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ADDRESSES Akilagpa Sawyerr Globalisation and Social Sciences in Africa

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The expression 'globalisation' has entered the international economic and political dialogue bearing a variety of meanings in different contexts. As will be argued later, a measure of ambiguity in the use of the concept is not without its uses, especially at the level of ideology in the reconstruction of the post-industrial global dispensation. Viewed from whatever perspective, however, the core feature of globalisation is the increasingly integrated cross-border organisation of, especially, economic and financial activity across the globe. Against the background of the open international trading system established after the Second World War, the liberalisation of exchange controls in the leading industrial countries in the 1970s together with the subsequent deregulation of world money markets, opened up the world market in a way previously unimagined. Taking advantage of these developments, transnational corporations - the key players in this drama - have implemented strategies for worldwide production, sourcing and marketing in their unceasing quest for competitive advantage. The result has been a massive dispersal and integration of production across the globe. Financiers and speculators, too, are able to move large amounts of short-term money from one jurisdiction to the other in an instant. This set in train massive flows of trade and finance across national borders, which has put the sovereignty of the modern state under stress, both as to the form and extent of its control within its territory, and its position as the principal actor in international relations.

Critical to these developments has been the communications revolution that has made possible both the speedy and safe transportation of materials and parts to all corners of the world, and instantaneous 24-hours-a-day communication from one end of the globe to the other. One of the most significant results of the technical revolutions which lie at the base of these developments is the dynamic of exponential development set up by the continuous expansion, sophistication and cheapening of the *means* of knowledge generation and communication. Thus the pace and scope of change increase with each development cycle.

Concurrently, a media explosion is increasing the range of messages carried from one end of the globe to the other while reducing the time it takes for such transmissions - from films and video cassettes, to CNN with your breakfast, to fax, e-mail teleconferencing and the Internet. Given the essentially uni-directional flow of images and information, a strong tendency towards the homogenisation of culture and thinking has become manifest.

All these movements have entailed the fragmentation of the functions of the state, and the redefinition of its role within its own borders - through the retrenchment of the state and the privatisation of state-provided services, and as part of global society - through competition from a variety of non-state actors and the implementation of semi-formal non-treaty norms and prescriptions. As already noted, the technical revolutions in communications and transportation have made possible a substantial decentralisation of production across the globe, by facilitating coordination of production and marketing through re-integration at a higher level in terms of decision-making, financing and sourcing. This has occurred mainly within the transnational

corporate structure, but increasingly now through other forms of combination and networking. The increase in the speed and extent of cross-border economic and financial activity has not only altered the scope for state action at the national level, it has also put in question many of the interstate institutions set up for the regulation of international trade, finance and investment. What one sees, in the words of one analyst, are

increasingly dense networks of sub-state arrangements for co-operation between specialists exercising specific regulatory functions...The new forms of management of the interdependent world economy now increasingly occur through a 'web of formal and informal intergovernmental regulatory relationships'... and 'an intricate network of vertical and horizontal links between all levels of government attempting to co-ordinate 'regulatory systems...' Since the participants are generally semi-autonomous public bodies or even private firms, co-operation is based often on an [Memoranda of Agreement] rather than an inter-state agreement or treaty, and substantive rules or standards are embodied in Codes or Guidelines. (Picciotto 1998: 4)

Thus, the fragmentation of state functions has led to the development of new, mostly semi-formal, regulatory mechanisms and institutions, as increasingly important complements to the traditional international governance institutions, mostly of post-war vintage, such as the GATT, IMF, World Bank, and more recent ones such as the various regional groupings - ASEAN, EU, LAFTA, MERCOSUR, to name the leading few. This proliferation of informal international regulatory networks is one of the key characteristics of the current phase of globalisation. Considered at a deeper level, all this represents a momentous acceleration of the expansion of the reach of finance capital, and the reorganisation of the social relations of production and exchange at the global level. Concurrent with these developments, was the rise of neo-liberal ideology, led by the Reagan and Thatcher regimes in the United States of America and the United Kingdom, respectively, in the 1980s. The pro-market/anti-state bias of this ideology was both a specific outcome of the material processes described above and, to the extent that it pushed for the removal of barriers to the flow of private capital in the domestic and international spheres, a means for the reinforcement of those material forces. Coinciding, as it did, with the collapse of the Soviet Union and the discrediting of the alternative vision of society by the end of the 1980s, this gave rise to the unchallenged hegemony of capitalism and neo-liberal ideology, which came to be portrayed in many quarters as a necessary element of globalisation.

Having said all this, we pose the question - to what extent is globalisation a new phenomenon, marking a qualitative change from the past? Or is it merely the quickening of past trends in the process of capital accumulation on a global scale? Different views have been expressed on this question. On the one hand, it has been argued very strongly that what we are seeing is essentially the resumption of a process that took shape at the beginning of this century, but was interrupted by the two world wars. Others contend that the specificities of the current phenomenon mark a qualitative change from anything known before. This raises the familiar question of the point at which changes in quantity - in this instance of scope, depth and pace - constitute a change in quality. The correct answer, I would argue, is that, while it would be a serious mistake to ignore its specificities and the particular context and dynamic that it has been set up, the process does not represent a clear break from the past. This is not an entirely idle question, though, for the current discussion of the phenomenon of globalisation contains strong doses of both reality and mythology, each with its own effect on the organisation of production and life in all parts of the

world, and it is this admixture of reality and myth, and its effects that interest me, and to which I propose to devote the next few minutes.

The movements in production, technology and communication, the role of capital flows across borders, and the proliferation of the new formal and semi-formal functional international networks, previously described, are undoubtedly real, as is their impact all over the world, including sub-Saharan Africa. The mythology begins when globalisation is presented as a *novel*, *all*encompassing and inexorable movement with a necessarily neo-liberal, all-market logic, which you 'either accept or perish'. The essential point of this myth - the ritual conflation of globalisation with the neo-liberal agenda and its promotion as the unstoppable movement of our times, is hidden behind the oft-quoted expression: 'the world is a global village'. This oversimplification, whose limitations are quite patent once you stop to think about it, is nevertheless powerful as ideology. It gives the impression that 'we are all in this together', that it is 'good for us all', that the neo-liberal agenda is the logical, rational choice of our times, and that, in any event, the process is unstoppable. Of course, none of this is uncontested truth. Obscured in all this are a number of facts that need only to be stated for their significance to be appreciated. For instance, (Millburg 1998) over 80% of world production is consumed locally - a figure which is probably higher for sub-Saharan Africa; 90% of workers throughout the world still produce for the local market - many for own and household consumption; world trade as a percentage of global GDP is no higher now than it was in 1913, the year before the outbreak of the First World War; foreign direct investment constitutes less than 5% of gross fixed capital formation globally (1993 figures); the total stock of foreign direct investment as a share of world output, peaked at 8.5% in 1991, which was less than it was in 1913; and transnational corporations employed no more than £0.Tc -0.0w 20.22 0 Twn and househeo0% a

production processes.

This has worked a virtual revolution in the leading industries of the world. The result has been a reduction in the amount of material consumed in the production of a given output in the advanced sectors of industry, and, therefore, a generally reduced rate of consumption of industrial raw materials, and a decline in the material intensity of the growth of the GDP in the industrialised countries. This, in turn, has consolidated the tendency to oversupply of primary products in international trade, with trade in primary commodities growing more slowly than trade in manufactures. This explains the secular long-run movement in the terms of trade against producers and exporters of primary commodities - where the same volume of exports of primary products enables a country to import less and less from outside.

What are some of the implications of these developments for sub-Saharan Africa? For a proper appreciation of this, it is necessary to recall very briefly the manner in which the typical sub-Saharan country was incorporated into the modern international economy and its current location within it.

As a colony, it was inserted into the international economy as part of the global spread of capitalism from centres in the North, particularly Great Britain and France, with a distinct role in the international division of labour. Its economy has since retained a heavy rural bias, with massive dependence on low-technology agriculture - mainly subsistence production with pockets of commercial or export production. As a result of its over-specialisation as a supplier of raw material to Northern industry and importer of the latter's manufactures and consumer products, a second feature of the typical sub-Saharan African economy was its extreme dependence on the export of a small range of unprocessed agricultural and mineral products, which accounted for up to 90% of export earnings in some cases. Thirdly, and related to that, industry, especially, manufacturing was woefully undeveloped and heavily dependent on the outside world for capital goods, essential raw material and technology. Together with export production, such industry constituted an enclave, with very weak links to agriculture, whether as supplier of machinery and other inputs, or as a market for raw material products. In sum, the consumption-production linkages that characterise a dynamic economy were lacking. The post-war boom in raw material prices yielded respectable export earnings for the typical sub-Saharan country, which enabled the immediate post-Independence period to register strong growth and significant improvements in social and infrastructure development. In addition, there were the beginnings of mostly import-substituting industrialisation in most countries. Despite these initial gains, however, the structure of the economy in practically all countries remained fundamentally unaltered.

The fourth feature was that the typical sub-Saharan African country began independent political life as a pluri-national state, bringing together peoples of several nationalities, in some cases, even kingdoms. This set up powerful potential centrifugal forces, which were contained, in most cases, only by the unifying effect of the struggle for independence and the relative prosperity of the immediate post-Independence period, following the post-war economic boom.

A final a feature was a very complicated internal social structure. Among the most significant aspects of this structure was the relationship between the national leadership and the rest of the country. Apart from the traditional rulers, this leadership consisted mainly of the political, business and professional elite. This leadership had been closely linked first, to the metropolitan economy and values, and more recently into the modern global economy. The result has been its persistent alienation from the rest of the country - among the major causes of the social tensions and political fragility that we see today.

In these and other ways, the typical sub-Saharan African economy has been structured to fit into, first the colonial, and then the global economy, under the pressure of the spread of capitalist production and social relations. Yet its objective role in the international division of labour meant that sub-Saharan African economies were not fully transformed into modern or capitalist economies or social formations. With the leading sectors of both economy and society working themselves ever more deeply into the global economy, even as the bulk of society and a substantial part of the economy remained backward and relatively untransformed, these countries remain internally 'disarticulated', as previously observed. The results are what we see today - internal fragility and relative backwardness, and dependence and vulnerability to external factors in a measure unmatched by any other region.

A short-lived revival growth and optimism in the second half of the 1970s, fizzled out when the fundamental logic of the long-run secular decline in the terms of trade against non-oil primary commodities producing economies asserted itself. In combination with specific internal and external – the decline in export volumes largely resulting from the slow-down in developed countries, the mishandling of exchange rates and of external reserves, and accumulating external debt, exacerbated by sharp rises in international interest rates, created major resource gaps which put serious pressure on import capacity and the availability of resources for essential economic and social investment within the typical sub-Saharan African country – the cycle of economic and social crises, which has been the lot of sub-Saharan Africa to this day, had truly set in! For all these reasons, the implications of what I have described as the reality of globalisation for sub-Saharan African economies are as obvious as they have been devastating. These may be briefly summarised as follows:

- for the national treasuries, low export revenues and a substantial debt overhang as a result of depressed export prices;
- for the investor, poor returns on investment in raw materials production leading to a general drying up of new investments in primary production and reduced incentives for the upkeep of plant and machinery;
- for the primary production sector generally, reduced foreign investment leading to reduced infusion of advanced technology and management practices, and therefore little improvement in productivity and competitiveness.

The exceptions are mining and other extractive industries in those countries, such as Ghana, where specific incentive systems have created firm guarantees of profitability. The irony is that these are precisely the kinds of investments that tend to lock sub-Saharan economies into their colonial structure!

This brings up a number of questions:

• Could it be that it is these fundamental processes, rather than the absence of a 'favourable investment climate' that lie at the base of the persistent failure of most African countries to attract foreign capital, despite structural adjustment programs (SAPs), investment promotion codes, and the sorry sight of African Heads of State going, cap in hand, from capital city to capital city in the North, touting their countries' attractions, including cheap, docile labour, and pleading for foreign investment?

- Does this not suggest that industrial country production systems are becoming less and less adequate complements to the economic structures shaped under colonialism, even as the current structural adjustment programs seek to shore up those very structures?
- Are we seeing the final exposure of the basic incapacity of the colonial political economy to cohere and to develop into an independent modern state one that is able to define, control and sustain productive activity and social development within its borders?
- What can we expect to replace the marginalised states in the coming millennium?

We have thus far concentrated on the objective effects of globalisation. But, as previously stated, its mythology and ideology are not without their own force and effects. On the one hand, they provide a cover for capital and its agencies as they refashion the rules and institutions of both the global and national economic governance to facilitate the further opening up of the world market. At the same time the myth offers a convenient alibi for the leadership of countries at the losing end, including most of sub-Saharan Africa, who can blame their inability to meet the needs of their people on the 'forces of globalisation'.

As already indicated, the neo-liberalism of the 1980s was pushed as a synonym for an inexorable process of globalisation, with the neutral market determining the optimal allocation of resources in international economic life. Under cover of this ideology, specific non-market measures, including changes in legal and other arrangements, are being taken to the facilitate the penetration of capital, setting up what appears to be a trend towards policy convergence on the open-market model. But as noted in a recent United Nations report, this trend is driven in part

by global market actors, in particular, developed country governments and international financial and trade institutions that make such policies a condition for access to resources. As a result, most countries have adapted their national economic policy-making to the new imperatives, regardless of differences in structural characteristics and, in particular, their degrees of integration into global markets. (CDP 1997: para.43)

For instance, under the new World Trade Organisation (WTO) the previous reciprocity-based tariff reduction arrangements of the General Agreement on Tariffs and Trade (GATT) have been replaced by binding codes enforceable by trade sanctions. Further, the WTO seeks to regulate the flow not only of goods, as with the GATT before it, but also of services and investments in world. The force of rules on the latter has been greatly enhanced by the availability, for the first time, of trade sanctions for their enforcement. Just as significant is the so-far unsuccessful effort to establish a Multilateral Agreement on Investments (MAI), whose main features will be the protection of foreign investments and national treatment for all foreign investors. This would outlaw any measures tailored by a country subject to the agreement to provide special incentives or protection for its local industry or farmers, so as to level the playing field in, say, Ghana for both Ghanaian entrepreneurs and, say Shell or Microsoft, or General Foods.

This general practice of shaping laws and institutions under cover of the market ideology affects developing countries in specific ways. I would argue that the introduction and the shaping of structural adjustment programs in sub-Saharan Africa, as well as aid and development conditionalities should be seen in this light. For, to the extent that they were cast in the form of the

inevitable precondition for global competitiveness, the reform programs introduced from the early 1980s left little room for contestation. But this was not left to chance or the market - not even to the persuasive power of the aid purse. As with all hegemonic ideas, neo-liberalism propagates itself by attempting to co-opt all intellectuals and opinion leaders within its reach. Grants to selected university departments, consultancy contracts to the appropriate specialists, scholarships and carefully chosen attachments, especially for Third World academics, are important means of creating and appropriately supportive community. A particularly significant application of this practice relates to the co-optation of leading figures in the public bureaucracies of African countries. This takes a variety of forms. Key is the establishment of special units, within or outside government, for managing special programs, with specific privileges, including foreign trips, special allowances, and access to 'project vehicles'. The material benefits and institutional power that this confers makes a big difference to the lives of a small number of senior public servants, otherwise neither well-paid nor always well-regarded, who then become a privileged aid bureaucracy. The well-funded study trips and attachments to bastions of neo-liberal thinking help to draw these key players in the policy arena firmly into the neo-liberal ideological and intellectual camp. Together with the new services elite mentioned later, this special group of aid bureaucrats constitutes firm allies and promoters of the neo-liberal agenda.

While providing a cloak of objectivity and inevitability for the neo-liberal agenda of the 1980s and 1990s, for the leadership of sub-Saharan Africa, the globalisation myth provided an alibi, first, for their failure to prevent the imposition of economic and social programs that their people would reject, if given half a chance, on the grounds that the reform programs were the only logical and natural thing to do under the pressure of globalisation. It has to be acknowledged that the collapse of the Soviet Union, the non-success of the various attempts at socialist construction in Africa, the devastation of most sub-Saharan economies under external economic shocks and internal natural and man-made disasters, reinforced the feeling captured in the expression, 'TINA' ('there is no alternative [to structural adjustment]'). This attitude which was prevalent in the 1980s, tended to shut out systematic contestation of the broad program as well as specific aspects, including the timing and phasing of major policy interventions. In the second place, for African leaders, globalisation provided a ready-made excuse for the suffering of their people, as it could all be blamed, not on their inadequacies as leaders, not on their mismanagement and corruption, but on the unavoidable effects of global forces!

Thus, both as reality and as myth, globalisation has exercised a potent influence on life in sub-Saharan Africa. It is, thus, crucial that it be properly understood by Africa's thinkers and policy-makers. This way the myth could be confronted and exorcised, while the reality is carefully identified, so that it too could be dealt effectively, at the levels of ideas, policy and practice, free from the fog of ignorance and confusion. A proper appreciation of the true nature and potential both positive and negative - of globalisation will enable Africa to recognise the scope it has for making choices, and to make more *informed* choices. This is reflected in the setting up by CODESRIA of a Multinational Working Group on Globalisation and Social Policy, and in selecting the theme of 'Globalisation and the Social Sciences', for the scientific sessions at this General Assembly.

Against this background of the nature and general impact of globalisation, I would like to say a word or two about structural the adjustment process in Sub-Saharan Africa. My concern here is not whether the SAPs are the correct measures or not, whether they have been successful or unsuccessful - these important questions that have been addressed and continue to be addressed in the already vast literature on the subject, and will receive extended discussion at other sessions this

week. I propose, rather, to address a few aspects that highlight the location of the structural adjustment phenomenon within the current global dispensation.

Structural adjustment programs are intended first to give freer reign to market forces by removing rigidities in the production, pricing, marketing and exchange rate regimes operated by virtually all sub-Saharan African countries in the preceding decades. Related to this, the SAPs aim at cutting back the role of the state by downsizing it and reducing its reach. A third aim is the rapid opening up of the economy to international competition. These measures are expected to restore macroeconomic stability and lead to the resumption of steady growth in economies that were stagnant or in decline. However, beyond the resumption of growth and a vague assumption about the trickledown effects on other aspects of social development, there was not much clarity about the specific objects to be attained by structural adjustment programs.

The outcome of SAPs is a much-contested issue. Those who claim that SAPs have been successful point mainly to the recovery of macro-economic stability and the restoration of growth in countries that have undertaken and sustained structural adjustment programs. Yet even they acknowledge that the benefits of such growth have yet to show in the quality of life of the majority of the population. On the other hand, those who question the success of the SAPs, even when they acknowledge the restoration of economic growth, point to the fragility and unsustainability of such growth. Beyond that, they are concerned with the enormous social cost, including deindustrialisation and the relative loss of national control over economic and social policy-making. But whatever the differences between supporters and opponents, it is common ground that, after a decade and more of structural adjustment, 'hardly any country has successfully completed its [adjustment program] with a return to sustained growth' (United Nations, 1998:124), nor has there been any fundamental structural transformation in the economies of any of the adjusters (Serageldin, 1993:95). The economies continue to be dominated by low-technology agriculture, especially in relation to food production for local consumption; industrial production, particularly manufacturing, stagnates, in some cases, even declines; persistently high levels of poverty and unemployment, as well as the erosion of social services for the majority of the population continue to cause very grave concern - all this in the teeth of restored economic growth!

The absence of fundamental structural change does not mean the absence of all change. Among the interesting new features two call for comment. The first is the ascendancy of the services sector in the adjusting economies. It is acknowledged that this sector has grown more rapidly than the productive sectors, and now accounts for about half of total of GDP on average. As a general rule, increases in the relative size and sophistication of the services sector mark the maturing of an economy. But this is only if the increases are led by such as transportation, communication, financial services, etc., which directly support the expansion of productive activity in industry and agriculture. The evidence is, however, that in the case of the African economies the expansion of the services sector is dominated by wholesale trade, tourism and other activities which do not directly sustain production in other sectors. In the circumstances, the ascendancy of the services sector in the reforming African economies does not necessarily represent a positive development. At the same time, it has social implications. It has spawned what may be described as the 'services elite', engaged in various aspects of trading, consulting and representation of foreign companies. In economic terms this services elite and their activities work at the interface between the local and the external markets, facilitating the external penetration of the local economy, as well as the deeper integration of the latter into the global economy, from which they make a very comfortable living. Their interests are, therefore, very closely bound up with the success of external agencies on the local market, which makes them the strongest advocates of the opening up of the local

economy to the outside world - the neo-liberal agenda. Though it is small in size, the location of its members close to the centres of political power and their identification with foreign capital and its local manifestations enable the services elite to exercise disproportionate influence on economic and social policy-making.

One of the slogans of the times is, 'The Private Sector as the Engine of Growth' - or words to that effect. The divestiture of state enterprises and the liberalisation of trade, exchange rate and investment regimes tend to remove the state from the market place, creating more space, supposedly for productive private sector activity. Somehow agriculture, especially food farming, the quintessential private sector activity in Sub-Saharan Africa, does not get much of a look in. Thus, given the competitive weaknesses of *national capital* generally, the principal beneficiaries of this retrenchment of the state are not locally-owned commerce and manufacturing industry, nor local agriculture, but increasingly, foreign capital investing locally, exporting capital as well as consumer goods into the economy, or providing a variety of services from accounting and construction, to management and consulting. In the position of subsidiary beneficiaries are members of the services elite - whether through their engagement in export-import trade, their servicing of foreign investments or as agents of foreign principals. What is clear is that it is not the indigenous industrialists and farmers who gain the most from the opening up of the national economies. Indeed, if the MAI were to be pushed through finally, such national capital as still survives would be exposed to withering competition from the most powerful transnational corporations for the honour of constituting the engine of growth in the most backward sub-Saharan African economies! The upshot is that prospects for capital accumulation and investment within the domestic economy are under constant threat.

To sum up, we note the erosion of the capacity of the marginalised and dependent sub-Saharan African state to generate enough production, savings and investment, to ensure sustainable development and to provide for the basic needs of its own. At the same time, it is constrained by international institutions and arrangements, including aid conditionalities, which reinforce and seek to extend the openness and dependence of their economies. Compounding the situation is the fact that the leadership of those states, including the services elite and the special aid bureaucracy, is, in any event, locked into an ideology that limits the scope of the state to intervene in the market place to secure the fundamental well-being of its people. Thus, while the *reality* of globalisation - deriving from movements in the economy and production - reduces the global competitiveness of sub-Saharan African economies, the *ideology* of neo-liberalism and the institutional arrangements that promote it - the World Trade Organisation (WTO), the proposed Multilateral Agreement on Investments (MAI), and aid conditionalities, among them - inhibit the fulfillment by the state of its principal function, namely, the defence and enhancement of the basic well-being of its people. This, I would argue, is the fundamental reality that lies at the base of the continuous crises of the sub-Saharan African State, as we enter the new millennium.

To round out this discussion on the condition of the sub-Saharan African State at the end of the millennium, I would like to introduce the question of the place of international development assistance (ODA) - that is, financial flows in the form of grants or concessional loans, technical assistance or in-kind transfers, or debt relief - into the story.

My first observations concerns the fundamental *non-congruence* of interests (Sen:28-29) in the aid relationship – those of giver and recipient – and the implications of this difference for the uses of aid and the assessment of its effectiveness. The objectives of *giving* aid vary from donor to donor, even for one donor, over time. It is, nevertheless, possible to pick out four broad categories of objectives for traditional development assistance (that is, distinct from emergency relief and the

like). These can be classified as:

(a) *Humane internationalism*, where the notion of the public weal in the donor domestic situation is translated onto the international plane, seeking to contribute to growth and development and the removal of abject poverty and suffering from all parts of the world, by augmenting resources or skills for development. Though this has been identified mainly with middle powers, such as the Nordic countries, the Netherlands, Australia and Canada, there are elements of it in the practice of other countries as well. From this perspective, the success of aid is measured in terms of improvements in the well-being of the target gr

achieved prominence with the setting of targets for macro-economic stabilisation as a condition for the grant of structural adjustment loans and facilities by the World Bank and the International Monetary Fund in the 1970s and 1980s. As these were mainly balance of payment support facilities to ease the process of adjustment, the principal measures of success related to the economic performance of the recipient state in specific areas, linked to monetary and fiscal policy. and captured in the economic growth indicators. As bilateral aid came to be conditioned on the recipient reaching agreement with the IMF and the Bank, the requirement to undertake specific reforms aimed primarily at liberalising their economies became a generalised condition for obtaining even bilateral aid. Without for a moment wishing to play down the importance of these strictly economic factors and the need to establish the appropriate macro-economic framework, it ought to be recognised that insisting on these categories as the indicators of success, means that the humanitarian and social justice objectives of development and aid become a secondary, derivative consideration, donor and recipient rhetoric to the contrary notwithstanding. For, even as some insist that the equity and social justice objectives would be satisfied as the economy grows, there is precious little evidence of a necessary link between economic growth and the promotion of wellbeing for the majority. In any event, any trade-off between growth and well-being is a matter of fundamental social policy, which is properly the province of the government and the people of the affected country, and not outside agencies, however vast their expertise or good their intentions. When by the late 1980s it became apparent that the non-attainment of macro-objectives might be due to failures in management, political instability and other non-economic factors, attention turned to these. Reform of the public services, the opening up of the political system to wider participation, and improvement in the management skills of public servants became part of the SAP agenda. At the same time, the realisation emerged that, even where the reforms had succeeded in restoring macro-stability and economic growth, social and humanitarian goals had not always been met, indeed, in some cases they had been sacrificed, at least, in the short term. Donors anxious about the humanitarian aspects of aid and development, therefore, began to include in the aid package, objectives and methodologies calculated to ensure that the aid reached and benefited the intended beneficiaries, namely, the poor. Thus, began what has been described as 'the second generation' conditionalities. While the first generation conditionalities subjected national economic policy-making to external scrutiny and supervision, this second generation extended it to all aspects of social, economic and political policy-making. (Stokke 1997:7,9) Without doubting the merits of the policies pushed under the second generation conditionalities governance, human rights, the targeting the poorest of the poor, environment restoration, etc. - or calling into question the good intentions of the proponents, it has to be stated that, from the point of view of the aid recipient, this constitutes external determination or, at any rate, conditioning of important aspects of national social policy, which the recipient government is not always able to resist or modify substantially because of its weak bargaining position. At the very least, such conditionalities constrict the scope of a recipient state for defining its vision of society and fashioning policies towards its attainment. As put in a recent United Nations Committee report,

Countries which are dependent on concessional financial flows...have also been constrained in their national policy-making as a result of pressures form international financial institutions and the loss of relative autonomy vis-a-vis those institutions. (CDP 1997: para 45)

But that is not all. The issue of aid cannot be viewed apart from the objective interests of both

donor and recipient. With the ending of the Cold War, and the relative decline of the purely security motivation for aid, and leaving aside the many instances of aid tied to the narrow commercial interests of the donor, it is clear that overall, international development assistance is pushing in the same direction as the various structural adjustment programs, that is, in the direction of opening up the economies of sub-Saharan Africa the better to integrate them into the current global economic dispensation, but not in the sense of *strategic integration*, so effectively employed by the South East Asian Tigers. For, it is no part of any of the SAPs or aid to foster in any sub-Saharan African country, *autonomous* development within a national economy genuinely restructured to ensure development according to the social vision of its people.

This is explicit in the case of structural adjustment lending and bilateral concessional grants directly or indirectly conditioned on the recipient reaching agreement with the IMF, which covers the bulk of concessional finance made available to adjusting sub-Saharan African countries. The situation is less obvious in the cases where grants, usually project grants, are made on humanitarian grounds without insisting on an IMF package. Increasingly such grants now involve second-generation conditionalities. Here, the stated objectives and, where successful, the effects are to bring a measure of social justice and relief to the poor, and thereby to alleviate the ill-effects of the adjustment process. But they are *not* aimed at bringing about or supporting the fundamental restructuring of the national economy and the enhancement of its capacity for autonomous development. In the circumstances, such aid tends in the same direction as the more explicit adjustment-support facilities by easing the adjustment process. *In a word, under conditions of structural adjustment, international development assistance, even when it is explicitly humanitarian, is not neutral as to the direction of development, nor could it conduce to the autonomous determination of development policy by the affected society.*

Given this strong external influence on basic policy, it is paradoxical that the second generation conditionalities make so much of the need to involve the poor in both the political process and the making of social and economic policy. Such insistence can make an important difference at the micro-level - for instance, where it ensures that aid funds are used to build a school or well, rather than to furnish the offices of the District Chief Executive; that projects are designed and implemented with the involvement of the women of a locality who become its chief beneficiaries, etc. But it does not touch the fundamentals, the macro-level movements - monetary and fiscal policies, employment-generation, the scale and phasing of privatization, trade liberalisation, the withdrawal of subsidies on agricultural inputs, schooling and access to medical care, etc. - the things that determine the extent and the meaning of gains made at the micro-level. Where aid is conditioned upon the opening up of the political process to allow the voice of the poor and women to be heard, whether in community and district assemblies or at the national level, or to allow multi-party politics, it raises the possibility, at least in principle, of affecting the choices made at the macro-level as well. It is at exactly this point that we come up against the limitations imposed by external determination of policy. For, as already indicated, where the adjustment package sets limits on public expenditure, the extent of state intervention and the like, the scope for national choice-making in relation to broad social economic policies- with or without the involvement of the poor - is to that extent constrained.

Let me repeat: it is no part of my argument that the specific components of the adjustment packages are necessarily undesirable, nor technically unsound, nor the outcome of the donor conspiracy or ill-will, nor that they are rigidly imposed, with no room for recipients' choice. Nor do I mean to deny that national-level competence, commitment, management skills, and political mobilisation play a part in the effectiveness or otherwise of adjustment or development policy

generally. The point is that, apart from the objective conditioning that results from the material developments already described, specific, deliberate decisions of external agencies limit national choice-making to a degree not conceivable in the case of countries not subject to structural adjustment programs and the aid conditionalities that go with them.

Turning from the objective role of aid in the adjustment process, a word about the incidence and sustainability of aid flows under current and prospective conditions. At the root of the crisis that has engulfed sub-Saharan African countries within the last two decades has been the marginalisation of their economies, and with it declining capacity to participate effectively in the global market place. One manifestation of this phenomenon is the decrease in their always limited ability to attract much of the private financial flows that have flooded other regions of the world. For instance, though the stock of foreign direct investment in sub-Saharan Africa doubled between 1960 and 1970, net inflows rose to a peak in 1980, they fell to a trickle thereafter. Despite a mild recovery since 1994, the 1980 peak has yet to be regained, and Africa's share of foreign direct investment to all developing regions hovers around the one percent mark. When it is recalled that the success of the SAPs is premised on the ability of an 'adjusted economy' to attract commercial finance and galvanise the domestic private sector to take the lead in development, the gravity of this outcome becomes obvious. Together with the declines in export earnings, the rises in import prices and in real interest costs, and the burden of external debt overhang, the failure to attract foreign finance results in persistent and substantial resource shortfalls which constitute very serious constraints on economic growth and the satisfaction of the most basic needs of people. This not only jeopardises the adjustment process by pushing people almost to breaking point, but reduces the means at the disposal of the state for intervening to correct market failure, and thereby help contain the centrifugal forces - ethnic, regional, religious - that lie just below the surface of society. To help close this resource gap international development assistance has been vital, especially for adjusting economies. The decline in private financial flows to sub-Saharan Africa initially coincided with an increase in the flow of official development assistance (ODA). In real terms net ODA to sub-Saharan Africa doubled between 1980 and 1995, and in per capita terms is the highest among developing countries. (Aryeetey et al. 1998:11) Though this made up for only one/quarter of the loss in export purchasing power for the region as a whole in the period 1981 to 1993 (United Nations 1998:123), such concessional finance has become more than a welcome enhancement of national development capacity - for the adjusters, it has become an indispensable condition for the continued viability of their adjustment programs and the political stability of their countries. This dependence appears chronic, as none of even the adjusting countries shows any signs of being able, anytime soon, to generate enough internal growth and export earnings to close the resource gap on a sustained basis. Given this scenario of likely aid dependence into the foreseeable future, it bodes ill for Sub-Saharan African countries that, since 1990, ODA has declined both in real terms and in relation to the GDP of recipient countries. What then, are the prospects for the continuation of international development assistance of the appropriate sort and on an adequate scale? It would take us too far afield to do more than make some very general observations on this vexed question. According to the latest evidence, as distinct from the rhetoric, despite the so-called 'aid fatigue', aid flows have shown a surprising robustness since the late 1980s. In the middle to longer term, however, one can see a number of factors affecting both the volume and direction of flow. These include the effect of almost two decades of neo-liberal ideology on donor country values and norms towards aid - the increasing pressure to show measurable and market-relevant results; the commercialisation of aid - with increasing references to 'the return flow of aid' - and the extent of diversion towards emergency relief, as distinct from development assistance. Also significant is the

likelihood that the bulk of whatever ODA there is will continue to come to sub-Saharan Africa. Just as significant, however, are the indications that, for the reasons given, development assistance properly so-called - as distinct from security, sphere-of-interest, or emergency relief aid - will depend, even less on considerations of greatest need, than in the past, and more on the general policy profile of a country, in the view of the bilateral or multilateral donor. To a degree, that is evident from the many special initiatives such as the Special Program for Africa, and the Highly-Indebted Poor Country Debt Initiative, set up since the mid-1980s to help Africa and other low-income heavily-indebted countries find the road to sustainable development - all of which are strictly conditioned on conformance to the usual conditionalities. The fact is that not only have these initiatives made hardly a dent in the problem, but even on the most optimistic assessment, they offer little hope that sub-Saharan Africa will receive assistance on the scale and in the forms required to close the gap in resources needed to meet the survival needs of its people, much less to establish the minimum material, political and cultural conditions for securing the viability of its societies in the current global system.

This is not to paint a Doomsday scenario, nor am I saying anything that has not been said, in one form or another, at every meeting, conference or workshop of the OAU, ECA, and GCA. In rehearsing these matters yet again this evening, my intention has been to challenge Africa's leadership to confront the awesome task of national and regional self-realisation and self-help that the times call for, and to underline the unique and indispensable role of intellectual production and social knowledge in that endeavour. In which connection, a particular charge goes out to African scholars, represented here so abundantly this week, to assume their true role and historic responsibility as Africa's intellectual visionaries and activists.

I would to commend to all assembled here, especially to our younger colleagues, upon whom the task of shaping the future of Africa falls most decisively, an observation of Joseph Ki-Zerbo, on the tasks of the African intellectual. In words, as poetic as they are rich in historical allusion; as weighty in wisdom as in wit, Ki-Zerbo said, and with this I conclude:

Intellectuals should act as sentinels and night watchmen, searching the surrounding shadows, and, as Okomfo Anokye once did with Osei Tutu, inventing new paradigms and alternative projects required by our past, our present and our future.

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