IMF holocaust sweeps Africa: 30 million at risk

by Linda de Hoyos

BANGKOK, Oct. 9, Reuter—Thirty million Africans face starvation south of the Sahara, the International Monetary Fund said on Wednesday. "About 30 million people in this region are at risk of starvation, the majority of them in Ethiopia and Sudan, but also in Angola, Burkina Faso, Liberia, Mozambique, and Somalia," the IMF said in its World Economic Outlook *report. "In these countries food shortages caused by drought are magnified by the obstacles imposed on relief operations by civil wars, by the inadequacy of infrastructure and distribution networks and by the scarcity of foreign exchange," the report said.*

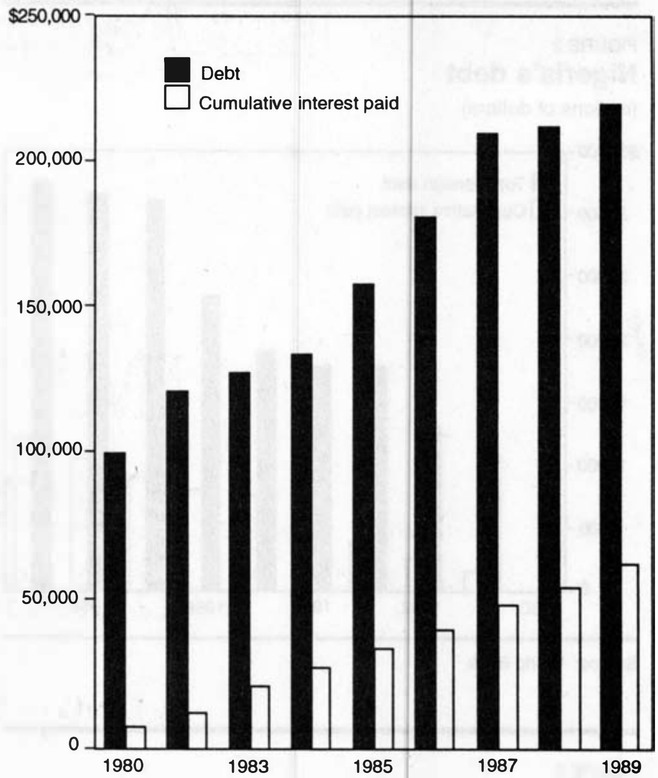
BANGKOK, Oct. 17, Reuter—African nations can expect a sharp reduction in financial assistance from the World Bank unless they keep up efforts to put their economies in order, World Bank officials said on Thursday. "Africans have to be impressed that they have a lot to lose if they allow financial discipline to disappear," a senior World Bank official said. "If countries do not stay on the reform path we are not going to give them much money, the bank won't give much to countries that are not doing all they can," he said.

These two news wires from the British news agency Reuters point directly to the acute crisis now facing Africa's 450 million people, and the source of that crisis: the systematic denial of technology and capital goods to the African nations. Instead of nuclear power plants, money to carry out infrastructure projects that would enable Africa to become food self-sufficient, and other obvious inputs, Africa, after centuries of slavery and colonialism, has been treated to no more than a succession of "stabilization" and "structural readjustment programs," and endless lectures from the IMF and World Bank on the necessity for "fiscal discipline."

The Report of the United Nations Secretary General on "The Economic Crisis in Africa," prepared for the session of the Ad Hoc Committee of the Whole of the

FIGURE 1
Africa's debt burden
(millions of dollars)


U.N. photo 154269/John Isaac



U.N. General Assembly Sept. 3-13, offered ample evidence that the policy dogmas of the Fund and the World Bank have failed miserably, to the point that Africa is a continent today that stands on the brink of total extinction.

Aside from the warnings that millions face starvation, it is already a fact, as reported by the United Nations *Human Development Report 1991*, that 5,620,000 children under the age of five died in Africa in 1990.

Especially for those children who lived beyond the immediate hours of infancy, their deaths were often painful and slow, as they died of diseases that are mostly curable or preventable at a cost of a few dollars or even pennies.

The holocaust is taking place in Africa *now*.

This is not the result of so-called overpopulation. Africa's population density is 451 persons per 1,000 hectares. With the exception of the United States (272/1,000 hectares) or Canada (29), Africa's population density certainly compares favorably in 1990 to such industrialized nations as Japan (3,280), France (1,030), (West) Germany (2,206), or even Great Britain, headquarters of the world malthusian movement (2,357).

The problem is not population density, but energy density, a parameter which shows the true economic deficit imposed on the continent by the denial of technology and infrastructural development. In Africa, annual per-hectare energy consumption (1,000 kcal/hectare of usable land) is an average of 2,887, compared to the world average of 16,463 and western Europe's average of 89,447 (1986 figures). While Africa's average energy consumption per person per year is 6,439 thousand kcals, average per capita energy consumption in North America is 83,900 thousand kcals. The world average is 22,200 thousand kcals per person.

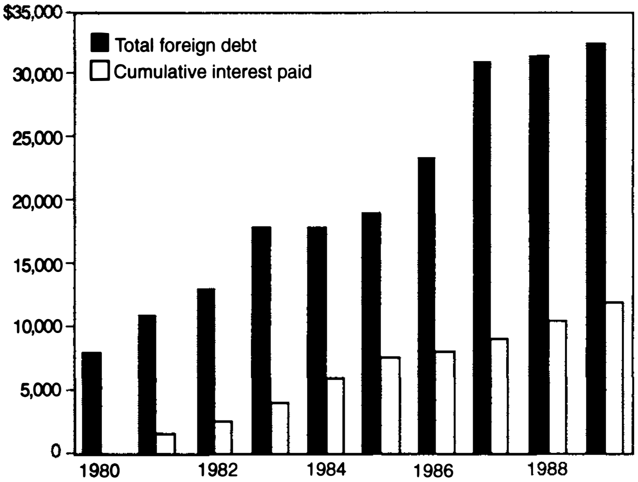
Instead of a policy of development of Africa, the governments of the western industrial nations, with the IMF and World Bank as enforcers, have imposed a policy of extraction. For the last 30 years, the African countries have been systematically discouraged from taking steps to ensure either their food self-sufficiency or industrialization. Countries have instead been encouraged to become "export-oriented," basing their economies on one or few cash crops or raw materials. The earning of foreign exchange then becomes contingent upon the prices of the major export crops, etc., which prices are set in London primarily. At the same time, debt is piled up on the country to the point that the major part of export earnings are funneled back to pay the debt. Capital never finds its way into the actual development of the economy.

This cycle has now brought Africa into a downward spiral in which the national economies of many African nations are on the brink of collapse, or as in the case of Uganda, are collapsed altogether.

The subsidy from Africa

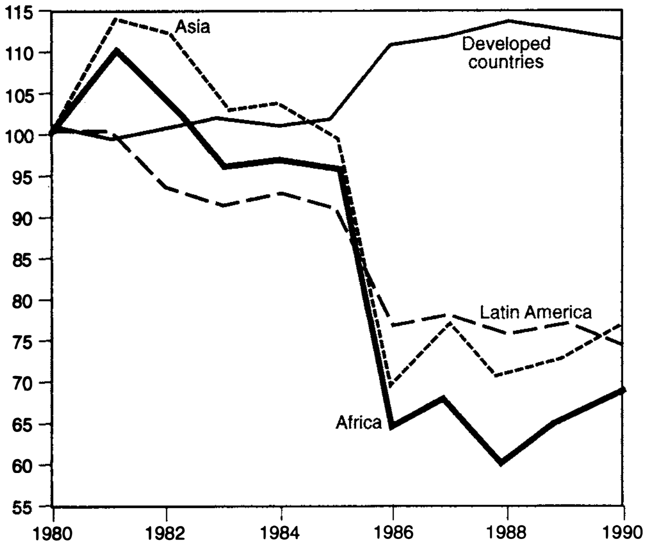
A review of the data compiled for the U.N. General Assembly, "Appraisal of the Implementation of the U.N. Program of Action for African Economic Recovery and De-

FIGURE 2
Nigeria's debt
(millions of dollars)



Source: World Bank

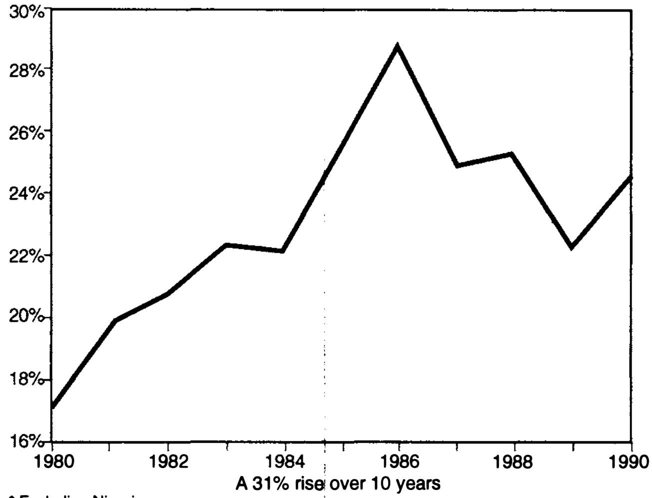
FIGURE 3
Terms of trade
(1980=100)



"Terms of trade"- shows the relationship between the price a country earns for its exports, and what it has to pay for its imports.

Source: United Nations.

FIGURE 4
Sub-Saharan Africa*: Ratio of debt service to exports



* Excluding Nigeria

Source: United Nations.

TABLE 1
African countries suffering decrease in GNP per capita, 1980-90
(dollars)

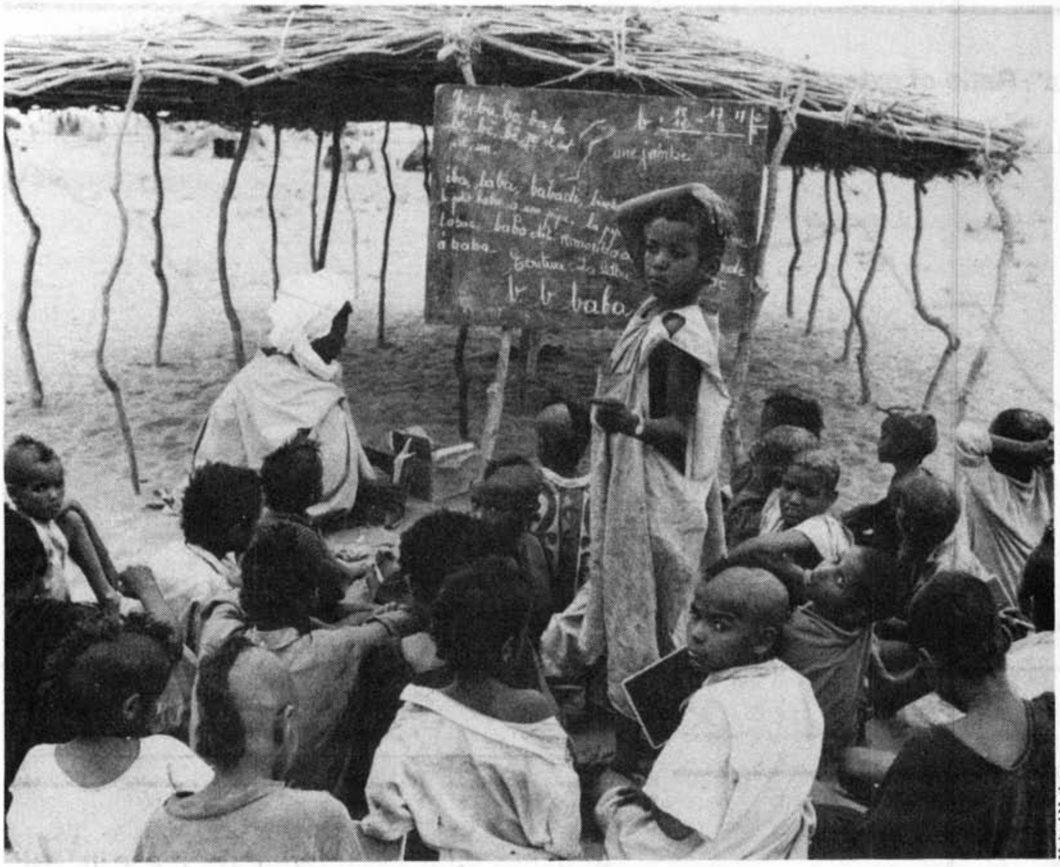
	1980	1990
Angola	725	620
Gabon	3,900	2,960
The Gambia	350	240
Ghana	410	390
Kenya	420	370
Libya	9,741	5,310
Madagascar	430	230
Morocco	930	880
Niger	440	290
Nigeria	**1,030**	**250**
Sao Tome and Principe	485	312
Sierra Leone	**320**	**220**
Tanzania	280	120
Tunisia	1,410	1,260
Uganda	280	250
Zaire	**630**	**260**
Zambia	**600**	**390**

18 countries representing 321.43 million people.
Countries that are highlighted had a decrease of 50% or higher.
Source: United Nations.

velopment 1986-1990," shows that, despite the starvation and disease afflicting much of the African population, *Africa is subsidizing the industrialized countries financially*.

For example, in the five-year period under consideration by the U.N., Africa paid out to the IMF more than it received in loans. For sub-Saharan countries, the outflow to the IMF was $676 million a year.

In the same five years, Africa's stock of debt rose from $203.7 billion in 1986 to $271.7 billion in 1990. As a percentage of Africa's GNP, it represented an increase in the



United Nations

An open-air class for children at a refugee camp for drought victims in Niger. Contrary to the malthusians, Africa's problem is not its population density, but rather its lack of energy density.

burden from 54% to 109% in 1990!

Africa's export volume rose 2.5% per year from 1986 to 1990. But the purchasing power of these exports fell sharply, averaging 54% during 1986-90 compared with 76% in 1981-85, using 1980 as 100%. "No other region of the world experienced such a catastrophic loss," says the U.N. report.

Propelled by the necessity to pay the debt, non-food agricultural production rose 3.2% over the years 1986-90. Production of export crops such as cocoa, cotton, and sugar all rose during the reported period.

In real terms, sub-Saharan African countries were forced to export 36% more to earn a dollar of foreign exchange since 1980. That dollar was then handed over to the international creditors, beginning with the IMF.

In the same 1986-90 period, capital flight is estimated to have totaled another $30 billion.

The human result

The result of this extraction upon the African countries is the contraction of their productive economies.

On average in Africa, from 1986-90, the years under consideration by the U.N., real wages for Africans declined by 30%, and the level of real public sector wages declined by more than half, according to U.N. statistics. In some countries, the decline was as steep as 75-80%!

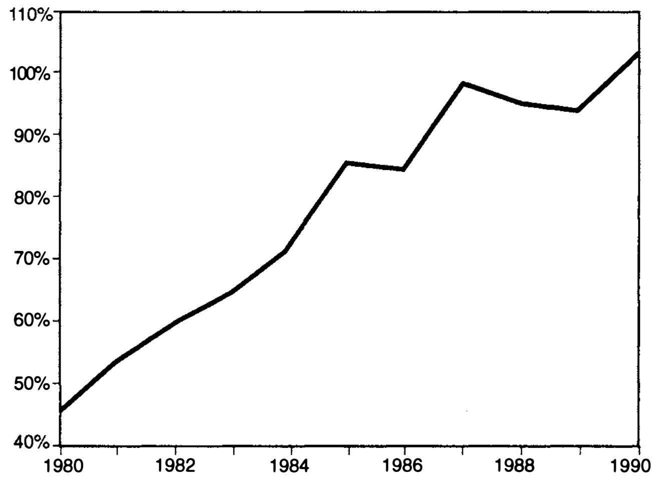
TABLE 2

African countries with life expectancy under 50 years, 1990

Country	Years
Rwanda	49.5
Central African Republic	49.5
Burundi	48.5
Senegal	48.3
Burkina Faso	48.2
Malawi	48.1
Djibouti	48.0
Mozambique	47.5
Benin	47.0
Equatorial Guinea	47.0
Mauritania	47.0
Chad	46.5
Somalia	46.1
Ethiopia	45.5
Angola	45.5
Niger	45.5
Mali	45.0
The Gambia	44.0
Guinea	43.5
Guinea-Bissau	42.5
Sierra Leone	42.0

21 countries representing 165.1 million people.
Source: *Human Development Report 1991*, United Nations.

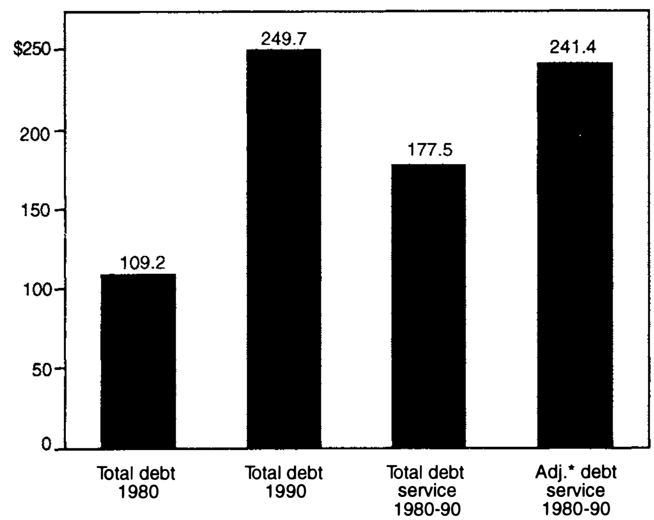
FIGURE 5
Sub-Saharan Africa*: Ratio of external debt to GNP



* Excluding Nigeria

Source: United Nations.

FIGURE 6
The extraction of usury from Africa
(billions of dollars)



Source: World Bank.
* Adjusted for 36% drop in terms of trade 1980-90.

According to the U.N. report, official unemployment grew at an average of 10% per year between 1986 and 1990. Even the U.N. report notes that this precipitous decline in real wages was "partly due to structural adjustment policy measures"—imposed by the IMF.

FIGURE 7
Africa per capita food production 1980-90
(1979-81=100)

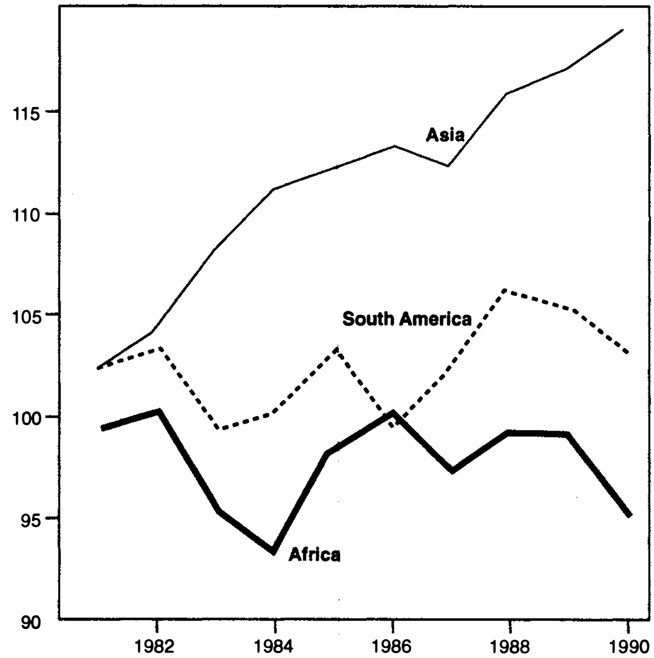


TABLE 3
African countries with under-five mortality rate 25% or higher, 1990

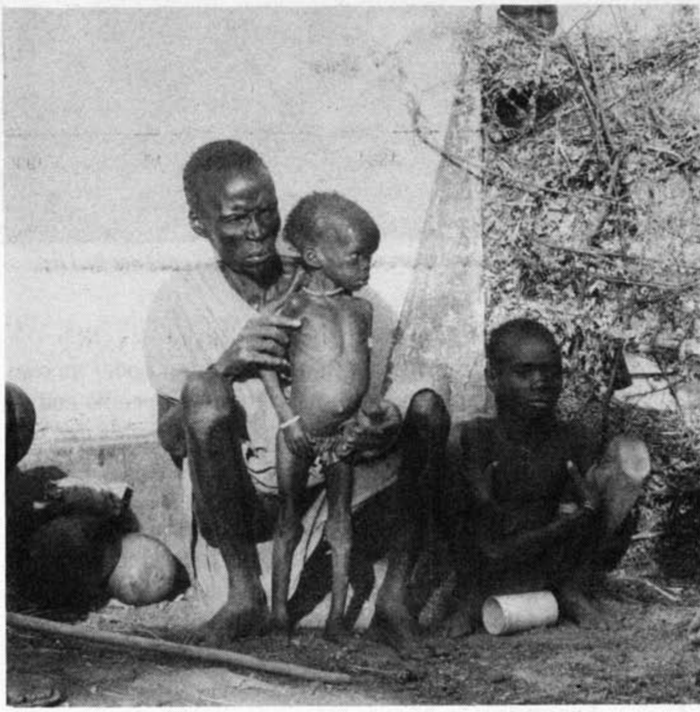
Country	Deaths/1,000 births
Guinea Bissau	250
Malawi	258
Sierra Leone	261
Mali	287
Angola	292
Mozambique	297

6 countries representing 48.9 million people.
Source: *Human Development Report 1991*, United Nations.

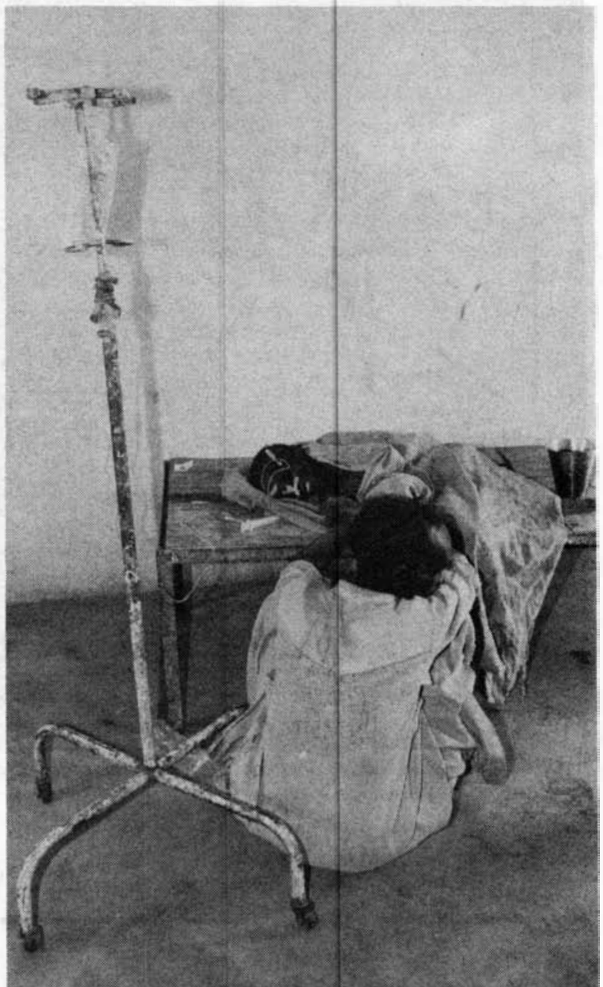
Food self-sufficiency for African nations continued to decline. No fewer than 34 African countries reported a decline in per capita food production since 1986. The ratio of food supply to consumption requirements, indexed at 100 for 1979-81, was estimated at 85 in 1990. For Algeria, Egypt, Congo, Cameroon, Nigeria, Togo, Rwanda, Burundi, Burkina Faso, Niger, Guinea, and The Gambia, dependency on food imports more than doubled from 1971.

The result is starvation, as the IMF official warned from Bangkok. In 1989, there were 150 million severely undernourished people in Africa—70 million more than there were

WHO/P. Almasy



U.N. photo 164696/John Isaac



Clockwise from top left: In the village of Affiaman, in Ghana, the inhabitants listed running water as their first need; Ghana's state-financed projects in industry and infrastructure were abandoned, under IMF orders. A starving child in Uganda; AIDS and other epidemics have swept the country, and the next 20 years are expected to leave 6 million Ugandan children orphaned. In Chad, a father comforts his severely malnourished son at a medical center.

in the mid-1970s, says the U.N. report. A full 40% of Africa's pre-school children are suffering from acute protein energy deficiency—up from 25% in 1985. In 1990, an estimated 26.6% of Africa's children were underweight, 53.3% were stunted, and 10.2% were wasting.

"Aside from drought and desertification," the U.N. report says, "other causes of malnutrition in Africa included the removal of food and agricultural subsidies at a time when household incomes were declining"—that is, a measure of "fiscal discipline" demanded by the IMF.

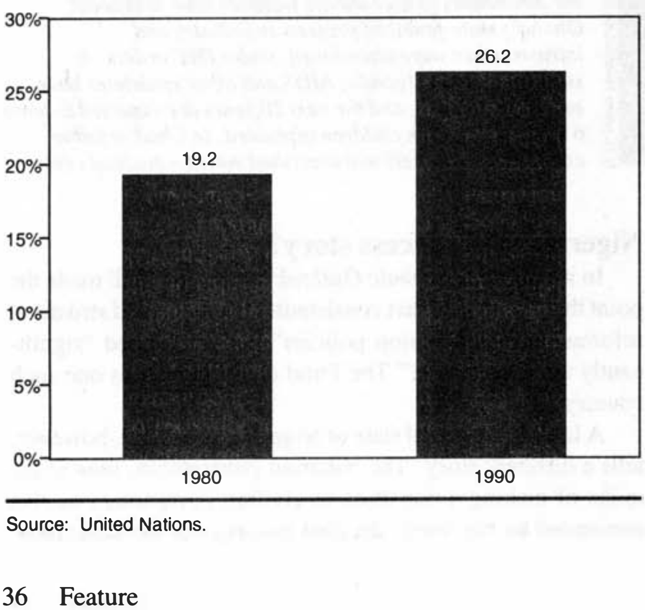
Nigeria: IMF success story?

In its *World Economic Outlook* report, the IMF made the point that "countries that consistently implemented structural reforms and stabilization policies" had performed "significantly above average." The Fund cited Nigeria as one such country.

A look at the actual state of Nigeria's economy, however, tells a different story. The Nigerian government, now in the midst of making a transition to civilian government as also demanded by the West, decided to carry out the same mea-

A copper refinery in Ndola, Zambia. Africa's meager industrial production goes mostly for export to pay the debt, and does not find its way back into the domestic economy.

FIGURE 8
Africa: food import dependency ratio
1980-1990



Source: United Nations.

sures of the IMF restructuring program, but under its own auspices. This country, with its 108 million people and its oil resources, is looked upon by many as the nation that will lead the way for Africa. If Africa is to survive, Nigeria will first have to break with the IMF policy.

In the last 10 years, per capita income in Nigeria has decreased more than 75%! In 1980, per capita income stood at $1,030 (1976 dollars), while today it stands at $250.

In the same time period, it has paid in accumulated interest payments, nearly the entirety of its total 1980 debt, yet as of 1989, its debt stood at $32.5 billion.

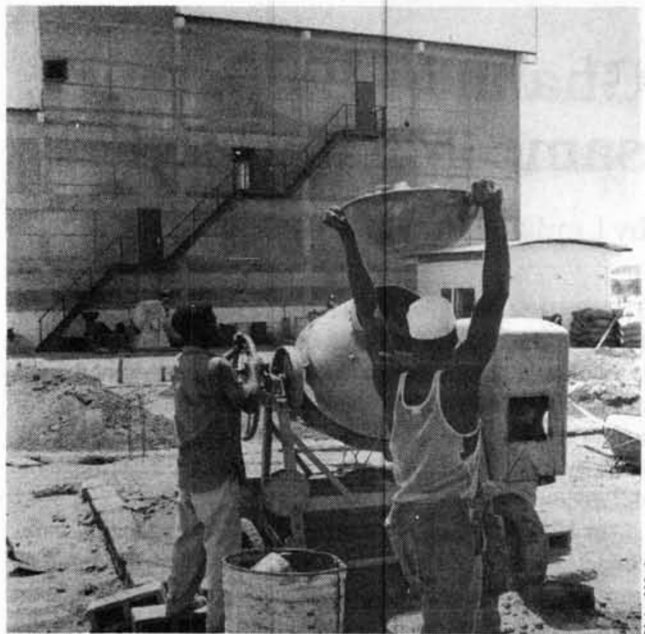
Any attempt by Nigeria to increase its industrial capacity has met with howls of protest from the West. The Nigerian government has come under fierce attack from the Fund and the World Bank for its commitment to complete construction of the Ajaokuta steel plant and to spend $2.4 billion building an aluminum smelter. These are seen by the IMF as "largely wasteful extra-budgetary expenditure," as the London *Financial Times* described it.

In fact, since 1965, Nigeria has deindustrialized! In 1965, some 10% of its total labor force worked in industry; that ratio has declined to 4%. In 1965, its agricultural work force was 72% of the total labor force, but today, although 65% of the population lives in rural areas, agriculture engages only 44.6% of the work force. Today 51% of the work force is engaged in "services"—a category to disguise massive unemployment and underemployment and the rise of the "informal"—or drug—economy.

What does this mean for Nigeria's families? In 1990, an estimated 880,000 children under five years of age died in Nigeria.

On Oct. 31, one of Nigeria's civilian candidates for President in upcoming elections, Adebayo Adedeji, an economist formerly with the United Nations, called for a 10-year debt moratorium to enable Nigeria to "put its house in order." Even U.N. Secretary General Javier Pérez de Cuellar called for debt relief for the African nations.

However, far more is required: the implementation of a True Fourth Development Decade, which will uproot and banish from policymaking the malthusian dogma of the International Monetary Fund and World Bank (see accompanying article). Without the political determination to overturn the IMF, the holocaust now taking place in Africa will point the way for a human race that has lost the moral fitness to survive.



United Nations

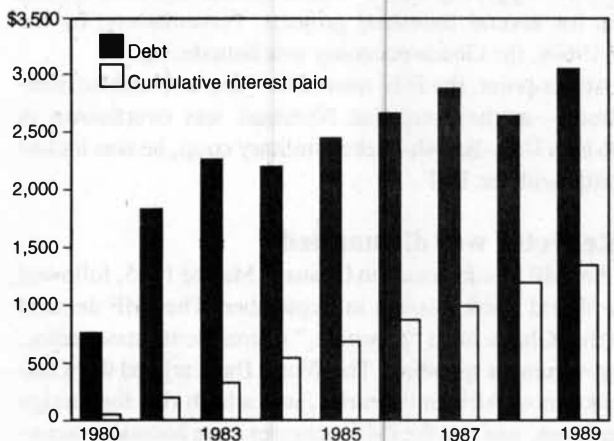
Construction workers in Niger build a millet-processing plant.

Rewards go to the debt collector

Zimbabwe Finance Minister Bernard Chidzero tied with Egyptian Deputy Prime Minister Butros Ghali in nomination for the post of United Nations Secretary General, in a straw poll taken Oct. 25 among the 15 members of the U.N. Security Council. If actually elected to the post, Chidzero would bring to the job his credentials as Africa's most zealous debt collector. Since 1980, Zimbabwe has paid, in accumulated interest payments only, a full 177% of its total 1980 debt—a greater percentage than any other African country.

Chidzero is also hailed as the man who directed Zimbabwe's structural readjustment program launched in February, as dictated by the International Monetary Fund and World Bank. The plan involved lowering the government budget deficit from 10% to 4% of Gross National Product by slashing the civil service by 25%, adding to an already high level of unemployment. Even before the plan was inaugurated, unemployment was estimated at 50%. According to *Africa Confidential*, more than 300,000 young people finish secondary school every year, with only 10,000 jobs awaiting them. Further, under the plan, "Industries that cannot adjust to new international competition will close down, causing an estimated 10% of Zimbabwe's total employed to lose their jobs."

FIGURE 9
Zimbabwe's debt
(millions of dollars)



Chidzero projected that under the plan inflation would rise beyond 20% levels. In point of fact, in the last seven months, food prices have already risen by one-third.

The power behind Chidzero and his "reforms" is Tiny Rowland's British-owned Lonrho mining corporation, which is Zimbabwe's largest employer. According to *Africa Confidential*, Rowland is at the center of a group of "indigenous" free-enterprisers who took over the Zimbabwe *Financial Gazette* and who expect to reap the most benefit from the structural readjustment program.