

African Report by Mary Lalevée

Everything keeps falling

For all their euphemism and understatement, new reports document how the continent is being looted into extinction.

Africa has to face the fact that either we act together, or we will all be crushed. If we don't mobilize together, we will be crushed one after another," said Congolese President N'Guesso, this year's chairman of the Organization of African Unity (OAU). He was speaking at a recent conference of the U.N. Economic Commission for Africa (ECA) in Nigeria's new capital, Abuja.

N'Guesso warned that "in the crisis shaking Africa, there will be no room for islands of prosperity. It is an illusion to think that there could be islands which could go on with prosperity while the rest of Africa is suffering under the debt crisis. There are more and more tendencies for egoism, but there is no other solution than a common political will to act." N'Guesso said that the next OAU summit meeting at the end of July in Addis Ababa could discuss a common position for Africa on the debt.

The conference reviewed the economic situation on the continent, one year after the special U.N. session on Africa in June 1986. At that conference, African governments had pledged to concentrate efforts on developing agriculture, insisted on by the World Bank and the IMF, while the West had promised increased financial aid. Since last June, however, the desperate efforts which have been made by African governments to conform to the rules laid down by international institutions and banks have not led to any improvement in their countries' situation. On the contrary.

Debt service now takes up 60% of Sub-Saharan Africa's export earnings, the Gross National Product has fallen, and 1986 export revenues were only \$45 billion, compared to \$64 billion in 1985, a fall of 29%, largely due to the fall in commodity prices. Debt payments were \$14 billion in 1986. Commercial bank flows dropped to a mere \$1.1 billion in 1986, compared to about \$3.5 billion in 1981.

U.S. aid to Africa has also fallen, with \$739 million promised for 1987, down 24% from the \$972 million promised in 1986. Canada now gives more aid to Africa than the United States does.

The conference of the U.N. Commission on Trade and Development (UNCTAD) started July 8 in Geneva, and the preparatory documents reveal the depth of the crisis. The documents show that talk of a "recovery" is a myth: "The 1980s have been notable for the most severe setback to the development process in the last three decades. . . . Recent reductions in many developing countries' investments in productive capacity and infrastructure and in their expenditure on key social services can be expected to harm their ability to meet the future needs of their populations. . . . In several developing countries, there is evidence of rises in malnutrition closely associated with the setbacks to development of the 1980s, especially among the poor and their children."

For all its euphemism and understatement, the report does document how certain developing countries have

been forced to export more capital than ever before in history—more than post-Versailles Germany—with some countries transferring resources "equivalent to almost 10% of GDP to half of the government's revenues in the period 1982-84." For the non-oil exporting developing countries, "an average positive net transfer of around \$50 billion in 1980-81 had turned into a negative one of almost \$14 billion by 1984, and this is estimated to have doubled the following year."

UNCTAD points out that the drastic fall in imports of the developing countries, by one-fifth between 1981-85, has cost the OECD nations "several million man-years of employment." Exports to Africa fell by one-third during this period, and have certainly fallen even more since then.

The documents point out that the creditor countries and institutions have developed an "international debt strategy" in the 1980s, based on the argument that "the root cause of the difficulties being encountered by debtors lay with the policies of those countries themselves."

The UNCTAD document wonders how "such grave shortfalls in management should arise simultaneously in such a large number of countries." In an implicit criticism of IMF-dictated programs, the document says, "All in all, the impression has sometimes been given that the main purpose of external financing is to encourage policy changes rather than to transfer resources." Indeed.

The UNCTAD report shows that in countries where drastic IMF austerity programs have been implemented are now much worse off than others.

French President François Mitterrand is due to address the UNCTAD conference. French Premier Jacques Chirac has hinted that a major policy proposal will be presented in Geneva on African debt.