African leaders may link up with Brazil

by Mary Lalevée

While African nations' debt is far smaller than that of the Ibero-American nations—an estimated $250 billion for the entire continent south of the Sahara—but given the fragile and underdeveloped state of Africa's economies, it represents a crushing burden. Debt service alone is now consuming 20-50% of the GNP of most African countries, and this year's chairman of the Organization of African Unity (OAU), Congo's President Denis Sassou Nguesso, told European leaders on his recent tour that "Africa is producing *solely* to repay debt."

The World Bank's report on African debt, published in January, describes the debt as "an enormous and painful problem," getting worse every day, and this despite no fewer than 87 rescheduling agreements with 22 African countries since 1975. According to the World Bank, African nations were behind in interest payments alone to the tune of $4 billion per year. "These countries' arrears are now over $12 billion, representing more than 20% of their medium- and long-term public debts," according to the report.

For once, the World Bank does not blame "mismanagement" or "corruption" on the part of African governments for this disastrous situation, but correctly describes the main cause of the problem as the drastic fall in the price of Africa's export products. The report says that the situation in Kenya, Sudan, Nigeria, Côte d'Ivoire, Zaire, and Zambia is "worrying." So "worrying," that for the first time ever, the president of the World Bank, Barber Conable, made a two-week tour of Africa south of the Sahara. Increasing discontent in countries that have faithfully followed the prescriptions of the International Monetary Fund and World Bank, and increasing African awareness of the debt fight in Ibero-America, could mean that more African nations break with the IMF and follow the examples of Peru and Brazil, in limiting or postponing debt payments.

The Ibero-American model

African efforts over the last five years to apply IMF medicine have not been rewarded: Zaire, regarded as the "IMF's model pupil," followed the example of Peru's President Alan García last November, and imposed a 10% maximum on the amount of export revenues that could be used for debt servicing, and issued a government declaration attacking IMF methods.

Now, steps are being taken in Africa to link up directly with the Ibero-Americans on the debt question. President Mobutu of Zaire has just completed his first trip to Ibero-America, visiting Brazil Feb. 16-19, shortly before that country's Feb. 20 announcement of a moratorium on payment of interest on its foreign debt. President Mobutu then went to Argentina for two days, then on to Washington. Before returning to Kinshasa, he was due to stop in Paris and Bonn. According to the French newsletter *Lettre d'Afrique*, African debt was going to be the main issue of his talks. The newsletter wrote in its Feb. 9 issue, that African leaders had begun "an all-out mobilization to find a solution to the difficult problem of external indebtedness of their continent."

Another part of this mobilization was the three-week European tour by OAU chairman Nguesso. On Feb. 9 he arrived in Paris, followed by visits to Brussels, London, and Madrid. According to French sources, Nguesso intended to discuss the question of African debt with European leaders, and to try and win support for the idea of a special international conference on African debt. Little was said publicly on the debt issue, but Radio France International commented that it seemed he had received little support for his proposals, with most European leaders telling him they thought they were already doing enough to help Africa.

'Rebellion' against the IMF

Anger at IMF policies was expressed at a meeting on Feb. 14 of ministers from the West African "franc zone" countries (Benin, Burkina Faso, Côte d'Ivoire, Mali, Niger, Senegal, and Togo). A news report from the meeting in Yamoussoukro, Côte d'Ivoire, where the meeting took place, quoted one minister present saying that there had been a "joint rebellion against the IMF and the World Bank." The ministers called for "new relations" with international financial bodies, saying there was a need for "policies which promote economic growth." Hinting strongly at a break with the IMF and World Bank, the ministers said they had discussed ending all bilateral talks with these two institutions.

The fall in the prices of Africa's exports has been aggravated by the fall in value of the dollar (most of Africa's exports are priced in dollars). For the first time at the beginning of February, an official of Côte d'Ivoire spoke publicly of his government's concern about the effect of accelerated fall of the dollar on the economies of Third World countries. The *Lettre d'Afrique* reports that business circles in Abidjan have stressed that while the fall in the dollar reduces that part of the country's debt denominated in dollars, the negative effects are far worse. Côte d'Ivoire is losing 800 billion CFA francs (approximately $3 billion) because of the dollar's decline, as 80% of the country's exports (especially cocoa and coffee) are priced in dollars.