization scheme that the IMF has been forcing on debtor-nations under SAP. This has taken the shape of debt/equity swaps. Other swapping arrangements such as debt/nature swaps are also springing up in places to encourage environmental protection. Some countries also convert a portion of their debts to other instruments such as, debt/debt swap.

The Statistics:

The relevant question at this stage is how has the debt management options put forth by the creditors helped the debtor-nations of sub-Saharan Africa. The fact of the matter is that most Latin American and African countries continue to sink deeper and deeper into the quagmire of indebtedness. Although the obligations of sub-Saharan African countries is not large enough to threaten the international financial market, the debt burden of sub-Sahara Africa is considerably heavier when other economic indicators (e.g GDP, GNP, Debt/Export Ratio, e.t.c.) are taken into consideration. Whereas in 1980 the total debt stock of sub-Saharan Africa was US\$56.2 billion, in 1991 it was US\$180 billion. The present figure for the whole of Africa is projected to be over US\$272 billion. Nigeria's total debt grew from about US\$8 billion in 1980 to US\$19.5 billion in 1985. Currently, it is estimated at about \$33 billion.

More than 45% per cent of the total debt stock reflected in the 1991 projected figures represent capitalised interest on the original principal amount owed. The World Debt Tables 1991 - 92 released by

the World Bank, show a gloomy picture indeed. For Africa, the debt service currently stands at 25% of total export earning. For Nigeria, the situation is even worse. The 1991 figures released by the Central Bank of Nigeria show that debt service ratio has risen to 50% of total export earnings. The trend continues in 1992. If this is allowed to continue unabated the time would come when 100% of export earnings would be applied to debt servicing, (as is already the case for some African countries), leaving nothing to finance development and growth in the economy.

Politics of Debt:

Is debt cancellation either by way of repudiation or forgiveness the best option? A lot of controversy has been raised on this issue. The creditor school of thought say that although it may grant immediate relief, it may have the effect of drying up future credit. This is a very strong argument indeed. But it is also a political argument. Let us look at what history teaches us on this issue.

At a recent discussion in Spain in which I participated, the Spanish President noted that the archive is replete with America's debt to Spain - unchallenged, unsung and unpaid. Of course, there is very little he or any Spaniard for that matter can do as the British and the French found out about the debts of some of the states of the United States in the 1840s. As Pius Okigbo pointed out about this period, "nine states of the USA stopped paying interest and two of them (Mississippi and Atlanta) repudiated their debts, one (Michigan) partially".

McCrane gives us an illustrative historical account of the reactions of Europeans at this time thus: "The vitriolic London Times indiscriminately denounced all Americans; and prophesied that the America's name would not recover for half-a-century from the slur which had been cast upon it by the temporary or complete failure of some of the states to pay their debts". The same American behaviour was repeated in the recession of the 1870s.

Rudiger Dornbusch has also pointed out that the Latin American countries have always found easy not only to repudiate their loans and get away with it, but return to the international financial market a while later to commence a new borrowing spree. All Latin American countries except one, defaulted in the 1920s and 1930s. Winkler, writing in

1933, provided us a vivid description of the Latino credit history when he stated: "The fiscal history in Latin America, that stretch of territory lying South of the Rio Grande and housing about 110,000,000 inhabitants of various races and origins, is replete with instances of government defaults. Borrowing and defaults follow each other with almost perfect regularity. When payment is resumed, the past is easily forgotten and a new borrowing orgy ensues".

I have put forth these quotations in order to suggest that the attempt by the creditors to argue that it is *shameful* to repudiate or that such an act will automatically imply the atrophy of the debtor is not supported by historical facts. History teaches that today's creditors were yesterday's debtors who repudiated or unilaterally declared moratorium on the payment of their obligations. It must be admitted that there was no effective creditor cartel in those days.

America's outright repudiation has not been the only response that history provides on debt cancellation. There were occasions when creditors offered forgiveness to a debtor just because the sovereign debtor was finding it difficult to meet her obligations. In these instances, debt cancellation came as a result of political expediency rather than commercial necessity. In this category will be the debts of Germany in the 1930s, those of Great Britain immediately after the World War II, as well as the most recent examples of Poland and Egypt.

Towards the end of the 1930, German reparation debts from the World War I became excruciating. Of course, what was considered a heavy burden for Germany to bear then, was what in today's African reality, is a paltry 24% of exports. The creditors got together and agreed to write off the German debt. But even such a gesture did not deter Hitler.

At the end of World War II, the British owed the United States some 25 billion dollars under a Lend-lease Agreement. The United States, based on a consideration of Britain's ability to pay and the desire to keep Communism out of Europe, decided not only to write off this huge sum in 1945 but added 3.75 billion dollars as a reconstruction credit for the Britain.

Some may argue that the reactions to the German and British

debts were governed by the fact that those debts came out of war situations. But the forgiveness that Poland and Egypt have received and continue to receive from the creditors clearly make the case that the reason not to offer a general debt reprieve is not based on commercial reasons but international politics. Poland was unilaterally granted debt reduction. The excuse was to encourage her in her transition from a communist command economy to a free market economy. This was a purely political consideration.

Also in 1990 the USA unilaterally canceled US\$7 billion in military debts Egypt owed to her. The consideration was support given to the US by Egypt during the Gulf war. Egypt, at this time being a lower middle income country, was not eligible for debt reduction. The Paris Club followed suit with a 50% reduction of Egypt's debt. As a result of various agreements in 1991, it is estimated that Egypt's total debt has been reduced by \$23 billion. The World Bank also approved a number of grants and loans to Egypt. Prior to the debt-for-war swap between the US and Egypt, it would have been almost unbelievable that the US that has consistently opposed debt reduction and insisted on debt postponement or rescheduling would go to that length.

The assistance to Egypt is welcomed. But then, the Egyptian debt write-off clearly demonstrates that the indifference of the creditors to the plight of sub-Saharan African countries is not an economic imperative but a foreign policy goal. Put simply, the indifference of the international community to the sub-Saharan African situation is nothing other than a desire to put the countries back into what UNICEF in its 1991 report has rightly called *a new slavery that has shackled the continent*.

Some people even go to the point of imputing racial discrimination in different treatment of sub-Saharan African debt. But can't one reach the conclusion that in spite of some elements of profligacy, irresponsibility, and immorality of leadership in Africa, it is a crime against humanity for the rich creditors to continue to watch our children die and the social fabric of our societies disintegrate as they continue to collect many times what we borrowed through various devices, with the active assistance of multilateral financial institutions which they control? This is especially the case, it is realized that about 40% of the original loan now being repaid comprise of white elephant or badly-conceived projects by the foreign experts from the creditor-nations who in the first instance sold the idea to African leaders and acted as Consultants and financiers for the projects, and as conduit for

syphoning out the funds. This position is morally strengthened when as I pointed out earlier, about 45% of current total debt stock is made up of capitalised interest.

The growth and development of the London and Paris Club of creditors is another interesting phenomenon in the politics of international debt management. Not satisfied with the already existing international financial framework, the creditors nations quickly formed themselves into creditor cartel consisting of commercial banks (London Club) and government/export credit agencies (Paris Club). Consequently, each debtor nation is obliged to deal with all its creditors at once in the London or Paris Club. On the other hand, the debtors countries up till now have failed to constitute themselves into a correlative debtor cartel.

In fact a good number of the debtor countries continue to tenaciously hold on to their *paper sovereignty* by arguing that their debt obligations were separately accumulated. Such countries never raise the question of why France and USA among others should sit at a meeting over a debt that was contracted separately with Germany. Of course the argument that there are many debtors is not tenable. There are many more banks in the London Club than debtor-countries, yet the London Club is able to co-ordinate and over-see the interests of the commercial banks in dealing with each sovereign debtor.

If President Boris Yeltsin of Russia, a superpower of yesterday, could demand cancellation of interest on loans owed by his country after the generous \$24 billion special arrangement for that country by the industrialized countries, debt cancellation for Africa should not be a matter of why but how and when.

What Options For Africa?

The inevitable conclusion from this analysis is that international debt management is now a political game requiring great political and diplomatic skills, in addition to strenuous economic initiative. In order to be able to cope with exigencies of international debt management, African countries must change their approach to the issue.

The first problem in Africa is that of leadership. The leadership

must be morally upright and incorruptible. My only hope is that some of the political transition programmes that are taking place on the continent will throw up perceptive and dedicated leadership that this trying time requires. But the horizon in some of the countries of the continent including Nigeria is worrisome. I will expand a bit on the situation in Nigeria.

I have had a number of occasions to call attention to some of the in-built and potentially destabilizing factors inherent in the Nigerian transition process. This is not my focus tonight. But I am extremely worried by the type of leadership that our idea of grass-root politics and the open ballot system is throwing up. People change places on the queue on the basis of the monetary inducement which each candidate is ready to offer before the electoral officer starts his body count. So, *carpet crossing* has finally been taken to the grass-roots. More importantly is the high level of corruption among the screening elites for the highest post under our constitution.

Candidates are being sold to the public irrespective of their credentials. Obvious rogues, liars, con men fill up our list of presidential aspirants. Candidates with better track records are unable to show up either because they cannot muster the money necessary to purchase the presidency or because they are disenchanted with the system and the process. And even those with tolerable track records who have shown up are being sidelined because they are unable to meet the monetary demands of the elites, campaigners, and the grass-roots. The mass media are being used to distort recent history as some candidates immorally deny responsibility for their actions on their immediate past political positions.

I am very apprehensive of the goings-on and the likely outcome of our present exercise. The ordinary man will be the main loser in what we now do and how we are doing it. *Monetocracy* will be government of money men for more money for themselves and for those who paid the bill for their elections, at the expense of the ordinary people who will be further impoverished. But equally disquieting is the fact that those outside Africa who now clamour for so-called democracy as the panacea of all our problems will declare us a failure again as soon as this experiment fails and that will be another stigma against Nigeria, Africa and the black race.

Mind you, I am not advocating continuation of military rule. Far from it. Rather, I am saying that elections, and by extension popular

participatory democracy, have been priced beyond the reach of the ordinary man; the military administration should take measures to reduce the cost of participatory democracy and bring it within the means of middle-level and upper-lower level income personnel.

We may not have full elite democracy, let alone popular democracy, if the present high cost of elections persists. Popular participation should not be construed only in terms of being able to vote, it should also be construed in terms of being able to be voted for. It is inappropriate to make odious comparison with the United States whose history, culture, level of development, accountability and transparency are different and whose civil society is vibrant, dynamic and engaging.

The inability of our type of democracy to meet the aspiration and fulfil the expectation of our populace may spell the death of democracy and bring forth the enthronement of popular revolt. There is time to make correction while we are laying the foundation. If things had been like these in the past, it would not have been possible for the like of the late Mallam Aminu Kano with his great talents and slender means to contest for the leadership of his ward not to talk of the President of the country. We, whom the presidential aspirants are aspiring to govern have the right to know the source of funds being freely dispensed by our compatriots, no matter what one feels about re-distribution of wealth.

Hiding under a false notion that elections cost a lot in America and making money the name of the game is unacceptable. Such arguments forget that the Americans have over the years put in place a number of structural arrangements to ensure that political posts are not for sale to the highest bidder. Money as the main factor of our democratic practice cannot throw up the kind of leader that can see us out of the debt crisis and out of other difficulties. I am afraid that Nigeria may end up with the leader and the government she neither desires nor deserves.

On the multi-lateral scale, Africans countries should in concert with other debtor developing countries form a common debtor front or cartel. Such a front would provide a consensual, cooperative, collaborative negotiating platform for debtor-countries.

In addition, debtor-countries must begin to share information amongst themselves. A situation where all creditors to London or Paris Club negotiated with another debtor is totally unacceptable. Here, an organization like the Non-Aligned Movement (NAM) can make itself more relevant to the realities of the post-Cold War world. NAM can serve as the repository of all information on all negotiations on debts of the debtor nations. Just as the IMF sit in at meetings of sovereign debtors with creditors, debtors can and should demand for the presence of staff members of such a re-structured NAM.

The formation of a common debtor front will commence the process of building pressure on the creditor-nations to reduce or rather simply postpone and thus exacerbate debt. Such options should include an overhaul of the international financial system.

The need for new and healthy international economic relations in a new world order in an interdependent world cannot be over-emphasized. For instance, issues of the environment and drugs are important to mankind as a whole. But no amount of effort geared towards solving the environmental problems can be successful until today's creditors see the impoverishment and subjugation of Africa as linked to environmental degradation in Africa. The continuing degradation of environment in Africa has grave implications for global environment.

Creditor-countries have an interest in ensuring that debtor-countries do not go under. Already, signs of unease in the form of immigration problems in creditor-nations have begun to rear their heads. The logic to begin afresh on a clean slate is compelling. The creditor-nations must on their part develop the political will to recognize that it is in their ultimate economic interest to resolve the present intolerable debt burden on developing countries even if it means more sacrifice on their part in the short run. The subjugation of a people cannot go on forever. The oppressed throughout history have always resisted, and time has always been on their side.

In setting about the cancellation of debts, the creditors can ensure a number of compacts. They can, for instance, insist on environmental policy that will not constrain the developmental goals of sub-Saharan Africa. They can assist African governments to make progress on their social and political reforms.

And now, a word for the debtors. Most African countries with

a high debt profile seldom behave or comport themselves as debtor-nations with moderation, modesty and frugality. The profligacy and the current execution of deficit budgeting and pursuance of prestige projects, huge defence budgets and conspicuous consumption and rising corruption which are stashed in our creditors banks are not traits that can endear our plea for debt forgiveness to our creditors.

Finally I should say that no single solution is the best. Nevertheless, debtor-countries should try and come together and be on top of the problem at every point, using whatever particular scheme is in their best interest at anytime or circumstance. They should stop being on the defensive, allowing creditor-nations alone to dictate the rules of the game, which can be quite arbitrary. Greater South-South cooperation should be encouraged in dealing with the debt situation and in the area of trade and acquisition of technology. Stable political and economic systems should be put in place to redirect the flow of excess sub-Saharan African dollars from the Euro-dollar market to the Afro-dollar market, which, it is my hope, will be created by vigorous pursuit of the African Economic Community.

Thank you.

7

Population, Environment and Climatic Change: Their Impact on Development in Africa

The Making of Africa's Population Explosion:

People are both the means and the end of the benefits of social and economic development. There are perhaps very few places in the world where the combined extremes of this principle was more sacred than in traditional African societies. Not too long ago, the wealth of an African was assessed on the size of his household, which include wives, children, relatives, indentured labourers and other ad-hoc groups of villagers who all combined to constitute a pool of household labourers for farming and other productive activities. The number of head of cattle and sheep and the size of his farmland conferred prominence on a person's wealth, but the household, in any case, remained essentially self sufficient.

The setting of the traditional African societies bore little or no cost on education, health, housing, food, transport or other major infrastructural basics of life, not to mention, the modern necessities of the present generation. Because the population was thinly spread, the environment was neither abused nor degraded. There was harmony between the living family, the coming generation, the ancestral spirit, the land and the environment. The culture that passed from one generation to another included recognition of nature as a continuous cycle which had to be balanced, ordered and protected, since to break the cycle would be to destroy humanity itself. This pattern of thinking governed the life and actions of traditional Africa.

The combination of African culture and tradition subsequently dovetailed into modern science which increased life expectancy in Africa and reduced mortality rates for infants and adults. While a similar evolution characterized many non-African societies, Africa's population phenomenon fertilized and blossomed in a culture and tradition where polygamy was socially acclaimed. Preference for large family sizes acquired security imperatives and barrenness of women linked to evil spirits. Importance has continued to be placed on the male children and the social status of women on the number of children they have, both of which are powerful stimuli for many children.

The cultural and social conditions for the population explosion in Africa was not only propelled by the subsistence economy and limited opportunities for wage employment, but also, flourished in a state of a high rate of illiteracy, gross inequalities for women and universal nuptiality. To the conditions brought by non-African cultures, one must also add religious beliefs and convictions which condemned abortions and rejected modern contraceptives.

A historical uncertainty persisted universally by casting doubts on the negative impact of higher population growth to economic and social development. To be sure, the arguments for higher population growth or at least, against birth control measures, not only conformed to the tenets of African culture but were also couched in economic terms.

We chose the subject of this Forum not because it is fashionable today particularly in the industrialized world and among political leaders to be regarded as *green* or *environmentally conscious*, but because of the apparent lethargy among the generality of Africans to the twin danger of high rate of population increase and environmental degradation. Most of us in Africa seem to believe that the Biblical injunction *be fruitful and multiply... and inherit the earth* must be carried out today as it was thousands of years back as if nothing had changed. And yet, the African earth is becoming sterile and is being eroded.

The leading pro-population argument largely evoked population density - a clearly misleading criterion but one which was bound to make perfect sense to Africa in its position of lowest densities and the need for greater work force which in subsistence terms, is necessary

and sensible. The conventional arguments were more succinct: a higher population, it was claimed, would translate to a bigger market; greater volumes of production; higher productivity; smaller transport distances; and, by the same token, more ideas in the society - if they are allowed to express their ideas.

The historical uncertainties, on the negative, of higher population growth in Africa were compounded by the complexity in defining direct correlation between population growth and economic development in comparable cases between African countries and other Third World nations especially in the context of income per capita parameters and social indicators.

The higher life expectancies; the successes in reducing mortality rates and the uncertainties which delayed population control measures by African countries; the combined effect of all these factors triggered Africa's population explosion whose scale now constitute at best, the most serious threat to economic and progress and at worst, a danger to the survival of the majority of the African people arising from the destruction of Africa's physical environment.

The Gravity Of The Problem:

The 1990 United Nations population estimates reveal some cold statistics for population growth in the Third World in general and Africa in particular. From 2.5 billion in 1950, the world population is now expected to reach 6.3 billion by the year 2000, and 8.5 billion in the year 2025. Global population is increasing by about 100 million people per year, about a quarter of a million everyday for which the Third World accounts for 93 per cent of the increase.

Africa has broken an all-time record for demographic growth which was set by Latin America at 2.8 per cent between 1960-1965. While the growth rate in Latin America has since declined to 2.3 per cent in 1980-1985, that of Africa is expected to climb to 3.13 per cent in 1995-2000 from 2.95 per cent in 1980-1985.

In numerical terms, while the global population increased from 2.5 billion in 1950 to 4.8 billion in 1985, or a 1.9 fold increase, Africa's population climbed from 224 million to 555 million within the same period i.e., approximately a 2.5 fold increase. In the year 2000, Africa's population is projected at 877 million and by the year 2025 at

1.617 billion, it is expected to overtake China. The world population rose from 1.2 billion in 1950 to 2.5 billion in 1995 - a space of a hundred years. Put differently, while global population is projected to increase by 3.2 times in 2025 over the population in 1950, that of Africa is projected to increase by 7.2 times. In percentage terms, Africa accounts for 11 per cent of the world population and in the year 2025, it is estimated to account for 20 per cent of the projected world population. But what percentage of the world's production does Africa contribute? And what percentage will it have in the year 2025 on the present showing?

In sub-regional terms, West Africa has the fastest population growth rate which is projected at 3.35 per cent between 1995 and 2000, followed by East Africa at 3.30 per cent. The latter is substantially influenced by figures for Kenya, at an estimated rate of 4.12 per cent - an all-time world record which is further projected to a higher rate of 4.21 per cent between 1990 and 1995. North Africa as a whole has maintained a growth rate which is below 3 per cent.

Fertility projections for Africa are distressing indeed. It is the only region where fertility levels are expected to rise further before declining after the mid 1990s. The extraordinarily high fertility rates for Africa may not even fall to the projected level considering that in a recent survey in West Africa, a significant number of women responded in favour of up to eight children. The World Fertility Survey also showed that many African women desired (for security reasons) more children than they already have.

Africa's morbidity rates are just as alarming. The infant mortality for Africa averaged 112 infant deaths per 1,000 live births in 1980-1985 compared to an average of 79 for other developing countries and a global average of 71 infant deaths per 1,000 live births. According to United Nations data, during the 1980s, infant mortality has been halved in almost every region of the developing world except in sub-Saharan Africa.

With respect to maternal mortality, estimates by the World Health Organization show that Africa has the highest rate (640 deaths per 100,000 births) followed by Asia (420) and Latin America (270). Maternal mortality rates in Africa are higher in rural than in urban areas which also reflects the fact that in sub-Saharan Africa 70 per cent or

more of all health facilities and personnel are located in the urban areas where no more than 25 per cent of the population live. In some African countries, maternal mortality rates may be as high as 1000 deaths per 100,000 births. This is happening at a time when pregnant-related deaths are rare in developed countries, less than 10 deaths per 100,000 births.

In the mid-1980s, Africa had more than 45 per cent of its total population in the age group 0-14 compared to 39.3 for Latin America, 37.3 for Asia and a global average of 33.4 per cent. While the proportion of this age structure is projected to 24.8 per cent globally by the year 2025, Africa will still have a very high proportion of 35.3 per cent. The implication is that about fifty per cent of Africa's population is at the non-productive tender age. This, coupled with high unemployment and high under-employment means that for every working person there are more than two non-working. In most industrialized countries it is almost the reverse, at least three working persons to one non-working. This partly explains our poor economic situation.

Despite its alarming rate of population growth, Africa is continually being viewed as a relatively empty continent. This perception overlooks the environment constraints which make a substantial portion of the continent unsuitable for human habitat. The population increase is radically altering the relatively low density parameters Africa enjoyed vis-a-vis other regions.

United Nations projections show that from a present density of 18 persons per square kilometre, compared to 30 for Latin America and 102 for Africa's population density by the year 2025 will have risen to 88 persons per square kilometre or close to the current position in Asia. The average, however, hides some staggering figures both in terms of present density and projections for the future. For example, while the current average for Africa is 18 persons per square kilometre, there are other highly densely populated areas such as Nigeria (103), Burundi (116), Rwanda (232) and Mauritius (514).

The projections for these countries should clearly be matters of grave concern. The changes by the year 2025, for example, will range from 366 in Nigeria to 841 in Rwanda and 786 in Mauritius. In other words, Nigeria will in the year 2025 have a demographic density roughly equal to that of the Netherlands today. The Netherlands has a per capita income in the range of US\$ 12,000 or 30 times that of

Nigeria and there are no realistic prospects for Nigeria to even triple its present per capita income by 2025 (presently estimated at \$400).

It is the spectre of the massive urbanization that raises grave prospects for Africa's future population and growth. Compared to other developing regions, Africa's urbanization rate stood at a mere 14.8 per cent in 1950 while that of Asia and Latin America was 16.9 per cent and 52.5 per cent respectively. By 1985, the rate were Africa (32.1), Asia (28.2) and Latin America (68.9). At the end of the century the projected rates are Africa (42.2), Asia (35.7) and Latin America (76.6). While the rates for Asia and Latin America will have increased by 2 fold and 0.3 fold respectively, between 1950 and 2000, Africa will have registered a 3.6 fold increase.

Again, absolute numbers may help to provide a greater sense of the staggering nature of the phenomenon. Africa's urban population leaped by more than double to 177 million in 1985 from 82 million in 1970. The assumption that the spectacular increases in Africa's urban population had been influenced by a low starting base can no longer be sustained because in spite of the massive increases which have already taken place, United Nations forecasts show that Africa's urban population will reach 958 million in the year 2025. These growth rates will bring about an increase in the number of cities with mote than 4 millions inhabitants in Africa from 2 in 1985 to 20 by the year 2000 and 36 in 2025. How can all necessary services and infrastructure be provided in the old and new megalopolis given the fact that today they are already choked, overextended, dangerously under-serviced and under-financed.

School enrolment still lags behind in other developing regions. For example, while school enrollment of 6-11 year ole African children increased from 49 per cent to 66 per cent between 1975 and 1985, the increase in Asia was from 66 per cent to 74 per cent and Latin America from 83 per cent to 88 per cent. In developed countries, the figure remained constantly at 91 per cent. A more rapid population growth in Africa will undoubtedly reverse the enrollment advance which the region has made. This is not to mention education problems Africa is currently experiencing at higher levels of learning due to inadequate facilities and deteriorating infrastructure.

The Environment Challenge:

Africa can and must initiate effective measures to forestall the continent's environmental collapse, especially the stabilization of the earth's atmosphere to arrest global warming and to check the life-threatening ozone layer depletion which will lay bare all life on earth to increasingly higher doses of ultraviolet radiation.

Other aspects of the dire environmental reality of African are the rampant pollution of water, soil and air; indiscriminate disposal of toxic waste, often exported from industrialized countries; the accelerating erosion of agricultural lands, the progressing desertification and other forms of land decay. The green house effect is global in scope but many of the other hazards are either nationally localized or transboundary or regional in character.

There is mounting scientific evidence that increased levels of carbon dioxide, methane, nitrous oxide, and similar other compounds or gases are the principal causes of global warming, as are chlorofluorocarbons (CFCs) which are also mainly responsible for the ozone layer depletion. Deforestation, especially of tropical forest systems, is estimated to account for about one-fifth of the build-up of greenhouse gases in the atmosphere.

Past and present production and consumption patterns in the industrialized world are at the heart of the global environmental threats. On the other hand, developing countries bear the principal responsibility for deforestation, desertification and erosion of their lands.

The fundamental reality is that in developing regions, especially Africa, poverty is the root cause of environmental damage, while it has its origins in the industrialized countries in the exact opposite i.e., increased affluence. There must be concurrent action on both sides to reverse the current dangers and prevent an impending disaster. Humankind has a collective responsibility to deal with these challenges both jointly and individually.

Energy will be key to any success in the battle against global warming and air pollution. The adoption and implementation of a three-stage programme, applicable for all countries, will be of crucial importance:

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- a. In the short-term, measures to increase energy efficiency and conservation;
 - b. In the medium-term, a shift from high CO₂ to lower CO₂ emitting fossil fuels, i.e., from coal to oil and then to gas;
 - c. In the long-term, the large-scale introduction of "clean" alternative sources of energy.

Under the medium-term strategy proposed the economic prospects of oil-producing African countries might be adversely affected as a result of reduced global demand. On the other hand, African countries that were crippled in economic terms by the two oil price increases of the seventies and who have incurred significant external debts in the process, may be medium-term beneficiaries.

In the long run, however, all Africans stand to gain from the pursuit of these strategies.

The massive population explosion countries in general and Africa in particular, has had a damaging impact on the environment in six key areas: over-utilization of land through overgrazing, indiscriminate agricultural use, etc.; inappropriate application of chemicals for agriculture; increased demand for energy; and reckless exploitation of natural resources.

Overgrazing in Africa marked a serious break with traditional systems which had integrated livestock production into agriculture where livestock also fed on crop residues and animal waste became a useful organic fertilizer. In parts of Africa where farming was not productive, pastoralists, pastoralists struck a balance with nature by shifting their herds towards new vegetation to allow exhausted areas to recover. Increased population disrupted this system and broke the natural cycle which maintained the environment balance, resulting in overgrazing and environmental degradation.

Agriculture in Africa traditionally operated on a shifting cultivation basis to allow recovery of nutrients and moisture in already utilized fields. As population increased, this shifting process became less feasible. One consequence of over-utilization has been lower

agricultural productivity and increased ecological weakness.

The need for better farming methods and higher crop yields in the face of diminishing land resources and rapidly increasing population, is for Africa to embrace the use of fertilizers. While allowing for inevitable errors and a learning phase for such fertilizer use, the tragedy in Africa has been inappropriate employment of some types of chemicals long outlawed in the industrialized countries, which produced them. The results have not only been poisoned ground water resources but also reduced agriculture productivity leading to search for more arable land where the vicious cycle then begins anew.

In Africa we have nature not just human and mineral resources but rain forests which we have to conserve and re-create for ourselves and humanity in general and which cannot be re-created in sufficient quantity outside the planet's rain forest belt.

Deforestation in Africa presently stands out as the most alarming environmental phenomenon. The shrinking of the world's rain forests has a double negative impact on the greenhouse effect: the burning of the forests leads to the emission of higher levels of CO₂ into the atmosphere, while at the same time it diminishes the resorptive capacity of the same CO₂ by the disappearing trees. Deforestation in Africa is occurring at an estimated rate of 4 million hectares per year. For example, Ethiopia was covered by 40 per cent of forests which declined to 16 per cent two decades ago and to 3.1 per cent today.

Deforestation process in Africa has an economic dimension closely linked with the debt problem. As tropical woods have become a primary export good in many countries, generating badly needed foreign exchange, African Governments issued generous concessions for logging without providing any incentive or conditions to maintain or restore the productive capacity of the forests in the long-run, e.g. through re-afforestation programmes or the adoption of sustainable forest management practices. The results were predictable.

In West Africa, for ample, the rate of forest clearing since 1975 has been the highest in the world. It is 3.7 times the average rate for all tropical countries. Nigeria and Cote d'Ivoire alone are estimated to have cleared an average of 300,000 and 290,000 hectares respectively each year between 1981 and 1985. Today, Nigeria has only about 10% of its original rain forests and this remnant is further being depleted at an annual rate of 10%. The indiscriminate destruction of

rainforests has had detrimental economic repercussions already over the medium term. While at the beginning of this decade Nigeria was a net exporter of wood, it has recently become a net importer, with concomitant consequences for its debt position.

African Governments must, with a sense of priority, review their present systems of subsidies and incentives with a view to eliminating those that promote environmental degradation, hinder the adoption of energy-efficiency measures, and support attitudes, practices and activities subversive to the necessities of agricultural and economic sustainability.

In sub-Saharan Africa, an estimated 6.9 million square kilometers are threatened by desertification and 16.5 per cent of Africa's existing rainfed cropland may be lost by the end of the century if conservation measures are not intensified. Africa's agricultural production and population curves intersected and population has since then continued to rise above production. Per capita food production in Africa alternated between zero and negative throughout the 1980s. Cash crops such as cotton, tobacco, groundnuts, etc. (on which much of Africa depends for vital foreign exchange earnings) will continue to consume greater amounts of water and nutrients and reduce soil fertility. The diversion of much of biomass including dung, grass and crop residues to energy is increasing the losses of nitrogen, phosphorus and other nutrients which sustained the fertility of Africa's soil. All these are happening at a time when Africa must produce more to feed a growing population.

Global climate change is an added predicament to the various factors affecting agriculture in Africa. A recent study by the Environment Protection Agency (EPA) of the United States has suggested that farmers may lose as much as 30 per cent of their potential crop from ozone pollution. Major crop plants largely susceptible to ozone damage include corn, soybeans, wheat, tomatoes, groundnut, lettuce and cotton. In the case of the United States, for example, a separate EPA study in 1989 concluded that ozone pollution was already reducing crop yields by \$2.3 billion to \$3 billion per annum.

A study by the International Institute for Applied System Analysis (IIASA) in collaboration with United Nations Environment Programme (UNEP) concluded that an increase in average global

temperature may improve agriculture potential for the North while in the tropics and subtropics, dry land may become even drier and agriculture losses may accelerate due to both land degradation and desertification and in humid areas, due to wetter conditions and more frequent tropical storms.

A Gloomy Picture For Africa:

An attempt has been made in this presentation so far to undertake a review of the environmental and economic impact of Africa's increasing population. In restoring the earth's ecological balance in a manner necessary to ensure Africa's long-term progress and stability, determined and effective countermeasures must be taken immediately to alleviate the unsustainable demands on Africa's physical environment.

In the sixties when countries in other parts of the world that have now made economic breakthrough were changing their policies and approaches as a result of predictions and projections for the future, we in Africa ignored those predictions as the will of prophets of doom. The result is that today we are left behind and marginalized. I shudder to contemplate what may happen to the next generations in Africa 25 to 30 years from now if we continue to ignore the writings on the wall.

There may however be a hopeful sign in the increasing recognition of the population problem by African governments in general, and sub-Saharan governments in particular, and the formulation of specific policies. The 1989 population report by the United Nations states *sub-Saharan Africa is the only one of the three regions that has had a noteworthy transformation in government attitudes toward population control measures.*

Most African countries became aware of the seriousness of their population problems within the last decade. 1987, at least 16 sub-Saharan countries had established agencies to integrate population control measures into national development plans and 10 more were in the process of setting-up population commissions. Between 1987-1989, population education was introduced in more than 330 Africa countries.

In January 1984, Africa Governments adopted the Kilimanjaro Programme of Action for African Population and Self-Reliant Develop-

ment. Many African countries have since also become affiliated with the International Planned Parenthood Federations - Africa Regional Council. In 1986, the All African Parliamentary Conference on Population and Development, held in Zimbabwe, added further momentum to Africa's effort on population control.

African governments have undertaken some laudable measures particularly in the areas of wildlife conservation, campaigns for tree planting, the designation of specific environmental days devoted to nation-wide clean-up activities and efforts aimed at integrating environmental protection in commercial contracts.

To reduce the demand for fuel wood, many African governments are involved in devising measures and policies to promote the use of alternative means of energy or to improve the efficiency of traditional methods of household tools (e.g. stoves) and production processes and technologies. Where such policies are in place, implementation however is hampered by a lack of resources - human and material. The challenge is for African governments to translate the growing awareness of the challenges into commitment and commitment into more coherent and adequate programmes effectively implemented.

Ranking among the most significant developments for mankind are the changing attitudes in the industrialized countries in favour of measures to solve environmental problems - both domestic and global. The issue has found its way into every major political platform. A poll just completed in the United State (June 1990) has shown that four out of every five Americans, now favour tough laws and action to protect the environment and would be ready to bear some price for it.

The efforts of the industrialized countries towards environmental protection measures in developing countries have long been manifested in their support, assistance and programmes for variety of activities aimed at the conservation of nature. Lately, the concept of debt for nature swaps is gaining increasing support. It may be the only viable approach where Africa nowadays can have leverage at the international level and this concept holds the promise of solving not only environmental but also the Continent's economic woes.

Population stabilization measures in developing countries have

also substantially benefitted from the support of the industrialized countries though this has not been without controversy. Through dialogue the controversy must be removed and more must be done and done effectively and expeditiously. The worsening African population and environmental problems are, in general however, a manifestation of the inadequacy of both the efforts of the African governments and the international community.

A New International Compact On Population and Environment Protection:

We have recognized that it is the collective responsibility of humankind to protect and maintain the *global commons*. There is a crucial requirement for sustainable economic activities and growth in all countries, especially in developing countries.

Rapid population growth in Africa continues to be the prime cause of damage to the environment and vitiates any economic and social development. Yet, the production and consumption patterns of industrialized countries, notwithstanding their low or zero population growth, continue to be equally, if not more severely damaging to the global environment. Since the environmental problems of developing and industrialized countries are interrelated, we must devise a new international compact.

According to the WorldWatch Institute's 1988 Report on the State of the World, an annual investment of over US\$ 150 billion will be needed over the next decade to restore the earth's environmental health and to create a sustainable economy. The measures proposed by the report include raising energy efficiency, reforestation, reducing toxic wastes and promoting family planning. Such a programme, the report suggests, requires a complete re-ordering of priorities, global economic re-structuring and a fundamental shift in international co-operation.

Africa bears primary responsibility for reversing the region's population growth and environmental control. The rest of the world can and should complement such African efforts. An effective starting point must be a better recognition of the fact that with its 51 states and some 800 ethnic groups the approach to African population problem must be more tailored to specific circumstances.

Patterns of demographic transition establish that reduced infant mortality is a crucial path to fertility decline. This is where health and population policies and programme interlock. Improved child survival and its attendant necessity for family planning demand greater equality in the society aimed particularly at improving the status of women. Such measures should open greater job opportunities which tend to contribute to lower fertility. This does not only call for more equitable economic and social benefits but also more democratic institutions to afford women and the rest of the society greater freedom.

Conclusions and Recommendations:

Human activities have created an imbalance in nature's cycle. With the expansion of scientific knowledge, improved technology and our own observation, we are now aware of the dangers which the pursuit of affluence or even basic needs are posing to the planet and our very survival.

There should be no illusion that the danger will dissipate without action. We should resist the idea of seizing some scientific uncertainties as excuses for less bold action. The pollution that fueled the industrial revolution for some is now endangering all humankind.

In the same vein, the geometric progression in population increases in developing countries in general and Africa in particular is making unsustainable demands on the planet earth and it poses a serious danger to humankind as a whole. Poverty is the major problem of Africa and its alleviation will have beneficial effects on other problems such as population growth and environmental degradation. A solution in this regard, as in other areas, must be initiated by Africans themselves. But African efforts alone will be inadequate without cooperation, collaboration, understanding and support of the international community. Slow or inadequate response from the international community should not be an excuse for inaction on our part. For the next three days let us meditate and brainstorm on these problems and come up with practicable, targetable, measurable, and immediately implementable recommendations that can make a difference between destruction and survival, between responsibility for this generation and coming generations and utter irresponsibility. Let me hazard some suggestions as a guide:

Population control:

1. Successful population control measures in selected developing countries should be reviewed so as to identify methods currently not applied in Africa and to incorporate them in our population stabilization strategies. This should especially focus on family planning practices among male groups in Africa.
2. African countries should legislate a minimum legal marriage age for women to be not less than 18 years and for men not to be less 20 years as well as a maximum of three children per mother, for the accomplishment of which economic or social incentives should be offered. Additional legislation or legal instruments should also be created to remove any restrictions for ownership of property by women in their own names. Other adjustments in the current legal system restricting the rights of women should be eliminated without delay.
3. As a priority, Africa and the international community should adopt measures offering social security especially for rural non-wage earners in Africa linked to sales of farm produce or services, as a means of complementing the extended family system of social security.

Environmental control:

4. African Governments should pursue the large-scale adoption of village-level and production technologies aimed at raising energy efficiency. Moreover, all opportunities for utilizing alternative sources of energy for urban and rural households such as solar energy and biomass should be seized and the international community should be urged to facilitate, in its own enlightened self-interest, the transfer of environmentally sound technologies and alternative energy technologies (e.g. photovoltaic) at concessional terms.
5. Debt-for-nature swaps should become a central element in Africa's efforts to reduce and eliminate its

external debt.

6. Africa must return to sustainable agricultural practices. Towards that end, scientific knowledge should forthwith be integrated into present operations and research effort should be intensified, harmonized with extension services, to help bring about a green revolution for Africa to meet its sharply growing demand for food.

I thank you for your attention.

8

**Institutional Patterns of
State-Society Interaction
In Policy-Making In
Post-Colonial Africa****Introduction:**

The current wave of democratization in Africa has once again re-opened with added vigour the debates over appropriate institutional arrangements in the African political climate. It is relevant and topical for the ECDPM to examine more closely the issue of institutions and the expected roles of the friends of Africa within the emergent democratic processes in Africa.

My mandate, though clear, comes with added problems. The first relates to the analytical framework within which to attempt a structured presentation. The second raises the all-important issue of how far back into our history one would have to reach to provide adequate and sufficient grounds for making necessary projections about the future. My task is not made any easier by my having been an active participant and observer in the recent and current process. Be that as it may, I will attempt to grapple with the task at hand by quickly striving to resolve these two immediate problems.

The problems confronting Africa are no respecter of the usual conventions and conveniences of the academia. This in part explains the usual pitfalls of the holistic theories that have been employed to give a grand explanation to the situation in Africa. Thus you would understand why I have opted to be somewhat eclectic in my analysis.

It has been suggested that values in a society structure behaviour in the society. If this were so, it follows that when behaviour becomes *patterned* or *ordered* it becomes an institution or a *practice*. Institutions which become formalized in terms of procedural rules can be then described as *political structures*. It is within this context that I will use the concept of institution in my analysis. The question therefore relates to those values that over the years coalesced into institutions and structures in Africa.

As It Was In The Past:

In pre-colonial Africa, whether one talks of the Karamojong in the North Eastern district of present day Uganda in East Africa, or the Zulu in Southern Africa, or the Ashanti in present day Ghana in West Africa or the Yoruba in Nigeria, West Africa, one constant feature of the political process is what I call *consensual politics* or what Benjamin Constant describes as the *constitutionalization of politics*. In addition, an intricate system of checks and balances existed as an integral part of the political processes in all these communities.

In effect, the political praxis engendered a citizenry that was the object of governance, as the citizens could query misrule and abort tyrannical reigns.

Colonialism and with it, the colonial state disrupted this setting, disarticulated the arrangement and disoriented the citizens. New values emerged and with them came new institutions that were at the variance with the realities of the people. Consequently, the people could neither understand nor appreciate the emergent institutions and the attendant practices.

The colonial and the post colonial state was conceptualised and operated mainly on the administrative theory and philosophy of a militarized society which in turn created a managerial model calculated not only to produce a subject political culture, but a non-participant political culture and a directive-obeying disposition. An incongruity soon developed between the new attitudinal disposition that was being foisted and the existing structures. In essence, a situation arose wherein the colonial officers merely ruled but never reigned since their authority had no moral and traditional locus. Consequently, they relied

excessively on coercion and the cajoling of the people.

The citizens were no longer the end of governance but merely subjects who must obey directives issued to them because it was in their best interest even if they thought otherwise. This confused and unsettling attitude was carried over to all spheres of socio-economic and political existence.

The concrete manifestation of this disposition is aptly captured in the reference to official duty as *government work* on which sweat should not be shed. This, of course, meant that those who came to occupy civil service positions saw themselves as servicing an interest other than their own interest and that the only way they could service and promote their own interest was through the wages/salaries doled out to them.

The other option was to assume a compradorial character in order to take effective care of the immediate and extended family. The perfect execution of this position without any fear of consequent reprisal led to an apish imitation and accretion of this by the private sector of the economies in most of Africa.

Given the predilection of shirking official responsibility and rationalizing such irresponsible conduct by garbing official duties with the saying *it's not my father's work* or it is *Oyibo work*, inefficiency became the rule. In the private sector the worker also failed to identify himself with the organization, its goals and objectives and he rarely gave of his best. He was more or less an automator, obeying orders without thought. When confronted with unpleasant alternatives he jettisoned them where possible. He was generally obsequious in the face of power. The persistent reinforcement of the culture of obsequiousness plus the demand for an unconditional and unalloyed obedience from the masses under colonialism, through their schools which extolled un-wavering docility as one of the keystones of civility, enabled the indigenous political elite who assumed office at independence to seek the perpetuation of the dividing line between the rulers and the ruled.

Urbanization brought together different ethnic groups, but however, rather than broaden their community orientation, most people in the urban areas sought to relieve themselves of feelings of alienation and isolation by seeking to form town associations, ethnic groups and other forms of primordial loyalty based associations. These associa-

tions tended to promote ethnic solidarity and develop a symbiotic relationship between the elite and the masses. In addition, the ethnic associations rendered welfare services and support which the state did not provide. In consequence, the orientation, affection and attachment became to the village, the ethnic group, the clan and not much else.

Prof. Billy Dudley gave a classic example of the strength of communal identity and primordial ties while recounting the experience of a Professor of Medicine who just before the Nigerian Civil War had attended a meeting of his village which he thought would discuss the serious crisis then confronting *Biafra* only to find that the issue that interested the village elders was how to raise funds for a new village hall. He, of course, raised his opinion about what he saw as their frivolity. He was calmly told, "Young man sit down! *Biafra* may come and go but Nimmo (the name of the village) will be here forever". The Professor realized that "*Biafra*" was too much of an abstract concept to be meaningful to the average Ibo man. The real focus and concern was the village. The above is just a typical instances. One could cite similar instances and examples of the nature of relationship between the state and the civil society.

In addition to all of this, our approach to politics and political structures and processes were different and had different referents. Let me illustrate my point here briefly with the notion of *power*, a key variable in politics.

Scholars with a Western orientation usually denote power in relational terms. For most Africans, the notion is different and the attitude to power is totally different. For example, among the Yorubas in the Western part of Nigeria, the Yoruba word for power is *agbara*. Power is not seen in relational terms. It is strictly speaking a property and a valuable commodity at that. It is a commodity that must be acquired because of the things the possession of power would bring with it. Therefore, when you have political structures and processes built on a different connotation of power, it is easier to imagine that such processes are bound to function at variance with our expectation.

Let me illustrate further, by looking again at the multi-partism and the concept of opposition in the political process. In most African languages, the word *opposition* has the same meaning and connotation as the word *enemy*. Can we possibly conceive of a loyal enemy? Yet

the institutionalization of opposition was one of the pillars upon which the structures and processes that were bequeathed to us were supposed to rest. Of fundamental importance is the need for us to take cognizance of the philosophical underpinning of societal values during the colonial era and immediately after.

It is easy, therefore to conclude that at independence, the proper institutions were not in place. In fact, in almost all African nations, what we had was an armophous entity akin to having the head of a lion grafted on to the neck of a giraffe on the back of a tortoise and the legs of an elephant. Institutions for coping with the problems of nation-building were not in place. All of these developments complicated fundamental problems of governance and structured the interactional pattern between the state and the civil society.

Among observers of African government and politics, the consensus is that there exists mutual distrust between the government and the governed. There is a high level of distrust on both sides of the political divide. The people do not trust their rulers and the rulers also do not trust their subjects. Political trust is an essential ingredient in any strategy that would truly enable us to achieve responsive governance. Unfortunately, for many Africans, government is still largely seen as an alien institution. Perhaps at a particular level, it is explainable as one of those sadly enduring legacies of African colonial past. But then, we must admit that successive African leaders have not really attempted to change this conception and perception of government. They have in most cases reigned and ruled and have largely failed to govern.

The distrust stems from the colonial experience of government being distant, anonymous, faceless, and of atrocities being committed in the name of the government. Government leaders in turn often have tended to perceive the people's reaction to their policies as based on misinformation, mischief and ignorance. Because of this air of distrust, constituent units cannot and have not been able to effectively partake in policy formulation, execution, and other aspects of the political process. The overall effect has been that citizens became subjects of governance rather than objects of governance.

This is reinforced and accentuated by what Goran Hyden calls the *economy of affection*. By this, I am alluding to the practice wherein the immediate loyalty and concern of most government officials is first to their village and locales at the expense of more broad

based and enduring goals of national development. Undoubtedly, those who do not have people in government naturally feel neglected, ignored, excluded, and short-changed. This breeds resentment, non-identification with government policies, and negative reception of such policies. The popular conception among constituent units is that the only way to pursue your clan's goal is to get in power, thereby creating a *we/they* syndrome.

Reversing and eliminating this air of distrust imposes on African leaders and governments an obligation to convince the people that government can be responsive to their collective yearnings and aspirations, to their reactions to policies and in addition that they can be involved in the process of policy planning, formulation and execution. Trust must be created and confidence built through citizen participation in matters that affect their lives and through a two-way communication between government and the governed. How then again do we express in real concrete terms these abstract musings?

This raises the question of the structure of governments in Africa. The African political landscape is characterized by over-centralization of political power and authority. There is an urgent need for a reorganization of most African societies on a different basis of legitimacy. African governmental structures and leaders need to be more open, more accessible, and have their legitimacy rooted firmly in the approving participation of their people. The people's participation must find expression in the political process.

In other words, there must be democratization of access to the institutions of power. The first step in this direction is the need to de-bureaucratize the political process.

The excessive centralization of political power and authority in Africa, has literally turned most nations to an over governed, over-ruled but grossly mismanaged entities. The result has been that most societies are almost always at the mercy of a few technocrats and upper echelon bureaucracy who in conjunction with the political leaders play *god*. Such centralization leads to institutional fragility, rendering political structures incapable of withstanding the pulls, stresses and demands of nations in transition. The slightest of tremors often results in the collapse of political arrangements.

Once the locus of legitimacy and by implication, authority is not firmly rooted in the people. It will collapse, and when it does, as has been the case, we grope for complicated answers and explanations to an otherwise simple phenomenon.

For a continent that is predominantly rural, we have continuously refused to establish viable political structures at the rural level, structures that are capable of aggregating and articulating the peasant's views, concerns and aspirations on the political process. It has become imperative to establish tiers of government at the grassroots that allow for effective and meaningful participation by the people at the social base of society. A government that is abstract and disconnected from the largest proportion of the nation cannot be said to be responsive and participatory of the governed. It may reign or rule but it will not, strictly speaking govern.

Mere establishment of local governments is not enough. Government must be made to function effectively at that level. The practice in some African countries wherein ministries of local government are established at the central level to control the local governments vitiates, operation and the efficiency of this tier of government. Local governments must be autonomous and independent. With access to this level of governance, the people will see themselves as active participants within the political process. This would in turn make local governments serve as the basic units of governance, and the hub of development.

Development properly conceived must be seen as the ability of a people to induce and manage change within a given area, within any period of time. Having local governments that are autonomous within their various spheres of influence and functions would naturally increase the access of the citizens to democratic structures. It would enable them participate more actively within the political process; it would, in a similar vein, enable them monitor closely the activities of government officials and they would be able to relate effectively towards government, and the alien institution conception and perception would likely be whittled away.

Decentralization can reduce public corruption, which usually swallows up public funds earmarked for national development. Many development and people-oriented projects have been shipwrecked on the quick sands and rocks of corruption. Corruption is also one of the causes of government unresponsiveness and one of the propelling

factors behind governments' resort to coercion either to stifle freedom of expression or to gag particular and critical constituent units.

If administration is decentralized, funds would equally be decentralized and this makes whatever fund at the disposal of government officials less attractive to corrupt practices and tendencies. At the local government level, the leader is a member of the community and he does not have the advantage of distance and anonymity which people enjoy at the central level. The advantages of a decentralized political structure are obvious, but decentralization by itself is not enough.

There is the need not only for less government but for more good government. In a pluralistic society, there must be guarantee for the concern and the interests of the minorities in addition to individual freedoms and protection of human rights. There must also be pluralism and decentralization of the economy in line with politics. Economic exclusion, like political exclusion, breeds resentment to the authority by those excluded. Total release of the initiative and energy of the citizenry on the economic front is a *sine-qua-non* for economic development and progress.

Communication is a major instrument of development. There should be a two-way flow of communication between the people and the government. In effect, communication should not be a monologue but a dialogue. More often than not, people are not properly briefed about government's intentions as it relates to policies that affect their lives. Political communication here should be seen as different from government propaganda. Propaganda's effectiveness is ephemeral. Propaganda without concrete objects to which the people can relate only creates problems. Effective political communication enables the government to sensitize its short, medium and long term goals to the sensibilities of the people. The effect is that it creates the need for affective orientation towards the state and policies emanating therefrom. Modern communication facilities can be ingeniously integrated with existing traditional medium of communication.

For political communication to be effective in bridging the gap between the government and the governed, it should employ the languages the people can identify with and understand. It must be reinforced by positive symbolization. The leadership must lead by

example. This is important if the leadership hopes to carry the people along with him on the journey which national development represents.

Political education and communication are two faces of the same coin. Political education denotes the deliberate and conscious effort on the part of the government to inform the citizens about the rights, duties and obligations to the state. To a large extent, it is an aspect of political communication. It should sensitize the sensibilities of the governed to the political process. Any government that intends to be responsive to the needs of its people must take this as part of its responsibility. This enables the citizens to be politically responsible, politically conscious, accelerates mass mobilization and aids the process of political acculturation.

General education of the citizenry facilitates and enhances political education and communication. An educated mass is undoubtedly easier to govern than those that are illiterate and ignorant about the political process. And educated populace are more amenable, more pliable and more easily sensitized to the exigencies of governance. Education generally improves responsiveness to governance. It also makes the citizen ask the reason why.

Political education equally contributes the evolution of a political culture that is more democratic as each side of the political divide is conscious of its powers and limitations. The abuse of power and fundamental human rights violations would also be checked.

Any society that is characterized by frequent human rights abuse cannot be said to have a political soil conducive to the germination and sustained growth of responsive governance. Respect for fundamental human rights of the citizens by the government is the linchpin of a proper conduct of governance. This is in the sense that the governed enjoys adequate and sufficient degree of freedom. This is defined to include the exercise of their natural rights and political rights.

Political restriction and repression imbues in the citizens a feeling of depression, deprivation and a sense of loss. These are in compatible with democratic attitudes and principles. By extension, such a citizenry cannot be expected to contribute their best to the national development. Human rights must not only be respected, they must be safe-guarded through policies, actions, directives, and most importantly through constitutional provisions.

Those in government must never lose sight of the transient nature of political power and authority. They must inculcate it in themselves as one of the enduring and basic canons of democracy. They should remember at all times that political power belongs in the final analysis, to the people; it is to be held and exercised in trust for the people, and only with their mandate. When that mandate lapses, the old order must yield to a new one.

The mere thought of having to quit office as and when due or necessary would naturally impose on the leadership responsiveness and responsibility. On the other hand, the erroneous belief that one can stay in power ad infinitum, makes a government, careless, unresponsive, irresponsible, authoritarian, dictatorial and with an imbued sense of self glorification. As has been said, those who make peaceful change impossible make violent change inevitable. When peaceful political succession is blocked, the result is, resentment, detachment and apathy to the system. Constituent units can not therefore be expected to participate actively or enthusiastically in the political process and by extension in national development.

Orderly and peaceful succession is possible where there is a basic agreement on the fundamentals of statehood and nationhood and above all where there is a deep attachment and a sense of commitment to the system. Given the political scene which is characterized by a leadership that often times behaves like an army of occupation, accountability, a key concept in responsible governance, rarely features in the scheme of things. Most leaders have been accountable only to themselves and in the best of times to their villages. Accountability must be seen as the pivotal basis, the kernel, and the crux of our political machine.

Above all, whatever structures and institutions that are created, they must be created by ourselves for ourselves. The political machinery must take cognizance of the people's political temperament, attitude towards authority and behavioral norms. Any contrary situation will create the antinomies of structural organization. At best, it will give birth, as it has done in the past, to what Friedrich Riggs calls 'the prismatic society'!

For as Walter Lippman observed some fifty years ago, that discussing politics without reference to human beings does the deepest

error to the political animal in us as a people. Aristotle in his politics remarked on the necessity of fitting the constitution of a city state to the character of the people. Thomas Hobbes dealt at length with the issue of national character and the personality of the nation. John Stuart Mills also observed that "political machinery does not act in itself as it is first made, so it has to be worked by men, and even by ordinary men. It needs their active participation and must be adjusted to the capacities and qualities of the just men available".

Due cognizance and attention must be paid to African political past. While we must not romanticize the past, we must allow the wisdom of our past to structure the evolution of our future and harmonize our present.

It is the only way we can avoid or at least reduce the political instability which features like a recurring decimal on our navigational chart.

For too long in Africa, we have seen the world and our immediate political environment through the binoculars provided for us by others. And because the lens of these binoculars have been in the main, unreliable, our vision of our political terrain has been blurred.

Whatever political institution we operate, it must be essentially of our own design, flavored, garnished, and spiced by our history, our political thoughts and the societal dynamics that made precolonial political institutions persist and exist for long.

The Current Transition Exercise:

Dramatic changes are taking place in the African political terrain today. The move towards democracy is strong. But then, it would be trite to state that Africa is at a historical watershed. I say this because the clamour that we are witnessing, while it is one for democracy, it is so in an unrestricted sense. There are two broad reasons why our people want democracy today.

In the first place, the over thirty years of political independence in Africa has been marked by serious denial of fundamental human rights, arbitrariness, absence of the basic freedoms of and for the individual.

The second and perhaps more profound reason for the contemporary clamour for democracy has to do with the failure of most African governments to better the lot of the citizenry. Whatever may be the cause or reason, the genie is out of the bottle and there is no putting it back.

What have the current transition exercises shown us? Whether we take the experiences of Zambia, Benin, Central Africa Republic, Equatorial Guinea or Mali, one thing is certain, the emergence of democratic movements in Africa through national conferences patriotic forces or groupings for multi-partism is a firm indication that there could be in existence, a vigorous civil society capable of effectively nurturing and sustaining the institutions of democracy and good governance.

In each instance, the civil society appears to have taken Ted Gurr and Locke together in bringing the polity back to order and removing the diseased part of the general will for the good of all.

The new crop of leadership that is emerging must avoid the pitfalls and undoings of their predecessors. I say this because recently someone observed that while it took the former president, an African ten years to begin to lose his bearings, his successor took less than six months to lose his own. This development signals danger for the future. Whatever we may say about the African leaders at independence, whatever may have been their shortcomings, one fact stands out incontrovertibly: they were mostly nationalists.

Moving Forward:

In an era of increasing global economic and political integration, Africa cannot afford to remain disunited. It is time we pursue the goal of integration with more seriousness. Private initiative should be given free rein in this thrust and move. I am convinced that the concretization of an African Helsinki process should be seen as part of an overall attempt at pushing for a stronger and enduring integrated Africa.

It was with this conviction, that in 1991, the Africa Leadership Forum initiated the move towards convening a conference on *Security, Stability, Development and Cooperation in Africa*. The series of

meeting culminated in what is now referred to as the Kampala Forum which resulted in the adoption of the Kampala Document by over 500 participants, mainly Africans from all walks of life.

The Kampala Document approached the overarching problems of security, stability, development and cooperation in a comprehensive and integrated manner.

Those within and outside the continent who are still in doubt about Africa's capacity and the determination of its people - as opposed to some of their governments - to regain their position and become full partners in global affairs and in their own development, those who are making the error of writing off Africa, have forgotten that there are no constant values in human existence. Emerging generations of Africans like various generations in other societies will gradually overcome the forces of oppression and dictatorship in Africa and construct the necessary democratic values based on an orderly form of governance of our societies to trigger a sustained process of socio-economic transformation in Africa.

It is fashionable to talk of aid-fatigue and donor-disenchantment in respect to official development assistance programmes and efforts in Africa. While there may be some distortions here and there, some frustrations and disappointments have occurred on both sides of the aid divide which had led to mutual recriminations. But are we really absolutely justified on both sides to be so despondent? I wonder.

In terms of our starting point, what was the level of development in technological, physical, structural and human-resources when official development assistance was injected into our developmental programmes in Africa? The question has been asked why has ODA not succeeded in bringing about the improvement of our economies.

In the ODA to Africa, there was no critical mass of structural infrastructure, institutional capacity and ability in the recipient countries and no critical mass of resource-input from donor countries and agents to justify Marshall Plan expectations out of the ODA programmes. We unwittingly led ourselves to unnecessary frustrations and mutual recriminations. If Germany is transferring resources to the tune of about \$100 billion to the former Socialist East Germany annually and will have to do that for almost ten years to make the East catch up with the West, we can appreciate the inadequacy of reliance on ODA and the need for self-reliance.

We must move ourselves from position of disenchantment, disappointment, and mutual recriminations to a new position of positive re-engagement. Let us start by learning the right lessons from the experiences and exposures of the past. Let us then develop new attitudes on either side to each other. Let us emphasize and extol the positive while we push the negative aside. For me, the first attitude that must be destroyed is the one that sees Africa only as a basket case, a continent of contradiction, conflicts, coup d'etats, conflagrations, debt, disease and death. Much as we may desire assistance in Africa, it is important that such assistance is not given on the basis of condescension. Efforts should focus on enhancing endogenous institutional capacity beginning with cooperation in ensuring communal and community efforts, peace and security within the locality, the nation, sub-region and the region, motivating and giving incentive rather than dis-incentive for if a country resolves existing contradictions and disputes of a political nature within its borders and maintains progressive political and social policies, that should entitle the recipient to increased assistance.

Growth opportunities must be tapped and the de-industrialization process and the impoverisation process in Africa must be halted by re-energizing the African economies through African efforts and foreign investment. Urgent conclusion of Uruguay Round of GATT agreement on the basis of the draft under negotiation will yield global growth and should enhance trading in African goods and commodities and bring about increased resources flow, political and economic stabilization. Successful and sustainable new strategy of development in Africa must embrace the battle against poverty, proper attention to environmental issues and population policies, taking into account the quality of life and the freedom and dignity of individuals and of the family life.

If African countries give priority attention to family planning and effective population stabilization measures within their own budgetary resources, industrialized countries should provide substantial additional resources. Inadequate capacity or misapplication of available capacity is the greatest bane of African steady development and growth in every area of human endeavour. Building adequate capacity, retaining existing capacity and reversing the brain drain are areas in which Africa and the international community can cooperate. Alleviation of poverty, enthronement of civil society, political and economic democratization

and devolution of power to communities at the grassroots and moral re-armament are indispensable props to stable and enduring institution-building for political and economic development and growth in Africa. In Africa, probably more than anywhere else, bad economics is bad politics.

If orthodox cooperation has performed unsatisfactorily to both donors and recipients, if the UN Programme of Action for African Economic Recovery and Development has had very little impact because it had failed to rally the expected international support for Africa's reform efforts, Africa and the international community must not now seek to face themselves with their backs. The situation in Africa calls for a new approach, a new attitude, a new model and a new agenda. Such an attitude, approach and agenda must be based on a true and genuine wish and will to assist in solving common human problems. For what we are facing in Africa is essentially a human problem, it is a human crisis.

It is therefore incumbent on us to seek a new cooperation model on the basis of a compact that can challenge and satisfy both sides through target and objective setting and measurable achievements involving donors and donor agencies and non-governmental commercial and non-commercial organizations.

This compact must be informed by new approach to assistance heavily on NGO's, the private sector and contribution by donor countries to reverse the brain drain, thereby enabling developing countries to draw on and tap their indigenous human resources and capabilities. I am convinced that this would be one way of effectively redressing the situation.

Another element of this compact would be to move beyond government to government relations. We must carry the private sector and NGO's along to establish new and effective partnerships. We cannot hope to achieve much in the area of joint cooperation in Africa if we do not devolve responsibilities to non-governmental organizations in both the donor and recipient countries.

Thank you.

9

Experience in African Development and Prospects for the 1990s

Introduction:

I would like to start this address by expressing my appreciation to Mr. Williams Draper III and Mr. Yragiya President of Japanese International Cooperation Agency (JICA) for using this occasion of the African Seminar of JICA to commemorate the 40th anniversary of the UNDP.

Over the last 40 years the UNDP has made itself felt in most parts of the Third World. We in Africa are great beneficiaries. The theme of this seminar here in Tokyo, capital of a great and powerful country and the occasion of the fortieth anniversary of the UNDP with an eminent panel such as gathered here today is an opportune moment to examine the topical issue of strategy of development co-operation in the 1990s in sub-Saharan Africa.

The main issues I believe must revolve around the ways and means that would not allow Africa lose the decade of 1990s but to make Africa a vibrant abode for man at the beginning of the twenty-first century.

The problem confronting Africa for now is not only economic. It is also a human and management problem with strong political underpinning. The consequences have over the last two decades been grave, and could be worse.

Understanding the dilemma, and the failures which most African countries have come to symbolise requires a proper understanding of the recent past.

Firstly, Africa is a continent about which outsiders have all forms of impressions. One commonly held impression portrays Africa as a dark continent of disease, abject poverty and squalor, more often than not embroiled in a repeated cycle of famine, incessant coups, civil war, social disorder and corruption. Sadly enough, this is part of the African reality.

This condition is as much a creation of Africans themselves as it is a creation of the twentieth century international political, social and economic order which they joined not on their own terms but on the terms dictated by the western world in particular.

The Experience:

African's first contact with the rest of the world was more or less on an equal footing as trading partners. This relationship endured until the advent of the industrial revolution in Britain which necessitated a pernicious change in the community of trade. Slave trade gave way to colonialism and the consequence of the two was a serious undermining of the African self confidence, determination and self esteem.

The attempt by africans to end the era of subjugation was accentuated by other developments in the international political order thus re-invigorating the clamour for decolonization. We inherited the form and content of politics and government from the colonial masters without taking adequate cognizance of our history, geography, culture and our economic and social conditions. Unfortunately decolonization was in most cases merely a re-definition of the senior status of the metropole and its interests. Most props of colonial subjugation were left in place. To compound the problem, most of the leaders of the emergent African states assumed political and other responsibilities for which they were ill prepared and ill equipped.

Even the high expectations, enthusiasm and optimism of the immediate colonial and post-colonial periods was sustained for the first decade and well into the second decade, albeit at a slower pace. All the usual economic measurements and social indicators showed

improvement. Their problems were further aggravated by their acquisition of the consumption patterns and tastes of industrialized and developed economies without the crucial production techniques and skills.

Their conception of development was based more on consumption than on production. Large civil service bureaucracies and parastatals were built to provide unproductive jobs and to pay political debts without taking into account the resource base that was necessary to support such an unwieldy state apparatus. In time, the pursuit of programmes of status expansion progressively undermined the equilibrium between consumption and resources.

Since 1970, the international political and economic environment starting has exposed the underlying weakness of African structures, economies and politics. It has worked against out interests as primary commodity producers. We were advised to go for import-substitution as a policy. We stuck to it without changing when others were changing to export-led production and policy.

Thus most African countries depleted their resource mindlessly. One consequence is the current picture of stagnation, dereliction and decay. In addition to this we thoroughly misunderstood the essence of development. We did not understand it as the ability to do things by ourselves. On the contrary, we saw development basically as the construction of physical edifices which were more often than not incongruent with our resources base, culture and capacity.

Ours was an orientation of half-hearted and haphazard attempts at construction and seldom of maintenance. Having misconceptualized development, we remained entwined in the throes of this mis-adventure for thirty odd years. Today, Africa is regarded as of no account politically, economically and strategically. And most unfortunately we tend to act as if Africa is of no account.

The Strategies:

In examining the areas of development co-operation and devising strategies for the 1990s, I believe we should focus on the 5Ds - Democracy, Debt, Demography, Deforestation and Development. I

believe that our successful resolution of the debt crisis would provide the necessary environment and foundation for the enthronement of a thriving and sustainable democratic system.

It is only in an atmosphere of released energy through democratization of politics and economics that meaningful development can be pursued if the debt crisis is to be effectively and efficiently handled. But then a lot of imagination, flexibility and a careful skirting of old traps must be part of our goal as we scheme a positive future of co-operation and development for Africa.

Of the problems confronting Africa today the most dissipating is the debt crisis. The handling of Third World debt has undeniably stalled development and in some cases actually reversed developmental process and progress. Yet the debt problem was not created by the actions of the debtor nations alone. I believe that a greater cause of the African debt crisis is the general disposition of the western commercial banks. An instructive expose of the cumulative effects of their joint and individual actions was captured vividly by Mr. Richard Lombardi, Ex-vice President of First National Bank of Chicago in charge of loans in sub-Saharan Africa. He has been quoted as saying in his 1985 publication that "Banks cannot possibly contribute to anything called development because their methodology include setting country limits in Chicago or New York and assigning marketing officers in the field to loan up to this limit".

In his time, he witnessed several off-shore financing of projects which he described as *tragicomical in the extreme*. This was exemplified in the case of Togo's financing of the steel complex project near Lome. So also was the case of Zaire. In the opinion of Lombardi, *the offshore financing of luxury items does not represent the optimal use of this limited resources*.

More vexations was the deployment of young inexperienced mid-twenty Fullbright scholars who cannot even manage a home to administer loans in the Third world. All that one can say for them is that they are bright and intelligent. Their demeanour made Susan George opine that, "a young banker is like a soldier on the front lines; he is obedient, aggressive and amoral. His principal and only concern is to make loans. And he is not bothered about large and unwieldy abstractions such as whether what he does threatens the stability of the world economy." He does not even care if it threatens the stability of the debtor nation.

In a nutshell, *in the Third world, bankers have not been lending money, they have been brokering money.* And according to Walter Wriston, former Chairman, Citicorp, *Our strategy (in the Third World) is not one of making loans; our strategy is one of making money.* When I was in Government, I was harassed by Western bankers and their Nigerian agents to keep borrowing to get the petro-dollar in western banks re-cycled on the pretext that Nigeria was under borrowed. The pressure was substantially resisted.

Given the somewhat kaleidoscopic situation that the debt crisis has become, proffering solutions would remain essentially a function of where you sit or stand. However, certain questions are important here. Do the developed countries intend to go on ad-in-finitum extracting every last drop of blood and resources from an already depleted and vandalised treasury? Wouldn't there be some backlash in form of social explosions?

Whatever our answers may be, we must take due cognisance of the fact that we are fellow travellers in the same boat; although some are travelling first class, nonetheless we all have a stake in keeping our ship afloat. It is in our enlightened self interest for both the North and the South to work out an agreeable and workable formula.

The efforts of the Bank for International Settlements and the several co-operative and collaborative efforts among central banks have merely served to contain the crisis and not to solve it. Until recently and starting with Mexico, no major debtor country has experienced a significant reduction of its overall debt.

Perhaps more depressing is the fact that in the last half of the decade of the eighties the magnitude of resource flow from Africa to multilateral institutions like IMF and the world Bank has become such that if this is not stemmed, Africa would be denuded of its capital resource base. Reverse flow of capital to these two multilateral institutions in particular are graphically represented in the statistics for 1986 - 1989; in 1986 it was US \$1 billion, in 1987 \$1 billion, in 1988 US \$1.2 billion and by 1989 it had risen to \$1.5 billion. In effect the efforts that were so far made to solve this problem have been directed at providing more resources for debt refinancing. It is increase of debt rather than reduction of debt.

The debt problem is not only a financial problem but it is also a development problem as well as a management problem. Permanent solution that will lead to sustained development and growth must involve debt reduction, availability of new resources, reversal of brain drain and realistic and relevant home grown and home based development programmes and efforts.

Sustained growth and employment are not possible without curbing inflation. Heavy currency devaluation has always brought along with it run-away inflation. Such heavy devaluation may not be the panacea of our economic problems. This cannot be an acceptable progressive and development-inducing and-enhancing strategy in the 1990s.

To shy away from this as a viable strategy is to ensure that debt and debt service burden will become the albatross and the touchstone of our development process and of our varied efforts at growth and development programmes and projects in Africa.

Whatever option we choose must in the main, take debt relief and debt reduction as a central concern. Debt relief should not be seen as a weakening of credit worthiness. For added measure, it should be provided on a country-by-country basis, with no case serving as a precedent and with the special aim of financing debtor efforts to improve growth and investors' confidence.

Such relief, offered on a multinational basis to ensure uniform standards, should not adversely affect the rest of the loan portfolios of banks. Commercial banks as well as creditor and debtor nations and the international community have a joint responsibility to seek solutions to the debt problems. It is too serious an issue to be treated piecemeal or to be left unattended. The theme must be debt reduction and availability of new financial resources for development and growth.

Closely related and tied to debt is the disturbing and disconcerting issue of corruption and capital flight. The endemic nature of corruption in Africa has been a great source of the depletion of scarce capital resources. The volume and velocity at which money is siphoned out of the countries through these practices have subverted and undermined development strategies. But this has been made possible in part by collaboration and open encouragement by foreign accomplices. Most of our internal effort at arresting its cancerous growth have remained largely unhelpful because of the foreign

connection.

I believe arresting and stemming the tide requires the assistance of our trading partners - especially in the West and in Third World countries. In particular, the banks must be persuaded to be more open and more willing to seek out and expose deposits of dubious nature and to assist in the repatriation of such accounts to the countries of origin.

The concerted international efforts needed here will require national legislation and action similar in scope and necessary attention to the current collaborative efforts against drug trafficking. I have at another forum, proposed linking the two international problems in the search for solutions. Capital flight through corruption is damaging to the country of origin and beneficial to the receiving countries while drug trafficking brings social, economic and security damage to the recipient country, while benefiting financially the country of origin. Efforts should spring from both ends to deal with these two menacing problems, for drugs are sapping the strength of the industrialized world and capital flight through corruption is similarly wounding the Third world. It is gratifying that banks in the West are now being more open with drug money. Drug money from the West and money from corruption in developing countries should be similarly treated.

With expansion of scientific knowledge, improved technology, increased demand for the bounties of nature for improvement of our living conditions and geometric progression in population increase, we now know that over - population leads to degradation of the environment which in turn leads to poverty, inadequate modern education, poor health service, lack of employment, poor housing, poor infrastructural facilities, high infant mortality and short life expectancy.

Our strategy for successful and sustainable development must have a component of population stabilisation and environmental wholesomeness and protection. Poverty is at the core of our environmental degradation in Africa. Whatever initiative, assistance and strategy we devise and take to protect the environment must as a root and branch cure and remedy be aimed at marginalising the agonising level of poverty.

We must constantly review and reform our economic policies

and performances. But any economic reform or adjustment that stifle human resources development in terms of poor education, poor health and poor nutrition can only subvert development. Emigration of highly skilled and qualified manpower detracts from full benefit of investment in man power development and capacity building. Development cooperation can and should assist in reversing the brain drain.

It is gladdening that the UNDP is pioneering a refreshing thinking into development and development assistance with its introduction of the human index of development, as against the usual concern with the GDP and GNP. The human index of development explores factors that make the nationals of a country healthy, well educated and productive. These I believe are more germane to sustainable development and well being of the citizens than abstractions like the GDP or GNP.

Development is fostered principally by investment, trade, loans and aid, trade and investment. In as much as Africa cannot entirely do without these factors, unfortunately they are essentially external to the continent and thus their control, release and manipulation are not entirely at her behest. What we get of the four cannot significantly improve our condition. Assistance in these area must be stepped up. But assistance must be designed to help us produce what we need; not to dump on us things that have no relevance to our needs and our environment, but only to provide employment for citizens of donor-countries. Our efforts will yield little or no improvement to our economy if entry of our commodities into the Western markets are restricted. Protectionism is as deadly if not more deadly to African economy as low prices.

Surveying the current state of affairs one cannot but see a lamentably bleak future for most of Africa. But a meaningful strategy of development can re-define, restructure and make more wholesome such depressing futuristic conjectures. For now, even in the area of commodity trading, our supposedly strong position of comparative advantage has been weakened by breakthroughs in bio-technology research and development. I take this alongside the emergent consumption pattern and dwindling demands for our products. Overall, the prospects for Africa are not gladdening. The obvious answer is for us to move faster into processing and diversification of our commodity production. Yet this requires heavy capital in construction, research and development. Our ability to move in this direction would be circumscribed because of shortage of capital.

I have no doubt in my mind that we will embrace democracy in theory and practice in the nearest future. But along with it we must have development and prosperity. If we don't, something will give way. As we all know, democracy and poverty are incompatible fellow travellers and when democracy breaks down or fails because of the incapacitating effect of poverty, we will be blamed and in addition we will be worse for it.

What do we do? I believe strongly that there must be a democracy incentive from the West. What I have in mind are a carrot and stick approach: sticks, to discourage undemocratic government and undemocratic systems; and carrots to encourage and strengthen democracy in Africa.

Africa must have the right concept of development based on attitude, skills, education, culture and encouragement of self-help, self-achievement, self-attainment, self-effort and most important of all long-terms planning. Without these crucial elements, we cannot cope successfully with the changing world and take due advantage of the changes.

In addition we must generate internal savings, internal resources and internal investments. A hospitable environment must be created. Local investors give the best measure of the investment climate and prospect in any country. External assistance should be provided for infrastructural development.

We must also simultaneously reduce our excessive consumption and ostentatious living. We must listen less to outside advice, outside teachers and prescriptions which others with inadequate knowledge of our situation may design for us.

We must also convince the international community and the multilateral institutions to make us part of the planning process for the world while we make them part of the planning process for Africa. We want our friends to make us true partners and not serfs.

Our culture has not informed our development process. In the area of technology for instance, European tools and instruments are made to achieve the same result regardless of the user's skill or lack of skill. Secondly, they are used to economize human labour.

In comparison, Japanese tools require a great deal of personal skill and a long sense of acculturation. In the words of Professor Junzo Kawada, "Japanese everyday life is full of such devices not determined materially but functionally efficient depending on the skill of the user. In addition, Japanese technology has human dependent character and it means an unsparring use of human labour".

Obviously the reality of our own accultural approach to development technology has been another bane of our development process. Our technology is not home-grown nor well-adapted to our situation. Most of the contraptions are incongruent with our people's beliefs, attitude and way of life.

Let me say here that I am aware that the foremost strategic imperative of our developmental process for the 1990s must involve we Africans pulling ourselves up by our boot straps. The implications of recent changes in Eastern Europe do not give us much time. A Bank for Development and Reconstruction, and a European Investment Bank, have been set up, essentially to marshal resources for revamping and rebuilding the economy of Eastern Europe. Africa stands to gain nothing by this measure, and may even lose a great deal.

The North-South agenda particularly for Africa must not be sacrificed on the alter of Eastern Europe agenda. Development must not be allowed to skip us by this time around if we are not to start another race against time.

Whatever we do or hope for as Africans, we have to enhance and embrace regionalism and intra-African trade, which could offer a way out of the present morass. For this again, we require the support, assistance and understanding of our friends and trading partners. Special funds must be provided to encourage regional integration in Africa.

The increasing Japanese ODA to the third world now standing at 0.32% of the GNP deserves to be remarked. I was a member of Helmut Schmidt's Group on Financial Flow to Developing Countries which recommended that Japanese ODA should be increased to 1% of its GNP, tripling the present level. May I also say that while Japan concentration of an assistance in Asia and Pacific in the past was understandable, as a world economic giant, Japanese responsibility must be worldwide and fairly evenly spread, particularly to Africa where 25 of the 42 LDCs are located. At least 25% of the Japanese

ODA should go to that apart of the world.

Summary:

Our new strategy for development must begin with our concept of development not in terms of structures and projects but in terms of our ability and capacity to promote, induce and influence change within our environment for the purpose of increasing the choices open to us. We must draw hard lessons from our past errors and inadequate performance. He who fails to learn from the past is doomed to repeat the mistakes of the past.

Our culture and development must be in harmony. In the past we seemed to have moved away from our cultural base. Production rather than consumption must instruct our new strategy. Our production must be home-based essentially on local raw materials and components. We must have vision and show foresight. We must understand and take advantage of the changing situation in the world.

We Africans must be assisted on the basis of what we believe is best for us taking everything into consideration. Our friends and the international community should not dictate to us.

The relationship should be based on cooperation and collaboration.

The international community must show as much concern for Africa as it has shown for Eastern Europe.

To write Africa off is to consign one out of every ten human beings to economic destitution, disease and gradual death. This is a gloomy prospect indeed. Our friends must accept part of the responsibility for making the entire world a better place for all humankind.

Thank you all.

10

Democracy & Good Government: Basis for Socio-Economic Development

In contemporary usage, democracy ranks as one of the three most employed words. Alongside reform and adjustment, democracy, now, more than ever, has assumed the centre stage in public discourses.

The world has witnessed quite a range of specific and general modes of government, from monarchy, gerontocracy and crass egalitarianism to, again monarchy, elitism in different shades, fascism, communism and democracy in different modes on a world-wide scale.

The debate that has been with us for some time now, and that gained world-wide currency and momentum after the introduction of the twin wall-crushers of the Soviet Union - *perestroika and glasnost*, has not been about the ideal form of government of and for human kind, rather the debate has been about the best form of government of and for human kind that the long history of the world has known.

Democracy as *governance by organized and sustained popular consent* is not in any way perfect. But, it is the form of government for now and the foreseeable future. In general, for a democracy to be properly so called, it must embody certain characteristics. These include periodic elections that enable the rulers to renew their mandate and give the electorate the chance to review the performance of their leaders and renew or terminate their mandate. Democracy implies choice among competing alternatives. A viable democracy is also helped, fostered and strengthened by effective and independent non-governmental organizations; the civil society.

The activities of these organizations tend to bolster, reinforce, complement and make more effective those of government. A democracy without these institutions in a viable and effective capacity is a very weak and tenuous one indeed. Outside official oppositions in periods of particularly bad and anti-people leaderships, such institutions perform as a shadow government. Equally indispensable in a virile democracy is an independent judiciary, which does not only impose sanction on unlawful deeds and unconstitutional transgressions of social and political norms and regulations, but also puts a high premium on protecting the rights and liberties of citizens against overzealous and highhanded officialdom. Without fundamental human rights observance and protection, there can be no democracy.

A free and independent press is also a must for a democracy. A free, independent and responsible press does not only criticize holders of political and social power when they are deemed to be wrong, but also serves as a force for promoting the unity, cohesion and progress of the nation. The press in a democracy is truly the conscience of the nation. To initiate, sustain and reinforce democracy, the existence of an independent and plural legislature that is also committed to political pluralism in the sense that all shades of opinion are given the chance to be aired and to contest for political office is taken for granted.

So also, is the control of the military by civil authority. The military has no business governing and if by accident they get sucked in, they should get out as soon as possible to face their traditional and constitutional duties of security and defence of territorial integrity. Lastly, and above all, for a democracy to be sustainable, government must be responsible and answerable to the people, the real custodians of sovereignty. An irresponsible, arrogant or careless leadership breeds disenchantment, antipathy and disenfranchisement in the followership, and this, as we are living witnesses of in the Third World, sets the stage for the nihilists, reactionaries, fifth columnists, and anarchists. What forecloses avenues for their emergence to the fore in the affairs of our different societies is the ability of governments, differing from place to place, to act in the interest of society at large and to maintain an open, two-way communication line, or network with the people.

It has been said often, particularly in Africa, that the idea and principles of democracy as we know them world-wide and as I have

been trying to rehash here, are foreign and not suited to particular social realities. This is not the case. Democracy as part of our cultural heritage in Africa has a long and cherished tradition. Democracy manifested itself in consultation and consensus building. Then the universality of the fundamental values of democracy is undebatable. No single culture enjoys exclusive insight into democratic nuances. No one style or system of democracy can be prescribed world-wide. Systems of government must be appropriate to the cultural, social and political structures of individual countries.

Contrary to what is widely believed, the current wave of pro-democracy movements in Africa is essentially the awakening of the smouldering and suppressed phenomenon as a result of new Western attitude and encouragement to democratic reforms in Europe occasioned by perestroika. Over the years democratic values have enjoyed primacy as fundamental values in Africa. This value is not a function of governmental policies, nor is it in anyway a negotiable right. The history of our different peoples and their different cultures is one of different and varied democratic arrangements. Whether one is talking about the egalitarianism of the Tivs in Northern Nigeria, the gerontocracy of the Igbos, or the monarchies of the Zulu system, the conclusion is the same: democratic arrangements, undergird them, albeit with their particular flaws and imperfections as we find everywhere else. It was, as a matter of fact, the advent of colonial rule which was, essentially, a rule by an occupation force that somewhat displaced and undermined our democracies.

The struggle against colonialism earlier on in this century was, very profoundly and essentially, the struggle for democracy in as much as it was a struggle for self-determination and majority rule.

While we are still on the subject, let me comment briefly on what I perceive as a very fortunate and glorious aspect of on-going struggles for democracy in Africa. Whereas the vogue, hitherto, particularly during the decolonization struggles and immediately after was the bitter, exclusive, and often violent one, we now have an essentially non-violent and all-inclusive character of the present struggles to change military and authoritarian rulership in Africa. Sabotage and open war were the hallmarks of the earlier struggles. Today, constitutional conferences and transitional arrangements are very much in the air. This new self-realization and self-awakening process has been essentially all-inclusive and augurs well for the cohesion, unity and progress of the various societies and nationalities

now pursuing this path.

Democracy is both an end in itself, and a means to that end. As an end, democracy makes for sustainable good government, which enhances the pursuit of the citizenry for peace, happiness and fulfilment. While it makes sure that the majority have their way, it does not stop the minority from having their say and their interests and rights protected. A democratic government protects the different, and most times, conflicting interests of the various segments of society. Democracy must strive to include most, if not exactly all, segments of society in the run of things. Consensus, or compromise, must always be sought. A society that is run otherwise risks antipathy from within it. The protection, enhancement and furtherance of both individual and group rights and interests is what makes democracy an end in itself. A sustainable end at that.

Recently, there has been the development of political conditionality to economic arrangements (aid, grants, loans etc). The industrialized creditor nations of the world now place a high premium on political democratization as a condition for economic assistance. The recently inaugurated European Bank for Reconstruction and Development, aimed primarily at assisting the mainly East and Central European countries going through democratization processes has as a precondition for membership, and therefore assistance, of the bank the existence of a democratic set-up and even states that the Board of Directors of the bank will have the power to withdraw assistance from a member country should such a country abandon the democratic path. This scheme is intended not only to encourage democracy as an end for those countries, but also to assist in building their own capacities to the point of self-reliance and self-sustenance.

Recently, the World Bank, with a tradition of conservatively occupying itself with only economic issues, has somewhat latched onto this new vogue and has shed its inhibitions. It now actively prescribes political democratization as a necessity for and complement of sound economic policies. Defining governance as *the use of political authority and exercise of control over a society and the management of its resources for social and economic development*, the bank has gone further, in a bid to encourage good government, to suggest that aid to developing countries be tied to their spending on their defence and security. While I will not advocate a wholesale rejection of this move;

let me also say that it is important, and to all intent and purposes too, that conditionality of any form must be the result of a mutual agreement flowing from the freely given consent of African leaders and the citizenry.

More specifically, I would prefer the move towards a new compact. I have earlier said that democracy is not only an end in itself, it is not only the system of government preferred by the governed, it is indeed the system of government that can ensure peace, stability and security in our world. By institutionalizing individual rights and justice, by unifying law, morality and justice, democracy, as the expression and expansion of man's freedom releases the abundant energies of the people for development.

Apart from releasing internal energies for development, the stability, peace and security that democracy engenders form the most suitable environment for investment and support, both directly in terms of direct foreign investment and through governments, in terms of grants, aids and loans on specific projects. Permit me, once again, to re-echo Africa's concern with the level of assistance she is getting from the industrialized countries of the world.

Democracy cannot operate in the abstract of course. It encompasses such important concepts as the rule of law, fundamental rights and liberties, information privileges, etc. In the final analysis, however, it is also a bread and butter issue. Let us not be deceived that the present wave of pro-democracy movements in the world is an irreversible process. The people want democracy now because they see it as their economic redemption (apart from the various other objectionable features of authoritarianism). Let us not forget that all the societies now clamouring for democracy are, without exemption, societies in dire economic straits, and that it is the frustrations, borne out of poor economic performance, more than anything else, that caused their disenchantment with their previous political and socio-economic systems.

For the democratic process to be irreversible in these societies, therefore, it must bring forth an improvement in their economic and social conditions. It, very concretely and visibly, means a forward movement in their lives. While changes for democracy, in order to be sustainable, have to derive from within, the role of the international environment cannot be over-emphasized. In Africa, for instance, our colonial past and deprivations arising therefrom, in a very large

measure, explain our present economic situation. This does not, in any way, lessen the blame past and present African leadership must share in seeing us to our present straits. The crux of the matter, nonetheless, is that, for any appreciable economic progress to be made in Africa, our already unrepayable debts, have to be relieved. Additional economic assistance will have to come from the advanced industrialized countries to help us build our own capacities. Procrastinating on these might prove fatal to the present hope and promise our people see in the unfolding democratic process.

As peace is indivisible, so is security, and so is wellbeing. A greater sense of commitment and responsibility must be shown by all and sundry. The world, or a part of it, cannot afford to see unhealthy states of affairs in other parts as *their* problem. We have to cultivate the habit of seeing everything in the light of *our* world, *our* problem.

For me, when the issue of democracy forms the topic, political democracy or democratization is only one side of the coin. We are talking of political democracy in terms of opening up, liberalizing and freeing political structures, administrative machinery and peoples outlooks and internalized habits.

The other side of the same coin is economic democratization. In contradistinction to centrally controlled economic practices-which inhibit freedom, emasculates ingenuity and inventiveness and shackles entrepreneurial motivation, overlaid and excessive government involvement in the economy in terms of direct ownership and participation in economic ventures, economic democratization is about empowerment and elevation of the people to perform and transform the economy.

In its publication titled "Sub-Saharan Africa; from Crisis to Sustainable Growth", the World Bank posits that "Africa needs not just less government but better government - government that concentrates its efforts less on direct (economic) interventions and more on enabling others to be productive". This, coming from the World Bank, not only breaks with the economism of the past in which the Bank did not concern itself with political issues, it also repudiates unfettered "laissez faireism". It did not exhort governments to simply take their hands off economic matters, but advises enabling acts. As such, apart from providing the infrastructures needed for the smooth and effective

running of business, it is quite in order for government to give leadership, direction and encouragement in streamlining and encouraging businesses, based on official priorities and national needs.

Good government means that governments do only what they need to do and not take on tasks best left to others who can do them better and more cost-effectively. The most important task of governments is to provide security, stability, sound political and social policies which are necessary for sustainable development. Economic measures and policies that impoverish all people cannot be seen to be coming from a good government. Right policies must be supported with competence and ability to implement and execute at all levels and by all concerned.

There is a strong link between democracy, good government and development. The days when Kings and Emperors built castles and developed nations as private estates are gone. Democracy means pluralism of centres of decision and action.

If what we are advocating for Africa is democracy and not disaster, then we must strive for a democratic structure, system and practice that is based on responsive governance. Economic democratization is also imperative. I see this as a process of qualitative and quantitative resource management within the framework of a mixed economy which possesses in-built and autonomous mechanism for equity, empowerment and capacity building and in which access to the system is open and free. The process encourages initiative and participation by the citizens and rewards these generously, resulting in optimum positive beneficial transformation of the lives of the people.

While encouraging initiative and rewarding it, economic democratization also implies equity, i.e. balancing by government the interest of the weak and the strong. Government must protect the weak and not leave them to the mercy of the strong. Failure to do this might break the camel's back. The strong may succeed in practically wrecking and dehumanizing the weak, and, conversely, the weak might be pushed by the oppression of deprivations to resort to anarchical violence. Both prospects are bad.

Economic democratization and good government must lead to empowerment and capacity building of and for the people. It must lead to enabling them to perform by providing the right policies and assistance to them towards the object of sustained economic

performance through initiative and entrepreneurship. These, inexorably, lead to the beneficial transformation of their lives. For the private sector and individual enterprise to be able to act as engine of growth, governments have to provide the hospitable environment.

The last point I want to stress here is that economic democratization must take place within a framework of mixed economy. While encouraging initiative and private entrepreneurship, we must not make the mistake of calling on the state to hands off economic matters entirely. It is both impractical and undesirable. The recent spate of privatization of government owned enterprises underscores, particularly in Africa, the ineffectiveness and as such, undesirability of government involving itself directly in economic enterprise. This ineffectiveness is caused by corruption, patronage both in recruitment of the managers of these enterprises and in running the enterprises and an uncaring attitude to public property. However, particularly for the Third World and this is even true for some advanced economies as well, government must intervene in the economic process to issue guidelines and regulate the affairs of businesses. In particular, I believe that governments particularly in developing countries must encourage financial institutions to funnel credits to the different sectors and sub-sectors of the economy depending on the perceived priorities and direction the economy should move. Machinery for monitoring compliance should also be set up and tightened.

Economic democratization must take full cognisance of special groups. Democratization, which implies empowerment and capacity building of citizens, which does not appreciate, first the special disabilities women face in the ordinary run of things, especially in the Third World, and then, does not deliberately scheme for the enabling of women to perform - own and run businesses - in order to liberate them economically and thus strengthen them as citizens in their own right rather than as appendages of men in our patrimonial societies, cannot be said to have seriously begun. Women, who constitute about half of our population in Africa, must be empowered and helped to build their capacities for management. To fail to do this would be tantamount to failing to mobilize half of our human resources. A corollary to the issue of women is the issue of our youths. Specially designed programmes should be put in place specifically aimed at mobilizing, empowering, enabling and building them as responsible citizens and leaders of tomorrow. Again on the issue of women in

development, let me point out here that the strategy most likely to succeed is the one that brings in the expected beneficiaries of government programmes- the women themselves - on the ground floor, from the design stage of programmes. This bottom upwards approach will ensure understanding, sustained enthusiasm and commitment to such programmes, and this is more likely to engender success. From experience, it would also be better and more convenient to route assistance for such programmes through the associations and the non-governmental organizations of the women rather than through government bureaucracy. The most well-intentioned of programmes would founder if a break in the execution machinery occurs. NGOs have shown particular dedication and competence in handling programmes that enhance capacity building and empowerment for women.

The question has often times been posed as to which takes precedence between political democratization and economic democratization.

As I see it, political democratization and economic democratization are complimentary and mutually reinforcing variables. They cannot be treated on the basis of one first and then the other. Political democratization will founder without the economic complement to nurture and reinforce it. Political democratization without the economic empowerment and sustained capacity building of citizens cannot last. Economic democratization without the rule of law and respect of basic rights of citizens in a society, without accountability on the part of government to the ruled, without access to information by the citizenry, and without the various attributes that mark out a democratic society, will surely founder.

Democracy must also promote the cultural identity of the people and national unity, for these serve to reinforce the sustainability of democratic government. They engender the spirit of pride, fulfilment, patriotic zeal and commitment in the people. It has often been aired that democracy is a luxury for economically advanced nations, and that for backward Africa, authoritarian rule best suits us. I deny that authoritarian rule is what suits Africa. I also reject the view that democracy is not what our people prefer. For now, democracy is not only the best form of government that can ensure unity, stability, peace and security for us, it is also the form of government, that can bring about sustained economic progress. It is not a luxury for the future, it is a necessity for now.

11

Private Initiative: The Development Process

Introduction:

As the 20th Century draws a close it is unleashing on us in perpetual succession a myriad of changes. Changes that are fundamental and profound are taking place in all regions of the world, affecting in significant ways previously entrenched positions on socio-economic and political arrangements.

One feature of the changes is common cry, a democratization of access to societal structures and institutions and the institutionalization of increased private sector initiative in the development process. True enough the eighties and the beginning of the nineties have displayed in living colour the fragility and frustrating incapability of centrally planned and managed economies. Less dramatically we have seen a clamour for the enthronement of private initiative and an increasing awareness of the liberating influence of the role of private initiative in the development process.

The legendary sea power of Europe and her conquest of other regions of the world was achieved on the backs of and at the behest of private initiative. Europe conquered the world not because of the bureaucracy of her governments but in spite of it.

Abraham Lincoln perhaps more than anyone else of his time captured the essence and the over-arching influence of private initiative in expanding the frontiers of development in his biography when he

aptly observed that:

".....You can not build character and courage by taking away man's initiative and independence; You can not help men permanently by doing for them what they should do for themselves..."

The Past:

The exegesis of the lived experience and the peculiar demands of their circumstances compelled most developing countries to pursue a strategy of development that did not particularly accord due recognition to the influence of the private sector initiative in releasing its potential for development. The consequence was a systemic arrangement predicated on government involvement in virtually all sectors of the economy. Unproductive and thoroughly inefficient public enterprise was the norm. In contrast, the few areas operated by the private sector posted successes that seemed bent on pointing out the wrongheadedness of excessive governmental involvement in the economy.

In the past, attention and emphasis have been laid, and perhaps to an extent, rightly too, on the consequences for the developing countries of slower growth in the developed countries. What is not readily recognized is that the reverse effect is equally important.

According to current statistics, only one per cent increase in the real growth of the developing countries can be attributed to a 0.1 to 0.2% increase in the real Gross Domestic Product (GDP) of developed countries.

The *World Development Report - 1986* of the World Bank commenting on the *Opportunities for Growth* in developing countries observed that "As growth slows, governments turn their attention to reviving it - and to addressing the problems that slower growth creates. Developing countries have taken many steps to improve their economic performance and to adjust to the changing international economic environment".

In essence, the Third World market with its enormous potential confronts investors with a scenario that does not permit temporary constraints and weaknesses in those markets to disrupt long-term investment plans. I agree that caution, selectivity and adaptation to changing circumstances must be the signposts of private enterprise in

taking investment decisions. However, endurance, consistency and foresight are equally crucial considerations. From a generation of experience, it has been observed that investment opportunities are usually more readily available and usually on more favourable terms in times of recession than during periods of boom.

A recent World Bank Report dwelt on the efforts of some developing countries to revitalize their economies. Failures or successes were attributed to the policy mix they have chosen. Central to the report's discussion and depending of course on individual circumstances and needs, were those policies aimed at increasing domestic exports. These were particularly underlined. One conclusion of the report that appears unassailable is that measures associated with the market-oriented system have produced best results.

Developing countries have in the course of continuous interaction with the developed regions and trans-national corporations, acquired a sufficient degree of self-confidence and have similarly consolidated their sovereign existence as nations. Their varying experiences have informed their interactions with multinational corporations. Consequently, they have systematically whittled down the bogey of their fears and suspicion of these transnational corporations and their home countries. True enough this development has greatly and to a large extent improved the understanding of, and insight into, the nature and operations of trans-national corporations.

In addition, due cognizance appears to have been taken of the trickle down effects of foreign company's equity investment. These include the technology, human resource development and importantly, the creation of access to international sales channels, which are usually expensive and difficult to assess by relatively smaller national corporations.

The fears expressed in the past about the undue and sometimes domineering influence of foreign partners have over time been discovered to be more often than not exaggerated and in some cases unjustified. We must admit that such practices on the part of the foreign investor are wont to be counter-productive vis a vis the promotion of the interest of the foreign partner and the company. On the contrary, having a substantial stake in the venture, he is likely to do his utmost to secure success for the project.

From experience, it has become increasingly clear that no amount of structural adjustment programmes can help economic recovery and expansion of the economy unless such programmes are supported by greater retention and inflow of resources through debt reduction and surplus generated from export and growth in direct foreign investment.

There is the crucial role of potential commitment in the economic development process. In almost all developing countries regardless of the political arrangement, there is a perceptible increase in the direction of a disposition to foreign investors and investments. Ironically, foreign investors are becoming more reluctant at committing themselves in the developing world, particularly in Africa. Of course this development is germane to, and strongly influential in the change of attitude by most developing countries and their governments to investment generally and foreign investment in particular. Africa more than any other developing region of the world typifies this situation. Africa receives less than 15% of the total flow of foreign direct investment to developing countries and the prospects for an increase of these flows are not promising unless international cooperation takes a new dimension.

Getting Away From the Past:

Africa will no doubt perhaps remain economically vulnerable for some years to come. Nonetheless economic growth and overall development will continue, albeit at a decisively slow pace. But, as I see it, altering the role of international cooperation should as I see it be at the center of our pre-occupations in Africa. There is no example in contemporary history where any country has developed exclusively on its own endogenous resources without recourse to the outside world. In essence, there is nothing evidently dishonourable in Africa's effort to try to attract private foreign investment. What has always been at issue is the modality of attracting foreign investors.

Economics as a science acknowledges capital as a prime factor of national economic growth and, by implication, development. In recent times there has been significant differences between Third World countries that have received capital flow in reasonable quantum and those countries that have received a near lethal dosage of capital starvation, particularly foreign capital. With time, it has become obvious that there is no substitute for a vibrant private sector

involvement and participation in the economy. But then private sector initiative in the development process requires and demands certain basic imperatives if the best that is embedded in them is to be realized. For me there are two major aspects of this. The first and perhaps more fundamental is the effort of the local entrepreneur, industrialist and financier. The second is the effort, involvement and activities of the foreign investor, businessman and financier. The proper interface of the two constitutes the propelling *force* of dynamic economic growth and overall development. The attitude of foreign private investors is basically unchanged in the sense that they will make direct investments in developing countries only if deemed reasonably secure, profitable and beneficial to the long-term interests of the investing company as a whole. Encouragement for investment and creation of hospitable environment must be for local and foreign investors alike.

In essence, the challenges of current realities demand that African countries promote a strategy of private-sector led growth with government mainly concerned with providing the hospitable environment and unsuffocating regulating framework. Foreign investors will be guided and stimulated by the performance of existing investors, investment and their projections. Existing investment and local investors are forerunners of foreign investors. Where local entrepreneurs are not investing or are dis-investing, no one should expect foreigners to move in head-long. More importantly, where existing investment is not posting a particularly re-assuring result for whatever reasons, economic - private foreign investment will obviously not rush in. It is, in a manner of speaking, a matter of where angels fear to tread only fools will rush in.

Confronting the Future:

We must not and cannot shy away from the truth of the obvious shortage of capital in Africa. The low level of local savings of course stifles and attenuates productive investment. The first step on the home front is to move away from the usual near fanatical attachment to grandiose projects which usually require huge capital outlay. In essence part of the enabling environment must involve the empowerment of our local entrepreneurs to start small scale industries that rely basically on the utilization of local resources and that in aggregate, can feed larger units. In addition to this, medium and large scale entrepre-

neurs must be simultaneously encouraged.

Growth in foreign investment will result in the creation of more jobs, improvement in standard of living and accelerated economic and social development, while at the same time we must take cognizance of the fact that continuous dependency on commodities that suffer from wild fluctuations, uncertainties and market instabilities and reduced incomes can not sustain our economies.

Our escape route out of the economic morass in which we are presently ensconced in Africa must be paved and lined with a push for industrialization based essentially on local resources as a means of diversifying our economic base and adding value to the products. Diversification and modernization of agriculture is the first area for which I will expect foreign investment in Africa to move in. This will include local production of agriculture inputs and processing of agricultural outputs. This should lead to a more diversified economy, a stronger and wider manufacturing base and a more dynamic service sector. With a stronger economy, our citizen can have improved employment opportunities, enjoy high incomes and better quality of life. Since we have inadequate capital and know-how, our striving for industrialization must be through foreign investment and foreign participation.

The point at issue relates to the proper package capable of creating an enabling environment that is conducive to the growth of foreign and local investment.

Attracting Foreign Investments:

To attract foreign investors, we must provide security of lives and property, political and social stability, continuity of government policies and predictability. At the risk of repetition let me say that the political stability is a categorical imperative. This requires an urgent resolve to embrace democratic reforms of institutions of government, and an aversion for life presidency, and a total reorganization of the society on a different basis of legitimacy. Accountability and probity must inform the basis of governance with democratic practice and promotion of fundamental human rights. In short, democratization, effective popular participation in decision making, resource allocation and the equitable distribution of the benefits of development at all levels with the peaceful resolution of internal conflicts through dialogue

and negotiation, must guide governance in Africa.

An unstable political environment, one which is prone to social violence, disruption of economic activity is a strong disincentive to investors, both local and foreign. Human beings have an aversion for uncertainty. No reasonable investor, no matter how steeped and stewed in the dynamics of risk management would commit himself heavily into a country that is politically unstable. The strongest encouragement that can be given to an investor is the institutionalization of political stability, the enthronement of peace and the establishment of democratic institutions and systems. It was no accident or a mere re-awakening that governance has in recent times become the cornerstone of projections on economic growth and overall development.

For us in Africa, the time to act is now; the time scale is such that procrastination, gerry-mandering and continuous shying away from the political realities is retrogressive and detracting. If we must promote and pursue a private sector-led development and growth, we must enthrone democratic governance anchored solidly on a peaceful renewal of mandate and succession programme.

The creation of incentives for both foreign and local investors, especially for export-oriented and labour intensive projects utilizing substantial amount of local raw materials and local resources, must take due cognizance of the legal and administrative issues.

It is important that the legal framework for operation of a business be precise and enduring but with an acceptable degree of flexibility that enables it to fit into modern industrial and commercial operations. We must refrain from laws devised with the parochial goal of securing government control without regard for practical effects on business operations. The areas that have recurrently come up for mention are minerals, petroleum and land. The goal of government policy must be a conscious move in the direction of allowing parties to contract a modicum of freedom to shape and monitor their contractual relationships strictly on the principles of *pacta sunt servanda* and security of private property.

In addition, we must realize that sudden changes in the legislative framework imply a change of the ground rules upon which

the initial investment decision was made. Experience has shown that such midstream changes create serious and costly consequences for the private sector. Regardless of how legitimate our reasons for the change, our sense of responsibility to the businessman requires certain concessions.

Essentially, the market must hold sway in resource allocation and investment decision. Governments must help in developing the human resources and skills needed with encouragement of research and development. Encouragement can be strengthened through the activities of incorruptible, efficient and effective public service.

As investors are hardheaded and shrewd calculators who desire satisfactory returns on their investments, and they have a choice of where and how to place their investment, certainly if one country or one project is insufficiently attractive or remunerative, the investor has a choice of others especially in a situation of one global financial market.

Exchange control regulations must as a matter of necessity be liberal if we are to encourage foreign investment. Good infrastructure and communications are part of the hub and the engine room of an enabling environment that motivates foreign investors.

Similarly taxation laws must neither be discriminatory nor arbitrary. Business men justifiably require tax laws that are clear, understandable, precise and consistent. Anything less would serve as a serious disincentive to foreign investors who are often faced with choices in other countries and regions of the world. Foreign investment must target the market of the host country but it must not be limited to that market. Markets in developing countries particularly in Africa are usually small and often times constrained by the limited purchasing power of the people. Investors must seek to expand their market base and devise their marketing strategy to cover other countries within the region and beyond. Foreign investment has to encourage sub-regional production and economy as a crucial survival strategy. In a similar vein African governments must also provide incentive for foreign investors to broaden the export base of the country invested in and to improve the foreign exchange earning rather than deplete it. I believe that by putting the activity in a country within its world-wide operation, investment by a multi-national corporation enhances acquisition of technology, management and promotion of export.

The Cultural and Social Dimension: Avoiding Past Mistakes:

Our lived experience has raised fundamental questions on certain issue areas for us in Africa and these relate to:

- a. Local Ownership.
- b. Joint Venture Agreement.
- c. Performance Requirement

a. Local Ownership and Control:

For the purposes of national security and reinforcement of national sovereignty and empowerment of indigenes, certain key sectors are usually reserved for national ownership in most countries, developed and developing. For example such areas include defence, strategic communications and at times the mass media. The situation in Africa is one in which the logic of private sector successes shows the fallacy of public enterprises. It is a knotty issue that can only be resolved by the clear headedness on the part of the political leaders. As much as possible, equity participation in government ventures should be encouraged with an assured degree of a non-interventionist posture by the political leadership.

b. Joint Venture:

There was a time when it was fashionable for business and industry to have joint venture agreements with governments and government organizations. Experience has shown that, it is better to have joint venture arrangement or joint participation with reliable, honest and committed local entrepreneurs and local private sector organizations. The advantages are many. If correct relationship and distance are maintained with the government and politicians, the fortune of such venture does not fluctuate with the changes in or of government. Decisions are made fairly expeditiously, and continuity is maintained. Corruption is reduced and market consideration and profitability are the major factors for planning and programming. And long-term planning can be made. Choice of local managers and senior

personnel can be made on merit without excessive political interference.

However, I must enter a caveat here. In cases where it is possible to concede a 100% private foreign sector involvement, experience has shown that a joint venture would prove counter productive, for the government and the company involved would deny themselves of the accrued benefits of a successful enterprise in that regard.

c. Performance Requirement:

Another grey area of private sector involvement has been the sensitive issue of performance requirement. The idea of government dictating a fixed schedule requiring a company to achieve a certain percentage of local content and the export share of production, technology transfer, research and development and other not too dissimilar demands by the host countries are informed usually by the peculiarity of their experience. But then one must admit that the results have been less than satisfactory. Technology transfer has in most cases remained elusive and almost unreachable. One can pose similar conclusions for other requirements. Failure in these areas is more often than not due to a combination of the fact that most private sector men often consider such demands as capable of engendering high costs, sub-optimal use of resources, slower technological progress, higher prices, less value for the customer and loss of jobs. But then, if the host country were not to insist on such conditions, it could find itself perpetuating economic growth without development.

Conclusion:

Government must assume responsibility for providing certain essential inputs. For instance, the business community requires an energetic professional, technical and managerial skills from the labour force. Government should therefore ensure that educational institutions provide more business oriented programmes in colleges of higher education. In addition, students must be encouraged and oriented to prepare for a career in business, industry and commerce.

Finally, I would like to draw attention to the crippling debt situation of many African countries. The crisis in the Gulf and the consequent oil price increases have aggravated the situation of the oil

importing countries. Unless the debt-distressed countries of Africa are bailed out, they cannot be put back on the path of growth and development. They will remain too fragile, too unstable and too poor to attract any investment for development let alone private foreign investment. We need a bold step and great political will from the West to deal firmly and permanently with the issue of Third World debt, particularly African debt. We can all contribute to putting this ugly situation behind us and develop a new partnership of cooperation based on mutual respect, mutual benefit, accountability and good management.

As the world appears on the threshold of a new international order, experience and the new realities demand from us increased intra and inter-regional cooperation and a re-appraisal and the re-configuration of the role of the private sector initiative in this direction. The reality of the world is that all of us are travelling in the same boat even though some of us are travelling first class. In essence it devolves on both the developed and developing regions of the world to ensure a smooth passage of our common boat to our destination of a common future. That is a responsibility we all owe to generations yet unborn. We certainly cannot afford to do less.

Thank you.

12

Prospects for Agri-Business In Africa

Introduction:

It is not uncommon to hear that because of the variety, magnitude and nature of the African crisis, it is not the best possible and the most attractive environment for investment in the world today. Africa is generally seen as a continent of insecurity and instability with inadequate return on investment. Investment is a necessary condition for long-term sustainable growth and consequently for ensuring substantial improvement in living conditions. While I do not intend to stand here and say all that is usually said about Africa is not true, I am saying that it is only true in a limited sense. Those familiar with the African terrain and environment and who have had to do business in Africa will bear me out in this regard. But what is true is disturbing and discouraging enough especially in a very competitive global situation. For many reasons, investment generally and particularly in agriculture has been inadequate and insufficiently rewarding in Africa.

And yet all of these belong to an Africa that should be shedding its toga of prostrate helplessness, an Africa that should seek to bring out the best that is embedded in its bosom and all of that which Nature has endowed it with.

I believe that our purpose here would be better served if we agree on certain basic facts as reality of the African situation. In essence our first task must revolve around depicting the required ingredients of any successful business environment. The special requirements of agri-business and thus draw up the possibilities for agri-business in Africa in the 90s and beyond.

The Ingredients of The Business Environment:

Agri-business is like any other form of business undertaken for profit. Thus it requires certain basics that are crucial to the success of any enterprise be it private or public owned and run. But in particular agri-business requires reasonable gestation period for investment to take root, mature and yield return. Business and investment decisions depend primarily on the assessment of risk and return.

Perhaps the most fundamental of the conducive requirement is political stability. Stability anchored on sustained democratic practice is an important factor in business and investment decision. Stability is referring to the institutionalization of a calm and dispassionate political environment. In which political disagreement do not threaten the fundamental existence of the nation or society as a corporate entity. The creation of a stable and peaceful environment with straight-forward investment regulations is a priority for all investors and particularly for foreign investors. Along with security, peace and stability must exist an environment in which human rights are fully respected. For one thing, the investor does not want to get caught in any type of crossfire. All investors like to be assured that they operate in an atmosphere that is orderly and therefore predictable if they are to realize the projected returns on their investment and to see growth in their business.

Thus political stability must be complemented by a high degree of policy consistency and predictability. Here I am alluding to a situation in which the business environment is not unnecessarily disrupted by ill-considered and badly enunciated policy pronouncements and decisions. No business unit, let alone agribusiness can thrive in a situation where government position changes like weather cock on important issues affecting business and investment particularly fiscal, monetary and foreign exchange issues. Every business must have its own plans and projections. Businesses should be able to make reasonable projections and hope to achieve or realize those projections provided they work hard towards the goal. Excessive and inefficient bureaucracy suffocates and inhibits transparency and encourages corruption and patronage. A simplified and transparent legal framework with clear position on property, commercial right and labour law is of paramount importance for business and investment generally but

agri-business in particular.

There must also be adequate and functional infrastructure that make the economy go round and functioning. Absence of the required infrastructure means an increase in the running cost of the business thereby leading to overpricing and thus a product that becomes unappealing to the market. In extreme cases it might mean inability to function at expected capacity.

We must of course again take cognizance of the need for access to certain basic resources which are critical to the investor. In the case of agribusiness the most crucial is the issue of access to land.

Market availability is of course an added incentive if not a serious motivating factor in taking the decision to invest and do business. For the foreign investor a crucial factor must relate to:

- a. Exchange controls and regulations
- b. Likelihood of appropriation

There is also the availability of skilled human resources. Let me add that the list should not be taken as either exhaustive nor exclusive. For now let us delineate on the African realities vis-a-vis the ones already listed.

The African Business Environment:

Let me begin with the issue of manpower and skilled manpower. Africa has certainly moved away from the 60s when at independence some African countries were faced with a situation in which there were only one hundred university graduates. In the last thirty years, Africa has built a stock of experienced and skilful manpower. While I am not saying that the available manpower is sufficient and adequate for the business community in Africa, I am saying that there exists a pool and a reservoir which can be built upon and which can be further developed and expanded to meet the tasking needs of the business community in general and agri-business in particular. Let me add that the edge for Africa is that labour is still very cheap and agri-business in Africa can be developed on the basis of labour-intensity.

The concern of the foreign investor on the issue of exchange

control regulation is very crucial. Where there is no foreign exchange for the investor to bring in crucial inputs and raw materials at the required point in time might mean the difference between failure and success. And for agriculture timing is important. I believe that the new wave of political and economic democratization sweeping through Africa would grant an ever increasing role to market forces. In more and more African countries foreign currency can be purchased across the counter. This is indicative of a realization of the need for government to free the economy of its strangle hold control.

The issue of expropriation can be viewed from within the same context. For me, looking at Africa from the inside, there are certain positive developments that portends a hopeful future for investment in Africa. The post-Cold War era does not make expropriation a likely route in Africa. The demands for investments from other regions of the world including the former Soviet Union had awoken Africa to new realities. However it is important that the investor be it in agriculture or other sectors of the economy must realize that it is important for the business to be a good corporate citizen that recognizes and respects the prides and prejudices of the community and the country. It is neither in the interest of agri-business to take its host nation for granted nor is it in the interest of the nation also to allow itself to be taken for granted. There must be mutual understanding, mutual respect and reciprocity.

On the issue of expropriation, George Moody Stuart, Corporate Affairs Director, Booker Tate Ltd., of London said:

"....I can assure you (we do not) lose much sleep about the risk of expropriation or seizure of assets or the result of a exchange in government. We generally take the view that, if we are doing a good job, any new government will need us as much as the old one did...."

Coming from someone whose company has extensive and successful agri-business investment in different parts of Africa and who has been involved in the field, nothing more needs to be added.

It is not uncommon to hear such conclusions that the market or agri-business in Africa is indeed very low because of the low purchasing power in the continent. While this may be true, it is only so in a limited sense. I say this because the biggest advantage of agri-

business is the strongest cause of Africa's commodity problems. Much of agri-business activities has to do with processing of the raw crops it either grows or buys from out growers. With value added, there is little limitation to the market potentials of the company. There is the need for agri-business to set out with export as one of its objective for the purpose of earning foreign exchange for the country. The market across Africa is big and agribusiness can easily penetrate these markets because of its capacity and ability to process and add value to the raw materials be they cash crops or livestock or even food crops that it produces.

Obstacles are those things which we see when we lose sight of our main goals. From my own experience in livestock farming, my products are consumed not only in different parts of my country, Nigeria but also in the neighbouring countries even as far as Equatorial Guinea and I produce mainly perishable goods in form of poultry and pork products mainly. I have had occasion to remark in the past that if there is anything to be learnt from the European Community experience on the question of integration, it is that only private initiative that can really tear down the barriers to trade among nations especially in Africa. Invariably, government actions have only followed private initiative. We are not giving the total picture to simply say that there are barriers to trade and that most African economies have similar commodities and structures and trade among them cannot be encouraged. Europe, France, Germany and the UK have similar industrial economy and yet trade among them is on the increase. The important point is that there are fresh grounds waiting to be broken and pursued. Integration cannot and may never be achieved by the government alone but rather at the behest and the push of the private sector. Perhaps the first building block for agri-business in the effective prosecution of its aim is the ready access to the crucial factor which is land. There is no doubt that in the past in Africa this has always been quite problematic and it is still is an unnecessary bottleneck. Thus in 1976, my government through a legislation, the Land Use Act sought to improve access to land for development and to enhance title to land while at the same time tried to discourage land speculation. While I would not say that it has solved all problems of access to land it has significantly reduced the problems of access to land. It has helped in the process of commodification of land. Let me say here that the biggest problem in the past in Africa has been the argument about the inappropriate transfer of large farm lands to "foreign ownership". I have put foreign ownership in quotation marks because here it is used to denote both the real foreigners and the

"indigenous foreigners". I have used the phrase indigenous foreigners here to draw attention to the constraints of the local entrepreneurs who also decided to acquire sizeable area of land for business purposes. In cases where there is no land use and allocation act, there are two possible alternatives. The first relates of course to taking out a lease as against outright purchases which may be difficult to contract from many families in the first instance.

The second alternative is that which has been developed by Tate Sugar Company, this involves the system of farm partnership with the owner of a farm who for one reason or the other cannot maximize the use of his land. The agreement according to Stuart is that such an owner can contribute his land in a partnership where the agribusiness company contributes the management skills and perhaps the working capital. Naturally it is expected that the profit of the partnership would be shared according to the value of inputs. In addition this is for a specified period of time after which ownership reverts to the original owner of the land. Again it is not an entirely satisfactory arrangement for long-term improvement and sustainability of the land.

There is also the added issue of infrastructure. Much as one might be tempted to depict this problem as one of the big problems of development in Africa, I admit that transportation and, communication facilities are difficult, making running cost high. It is one area governments in Africa have either been paying insufficient attention or have made inadequate progress. I realize that it is one of the strongest drawbacks to investment and business development. Some governments have now embarked on development of a part of the country at a time rather than spreading the butter too thinly on the bread to be of no avail. The private sector is also chipping in for all forms of relief. Other favourable conditions may compensate for inadequacy in one area.

The first has to do with the new wave of political democratization that is sweeping through Africa. I believe that the gathering dust would settle sooner than later. When the dust settles and we have managed to clear our throats of the phlegm and our noses of the attendant mucus what will emerge would certainly be a different Africa. And I am optimistic that what is happening is not just another fad rather, as the Americans say this is for real. I make bold to say this

because I live with and experience daily the emerging reality of Africa. For instance in my country Nigeria I have been inundated with campaigns for the sustenance of democracy in the country. My interaction with and travels to other parts of the continent also reveal similar movements. It gives me cause to be happy and hopeful in seeing the emergence of the civil society which can be the defence of peace and stability in Africa. Let me however say that I am not insinuating that once we democratize at the political level all other things would be added on to us. My point of departure stems from the piecing together of the variety of movement towards economic democratization, and economic empowerment, which at a level corroborated by the increasing acceptance of the principle of privatization and commercialization which in itself is a function of the retraction from the commanding heights principle and the gradual and phased withdrawal of the government from excessive involvement in the economy. The overall effect of all of these development has to do with the emergence of a new class of African entrepreneurs more conscious of the challenges of the business environment and who are willing to persuade the government and the political leadership to adopt a more responsible attitude and posture in the formulation and execution of economic policies.

It has now become clear more than ever before that Africa can no longer rely on its peasants to turn around its agricultural enterprise yet Africa cannot do without its peasants. The point is amply demonstrated in the African proverb that there is enough room in the sky for birds to fly without being on a collision course. In the same vein there is enough room for both peasants and agribusiness to pursue their legitimate endeavors without being on a collision course. They must be complementary rather than antagonistic.

Land must be commodified, that is a fact that all of us cannot run away from. The usual postage stamp size holdings cannot sustain agri-business. But we must also bear in mind the primordial and sentimental attachments to land.

These is also the issue of credit for agri-business. There is the issue of skilled personnel the ability to source loans and other forms of finances from the international financial circles. Let me also add that I believe that it is important that agribusiness invest in Africa for one main reason it has the required skills to manage such a complicated form of business. From my own lived experience I have come to discover that raising a loan for such a business is essentially a function

of the ability of agri-business to demonstrate its capacity and capability.

In addition to this another viable alternative is for the agri-business company to go into joint partnership with governments. Most people are wont to shy away from this because of previous experiences in dealing with government. Let me say here that the important point to note is that agribusiness company does not take the view that once it carries out its own side of the bargain it can go to sleep in the believe that it has done all that is required of it. Most government anywhere in the world need to be constantly pushed and pulled to perform. Instances abound in the past of where companies or technical partners bring all that is required of it only to find that the government has either renegeed on its promise or that there has been a change of government and a change of policy and agenda. I am convinced that the resilience of the company can occasion a change of heart on the part of the government. In essence, the agri-business company cannot afford to rest on its oars until the business is on a smooth running course. Let me also add that some African government have stubbornly stuck themselves with the idea of starting and running a large scale agricultural venture. While I do empathize with them on one level at another level I believe it is a moribund position and one that needs to be changed if a realistic result is to be expected. Again, I believe that if the government must be involved at all it must remain at the fringes. By this I am saying that it might provide the capital, the management of the company must be left to the technical partners with a local feeder team. While such organizations do serve as a veritable haven for political appointments influenced mainly by political considerations, it is important and crucial that interference with the management should be ruled out. Again for the agri-business company, it is vital that the attitude of business at all cost must be eschewed in this regard. It is imperative that right from the onset these should be agreed upon in principle.

I believe that it is important that agribusiness must not seek to supplant the small scale farmers it must aim at complementarity with the small farmers. There are those who when they look at the failures of mechanization in the 60s and in the 70s shudder at any mention of mechanization and large scale farming. There are those who feel the large scale farmers are not of strategic consideration and value in

Africa. While their fears may be justified in light of the experiences of those periods let me say here that to take such a position is to seek to throw the baby out with the bath water.

The most important of all in considering investing in Africa of the 1990s and of course Africa of the next century, is that a new wave and a new attitude, a new understanding and a new orientation is developing through Africa. We are ready to acknowledge our past mistakes and make amends. We know that our present is rooted in our past but we could continue to blame all our present on our past history. Others in similar circumstance have broken from their past to take advantages of opportunities that abound in the present. We want to move away from the margin and the periphery into the mainstream. We need partners, we need helping hands and life line.

Africa needs more and more investment to survive, develop and grow and become increasingly relevant to the rest of the world. The field of agriculture is one where one has no cause to doubt Africa's ability to absorb, internalize and yield necessary returns if well planned and managed. Even in the worst of economic situation, agriculture is the hope and the main stay.

Agriculture to Africa by my own estimation must be pursued on the same pedestal as the strategic consideration. The biggest problem with Africa's commodity prices has been the attempt to sludge it over in its raw forms. We cannot hope to get much from our investment in agriculture until we move towards greater and increasing processing of our agricultural products. This is where agri-business becomes relevant and important in Africa and the African economy as we march on to the 21st Century. It is becoming increasingly clear that Africa and Africans can no longer serve yesterday's food in new plates. I believe that with the increasing wave of economic, political and social democratization going on in Africa the environment in Africa would be more conducive and more hospitable to the business community particularly agri-business. The signs are already clear.

Thank you.

13

The Future of Public Enterprises In Africa

The role of public enterprises (PEs) in Africa became a significant feature in Africa's post-independence history. The concept pre-dated independence of Africa. But a historic transformation in both economic and political thinking has shaken the foundation of PEs in Africa and in the rest of the world and has brought these institutions into a very unique and volatile phase of their history. This phenomenon raises a serious challenge to any prediction on the future of PES in Africa. The challenge is compounded by the very eminent nature of this group of audience and its special expertise on the subject in question.

Before we talk of the future of PEs in Africa, we must first look into the past in order to understand the present and to predict the evolution into the future. In addition, let us agree that the subject of our discussion today, i.e. PEs, refer to state owned commercial entities or any such enterprises in which a government at the federal, state or local authority level has a majority or a substantial share-holding.

Let me declare at the outset that at least for Africa, the emergence of PEs was not principally ideological. In effect, many African countries, copied both the concept and the practice from non-socialist Europe especially, former colonial powers including the UK, France, and Portugal. But aside from these countries, where PEs historically played a significant role - particularly, in the post-second World War reconstruction effort, the same applied to many other non-socialist Europe and the Third World.

In the 70s, for example, the GDP share of PEs was 4% in both the Netherlands and Spain and as much as 15% in Austria or close to 40% in Italy. Beyond Europe, and apart from Latin America where the sector was dominant in practically most economies, in Asia, even in staunchly capitalist countries like Taiwan province of China, PEs accounted for 14% of its GDP. At the level of developing countries as a whole, it has been estimated that PEs accounted for a quarter of those countries gross fixed capital formation in early 1980s.

It is, however, significant that while many colonial powers in Africa have PEs in their own countries, their colonial adventure in Africa was, at the government level, confined almost entirely, to law and order and some basic socio-economic infrastructure in a manner that the task of economic activities became the responsibility of private enterprises from the relevant colonial powers. The refusal of colonial powers not to replicate their PEs in Africa beyond utilities and produce marketing boards, has never been fully researched and explained. But suffice it to mention that it is the legacy of the dominance of the African economies by the private sector of former colonial powers that ignited and in most cases reinforced the process of PEs in Africa.

Against this background, the size of the public sector in an individual African country almost became the function of the size of its economy rather than the countries' ideological orientation *per se*. In other words, socialist ideology as practised by some African countries simply provided the emphasis rather than the *raison d'être* of the activity. Consequently, while countries such as Algeria, Egypt, Guinea, Tanzania, etc. relied on the dominance of PEs in their economies as part of their socialist policies, others like Morocco, Tunisia, Nigeria, Cote d'Ivoire, Kenya, South Africa, etc. also created PEs in significant numbers. Thus, in the early 1980s PEs share of GDP at factor cost was around 37% in Zambia; 19% in Senegal; 18% in Tanzania; 10% in Cote d'Ivoire, etc.

It may be added that the differences in the above group of countries - besides the socialist ideological rhetoric, remained largely in the area of regulatory framework for domestic investment under which the latter opened many of its sectors for PEs while the policies of the socialist oriented group were exactly the opposite. But the fact remained that both groups of countries came to use, to varying degrees, the instrumentality of PEs for their national development.

Fundamentally, the genesis and justification of public enterprise

was the same in Africa as elsewhere in the world especially, the developing nations. While the entities were created for complex and varied reasons, in most instances, by far the most compelling factors included: control over certain strategic industries or enterprises for security or economic reasons; government access to greater revenue; large scale and strategic investments which were necessary for national development but were not been undertaken by the private sector for reasons of comparatively low returns or large capital requirements beyond the capacity of the private sector which existed; economic activities to lessen national inequalities; and, perhaps more importantly, at least for Africa, was the lack of organized indigenous private sector with adequate management skills and access to a reasonable level of financial capital.

Apart from the economic fundamentals, the whole revolution of PEs in Africa was also propelled by what became popularly known as the rising expectations of post-independence era. This situation demanded an accelerated process of development and the need for innovative development mechanism of which PEs were considered pre-eminently paramount. More importantly, the entire phenomenon of PEs was sustained by a global ideological and intellectual climate which became increasingly suspicious of private enterprises and restricted its expansion in favour of the public sector which in Africa, was aided multilaterally, bilaterally and nationally.

The picture we now have is that contrary to the global chorus of criticism against PEs in Africa that exist in various places within and outside the continent today, if we are honest with ourselves, most of us, both within governments and multilateral institutions, must share in the outcome of the process we originally supported. I am inclined to believe that if PEs in Africa had turned out a great success, there would be a bigger number of people taking credit today.

But the question of who was right or wrong is certainly not the issue we should dwell on now. Rather, our concern with the past is to the extent it can help us to predict the prospects for the future. In this context, three major issues emerge from this inquiry: first, what really went wrong; secondly, are the objectives which necessitated the establishment of PEs wholly or only partially valid today; and, thirdly, are PEs necessary for Africa's future development and if so, what must

be done to secure or ensure their future success?

The scope of our discussion today rules out any attempt to deal with the above questions exhaustively. My task therefore, will simply be one of highlighting certain basic elements which can sufficiently explain the phenomenon. Let us first reflect on the question of what really went wrong. It is not generally acknowledged that PE's in Africa, have grossly failed to meet the expectations which were placed on them. In fact, a pervasive disaffection with the performance of PEs in Africa is basically at the heart of the economic reforms which are now sweeping across the African continent.

However, in considering what were wrong on PEs development, the major problem we face is that while most people know what they did not want from PEs in Africa, there is less clarity on what they wanted out of these entities. Clearly, the most common argument is that PEs in Africa did not bring about the development of the African nations. Valid as this observation may be to a large extent, it overlooks the fact that the sector, could simply not have shouldered on its own, the whole burden of the development of Africa- especially, when account is taken of the various indigenous and exogenous factors. But more importantly, it can also be submitted that the private enterprises that had existed and which PEs supposedly replaced or supplemented, did not - at least for Africa, bring about that development either. Indeed, if that had happened, PEs of such a large magnitude, would not have been established by African governments in the first place.

That notwithstanding, the reality is that most PEs in Africa operated on unclear, often multiple and contradictory objectives. In that on the one hand, PEs were called upon to meet economic objectives and, on the other hand, to shoulder social responsibilities. Not only were PEs supposed to correct a complex perceived process of market failures and rectify an inequitable system of income distribution but also, to build national infrastructures with all their attendant capital intensity and, make a profit at the same time. The result is that in the 80s, PEs in developing countries accounted for between one quarter and one half of all outstanding domestic credit and in Africa the figure varied from as high as 87.1% in Guinea to 29% in Cote d'Ivoire and 8% in Mauritius.

This confusion over clearly defined strategic objectives of PEs in Africa were simply contributory rather than the main causes of the

failure of the entities. Clearly, it cannot be denied that PEs in Africa and in a good part of the Third World, performed - with few exceptions - relatively well throughout the 60s. True, it may be argued, with some justification that much of that performance, was a product of the excessive domestic protection those countries afforded to their PEs.

But one thing is clear, the role and performance of PEs in Africa declined with the African economies. It remains to be fully explained whether PEs contributed in a very significant way, to Africa's economic crises. What we do know is that against a background of domestic policy errors, the oil crises which was followed by the collapse of commodity prices resulting into worsening terms of trade, widening deficits, inflation and, the now most famous burden of external debt are principally responsible for Africa's present socio-economic crises. I must add that corruption and mismanagement played their own role.

The failure of PEs as has taken place in Africa, must therefore be viewed against the backdrop of the free fall in the economies of Africa whose consequences, by and large, brought about the problems we tend to cite today as the major causes of the failure of much of PEs in Africa. Specifically, these included poor management compounded by managerial corruption; excessive political control; over centralized decision making; bureaucratic interference in the operations of PEs; decline and decay of supportive physical and social infrastructure; etc. These stand out as the major factors which accounted for the PE's morass in Africa.

The most regrettable thing, however, has not simply been the failure of most PEs in Africa, rather, the fact that less is said about the achievements of PEs. Viewed at the Third World level as a whole, there can be no getting away from the fact that Indian Oil Corporation was a key instrumentality in the drilling of hydrocarbons in India; who can deny the success recorded by Petrolbras or the massive mining role played by Brazil's Companhia Vale do Rio Doce (CVRD). At the level of Africa, some of the outstanding projects today are products of PEs: Akosombo Dam in Ghana; the Aswan Dam in Egypt and numerous petroleum and mineral explorations in the continent - including, every major mining project - gold and diamonds in Botswana, Ghana and Burkina Faso; phosphate in Senegal; iron ore in Mauritania; manganese in Gabon; titanium in Madagascar; etc.

At the manufacturing level, many textile industries, chemicals - especially fertilizers and steel in Zimbabwe, Nigeria and South Africa are all products of PEs. It can be safely assumed that many of the major industries presently existing in Africa would not have been developed if it was not for the direct government initiative and involvement. The fact that the performance of these industries may leave something to be desired, was simply the outcome rather than the necessity for the initiative. Above all, the major contribution of PEs which is less recognized, is the role PEs played in the whole field of training. This was not unique to Africa. For example, the Iranian Oil Company was specifically charged with the major role of providing training opportunities for Iranian nationals. In the case of Africa, many of the new crop of African entrepreneurs whose ventures are now being considered to replace PEs are products of PEs by training.

Dissatisfaction with PEs in Africa has become a fact of daily life. But this in itself, cannot be a sufficient reason for a total rejection of PEs. The reality is that Africa's decision on the future of PEs, must remain a function of the capacity for alternative response mechanism. The crucial factor being that the litmus test for any economic activities must be its viability and capacity to enhance human welfare. However, as things stand now Africa and the rest of the world is moving out of PEs. Privatization is now the key word. There are three major dimensions in Africa's process of privatization: The effort to privatize non-profit making PEs; the privatization of practically all PEs whether they are making a profit or not; and, selective privatization leaving strategic sectors especially socio-economic infrastructure as PEs. There are variations between countries in all the three dimensions.

There are some major short-comings in the present policy of privatization in Africa. In particular, it is not based on any rational analysis of barriers beyond which the individual government should not go with respect to direct involvement in commercial/industrial activities. Secondly, and more importantly, its politics of implementation requires that there are private indigenous groups capable of buying out and more significantly of running the privatized enterprises. Thirdly, the process of privatization is understandably being slowed down by bureaucratic interests.

All taken together, in the medium term, PEs will still be a dominant feature in most African economies although an expanding private sector will increasingly diminish the share of economic activities of PEs. The main point to emphasize here is that the privatization

process in Africa has to a large extent been overshadowed by similar offers in Eastern Europe and from more developed Third World countries not to mention those emerging from the former Soviet Union. The privatization in Eastern Europe has invariably involved staggering figures in magnitude of 20,000 or so enterprises. In key Third World countries, Mexico alone put over 1200 PEs on the market. In consequence, the privatization of PEs which African countries may have already decided to give up, will take longer than anticipated if sale would be close to market values and fairness and equity would prevail.

However, our concern here is the future of PEs given that privatization will not involve all PEs in all African countries. In this context, the major issue is the criteria to be used in determining the type of PEs which African individual government must continue to operate. While the policy or criteria may differ from country to country, the PEs which most governments in Africa will continue to run are the strategic ones with large social content or implication such as electricity, water and transportation - especially railways and to a lesser extent air and sea transport.

Let me also add that while the arguments of market efficiency in allocating resources may sound convincing at the theoretical level, it is in some cases devoid of pragmatism. By this I mean that there are other social considerations beyond the mere allocation of resources in a country especially in Africa, given the overwhelming spread of grinding poverty. To illustrate, it would amount an over kill if the supply and distribution of water, electricity, roads particularly rural and similar basic social infrastructures are left to market forces under the guise of privatization. I know for a fact that 95% of the inhabitants of my village cannot pay the competitive market price for education, health, electricity, water or even cost of road constructed to the village. We are surely not saying that they should be perpetually denied these facilities. Certainly not. It is because of such considerations that we need to exercise restraint before applying the market forces theory lock, stock and barrel in our circumstances in Africa.

With increased local development of entrepreneurial class and with more available inflow of resources, most of the productive areas that African PEs have ventured into largely unprofitably can and should be left to the private sector. Specifically I am talking of productive

sectors of agriculture and manufacturing and service industries that can best be left to the private sector with the government providing the conducive conditions and hospitable environment for private enterprise to thrive and flourish.

The patronage, mismanagement and corruption endemic in heavy involvement in PEs by African governments will be reduced if not eliminated through rationalised and prudent privatization and commercialization. PEs will continue to be instruments of social if not economic transformation in Africa in the foreseeable future but they will have to be better managed and subject to greater openness and accountability in their operations.

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The Nigerian Society and The World: 1992 and Beyond

Mr. Chairman

Your Excellencies

Distinguished Ladies and Gentlemen

Honourable Members of The Oxford and Cambridge Club.

When I was approached by the Oxford and Cambridge Club in 1990 for a lecture, I sought relief in time by agreeing to 1992. When I was transferring my commitments into my diary at the end of 1991, I became reminded of my date with the Club; I then realized that time can only offer very transitory relief. I have chosen to deliberate with you through an opening remark and subsequent questions and answers on the subject: *The Nigerian Society and the World: 1992 And Beyond*.

I thank the Club for inviting me to have this opportunity of baring my mind and sharing together thoughts on some pertinent issues of contemporary world situation as they stand on their own and/or as they affect our African world or our Nigerian home. From what I have heard and read, this annual lecture of your Club is fast developing a culture of tradition, excitement, friendship and discourse like the annual Oxford and Cambridge boat competition which I also understand may be coming up about this period.

I have been somewhat influenced in my choice and treatment of the topic for this lecture by the meeting of the InterAction Council of former Heads of State and Government which I attended in Bonn, Germany in January this year on the subject - *The Search for Global*

Order: The Problems of Survival.

Since the closing days of the decade of the eighties and now, the world has moved. The origin of the change can be traced to a number of factors including science and technology, the relationship between man and society and indeed more broadly the question of humanity. We are leaving behind us almost half a century of Cold War and management of superpower confrontation with all its attendant side effects. There now looms an unprecedented chance of moving to a new era of peace, cooperation, justice, rule of law, dialogue and development. The delineations are becoming observably discernible - the end of East-West conflict, the disappearance of the Soviet Union as a sovereign state and a superpower, the emergence of more political competing units and new threats to human existence on our planet. If the past offered us predictable stability and danger, the future is still fairly unstructured, unpredictable and unstable. We are, so to say, in a period of transition.

Crisis management and international cooperation are two most vital elements in this period of global transition. It is vitally important for the world community to formulate a medium- and long-term vision at a time when conflict and crisis management will be the essential task of its political leaders. A new cooperative global order must be devised to safeguard humankind from self-destruction emanating from the threats of environmental degradation, demographic explosion, massive migration, AIDS, narcotraffics, ethnic and regional conflicts, disregards of human rights, abject poverty and international terrorism.

Such an order must be based on the realities of interdependence and a recognition of the multiplicity of global challenges with delegation of sovereignty as a result of the process of deepening voluntary cooperation among states. It should involve moving away from national interests as the sole determinant of international relations. National sovereignty and national interest must be balanced by global awareness and global responsibility. There can be neither peace nor legitimacy, of any order in a world which ordains and perpetuates such extremes of poverty and wealth as exists at present between the North and the South.

One of the basic structures of the new order must address this issue. It must be a global partnership structure for facilitating the development of the developing countries and for effectively responding to the needs of the poor in general. It should emphasize cooperation

for these objectives rather than confrontation between the North and the South. The danger is that the East-West conflict may be substituted by the North-South conflict. There is of course the difference that the East-West conflict is essentially intra-cultural and intra-racial in nature. From the point of view of requirement of international resources, there are those who re-configure a new South that includes the old East. Democracy and market forces alone will not remove the danger of North-South conflict. They in themselves may not necessarily produce wealth and if they did, they may not re-distribute it. While universal standards and principles of democracy exist, there is no uniformity or commonality of democratic practice. But democracy is inconceivable without pluralism. The economic, social and cultural background and development as well as the history of each state determine the democratic content and features of a country's political system.

Recently, I was at a meeting where we were briefed by an *expert*, who said:

"The world is now dividing into two distinct blocks that we shall call AMERIPPON and EURAFRICA. Amerippon includes North America, Latin America, the Pacific Basin and Japan. Among these, there is a dominant military power, the United States, two industrial economies among the most powerful in the world, the United States and Japan, enormous needs for new infrastructure and credit-worthiness in South East Asia, the opening of Latin America, a common ideology geared towards open frontiers and risk taking, common currency of trading - the dollar and currency of saving - the yen, prime material reserve and a large pool of skilled labour, healthy demographics and absence of Islamic problem".

He went on:

"Eurafrica includes Europe - East and West, Russia, Ukraine, Baltic States and North Africa. Here we find a common social democratic ideology not geared to taking risks, the beginnings of a common currency, a military vacuum - No European Army and pull out of the US, the world's most powerful industrial economy but fragmented, enormous need for infrastructure, not credit worthy - East Europe and North Africa, uncertain prime material and energy reserves, demographics imploding in the central and exploding on the Southern flank, important Islamic problem, energy and demographics".

Not being an expert myself, I was however surprised at the flaws in this simplistic categorization and division of the world. Apart

from being centred on America, it ignores China, India and substantial part of Asia. It obviously pretends that black Africa does not exist. It assumes that military power will continue to be a major factor of international relations. It does not seem to see a more independent and self-assertive policy coming from Japan and Germany within the comity of nations. I see a roughly equilateral relationship between Europe, North America and Pacific Asia. While this structure will be most evident in its economic relations, it will also be relevant to the factors of politics, culture and science and technology. With the disappearance of the Soviet common enemy, there are different scenarios that may make the equilateral relationship uneasy.

The expert's categorization does not see the centre of world activity in the 21st century gravitating towards Asia. China will likely soften on political reform without destroying its 5000 year history. It has planned to double the living standard of its citizens every nine years. It has the resources, the discipline, the stability and the will to achieve it. In economic terms, one can see a coalescing of the interest of Japan and China and a complement of efforts within the Pacific zone. It remains to be seen how the one superpower which intends to remain unrivalled and unchallenged will react to events in Asia and the legitimate demands of Japan and Germany and Italy for that matter; no longer to be regarded as enemy state and to be granted increased voices in the UN decision-making mechanism as they pay increased share of the cost of maintenance and operation of the Organization and its agencies.

By a combination of events, the United States of America has emerged the one-superpower of the world and it has strategic plans to remain unrivalled and unchallenged by any nation or group of nations. That in itself may or may not augur well for a new world order and a new global system. Many are those who are apprehensive about the close parallel to a one-man rule or a one-party state rule and there are those who see it as providing the leadership the world needs and deserves. They argue that the world community requires strong leadership as does any other community to navigate its way safely through the difficult course that lies ahead.

Let us deal with one or two contemporary threats. Take the issue of international terrorism. It must be condemned and fought determinedly. There must be no safe haven for terrorists. But in doing this, the rule of law must be allowed to prevail. If the principle of 'might is right' is allowed to dictate the action of nations in this regard,

disorder and the rule of the jungle will be the lot of the world and no citizen of any nation will be safe and secure except citizens of the nations with the might.

The time is ripe to establish an international criminal court of justice as an adjunct of the international court of justice to handle cases of individuals, corporate bodies and governments involved in international terrorism and similar crimes of international dimension. Such a court or tribunal will be credible, reliable and trustworthy and give confidence to all concerned. Individuals found guilty can serve their sentence in any aggrieved state. Enforcement on individual or compliance by corporate body or government must be maintained by the UN Security Council through sanctions. It may be one positive measure of discouraging terrorism at the international level.

The environmental problems have the political, the economic, the scientific and the technical aspects. Scientists have raised alarm and have identified some goals for sustainable development and environmental parameters within which such development should take place. The scientific knowledge and understanding support the public awareness that we are mismanaging our planet. But there is need for political vision and political will to provide the leadership, the legislation and the resources that will make the environment safe and secure for now and for the future.

Poverty and affluence also cause environmental degradation. The rich countries utilize a disproportionate share of the world's resources and discharge their waste in quantities that exceed the ecosystem's absorptive capacity. A number of developing countries over-exploit their resources just to stay alive. National policy in most countries drives unsustainable forms of development and encourages global warming, acid rain, air pollution and related syndromes, mainly as a result of fossil fuels and hydrocarbon energy sources. These policies can be reversed. For instance, improving energy efficiency which I understand can be improved by as much as 20-25 per cent is the cheapest and quickest way to reduce CO₂ emissions, together with other polluting gases caused by burning fossil fuels. Such improvement will also increase cost-effectiveness of energy production.

The principle of the polluter paying must be universally applied for equity and justice. The past must also be brought into reckoning.

And development in any part of the world must not be put on hold for unrestricted consumption in other parts of the world. Will the developed world be willing to make adequate investment in their own economy to make such timely improvement and to put necessary resources in the developing world to achieve concurrent improvement? These are some of the questions that UN Conference on Environment and Development in Brazil in June must attempt to answer.

With little or no modification to the Charter of the UN, a gradual process toward a tiered system for the management of world affairs should be initiated. The UN itself should be strengthened. Global participation in the decision-making of world affairs should be the major objective. The second tier should act as core point in the world community's decision-making process. They may reflect relativity in political and economic strength and geographical representation. Combining the global partnership and the equilateral structure may produce a most durable and dynamic global society through the first half of the twenty-first century.

But whatever the new global system and order may be, Africa will maintain its relevance only if it rises to the new challenges of the time and meet the expectation of its people and its friends. These challenges include the sustenance of the democratic process, peaceful resolution of conflicts and conflict-prevention, security and stability, economic recovery, revitalization and integration and eradication of apartheid.

The political will of our leaders can make a difference to the point of starting to make the world take Africa seriously. With only about 1% contribution to the world trade, with stereotype news of disease, coups d'etat, conflicts, drought, famines, corruption and mismanagement, with the greatest number of refugees in the world, highest maternal and child mortality rates, and mental enslavement and displacement, the world tends to ignore Africa and tends to treat it as if it does not exist.

I gave the view of an expert earlier. It is typical. And let us not kid ourselves, our contribution to the world in a situation where geo-political and strategic considerations do not matter is so infinitesimal that the total absence of that contribution may not give significant concern to the world. Hence our being discounted and being discounted. My fear is that if we do not change, and change drastically and quickly, a thousand years from now, black race may be an extinct

specie of human beings on earth.

The region of Africa now occupied by the negroid race may then be inhabited by other races who will make the region more hospitable and more congenial or the region may be preserved as the region of scientific study of an extinct race, the way we now study the dinosaur. That may sound extreme but it is not inconceivable. But, more importantly, if we are shocked sufficiently, we can act to start to make a change now. It is now clear to us that we only count or matter to the world if we are seen as valuable to the world in terms of contribution. It is important that we count because we are valuable and not because we represent the picture of what others would wish not to be. It is up to us to make ourselves count if others don't make us count. We will not count on the basis of blaming others for our inadequate performance. We must begin with the realization of our failings - politically, economically and socially.

In May 1991, history was made when some African presidents, former presidents, academics, officials of international organizations, NGOs and ordinary citizens met in Kampala to deliberate together and seek solutions to the multi-farious problems of Africa. Multi-dimensional solutions were devised through a proposal to the OAU to adopt and advance a conference on security, stability, development and cooperation in Africa that will lead to targeted and monitorable objectives and achievements.

The conference, under the auspices of the OAU, would involve African governments and governments outside Africa whose actions and re-actions impinge on Africa in the area of the four calabashes of security, stability, development and cooperation. It is hoped that progress would be made in the advancement of that process at the next OAU Summit Meeting in Dakar in June.

Whither Nigeria in all these?

That is at once a loaded and challenging question. Let me say however, that a meaningful consideration of the role of Nigeria within the context of the evolving interface of current global dynamics can be done more effectively on national, sub-regional and regional basis in the context of the four calabashes as outlined in the Kampala Document which I referred to earlier.

Security goes beyond traditional military considerations. It must embrace all aspects of the welfare and undertaking of the society including economic, political and social dimensions of individual, family, community, local and national life. The security of a nation must be seen as the collective security of all. Collective security that springs from an inner contentment, fulfilment and satisfaction. A nation that builds its security behind massive heavy military preparation and hardware may plant the seed of its insecurity in inadequate attention to economic and social needs. The Kampala Document did not leave out the issue of crisis management and conflict prevention, dispute settlement and conflict resolution at the sub-regional and regional level.

Our security is a necessary precondition for stability and development. The core factor that will ensure stability is popular participation in both the political and economic activities and processes. Popular participation should not be reduced to only buying shares and sharing profit by workers, it has to be empowerment. Social and political stability can only be achieved within the context of a strict adherence to certain key imperatives. These must be taken to include:

- a. Observance of the rule of law.
- b. Popular participation in governance and economy.
- c. Protection and promotion of human rights and fundamental freedoms.
- d. Transparency in public policy making.
- e. Orderly succession with stable and predictable rules and regulations.
- f. Separation of state from religion and a refrain from religious fundamentalism.
- g. Political pluralism.
- h. Accountability.

Let me also add that, household stability is the basis of the community stability which also translates to the stability of the society.

In a secure and stable environment, the hard core goals of

development are easier to pursue. It is important that the kernel of our development strategies and push must be anchored on human resource development. This is crucial because people are the means and desired end of the benefit of development.

In addition, it is equally important that serious focus be placed on the issue of capacity building and development. But more important for us is the concept of capacity retention. It is not enough to train people with our scarce resources and yet lose these highly trained and skilled manpower for political or economic reasons. The effect as you can imagine is doubly debilitating. It means losing on all fronts. Human capital must be matched with financial resources. Domestic financial resources must be mobilized as a crucial source of development and investment capital. This must be pursued alongside an eye for sustainable agricultural production and food security. For me, food security is perhaps a more basic security. It reinforces livelihood security. It connotes the availability and affordability of food at the household, community and national level by all strata of the society.

In the sphere of cooperation, Nigeria has a special and vanguard responsibility and role in African economic development and growth. It is a role that geography and demography jointly confer on Nigeria. But the task has been shoddily performed, by and large. It is important that we constantly realize and have at the back of our mind that Nigeria's economy is inextricably intertwined with the economy of our neighbours. Whatever fiscal policy or the economic measures we pursue must take full cognizance of this fact.

Let me illustrate my position. Each time we place an item outside open licence in Nigeria without seeking comparable or similar measures from our neighbours, we inevitably create a thriving market for it in a neighbouring country from where it is smuggled into Nigeria. It is therefore in our enlightened self-interest to seek a harmonization of our economic policies across the borders, indeed within the sub-region. More importantly, the current constellation of global forces demands a systematic, irreversible and progressive pursuit of economic integration first at the sub-regional level as prelude to a continental economic integration. The engine of integration is private initiative. Capital has no boundary; it only discriminates against inhospitable environment. Much of what will be achieved would largely remain a function of the push and pull of our private initiatives. It is the

solidification of moves at private level that shores up the faltering political will of our leaders.

I believe that the future hub of African economic growth and development can be firmly hooked on a Pretoria-Cairo-Abuja axis. Maybe Nairobi can be added. Now is the time to move decisively in this direction in building the physical and the institutional infrastructures which are imperative conditions.

A new global system will be constructed to take account of the post-Cold War era. It is normal that after an earth shaking global event, a new global relationship and order would be established. We were not participants in the Cold War but we were both instruments and victims. The result has been substantial marginalization for us. If we do not participate in the construction of the new global system, we will be marginalized almost to the point of exclusion. And yet politically, strategically, economically we are too weak to be effective and relevant individually. Our strength and salvation lie in acting in concert sub-regionally, regionally, and along the line of confluence of interests.

Isolation will be costly and deadly. We need outsiders to be involved and engaged with us. We must keep them engaged even if they wish to disengage. But we need to develop the attitude of seriousness, discipline, commitment and understanding for progress and development. If our regional organization, ECOWAS does not work as an economic unit because there are tens of other organizations in the sub-region competing with and whittling down ECOWAS, how do we blame outsiders and how do we think that we can skip economic unity and move into political unity? It is a quantum jump and may be unrealistic. If ECOWAS has performed so inadequately for a variety of reasons, how do we hope to make African Economic Community perform better where after almost a year of the signing of the Treaty, less than ten countries have ratified it?

The most appropriate answer to our problem, it seems to me, has been given by Ifa oracle. A frustrated and indolent farmer went to Ifa to ask what he had to do to get out of his penury and abject poverty and be like some of his hard working, well-to-do, successful and prosperous neighbours. Orunmila called unto Olodumare and Olodumare spoke through Ifa to the farmer, who was right handed, to stretch out his right hand and to open his palm. Ifa told the farmer that it was within the farmer to end his poverty and become prosperous.

"Go and work as hard as your successful neighbours" was Ifa's prescription. The farmer did, and prospered. He was ever so grateful to Orunmila. I wonder whether he should not have been equally grateful to himself.

The four calabashes of CSSDCA are neither mutually exclusive nor exhaustive. There is an organic linkage and fluidity between the four calabashes. They represent to me the four points on our compass for navigating the rough waters of development and growth and to avoid the shipwreck of failure.

For us to move decisively with a sense of mission, there has to be a change in our sense of values and value orientation. Our disposition towards conspicuous consumption, our near abhorrence of the virtues of hard work and our perverted sense of right and wrong does not enhance productivity; quite the opposite. Without increased productivity, industry and the goal of honest achievement, we will not be able to prosper much. For durability, production must be the base of our development. The change in our values must start at the individual level, reaching out to the national level.

The year 1992 is significant in many ways for the world. It is the year of one European market, the year of decision on the future association of former Soviet republics, the year of fresh openings to outside world and economic reforms by China, the 500th anniversary of Columbus' voyage to the new world, the year of advance of democracy in Africa, the year of eradication of apartheid, the year of decision or lack of decision on GATT, the year of UN Conference on Environment and Development, the year of elections in some former Communist states, the US, the UK and Italy with some local elections in France, the year of federal elections and a return to civilian administration in Nigeria. Some even call it the year of new things and many things.

Each of these events will add to the nudging of the new world order and global system in a particular direction. We must remain active, relevant, forward-looking and perceptive to ensure that our coach is not de-linked from the train. By the year 2000, the new global order and system would have been substantially formed. Every year of the last decade of the twentieth century is crucial but from what we can see for now, 1992 seems more crucial and more

determinant for the decade and we cannot afford to lose it.

Let 1992 be the beginning of the end of the era of conflict, poverty and despair in our region and on our lands; let it be the beginning of the concretization of the aspirations of our people, the fulfilment of their hopes and expectations through unalloyed commitment to democracy, human rights, fundamental freedoms, empowerment, popular participation, social justice and common and collective security. Is 1992 going to be a year remembered with satisfaction and celebration or a year of regret and failure? Time and events are substantially in our hands.

Thank you.

15

Africa In The 21ST Century

Introduction:

The 20th century has been a period of changing fortunes for all nations and continents of the world. The latter part of the century has heaped more than mere changes on the world; it has changed global configuration on almost all fronts. It has altered geo-political calculations and re-ordered economic permutations and projections; such is the magnitude of the change that for now, with the end of the Cold War, the search for a new global order has become a topical issue in international affairs.

While the industrialized countries of the North may rejoice at the fall of the iron curtain, the reunification of Germany, the disappearance of the bipolar world or the survival, to all intents and purposes, of only one global super-power and the somewhat forceful achievement of the objectives of that global super-power through the United Nations Organization in the Gulf War, what in all sobriety and honesty, can we in Africa claim to be our victory in these recent events? And where are we in the scheme of things? Almost all the events of the past few years seemed to have passed us by; not even as spectators, some will argue.

Coming to independence over thirty-two years ago, for most African countries, one could breathe in the air the optimism, enthusiasm, hope and promise independence represented to the African people. We had thought we were apparently going to develop in quantum leaps and bounds, now that we were the masters of our destinies or so we thought. The popular refrain then, as Nkrumah

exhorted, was *seek ye first the political kingdom, and every other thing shall be added unto you*. It now seems, with the benefit of hindsight, that we took that exhortation too literally. It seems, after gaining the political kingdom, we sat back almost with our arms folded across our chests and waited for every other thing to be added unto us. But, then did we even succeed in gaining the political kingdom? Did we hold unto the shell while others have the content? Did we understand the complexity and the dynamics of the world we found ourselves in? We slipped back badly to what I called in 1988 *the Third World of the Third World*. And yet we are not without the wherewithal not to be where we find ourselves.

Where Did We Go Wrong?

Broadly speaking Africa at independence and after was and still is confronted with structural and leadership problems. In the first instance, most African countries inherited a neo-colonial political structure. Those who achieved political independence through negotiation were handed down a structure and set of rulers that ensured that the hitherto colonial power relationship would not be violently disrupted. Even those who achieved independence through defiance - those who had to fight liberation wars inclusive - already had their roles cut out for them by the international environment. They either went Westwards to be absorbed into the neo-colonial relationship as dictated by capitalist imperialism, or went Eastwards and got absorbed into the imperialist network woven around the defunct Soviet Union. Either way, it was making a choice between the devil and the deep blue sea.

The second set of problems, which are no less central to the present crises in Africa are those related to leadership. Most African leaders arrived at leadership positions unprepared for the roles their offices demanded of them. They were ill-equipped and ill-prepared for the demands of the world in which they were going to operate. But while the fact of neo-colonialism, as represented by unequal exchange and exploitation of African economies by interests other than African can explain, up to a point, the inadequate performance of African economies since independence, the major responsibility of our present impasse must be placed squarely on the shoulders of our leaders, who have in the main been somewhat inadequate, unimaginative, self-serving and in some cases less than upright in their approach to the issue of governance in Africa.

This inadequacy of leadership in Africa was exacerbated by a very weak infrastructural base. They had no access to data, statistics and information upon which good planning and execution of state policy is predicated. Where and when they have access to such relevant information, it is out-dated, too little or too late to make the critical difference between information input and non-information. To this must be added the debilitating effect of an absence of a pool of skilled human resource from which capable and experienced manpower to man the administrative apparatus could be drawn. We relied on advisers who used the colonial yardstick to judge and advise us. We received advice that was more in the interest of colonial power than in our interest.

The minuscule African intelligentsia that could have made some difference in creating the critical information base on which the political and other leadership in the continent could grow did not deliver. They were, at different times and places, overwhelmed, sucked in, not given the chance to deliver, not consulted, and, when consulted, they gave the wrong information and inappropriate prescription, having either been badly educated or having read all the wrong books, in the sense of not being independent enough in thought to meditate particularly and peculiarly on African situation with African solution. They, like everyone else, also saw the world through the binoculars of either the East or the West. They came with irrelevant and misleading theories from either side of the Cold War divide and attempted to graft them to our different African societies lock, stock and barrel. Either the theories refused to cooperate with the African societies or the African societies rebuffed the theories. In either case, it was a stand-off situation. The few who are clear-headed in orientation and attitude did not constitute a critical mass to be effective.

The international community that could have come genuinely and massively to our aid was busy with the politics of the Cold War era, and as such, the different African countries were relevant only in as much as they could be used to further the Cold War objectives of either side of the bi-polar Cold War status quo. The development of Africa, in an interestedly altruistic sense, accounted for very little in the calculations of the international powers. And nothing has changed, to the contrary, I am afraid we are living in an environment where altruism has become a rare commodity. To illustrate: I was recently in Vienna attending a meeting of the Bruno Kreisky Forum for International

Dialogue when Austrian Chancellor Vranitzky noted that some prominent Western personalities have raised the question whether the West would not be better off to devote its resources to its own welfare and leave the East in relative poorer economic situation. How then can we in Africa hope for a better hearing and more generous delivery in the immediate future?

Ethnocentrism and other primordial sentiments that emerged during the decolonization process - during the process towards taking over from the colonial masters - fuelled and encouraged by the departing colonial masters, gained such a strong current that issues were no longer considered from the national point of view (which was the practice during the anti-colonial struggle) but from the peculiar and narrow viewpoints of maximizing the pay-offs to the clan, village, community, provinces, ethnic groups and regions. This trend became so destructive that anything done, including the corruption of office and embezzlement of public funds, was condoned as long as it could be explained within the peculiar rationale of furthering sectional interests. As bizarre as it sounds, our people even applauded embezzlement of public funds and found explanations for it from the viewpoint of getting *our own share of the national cake*.

The Way We Are:

The malaise has tended to be more widespread and endemic to the dictatorial states in Africa, i.e. one-man, one-party, non-pluralistic, or military regimes. These antitheses to democratic structures, imposed with the excuse of having the potential or ability to make for greater unity, or correcting the ills and abuses to which the operators of the different democratic experiments in Africa subjected their countries to have turned out to be, perhaps more divisive and prone to corruption than the regimes they ousted. In most cases, they, the dictatorial regimes, have, as a matter of fact, tended to exacerbate the ills against which they, ostensibly forced their way into the seat of power.

All of these imposed unnecessary burden on the Africa people. In time, they picked up the gauntlet and sought to take their destinies in their own hands. Through a combination of ground swell, mass strikes and national conferences, the political landscapes in Africa changed and soon became a minefield for dictators, non-democratic or one-man rulership. Those leaders who could still manage to think saw

the handwriting on the wall. The intransigent ones stuck to their guns and were soon swept off. Those still hanging on to their illusions are faced with a balancing act making their position akin to that of the chicken that perched on a washing line. Of course, neither the chicken nor the washing line will know rest.

However, it is important for us to note that the current wind of democratization that we are living witnesses of, cannot be categorically said to have been engendered by fine ideas or philosophies per se. Although, at the root of the present wave of restiveness on the continent of Africa lies the unsavoury fact of the non-performance (or, is it bad performance) of the various authoritarian regimes in Africa. The clamour that we are witnessing in contemporary Africa, while it is one for democracy, is only so in an unrestricted sense. The clamour is for democracy for its intrinsic value and for what Africans expect democracy to deliver. Democracy is seen as a sort of redemption from political and economic angle. A culture of democracy will develop from inculcation and internalization of the practice and the spirit of democracy.

Getting Our Acts Together:

Africa, particularly at governmental level, is noted for good words and not so much for deeds to actualize the words, we are awash with diagnosis, and have become adept at precepts. We are currently being choked with studies to the point of becoming victims of studies. It is evident that we need to become actualizers rather than students. We need to become actors rather than speech makers. Let us stop giving excuses on why things cannot be done. Let's get things done. We have had studies, let us have actions.

As fundamental and central as political democratization of Africa is to the sustainable growth and development of the continent, political democratization is only one side of a good coin. It must go concurrent with the reinforcing process of economic democratization.

Economic democratization, in this context, would be contradistinct from the state of affairs where the state controlled the commanding heights of the economy and actively participated in the ownership and management of economic enterprises. As our experience in Africa

has shown, in most cases, these state enterprises were not only poorly run, but also gave rise to and exacerbated the syndrome of corruption in our economies. The main task of the state, as such, should be the maintenance of law and order and generally providing a hospitable environment (and this does not exclude providing regulations and the ground norms for businesses in the national interest) for investments to thrive. While the state disengages from unprofitable and badly managed economic ventures, it should not abandon its social and welfare obligations and responsibilities to its citizens particularly the poor and the weak.

In essence, economic democratization must be taken to infer the process of qualitative and quantitative resource management within the framework of a mixed economy which possesses in-built and autonomous mechanism for equity, empowerment and capacity building and in which access to the system is open, free and equal. The process encourages initiative and participation by the citizens and rewards these generously, resulting in optimum positive beneficial transformation of the lives of the people. Perhaps, the most important point to be stressed from the foregoing is that economic democratization must lead to empowerment and capacity building of and for the people. It must lead to enabling them to perform by providing the right policies and assistance to them towards the objective of sustained economic development and growth through initiative and entrepreneurship. This, inexorably, leads to the beneficial transformation of their lives.

Africa's Economic Prospects In The Twenty-First Century:

Right now, the global economic prognosis for Africa do not appear quite bright under the emerging new world constellation which falls well short of a new world order. From the 1990s right to the opening decades of the twenty-first century, the world economy is going to become more and more competitive, with the emergence of economic blocs and trade zones. The Common European Market of the European Community - particularly reinforced by the Maastricht Treaty - from the end of 1992 promises to provide added opportunity for increased trade between Africa and Europe. The whole of Europe is going to become a vast, increasingly integrated economic market and exchanges between East and West will increase considerably.

But, the opportunities are not going to be offered to Africa on a platter of gold. African states must brace up to face the challenges because the competition is not going to be easy. To be able to partake in the expanding trade environment emerging in the world and in Europe most especially, African states must carry out radical reforms in their economy in tune with the politico-economic mood of the times. The new political thinking whose objective is the complete dismantling of all authoritarian regimes in Africa must be accompanied by a similar thorough-going restructuring and transformation of the economy. The released energies from the political and economic renewal process on the continent must be channeled into productive forces at all levels in order to revive and sustain the present tottering economy.

To appreciate the enormity of the challenges which African states face under the emerging world economic system, it must be realized that for a number of reasons, internal and external, the dynamics of global economic permutations tend to operate negatively against Africa's development calculations. This situation is by no means improved by current political events in Europe.

The dissolution of Eastern Europe as a socialist bloc and the attendant radical political transformation that has taken place there has attracted the attention and the economic interest of the West and has opened the way for massive investment opportunities in those countries, seemingly at the expense of the poorer and more needy countries of Africa. It is true that Eastern European countries provide a better and a more conducive investment environment for the West than Africa, in terms of infrastructure, proximity, cultural affinity, etc. It is equally true that these countries have put forward a host of incentives to attract foreign investors, the type of which African states are not in a position to offer. Besides, from the point of view of political sympathy and self-interest, massive resource flow from the West could be justified on the grounds of rescuing Eastern Europe from communist domination.

But it is common knowledge that the marginalization and the precarious socio-economic conditions of Africa predate events in Europe. Yet, Africa has never enjoyed similar relief package from the West. Not only is the near-spontaneous increase of resource flow from the West to Eastern Europe remarkable and almost unprecedented, the magnitude of it is unparalleled since the Marshall Plan. The establish-

ment of the European Bank for Reconstruction and Development (ERDB) for the rapid modernization of Eastern European economies institutionalized and crowned the appropriation of development finance. Eastern Europe must receive attention and assistance from the West because an economically improved and politically stable Eastern Europe is an advantage to the economy of the world from which Africa should eventually benefit. That is in the long run. Between Africa and Eastern Europe there should be feeling of sympathy, understanding and accommodation and not recrimination, fear, suspicion and antagonism. There is enough for both regions to have adequate resources and attention to make a difference to their economic situations and consequently leading to the revitalization and improved health of the world economy. Both regions should be calling for adequacy of resources and attention to them separately and collectively. If the need for a global Marshall Plan is not heeded, a global martial law may have to be imposed through heavy military on the borders of developed countries against massive migration from the South.

For Africa, resource diversion has now become a naked and troublesome fear. Hitherto, resource flow to Africa only came in trickles. With developments in Europe, the inevitable question is whether this meager flow will continue. Will direct foreign investment and ODA not decline further for Africa, now that most OECD members, are paying more attention to Eastern Europe? For instance, there are proposals recently among donor-countries to set ODA targets for Eastern European countries almost at double the level meant for the least developed countries, which are of course mainly African countries. Direct foreign investment in Africa which stood at \$2.4 billion in 1982 fell to \$0.8 billion in 1987. The little increase which had occurred since 1987 - 80% of which went to Egypt and Nigeria - does not do justice and is a clearly inadequate response to the positive climate created and to reforms made in Africa - often at the behest of Western governments and corporations. It certainly falls grossly short of the needs of the continent. In view of the skyrocketing requirements of the Eastern European countries, this situation is likely to get even worse.

Although we would like to remain optimistic that the possible ratification of the Maastricht Treaty will provide wider trading opportunities for Africa, attendant developments of the European community may deflate this optimism. The emerging Europe, even without the expansion of the twelve to admit the newly democratic Eastern European countries, will forge closer economic relations, closer security

cooperation and closely harmonized foreign policy. In other words, Europe will speak more with one voice. That should normally in a way augur well for global action in areas of concern to Africa.

An enlarged, strong and integrated Europe could give rise to a Euro-centric phenomenon and lead to a protectionist Europe which, in terms of trade relations, may create problems and prove unhelpful for the ACP countries. Even right now, the ACP countries face declining trade possibilities as a result of ad-hoc preferences granted to products from Eastern European countries irrespective of any preferences that may have been accomplished in the context of the Lome agreements between the European Community and ACP countries. To compete successfully in the market of the emerging Europe, the ACP countries particularly Africa will have to put their house in order, understand the rule of the game and give aggressive pursuit.

Even at the global level, African countries face the threat of economic isolation. The emergence of regional economic blocs in many parts of the world risks leaving Africa isolated in the present emerging global economic configuration. The following groupings have already emerged or are likely to emerge: Europe - after 1992; North and South America zone; North America Free Trade Area - the US, Canada and Mexico; Japan and South East Asia; Pacific Economic Cooperation Zone; the Middle East Region because of its oil and strategic location. This is in addition to massive direct foreign investment flow into Asia and the Pacific led by Japan. Under the circumstances, self-reliance, rapid physical and economic integration of the African continent are indispensable for Africa's economic survival in the 1990s for socio-economic transformation and competitiveness with the rest of the world.

Viewed against the near-spontaneous reaction of the West to the situation and developments in Eastern Europe, the attitude of the major international economic actors to the present human and economic problems of Africa does not call for enthusiasm. At their meeting in London in July 1991, the seven major industrial democracies and the representatives of the European Community noted the progress by African governments towards sound economic policies, democracy and accountability which they felt was improving prospects for economic growth on the continent, and they promised continued support to Africa, "focused on stimulating development of the private

sector, encouraging regional integration, providing concessional flows and reducing debt burdens".

Although they declared that Africa deserved their special attention, it was evident that they were not by any means disposed to encourage and support democracy and current developments in Africa with the same spontaneity and similar magnitude of resource flows which they put at the disposal of Eastern Europe. And knowing as I said earlier that there are important personalities in the West not wanting whole-heartedly to eliminate poverty in the East, we must be under no illusion that they wish us less well in Africa.

The recent upheaval in currency markets and the "interest rate war", especially in Europe, is bound to have a detrimental effect on Africa's economic fortunes. Higher interest rates will negatively affect the level of our debt obligations, which by now have fallen into almost benign neglect but will haunt our countries with a vengeance soon again. International policy coordination must henceforth take much more account of the interests, situations and problems of the countries outside the G-7 gambit.

It is conclusive from the scenario presented above that the international economic environment which has hitherto not been favourably disposed towards African initiatives at development and survival has not changed, even with the euphoria of a purported new world order. In fact, it appears that African countries are finding themselves pushed more and more by evolving world events to the periphery. The whole experience of African states for the past three decades is a cheerless picture.

But, should we raise up our hands in despair and give up? Of course, not. The trend is reversible. We should note that history is replete with the rise and fall of peoples, of nations, of kingdoms, of empires. What Africa needs is to make conscious efforts to redress the distressing and depressing situation of the present and outlive its inabilities. New initiatives, new attitude and new orientation are needed to achieve effective political and economic restructuring and transformation of our society. Responsive and effective governance is required to motivate economic growth, promote human development and, at the same time, re-attract and revive the dwindling interest of the international community for Africa's development efforts. This can only be achieved, in sum, in an atmosphere of peace, security, stability, cooperation and development.

The Real Challenges Facing Us:

In search for a meaningful solution to their problems, African states now fortunately have at their disposal a set of interrelated pre-conditions that must be instituted and institutionalized to meet the aspirations of their people for responsive governance and for development, and which would at the same time elicit the cooperation and support of the international community.

In May 1991, over 500 participants from Africa and other parts of the world met in Kampala, Uganda to deliberate on the issue of security, stability, development and cooperation in Africa. This was the Conference on Security, Stability, Development and Cooperation in Africa (CSSDCA) process modelled on the Helsinki process but with African realism. The Kampala Document which was the outcome of the deliberations stipulated that peace, security and stability which are interrelated are the pre-conditions and the basis for development and cooperation in Africa. The security, stability and development of African states are inseparably interlinked; the erosion of security and stability is one of the major causes of the continuing crises and one of the principal impediments to economic growth and human development on the continent.

The Kampala Document further noted that peace constitutes the basis of all human wholesome interaction and with peace should go security. Lack of democracy, denial of personal liberty, abuse of human rights, are the causes of insecurity. The concept of security transcends military considerations. On the one hand, it includes conflict prevention, containment and resolution, and derives from common and collective continental security. On the other hand, it embraces all aspects of the society, including economic, political and social dimensions of the individual, family, community, local and national life. By this, it is understood that the security of a nation must be construed in terms of the security of the individual citizen not only to live in peace but to have access to basic necessities of life, participate in freedom in the affairs of society and enjoy fundamental human rights.

The issue of stability is equally important to development. Promoting political and social stability in individual African countries is,

therefore, a key component of the CSSDCA process. Under the stability guidelines, all African states are to be guided by strict adherence to the rule of law, popular participation in governance, respect for human rights and fundamental freedoms; political organizations should not be based on religious, ethnic, regional or racial considerations; there should be transparency in public policy making; and absence of violent and destructive fundamentalism in religious practice.

In like manner, for the purpose of economic development, African states are to subscribe to certain fundamental principles under the CSSDCA process. Development based on self-reliance is the only viable basis for Africa's self-sustaining economic development and growth. Rapid physical and economic integration of the continent is indispensable for Africa's socio-economic transformation and survival, and for her competitiveness with the rest of the world in the 21st century.

One of the major causes of its present economic crisis is Africa's absolute reliance and dependence on commodity production solely for export. A time has come for effective diversification both horizontally in terms of broadening the production base and vertically in terms of processing and marketing for rapid social and economic transformation.

Popular participation and equal opportunity and access must be promoted and sustained as a crucial basis for the realization of Africa's development objectives. Domestic partnership in development should be promoted. Leaders and the governed should assume responsibilities for various aspects of development. Leaders should provide the vision that guides development. This development process is to create a truly people-centred development. Out of pragmatic necessity, the CSSDCA process addresses limited but key development issues to ensure a realistic chance of success.

The Kampala Document also provides a framework for collective action and for cooperation on continental, regional and international basis. It provided for cooperation between African states, between South and South and between North and South, economic integration of African states in the African Economic Community, joint development of common natural resources, inter-dependence based on beneficial cooperative relations with other developing and industrialized nations, supranationality based on the need to devolve certain key

responsibilities to continental institutions.

The CSSDCA process has thus charted an invaluable course and framework for Africa's development based on self-reliance, effective and responsive governance, regional integration and international cooperation.

Integration and cooperation are to be guided by some basic common policy measure. If orthodox technical cooperation has not yielded satisfactory results for both donors and recipients, and if projects like the UN programme of action for Africa's Economic Recovery and Development has made very little or no impact due to lack of support for Africa's reform efforts, a new attitude, a new approach to technical cooperation should be on the basis of a compact that can challenge and satisfy both sides through target and objective setting, and through monitorable results, involving donor agencies and the private sector in the donor-countries as well as the NGOs and the government in the recipient-countries.

At the same time, efforts should be made to enhance endogenous institutional capacity beginning with cooperation in ensuring communal efforts, peace and security within the locality, the nation, at sub-regional and regional levels, and motivate incentives for development and increased assistance.

Let me stress that African countries cannot successfully embark on the road to economic recovery and sustainable development unless the chronic problems of debt burden is resolved in Africa's favour. Unbearable external debt burden is another indicator of Africa's deteriorating global position. Africa's debt multiplies at an average annual growth rate of 10 per cent. Estimated at \$48.3 billion in 1978, it rose to \$230 billion by 1988 and \$250 billion by 1989. Unfavourable lending conditions have aggravated the burden of debts. With interest rates rising from about 6 per cent in the 1970s to over 10 per cent in the 1980s, rising interest rates now constitute about \$75 billion of the total stock of debt.

With the outbreak of the debt crisis, and a number of countries no longer able to make repayments when due, series of measures have been proposed in the recent past to deal with the situation, but none has proved adequate or satisfactory so far. Measures such as Baker

Plan, Brady Plan, Toronto Guideline and Trinidad Approach have their inadequacies. While accepting the principle of joint responsibility and joint solution by creditors and debtors, each of these measures does not provide modalities to ensure discipline with development and growth in the debtor-nations. At the same time, while creditor-nations are worried about the danger of a one-year debt write-off, they want to see a genuine change of attitude, improved discipline, accountability, adoption of market economy and democratization by the debtor-countries. African debt crisis is not just a financial problem, it is also a management problem. Solution to both must be found.

I am of the view that the world economy contains the capacity to move us, in Africa, from despair and despondency to hope, and to growth and development. What we need is a sense of responsibility and commitment by all concerned, Africans and non-Africans alike, debtor- and creditor-nations. Africa needs access to external funds and advanced environmentally sound technologies to be able to develop with the preservation of the *global commons*.

Trade blocs euphemistically called integral communities have, of recent, gained wider and deeper current in the efforts of nations towards sustainable development, sustainable conviviality and greater relevance in international affairs. As I said earlier, we now have the North America Free Trade Area and the Australia - New Zealand Free Trade Agreement. There is one in the offing in Asia and the Pacific, APEC. In July 1991, African leaders, at Abuja, signed the African Economic Community Treaty, but its take-off is supposed to be in thirty-four years time! What a time scale in a world of trade blocs and increasing regionalism and integration? Africa, with about 600 million inhabitants known more for their economic fragility and uncompetitive-ness cannot and must not go into the twenty-first century unprepared. The way to structural transformation, recovery and development, the way forward, I am convinced, lies in African regional integration. It is a necessity for now and not a luxury for the future.

The wobbly history of our attempts at economic integration need to be reformed and reshaped. We cannot continue to excuse our inaction. One of the major reasons given for the failure of the East African Economic Community was that it was too small to survive in any case. How do we rationalize the obvious inability to take the ECOWAS into effective action? For me, the problem at this point in time is not the problem of the Treaty. It is the problem of leadership. It is one which revolves around tearing down the barrier to free trade.

It is a problem of enamouring and giving free rein to private initiative.

I have said elsewhere that much that the speed with which economic and political integration of Africa would be achieved, would to a large extent, be determined by the degree of elbow room given to private initiative. Is it not ridiculous of Beninois to experience difficulties in seeking to carry out legitimate business transactions in Nigeria? In a similar vein it is absurd for any Nigerian to experience unnecessary difficulty in seeking to carry out legitimate trade in Cameroon or Senegal. It is time to tear down the borders, it is time to blow away the tariffs, it is time to move consciously and meaningfully towards the achievement of a free trade area within the African region as an immediate first phase in the economic integration process. It is the only way in which we can build true unity. It is the only modality for resolving our disuniting trends.

Arms importations have no direct benefit, for African citizens in every material particular. More often than not, such arms are used to suppress and liquidate Africans within our different borders. The second sense in which Africans lose from the huge arms importation bills she runs is that the monies used to procure such arms could have been put to more productive use. I support the call by the World Bank that financial aids to developing countries be tied to their defence spending. Defence spending must be much less than it is today in Africa. Most countries in Africa spend more on defence than they receive in ODA and much more than they spend on Education, Health or Agriculture. What a wastel With increased democracy will likely come increased conflict in Africa motivated by the issue of identity, governance, resources and stratification. If ease of procurement of small arms is super-imposed, African conflicts will quickly deteriorate. CSSDCA process through the old OAU mediation route and the new Council of Elders, should be more emphatic on preventive mediation and intervention. This is in addition to the control and registration of arms trade in Africa.

At the global level, the terminologies of the past decades that denote political and economic fissures have been rendered anachronistic and irrelevant, e.g., East-West, free world, behind the iron curtain, and such other labels. With the end of the Cold War, the world certainly does not need to spend the stupefyingly wasteful amount on defence and security related issues. As former German Chancellor

Willy Brandt - one of this rare breed of farsighted and compassionate political leaders of our time who addresses global problems without being inhibited by narrow national interests - puts it: these peace dividends "can be channelled to foster the growth of the developing world as well as protect environment on a global scale. These are the two leitmotifs because as we know, the present decade has to wage a determined fight on two fronts - poverty in the developing world and pollution of land, water and air on a global scale!"

If the West or the US had an evil empire to contend with in the former Soviet Union before 1991, that evil empire is no more. Today, there is to me a greater evil to contend with, and that is the evil of global poverty and misery from which no country can be immuned; if resources do not move to where they are needed most, people will move to where resources are most plentiful. Development and growth are the antidote against that great evil.

Leadership must be encapsulated in some form of ideology, anchored in ethics and goaded and motivated by moral considerations, otherwise it may be unfocused, shifty, irrelevant, undetermined, self-serving, unproductive and dehumanizing. At the political level, the ethics and moral consideration of equity, justice, compassion, truth, respect and care for humanity must be constantly present. Where these are lacking in the calculation and the internal management and relationship of a leader not much of it, if at all, can be expected in such a leader's outside or external relations and interaction. In other words, our expectation of what life line we can obtain from leaders in the North will be conditioned by what life line they have been able to throw to their own citizens who are in the well of poverty and deprivation.

Let me hasten to add that part of the changing constellation of the world devolves on us Africans to seek to pull ourselves up by our bootstraps. One singularly most important move in this direction is what is now referred to as capacity building which I call human resource development. No matter what other inputs, to achieve success, we must have skilled able and capable men and women to operate and manage efficiently and effectively. For political and economic reasons, such trained manpower had in the past left Africa in droves in search of safety, security, fulfilment and greener grass. We must reverse the trend. We must talk of capacity retention in addition to capacity building. We must not only prevent capital flight, we must also reverse and repatriate capital previously expatriated from Africa.

If we have security, reasonable productive human capacity, reasonable capital accumulation with good governance and popular participation in the economy, we will be able to easily acquire or develop necessary technology for our development and growth. Another important move in this direction requires the forging of a new compact. A compact built on closer cooperation and collaboration and the realization that we can only maximize our benefits in the changing world through a joint effort at redressing our situation. There have been very modest gains in the area of provision of social services by African governments. In actual fact, during the decade of the eighties, the social situation has deteriorated badly and seriously. Perhaps, worse still is the apparent refusal of the international community to match even our modest integral and developmental efforts in Africa. Here, I refer especially to the industrialized countries, who have literally made political democratization, human rights enthronement, economy and peaceful resolution of national and regional conflicts as basis and pre-conditions for assistance and cooperation.

It is sad because continued neglect and marginalization of Africa amounts to literally consigning one-tenth of humanity to the garbage heap of global existence. But more distressing for Africa is to see cooperative efforts of the international community for assistance to other regions of the world who have not attained any better results in meeting similar conditionalities set for them.

Economic growth and development are basic concomitants in the enthronement, as these forces cannot be given a free rein in a continent where more than 70% of the people live below the poverty line. Another 20% of the remaining 30% live on the fringes of poverty.

Certainly, poverty and democracy are strange bed fellows, whereas poverty, violence and instability seem to cohabit with relative ease. The only way forward is to seek the promotion concomitantly and simultaneously of democracy, human rights, pre-eminence of market forces in the management of the economy, peaceful resolution of conflicts, cooperation and alleviation of poverty. Our economic compass must constantly point in the direction of production.

Africa must hasten the implementation of its economic community and in strength, seek cooperation with Europe, APEC and

NAFTA (North America Free Trade Area). We must make South-South cooperation a meaningful reality. Africa must not miss the boat again this time.

For me, there are some rays of hope on the horizon. The first on the economic front is the increasing awareness by Africans that they are the main architects of their fortune or misfortune. The second is that positive and responsive changes are taking place in Africa, essentially self-motivating and changes that are not even matched by the events or non-events in the West. The third ray of hope is drawn from the road to Damascus conversion of the World Bank at least as regards causative factors of African economic situation. If recent publications and reports of the World Bank are a true indicator of the direction of thinking in that institution and its allied organizations, we might very well be on the way to engendering a true prognosis of the prostrate nature of the African economies and together work to find relevant and sustainable solution. I refer here to the recognition of the serious influencing leverage of the political process and governance on economic performance by African states and the need to make elimination of poverty the main focus of the World Bank in Africa. The starting point is in the area of agriculture on which an overwhelming majority of our people depends. There is the necessity to re-adjust the current structural adjustment programmes in Africa to take cognizance of this crying need. The fourth is that today Africa has a modest crop or stock of world class people in almost all walks of life whose contribution to Africa's development can make some difference if harmonized, coordinated and galvanized in the service of Africa. The fifth is the youth of Africa - dynamic, resourceful, unrepressable, knowledgeable and confident. They are the instrument of change.

Nationally, regionally and globally, leaders must lead - that is their first duty. While the orientation of political leadership must be nationally and domestically grounded, the new concept of sovereignty and the common environmental, developmental and social dangers to all nations, make it incumbent on political leaders to have broad outlook and global vision. I always get worried when I hear some of my politician friends say that 'there is no ethics in politics' and yet politics impinge on the totality of our life. In other words, they are saying that there is no ethics in life. If our lives are devoid of ethics and morality, we are not any better than animals in the jungles.

Africa, naturally needs help. The first source of assistance must be the African himself. Shared humanity, enlightened self-

interest, ethics and morality make it imperative for the leaders of the North to spare a thought and work with Africans to put the entire world on the path of development, growth, stability, security and cooperation. The process should be local, national, regional and global. Our charity must begin from home but it should not end there.

Some thirty-two years ago, Africa came to independence with hope, aspiration, high expectation and the good-will of friends of Africa. We were advised to embark on import-substitution. The enthusiasm was short-lived and the expectation was generally unfulfilled. Africa was blamed and the blame was partly justified. Today, Africa is passing through another age of changes - democratization and market economy. These are being presented as panacea. There are no signs in the horizon that all the factors for success are in place. But they can be in place. We must combine vision with realism. If we fail again, it will be a failure that will lead us into the 21st century and cumulatively that will be half a century of negative growth in totality in Africa. Independent Africa may, therefore, spend a whole century, four generations, one hundred years in the wilderness. I believe that Africa must prepare itself against such preventable retrogression and tragedy.

POSTSCRIPT

Letter to Helmut Schmidt

31 May 1989.

H. E. Mr. Helmut Schmidt
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2 Hamburg 1
Federal Republic of Germany.

Dear Helmut,

After the two very stimulating meetings in Westfields of the InterAction Council at the Madison Hotel of the Group on Financial Flows to Developing Countries, I wish to share with you some of my feelings.

Ever since I have known you, I have respected your intellect, your vision, your pragmatism and your candour even though I have not always shared your point of view. Your blunt and direct approach almost to the point of offence is a characteristic that is truly Schmidtic. Since we met for the first time, some twelve years ago, my respect for you has heightened because I believed that by and large we share the same vision of one world and one humanity.

The issues that concern your part of the world most, be it arms control, nuclear disarmament, human rights in the Soviet Union, oil shocks, protectionism, global warming effect, environmental degradation, terrorism, also concern my part of the world. Addressing

those issues in whatever forum or quarter is tantamount to raising general concerns for humanity. But there are issues that concern my part of the world most - racism in South Africa, widespread abject poverty and local and regional conflicts in Africa. Again, believing in your vision and my vision of one world and one humanity, I take it that these issues must be addressed not only as a token of humanitarianism but as an expression of our belief and conviction.

I know that you have personally moved from a position of "all is well with apartheid" to a position of "sympathy with the oppressed majority" which is a significant movement indeed. But if the West can make the issue of human rights and freedom of emigration for the Jews in the Soviet Union a paramount issue, affecting all facets of East-West relations, I wonder why the South African issue is treated only as a peripheral issue of sympathy rather than an issue of human rights on the same footing as in your part of the world and in its own right. What is happening in Zimbabwe and what happened in Nigeria when I was in charge should instruct us that - without being immodest - some reasonably good management can emanate from black Africa and that the Caucasian race has not got the monopoly of ability and capacity if all things are equal. The negro race has not got the monopoly of errors of omission and commission either.

For me, it is also instructive to see that the mere threat of a natural disaster with tangible effects on an industrialist country, such as the anticipated global warming effects in the case of the Netherlands or Britain, leads without delay to international initiatives. You may forgive me when I ask where was comparable activity on desertification which inflicted mortal danger on a dozen or so African countries which have since become virtually extant from the world's map - or in the eyes of Western leaders.

I believe that in an interdependent one world with one humanity, the developed world needs to do more to actualize the vision of one world, one humanity, common security and universal prosperity. This is the ideal and the vision that continues to motivate me. I believe that it is the ideal that should motivate all well-meaning leaders in the world and surely all statesmen. It is attitude and reaction that make others doubt the sincerity and validity of the one world philosophy. Some of us believe in it, as an ideal and a vision worthy of being actualized.

When I described in our Westfields Meeting in graphic terms the condition of poverty in Africa and I illustrated it with what I have personally observed on the ground, it was to inform, educate and should not have been treated as wailing or complaining. You don't need to be an African to be made to understand and feel a bit of the plight of Africans. The beauty of InterAction is the mutual education in a relaxed atmosphere of candour, honesty and openness. Although everything pointed to the fact that your subsequent reaction was motivated by my description of African poverty situation, your explanation that it was motivated by the picture painted by our Latin American colleagues was accepted by me. Manuel Ulloa's uncouth reaction to my intervention is born out of arrogance and deserves no reaction from me. And in any case, as I told you, my pure African rural background instructed me to exercise restraint from public show of disagreement with a friend if I want the friendship to subsist. For that reason, I will take a lot from you in public, for the sake of friendship, but I will react subsequently to make you know the depth of my feeling. Whatever may motivate your reaction, the discussions and the location did not call for exhibition of temper.

For me, I feel committed to continue participating in these meetings both for their educational value and in the hope that through the process hearts can melt and minds can be influenced. I expect that the restraint, camaraderie and mutual respect that has characterized the InterAction within our Council will continue to prevail. Incidentally, I hope that InterAction will feel able to discuss the issue of divided countries such as Germany, Korea, China and Taiwan in the future. It will be relevant in terms of the new detente between the United States and the Soviet Union.

Your pragmatic and liberal attitude to the debt crisis since it broke has always impressed me. As a good economist who is in touch with history, it is conceivable that your attitude is informed by the realism of the situation and the lessons of history such as the mutual cancellation of the burden of reparations on Germany between the wars and the effect of the Marshall Plan on reconstruction of Europe, particularly Germany after the Second World War.

Yours sincerely,

Olusegun Obasanjo

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"Either the theories refused to work in African Societies, or the African Societies rebuffed the theories".

Ota, Nigeria, 1993

"We may not have full elite Democracy (in Africa) let alone popular democracy if present high cost of elections persist".

Lagos, 1991

"In an interdependent world we cannot develop in isolation, and throughout history development has come to any region or any nation principally through their own sweat and collaborative efforts of others in form labour, capital, technology or market".

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"The burden of servicing the third world's debt of US \$1.3 billion, not to talk of repayment, has resulted in a decade of lost development growth and environmental degradation on a global scale".

Kingston, Jamaica, 1991

"If President Boris Yeltsin of Russia, a superpower of yesterday could demand cancellation of interest on loans owned by his country after the generous US\$24 billion special arrangement for that country by the industrialized countries, debt cancellation for Africa should not be a matter of why but how and when".

Lagos, Nigeria, 1991

"Let us not kid ourselves ... If we do not change, and change drastically and quickly, a thousand years from now black race may be an extinct specie of human beings on earth.

Lagos, Nigeria, 1991

"One of the best pictures of the planet Earth in all its beauty that has ever been produced was that taken from outer space. It shows earth as a tiny colourful ball surrounded by the darkness and emptiness of space. It is a beautiful picture, indivisible into racial segments. It is one world, our place of abode, from where we must remove the contradictions between love and hatred, poverty and plenty, war and peace, rich and poor, black and white, wasteful consumption and hunger. We have the means to form what that picture depicts into a beautiful, harmonious and near perfect world, we only need the will".

Kingston Jamaica, 1991

General Olusegun Obasanjo

former Head of State of Nigeria and Chairman, Africa Leadership Forum

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