

detailed figures of the African Recovery Programme now under discussion need not concern us too much here. The talk is of \$128bn development expenditure over five years with two-thirds of that to be raised within Africa, leaving \$9bn per annum to come from external aid.

Taking into account known and foreseen aid commitments, a gap of around \$2.5bn per annum remains to be raised as additional aid. Compared with earlier exercises, even leaving aside dramatic calculations like those of the Brandt Report, this seems modest - the UN Conference on the Least Developed Countries of 1981 and the Berg Report both suggested a doubling of aid.

The visual evidence of African crisis has certainly given a push in the right direction. Last year 30 million people were affected by drought and famine with 10 million of them left homeless. This year the rains have come, oil is cheaper and prospects somewhat brighter. The chronic problems, however, remain. Poverty, not drought, causes hunger. Africa's average income per head is lower than it was 15 years ago. With population growing at 3% per annum and backward agriculture failing to keep pace, food imports were already rising at 8% in the 1970s.

In the 1980s, with growing foreign trade deficits and net foreign exchange inflows (foreign investment, bank lending and aid) falling by a quarter between 1980 and 1984, investment in productive activities has been declining and the debt burden rising. The ratio of foreign debt service payments to export earnings of Sub-Saharan Africa rose from 10% to 32% between 1980 and 1985 and there were 32 re-schedulings of debt over a three-year period.

Third World and UN bodies have always laid much blame on external factors. Given Africa's dependence on primary product exports and on imports of industrial goods, attention has been concentrated on those periods when the relative prices of the two move to Africa's disadvantage. Between 1977 and 1985 the terms of trade of Sub-Saharan Africa worsened by 20%.

Stress is also laid on the outflow of remittances of profits, dividends and interest by multinational companies, and the large fraction of the external sale price of primary products going into the hands of foreign companies. The colonial legacy is blamed for the lop-sided economic structures. The more radical voices have asserted that Africa cannot develop so long as the link with the capitalist West is maintained.

From the World Bank and orthodox eco-

nomists comes a very different story, in which the blame is ascribed to internal factors: bloated bureaucracies, inefficient state enterprise, incompetent economic management, over-valued exchange rates handicapping exports, neglect of agriculture, low prices for farmers' output, wasteful use of aid, too much priority for overprotected urban-based industry. The message is establish realistic exchange rates, give incentive prices to farmers, let the free market work, cut down on state spending.

Neither side is particularly anxious to stress the human-made aspects of ecological damage (desertification etc.): the resources wasted on the elites, the inequalities of income and wealth, the terrible costs of war, repression and military rule. Governments are always polite to governments.

The UN special session, in this context, broke new ground in accepting some of the World Bank's strictures. Some 90% of the funds are planned to be used for agriculture and agricultural related sectors. And a significant number of African countries are already following the Bank's prescription to privatise.

Change is occurring in the Third World. Since independence there has been a vast growth of state apparatuses and state directed economic activity. As is the case elsewhere, the state has run into its own forms of crisis - bureaucracy, inefficiency, corruption, fostering of elites, repression, war. Comprehensive development planning and socialist rhetoric are no longer so popular. But unlike Mrs Thatcher's Britain there may actually be a capitalist tiger in the tank. Certainly the 'four little tigers' of South East Asia (Singapore, Hong Kong, South Korea and Thailand) are the great hopes of conservative ideologists everywhere. Indigenous capitalist development is occurring in the Third World, though not everywhere at the same speed or with anything like the same success.

No more than in the UK can the tiger be released by abruptly denying resources to the state sector. To make the task politically feasible, time and cash is needed to facilitate the necessary 'structural adjustment'.

Reagan and Thatcher are most unlikely to make the necessary response. They are more likely to offer lectures than cash. Britain is bottom of the league in terms of percentage changes in aid given since 1979 (it has fallen substantially in real terms). Some countries may switch aid from other parts of the world to Africa. But a way out of the African crisis still seems as far away as ever.

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## Africa and Aid

The press took due note of Sport Aid but gave scanty coverage to the UN special session on Africa which followed at the end of May.

There is of course nothing new or new-worthy about international meetings and reports on the problems of the Third World. The special session on Africa was itself the culmination of six years of such activity, from the Lagos 'Plan of Action' of 1980 and the World Bank Berg Report of 1981 on Sub-Saharan Africa to the Organisation of African Unity's 'Priority Programme for Economic Recovery' of 1985.

There is nothing new either in the failure of such grandiose plans to achieve their goals. Given the small chance of success and the guesswork involved in the calculations, the