DOSSIER

Structural adjustment programmes in Sub-Saharan Africa in the 1980s and 1990s: Implications for social policies and social rights

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Abstract

The paper discusses the World Bank’s and International Monetary Fund’s Structural Adjustment Programmes (SAPs) in Sub-Saharan Africa in the 1980s and 1990s. Most countries in this region did not demonstrate autonomy in regard to national economic management and public policy processes, but acquiesced to the economic austerity prescriptions of the international financial institution, which were supposed to have resuscitated their economies. The paper seeks to provide some insights pertaining to how multilateral financial agencies engaged national governments, not as partners in a contractual relationship, but as servile actors. This situation was not mutually beneficial to both parties as interventions in local economies through financial injections had not resulted in easier repayment of loans by Sub-Saharan African governments. However, conditionalities tied to loans resulted in the erosion of social policies and social rights in Sub-Saharan Africa in the said period. Instead of shoring up economies of the countries in the region, SAPs had helped to weaken or even implode them. SAPs also eroded the social policy gains which were attained in the decade of independence in this region. The paper’s main contention is that Sub-Saharan African countries should bolster their institutions, policy-making mechanisms, and not make the same mistakes they did during that period, if they want to develop and be prosperous this century.

Keywords: Economic austerity; Social policy; Development strategy.

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Programas de ajuste estrutural na África Subsaariana nos anos 1980 e 1990: Implicações para as políticas sociais e os direitos sociais

Resumo
O artigo discute os Programas de Ajuste Estrutural do Banco Mundial e do Fundo Monetário Internacional na África Subsaariana nos anos 1980 e 1990. A maioria dos países da região não demonstrou autonomia em relação à gestão econômica nacional e aos processos de políticas públicas, mas aceitou as prescrições de austerdade econômica da instituição financeira internacional, que supostamente teriam ressuscitado suas economias. O artigo busca fornecer algumas idéias sobre como agências financeiras multilaterais engajaram os governos nacionais, não como parceiros em uma relação contratual, mas como atores servis. Esta situação não foi mutuamente benéfica para ambas as partes, pois as intervenções nas economias locais por meio de injeções financeiras não resultaram em reembolso mais fácil de empréstimos pelos governos da África Subsaariana. Porém, as condicionalidades ligadas aos empréstimos resultaram na erosão das políticas sociais e dos direitos sociais na África Subsaariana no referido período. Em vez de apoiar as economias dos países da região, tais Programas ajudaram a enfraquecer-las ou mesmo implodí-las, assim como corroeram os ganhos de política social que foram alcançados na década de independência nesta região. O principal argumento do artigo é que os países da África Subsaariana deveriam reforçar suas instituições, mecanismos de elaboração de políticas, e não cometer os mesmos erros cometidos durante aquele período, se quiserem se desenvolver e ser prósperos neste século.

Palavras-chave: Austerdade econômica; Política social; Estratégia de desenvolvimento.

Programas de ajuste estructural en África Subsaariana en los años 1980 y 1990: Implicaciones para las políticas sociales y los derechos sociales

Resumen
El artículo analiza los Programas de Ajuste Estructural del Banco Mundial y el Fondo Monetario Internacional en el África Subsaariana en las décadas de 1980 y 1990. La mayoría de los países de esta región carecían de autonomía con respecto a la gestión económica nacional y los procesos de política pública, y aceptaron las prescripciones de austerdad económica de la institución financiera internacional, que supuestamente deberían haber resucitado sus economías. El artículo trata de aportar ideas sobre cómo los organismos financieros multilaterales se relacionaron con los gobiernos nacionales, no como socios en una relación contractual, sino como actores serviles. Esta situación no era mutuamente beneficiosa para ambas partes, ya que las intervenciones en las economías locales a través de inyecciones financieras no habían facilitado el reembolso de los préstamos por parte de los gobiernos del África Subsaariana. Sin embargo, las condicionalidades ligadas a los préstamos dieron lugar a la erosión de las políticas sociales y los derechos sociales en el África Subsaariana en dicho periodo. En lugar de apuntalar las economías de los países de la región, los Programas han contribuido a debilitarlas o incluso a hacerlas implosionar, y también han erosionado los logros de la política social que se alcanzaron en la década de la independencia en esta región. El principal argumento del artículo es que los países del África Subsaariana deben reforzar sus instituciones y mecanismos de elaboración de políticas, y no cometer los mismos errores que cometieron durante ese periodo, si quieren desarrollarse y ser prósperos en este siglo.

Palabras clave: Austerdad económica; Política social; Estrategia de desarrollo.

Programmes d’ajustement structurel en Afrique subsaharienne dans les années 1980 et 1990: Implications pour les politiques sociales et les droits sociaux

Résumé
Cet article traite des programmes d’ajustement structurel de la Banque mondiale et du Fonds Monétaire International en Afrique subsaharienne dans les années 1980 et 1990. La plupart des pays de cette région n’avaient pas d’autonomie en matière de gestion économique nationale et de processus de politique publique, mais ont acquiescé aux prescriptions d’austérité économique de l’institution financière internationale, qui étaient censées avoir ressuscité leurs économies. L’article cherche à donner un aperçu de la manière dont les agences financières multilatérales ont engagé les gouvernements nationaux, non pas comme des partenaires dans une relation contractuelle, mais comme des acteurs serviles. Cette situation n’a pas été mutuellement bénéfique pour les deux parties, car les interventions dans les économies locales par le biais d’injections financières n’ont pas permis de faciliter le remboursement des prêts par les gouvernements d’Afrique subsaharienne. Cependant, les conditionnalités liées aux prêts ont entraîné l’érosion des politiques sociales et des droits sociaux en Afrique subsaharienne au cours de ladite période. Au lieu de soutenir les économies des pays de la région, ces programmes ont contribué à les affaiblir, voire à les faire imploser, et à éroder les acquis de la politique sociale obtenus au cours de la décennie d’indépendance dans cette région. L’argument principal de cet article est que les pays d’Afrique subsaharienne doivent renforcer leurs institutions et leurs mécanismes d’élaboration des politiques et ne pas commettre les mêmes erreurs qu’à l’époque, s’ils veulent se développer et être prospères au cours de ce siècle.

Mots-clés: Austérité économique; Politique sociale; Stratégie de développement.
Introduction

The Structural Adjustment Programmes (SAPs) are external interventions in the socio-political, and economic affairs of sub-Saharan African countries that have left indelible marks on this region’s social fabrics and economies. The SAPs were quite intrusive as they managed to re-shape this region’s development prospects and social policy trajectory in fundamental ways, while leaving it more vulnerable and dependent on the West. It is important to note that the SAPs dominated policy-making in sub-Saharan Africa from the early 1980s up to the mid-1990s (Mkandawire & Soludo, 1998, 2003; Olukoshi, 1998). For Patnaik (1994), the SAPs’ package typified a hegemony of an ideology of “privatisation”, and “liberalisation” which advocated a “rolling back” of the State from the sphere of production and productive investment and a significant curtailment in the level of social expenditure. During this era, many sub-Saharan African States seemed to have abdicated their responsibilities of meeting the needs of their citizens, while at the same time, it looked like they had no autonomy over economic policy development and implementation, as this area fell under the purview of the SAPs. The scale of the SAPs was so wide that at the beginning of the 1997 fiscal year, 37 countries had been involved with adjustment lending and 22 countries were engaged in SAPs. In the same period, structural adjustment lending had exceeded US$15 billion (Noorbakhsh & Paloni, 2001). SAPs were so embedded in Africa and ubiquitous across this continent that even after their supposed discontinuation, there seems to be no major changes in the economic and social policy direction of sub-Saharan African countries. For instance, there seems to be less enthusiasm from these countries to expand on social services which the SAPs had decreased through their economic austerity measures and conditionalities. The failure of SAPs, as originally designed, to effectively address the development challenges in Africa have effectively resulted in rethinking the approach. Yet, they have not been completely abandoned; they have been repackaged in one form or another to make them attractive to stakeholders in development (Heidhues & Obare, 2011).

What is clear these days is that the SAPs had deleterious effects on social services and their provision to all segments of society. For example, in the case of health-care, Thomson, Kentikelenis and Stubbs (2017, p.1) point out that SAPs of international financial institutions have typically set the parameters within which health policies operate in developing countries. In their systematic-narrow review of the SAPs’ effects on child and maternal health in developing countries, the aforementioned authors were able to determine that SAPs had a detrimental impact on child and maternal health. In particular, these programmes undermined access to quality and affordable health-care and adversely impacted upon social determinants of health, such as income and food availability. The evidence from
their research suggests that a fundamental rethinking is required by international financial institutions if developing countries are to achieve the Sustainable Development Goals (SDGs) on child and maternal health (Thomson, Kentikelenis, & Stubbs, 2017, p. 1). Therefore, the purpose of this paper is to highlight how the international financial institutions had not effectively engaged local stakeholders in implementing SAPs. It argues that sub-Saharan African governments should be genuine partners with the external lender, in a contractual relationship. The paper opines that conditionalities tied to loans should not result in the erosion of social policies and social rights as was the case in sub-Saharan African countries.

1. Key points of departure and definitions

The main issues under consideration in this discussion are the following: social policies and social rights, which are examined against a backdrop of the economic austerity measures and conditionalities of the World Bank and the International Monetary Fund (IMF). In this discussion, the perspective on social rights is derived from T. H. Marshall’s (1950) conceptualisation of citizenship. According to Marshall, citizenship has three parts, viz: civil, political, and social. Marshall was able to contrast civil rights (which cover rights such as the right to the equal protection of the law), with political rights (such as the right to vote) and social rights (such as the right to receive social security) (Chesterman, 2005). Thus, the right to receive social security, as a concept, resonates with this paper’s discussion points. Furthermore, social security is taken as one pillar of a broader conceptualisation of social policy. However, approaching social rights from this angle is akin to using a needs-based argument that maintains that a class of human needs can be identified, which provide the justification for an obligation on governments to ensure that these are met, so far as the prevailing stage of development allows (Taylor-Gooby, 2008, pp. 36-37). Thus, this discussion intertwines Marshall’s conception with Amartya Sen’s capability approach, by noting that social rights can be seen as entitlements to certain basic capabilities (Sen, 2005). Amartya Sen’s capabilities approach to development defines development as an increase in the freedom that citizens have to choose among preferred development options. These preferences may range from development priorities, to cultural values preferences, to individual identity options or various sustainability efforts. His discussion of development and choice among preferences is pertinent to both national level policy discussions and to local or village-level deliberations (Jacobson & Chang, 2019). In this case, such entitlements could be fulfilled by certain welfare regimes through their social policies. However, in sub-Saharan Africa, social policies could not play their requisite roles as they were denuded by SAPs. The next section puts a spot-light on the context under examination.
2. Social policy in sub-Saharan Africa in the independence era

There is compelling evidence that shows that many countries in sub-Saharan Africa were obliged to follow the needs-based argument in regard to social rights primarily due to the famed “fruits of independence”. The former, were promised to the mass of African people, by the nationalists of the anti-colonial movements who were fighting against colonial rule. Indeed, the nationalists used the neglect of human capital development needs of indigenous people, by colonial regimes, and the general lack of progress, after generations or centuries of colonial rule, to justify their project of social policy development (Kpessa & Béland, 2013). After independence, in many sub-Saharan African countries, social policy was used to build new post-colonial societies that tried to erase the remaining vestiges of colonial rule. Kpessa, Béland and Lecours (2011) point out that like in most advanced industrial countries, there was a strong relationship between nationalism and social policy in sub-Saharan Africa during the early post-independence era, whereby nationalist ideas and state-building directly influenced social policy development. Also, the foregoing authors underscore the fact that during this period social policy’s association with nationalist nation-building projects was grounded in the tradition of T. H. Marshall, according to which governments were required to invest in social programmes that had a direct impact on the well-being of the citizenry, through state provision of social services and cash transfers (Kpessa, Béland, & Lecours, 2011, p. 2122).

Crucially, social policy in the 1960s (during the first decade of independence) served multiple developmental and transformative purposes which enabled most sub-Saharan African countries to tackle in significant ways the negative outcomes of colonial rule, which included poverty, ignorance, hunger, disease, illiteracy and lack of national identity. In this atmosphere, social policy usually moved from the normative position of universalism and this, in turn, upheld the social rights of citizens of sub-Saharan African countries (Noyoo & Boon, 2021). Thus, social policy was a key feature of the post-colonial social and economic reconstruction agendas of most sub-Saharan countries. Furthermore, social policy was a type of State intervention that directly affected social welfare, social institutions and social relations. It involved overarching concerns with redistribution, production, reproduction and protection, and worked in tandem with economic policy in pursuit of national social and economic goals (Mkandawire, 2005).

Also, social policy denoted collective interventions in the economy to influence the access to and the incidence of adequate and secure livelihoods and income. As such, social policy played redistributive, protective and transformative or developmental roles (Mkandawire, 2004, p. 1). Nevertheless, Mkandawire (2004) reminds us that although these different roles always work in tandem and synergistically, the weight given to each of these elements of social policies has varied widely across countries and, within countries, over time. Mkandawire’s
conceptualisation of social policy fits quite well with the social policy slant that had appealed to a significant number of sub-Saharan African States after independence. In this regard, it did not take long for the newly independent nations to begin to exhibit positive social and economic development outcomes. However, all of them were hamstrung by inherited colonial-structural barriers – a situation which continues to date.

3. Sub-Saharan Africa immediately after independence

Though not homogenous, countries in this region have some common characteristics that defined them, especially after independence and even today. Almost all of them were colonised by European nations and emerged from colonialism after fighting for their independence via various forms of resistance. At independence, all of them were still tied to their former colonial masters’ economic systems. More importantly, all of them were mono commodity producing countries and whose primary exports were either agricultural products or minerals, which were exported in raw form. These raw materials would then be refined by the former colonisers and re-exported to sub-Saharan African countries, as finished products. Despite differences across the region, the World Bank, in a report that served as the rationale for the roll-out of the SAPs in Africa, is of the view that there is considerable homogeneity in this región (World Bank, 1981, p. 2):

African economies are for the most part small in economic terms, as a result of low average incomes and small populations. Of the 45 million states in the region, 24 have fewer than five million people. Only Nigeria has a gross domestic product (GDP) greater than that of Hong Kong. African economies are open; foreign trade typically accounts for about a quarter of GDP. They are specialised economies, most of them agricultural, dependent on the export of two or three primary commodities. Even in the mineral exporting countries, the bulk of the population – rarely less than 70% – works in agriculture, and subsistence-oriented production still accounts for half or more of total agricultural output. Only about 20% of the population is urban, and modern wage employment absorbs a very small proportion of the labour force – in most countries less than 10%. In addition to these similarities of economic structure, other characteristics are common: the scarcity of educated people, the dominance of land-extensive agricultural systems, and extreme diversity and consequent political fragility.

The report further goes on to point out that in almost all of these countries, fertility is high and there is an extraordinary degree of similarity throughout the region in the nature of the policy problems that have arisen, such as in rural development, trade, and industrialisation, and in the national responses to them (World Bank, 1981).
The above cited scenario did not help matters for countries in this region because even if they were politically independent they were heavily dependent on their former colonisers. This situation was not only cemented but left such economies vulnerable to global financial vagaries. To be precise, countries in this region were underdeveloped (Fanon, 1967; Rodney, 1972; Noyoo, 2010). Needless to say, underdevelopment is not the absence of development as every society has developed in one way or another and to a greater or lesser extent. To this effect, underdevelopment makes sense only as a means of comparing levels of development. Thus, at all times, one of the ideas behind underdevelopment is a comparative one. A second and even more indispensable component of modern underdevelopment is that it expresses a particular relationship of exploitation: the exploitation of one country by another (Rodney, 1972). For Rodney, all of the countries named “underdeveloped” in the world are exploited by others; and the underdevelopment with which the world is now preoccupied is a product of capitalist, imperialist and colonialist exploitation. African and Asian societies were developing independently until they were taken over directly or indirectly by the capitalist powers. When that happened, exploitation increased and the export of surplus ensued, depriving the societies of the benefits of their natural resources and labour. That is an integral part of underdevelopment in the contemporary sense (Rodney, 1972). It is worth pointing out that discussions pertaining to sub-Saharan Africa’s development woes cannot be separated from the region’s general underdevelopment as advanced by scholars such as Walter Rodney.

Poignantly, slavery should not be dismissed as is the current practice in discussions or analyses pertaining to Africa’s or sub-Saharan Africa’s underdevelopment:

Between 1400 and 1900, the African continent experienced four simultaneous slave trades. The largest and most well-known is the trans-Atlantic slave trade where, beginning in the fifteenth century, slaves were shipped from West Africa, West-Central Africa, and Eastern Africa to the European colonies in the New World. The three other slave trades – the trans-Saharan, Red Sea, and Indian Ocean slave trades – were much older and pre-dated the trans-Atlantic slave trade. During the trans-Saharan slave trade, slaves were taken from south of the Saharan desert to Northern Africa. In the Red Sea slave trade, slaves were taken from inland of the Red Sea and shipped to the Middle East and India. In the Indian Ocean slave trade, slaves were taken from Eastern Africa and shipped either to the Middle East and India or to plantation islands in the Indian Ocean (Nunn, 2008, pp. 141-142).

A number of characteristics of Africa’s slave trades make them distinct from previous slave trades. Among others, the total volume of slaves traded was unprecedented. During the trans-Atlantic slave trade alone, approximately 12 million slaves were exported from Africa. Another six million were exported in the other three slave trades. These figures
do not include those who were killed during the raids or those who died on their journey to the coast. The total effect of the slave trades, according to calculations by some scholars was that by 1850 Africa’s population was only half of what it would have been had the slave trades not taken place (Nunn, 2008, p. 142). Conversely, Africans had played a monumental role in the development of capitalism in Western Europe and North America through their complete domination and exploitation by the latter. Africans’ exploitation and domination had unleashed new productive forces in the Atlantic countries which established their pre-eminence over the rest of the world (Williams, 1944); a situation which continues to replicate and cement itself to this day. Slavery’s role in building European nation’s economies is really compelling as in the case of Britain, which was the first European country to industrialise. Williams (1944, pp. 98-99) reports that Britain had accumulated great wealth from the human trade and the increase in consumption goods called forth by slavery inevitably drew in its train the development of the productive power of the country. This industrial expansion required finance. What man in the first three-quarters of the eighteenth-century was better able to afford the ready capital than a West Indian sugar planter or a Liverpool slave trader? Thus, many of eighteenth-century banks established in Liverpool and Manchester, the slaving metropolis and cotton capital respectively, were directly associated with slave trade (Williams, 1944). It would not be fanciful or outlandish to ask why have the Western nations not proposed a Marshall Plan kind of intervention for Africa, such was the case in the post-World War Two reconstruction of Europe – if they are so concerned about this region and continent. Rather, they are more preoccupied with dispensing “development aid” to sub-Saharan African countries. Apart from being at the centre of this region’s underdevelopment and contributing to its highly fragile socio-political and economic status, through colonial pillage, among others, Western financial aid agencies are good at peddling SAPs.

Nonetheless, Bierschenk and Spies (2010) point out that many African countries experienced the early stages of industrialisation after 1960; however, the process declined again, at the latest in the aftermath of the economic crunch triggered by the oil crisis of 1973. This resulted in the increasing economic marginalisation of sub-Saharan African economies at the global level. The cited authors point out that post-colonial African economic history is one of fairly respectable rates of growth for nearly a decade (including some “miracles” in a number of countries) and then there was a decline after the oil crisis of the mid-1970s, as earlier noted. Between 1965 and 1974, annual growth in GDP per capita averaged 2.6%. From 1974 on, it stagnated; by the end of the 1980s, many African countries had a lower GDP per capita than at independence. This inverted-V pattern, with the apex over the mid-1970s, is true of virtually every economic indicator except agricultural output (Mkandawire & Soludo, 1998). Inevitably, sub-Saharan African countries had to resort to borrowing from international financial institutions when their economies began to decline. Due to such decisions, these
countries were unable to extricate themselves from the clutches of neo-colonialism, which was expressed both endogenously and exogenously in content and outlook. One endogenous factor is exemplified in the way that colonial rule created political economies of enclaves in these countries, with this spatial dimension not being tackled by post-colonial African governments. This situation was typified by a large, poor and often illiterate mass of people residing in rural and deprived areas, on the one hand, and on the other, there were urban settings where a new predatory elite presided over national affairs, while reinforcing the colonial relations of exploitation (Fanon, 1967). A critical exogenous impetus came in the form of supposed external advice and so forth, from mostly Western or European experts.

Indeed, since the end of the Second World War, no other continent has been the target of so much “well-meaning” external advice and the scene of such varied development policy interventions and political experiments as has Africa. During the first two decades of independence, these interventions mainly took the form of large-scale infrastructure programmes. The nature of the involvement of the international development agencies then changed in response to the crisis of the 1970s (Bierschenk & Spies, 2010). When the structural adaptations, which were limited to purely macro-economic indicators, also failed, they were replaced in the 1990s by attempts to implement general structural policy. The fact that these failed development programmes were often devised by external consultants in the context of so-called “development aid” is something that people outside Africa like to forget today. In this sense, we can say that their objective is no longer to foster economic development in the narrow sense, but to restructure African societies fundamentally from the outside, argue Bierschenk and Spies (2010, p. 5). Despite the various externalities and internal contradictions that hampered development in the newly independent countries, they still had some policy autonomy and could pursue their own agendas to a large extent. Some of these were even radical. Also, this was the period when sub-Saharan economies were stronger and did not overly depend on donor hand-outs as is the case nowadays. Crucially:

For much of the 1960s and 1970s, however, the International Monetary Fund (IMF) played little part in shaping the policy landscape of most African countries. That role belonged to the World Bank, and bilateral, private, and multilateral policy advisors. The multipolar global order provided policy space for local policy makers to manoeuvre, and the sources of policy advice ranged from liberal to Keynesian economics; from Fabian to social democratic. This changed radically after the 1980s, when the policy space shrunk remarkably, and the impulse of policy advice became one-dimensional and neo-liberal (Adesina, 2009, p. 39).

Therefore, for sub-Saharan Africa as a whole, domestic investment was financed largely from local resources during this period. Hence, the source of much of the financing
behind the significant improvements in social development outcomes in the period from 1960 to 1980 is important for the dominant contemporary discussion on financing Africa’s development or anti-poverty measures (Adesina, 2009). This situation would not last long and sub-Saharan African economies began to overheat and eventually began to crumble.

4. The financial crisis and after

The question to ask is, what went wrong? There are many explanations put forward to explain the economic collapse that necessitated or led to the World Bank and IMF interventions. However, the 1973 oil crisis seems to stand out as one main factor that led to the collapse of sub-Saharan African economies. Furthermore, this challenge was compounded by the 1979 oil and financial crunch that was triggered by the Iranian revolution. Helleiner (1994, p. 4) puts things into perspective in this way:

In retrospect, the 1980s can be seen as a period of setback in African economic history, not unlike the difficult 1930s; with the important difference that in the 1980s many analysts and policy makers, particularly those in international financial institutions, ascribed Africa’s problems more to internal policy errors than to exogenous influences. External shocks at the beginning of the decade were generally assumed at the time to be shorter and less severe in their consequences than they eventually proved to be. Short-term stabilisation policies, based on demand restraint, were therefore pursued for too long in circumstances where longer-term, supply-side policies were required. Moreover, once longer-term “adjustment” policies were introduced, whatever else may be said about them, they failed, as all now agree, to meet original expectations and the evident needs.

What seems to have exacerbated the problems for sub-Saharan African economies were their imprudent and short-term inspired responses. Therefore, what should not be glossed over nonetheless is that sub-Saharan African countries had also contributed to the weakening of their economies through decades of ill-considered policy choices:

SAPs were conceptualised to address the perceived key problems of African countries’ economic development. These included weak management of the public sector that resulted in loss generating public enterprises and in poor investment choices (Africa’s investment and operating costs were typically 50 to 100% above those in Southern Asia), and in costly and unreliable infrastructure. Price distortions, especially through overvalued exchange rates, price controls and subsidised credits, resulted in inefficient resource allocation. Furthermore, wage costs were high, relative to productivity (particularly in the former French colonies which had
pegged their common currency, the Communauté Financière Africaine [CFA] franc, to the French franc), even though real wages fell by 25% on average across Africa in the 1980s. All of these factors added heavily to the cost of doing business, and discouraged local and foreign investors (Heidhues & Obare, 2011, p. 58).

Thus, taking advantage of the debt distress in many developing countries early in the 1980s, the World Bank championed neo-liberal reforms, telling countries to “privatise, liberalise and globalise”. The IMF added “stabilisation” – primarily cutting government expenditure to contain inflation and balance of payments deficits – to the list of conditions for countries to qualify for the Bretton Woods Institutions (BWIs) financial resources (Sundaram & Chowdhury, 2019, August 10). Also, the main elements of the SAPs were their classical/neoliberal features. They emphasised anti-inflationary macroeconomic stabilisation policies and pushed for private sector and free market development, controlling budget deficits, privatising public sector companies and services, dissolving parastatals, eliminating subsidies and cutting public support for social services (Heidhues & Obare, 2011). Helleiner (1994) underscores the foregoing assertions and notes that believing as they did that domestic policy errors were at the root of Africa’s dismal economic performance in the 1980s, the international financial institutions’ policy makers expected more from domestic policy reforms – the quicker and more comprehensive, the better.

5. The unfeasible and unworkable SAPs

Mkandawire and Soludo (1998) observe that despite the disagreements about the techniques and results, there was an increasing sense of disappointment among the protagonists that the SAPs had not worked as expected in Africa. The World Bank (1994, pp. 1-2) cited in Mkandawire and Soludo (1998) regretted that after more than a decade of SAPs in Africa, “reforms remain incomplete”, but the Bank attributed this not to the inefficacy or poor design of the SAPs but to “lack of implementation”. It asserted that "no African country has achieved a sound macroeconomic policy stance, and there is considerable concern that the reforms undertaken to date are fragile and that they are merely returning Africa to the slow growth path of the 1960s and 1970s.” Notwithstanding this posture by the World Bank, Mkandawire and Soludo (2003) point out that after over a decade of acrimonious debates and tons of evaluation reports, there is an increasing convergence of views that the SAPs had not worked, and as designed, are grossly defective as a policy package for addressing the problems of underdevelopment in the region. However, Bar-On (1997) has a different take on the issue and argues that to assess meaningfully sub-Saharan Africa’s structural adjustment programmes, we must use these programmes’ own terms of reference. Given that all these
terms of reference were grounded in New Right or Liberal theories, we cannot, therefore, use egalitarian income distribution as a measure of their success or failure, but must rely on other criteria instead, argues Bar-On (1997). He further observes that the view that Africa’s SAPs have largely failed for not decreasing income inequalities has become commonplace. This thesis is correct, he concedes, however, he notes that only if these programmes sought greater income equality and defined equality, as their critics do. Rather, such critiques and criticisms should be based on the origin of the SAPs, asserts Bar-On (1997).

Nevertheless, the failure of the SAPs is evident even from the responses of the same institutions that had forced sub-Saharan African countries to adhere to their prescripts. In fact, as the 1990s approached, there were increasing calls for “adjustment with a human face”, which implied paying more attention to the social dimension of development and the role of the State in this process. This broader view of development was reinforced by a series of United Nations conferences throughout the 1990s that dealt with such issues as gender equality, human rights, population, social development and the environment argue Heidhues and Obare (2011, p. 60). In this regard, the issue of whether the overall disappointing performance of SAPs in Africa is due to incomplete and half-hearted implementation, inappropriate policy components of the SAPs, or adverse external factors lies at the heart of the debate. A review of the available studies suggests that in most cases a combination of these three factors was at work. It is certainly true that there was incomplete, half-hearted, and “stop-and-go” implementation (Heidhues & Obare, 2011). Moreover, Sundaram and Chowdhury (2019, August 10) point to the duplicity of the international financial institutions. While referring to a Lancet medical journal’s (undated) views on this matter, they note that the IMF displayed double standards, which exposed its developed country and other biases. After then United Kingdom (UK) Prime Minister Gordon Brown raised more than US$ 800 billion in additional IMF funding at the London G20 summit in April 2009, eurozone bail-outs accounted for four-fifths of total IMF lending between 2011 and 2014, even though the currency bloc had the means to look after itself, with its lower aggregate debt ratio than in the United States (US), the UK and Japan. Also, Greece, Ireland and Portugal were allowed to borrow 20 times their quotas, thrice the normal limit; such generosity has never been available to Asian, Latin American and African countries in trouble. For the global South, the IMF has imposed fiscal austerity, causing large-scale destitution, distress and malnutrition argue Sundaram and Chowdhury (2019, August 10).

What has become apparent over the years is that the World Bank, IMF, the donor community and other Western aid organisations have not helped sub-Saharan Africa to extricate itself from the morass of underdevelopment and mass poverty, after their heavy dosages of austerity measures for more than three decades. However, it is important to point
out that the region has lacked in strategic thinking, political will and visionary leadership as
intimated earlier. Also, it is crucial to note that the World Bank’s and IMF’s conditionalities
were and still not favourable to sub-Saharan African countries and were not meant to free
them from debt but arguably to perpetuate their indebtedness. Also, the terms for the
repayment of the loans were extremely harsh and did not allow the economies in the region
to recoup themselves. In the end, sub-Saharan African countries were preoccupied with paying
the interests that their loans had accrued. The multilateral financial institutions’ approach
across the developing world, which was effectively couched in a one-size-fits-all type of
prescriptions, resulted in the hemorrhaging of sub-Saharan countries’ social infrastructure.
This erosion of the social and economic spheres was coupled with the “rolling back” of the
State in social policy interventions and economic management. This in turn eroded the social
rights of ordinary people and reduced their capabilities. Many became poor and destitute.
Arguably, the Bretton Woods Institutions had actually managed to create the weak social and
economic environment which the Coronavirus pandemic (Covid-19) found fertile ground to
decimate sub-Saharan Africans further.

6. What is the status quo?

In thinking about the current situation about sub-Saharan Africa’s development,
the question that first must be posed is where are the SAPs nowadays? Have they been
discontinued or simply petered out? It seems that they have not and seem to have returned
in different guises in present times. According to Heidhues and Obare (2011, p. 61) the
Poverty Reduction Strategy Papers (PRSP) can be seen as the repackaged form of SAPs, with
modifications in social content and emphasis on the issues of national ownership and
consultation. On the other hand, the World Bank’s other variant of SAPs, the Poverty Reduction
and Growth Facility did not help matters either. In fact, despite debt-relief projects, many
sub-Saharan countries are still repaying large debts, have less available infrastructure projects
and social services, and are marginalised in the global trading economy (Harrison & Melville,
2010, p. 41). There is a challenge with this approach as the problems associated with the past
SAPs have not been fully rectified. Despite this, sub-Saharan African countries continue to go
back to the IMF for economic bail-outs. Why is this so? Peet (2009) alerts us to the fact that
the power of the IMF comes from the direct and indirect control it maintains over the granting
of loans to governments experiencing crises in balance of payments and having difficulty
making interest and principal payment on foreign debts (Peet, 2009). Power is exercised
through the conditions specified in stabilisation and adjustment programmes that are imposed
on the granting of desperately needed loans. At least since the mid-1970s, conditionality has
been based on an understanding of economies based on a version of neoclassical economics
that we refer to as neo-liberal – that is, revival of nineteenth-century liberalism that counters Keynesian interventionism by stressing privatisation, deregulation, and other anti-State policy (Peet, 2009).

The Brookings’ Africa Growth Initiative observes that debt was an increasing problem across all income groups of African countries prior to Covid-19, and the pandemic only exacerbated the problem. African countries had been borrowing heavily in the global financial markets in recent years – a trend that created both new opportunities and new challenges. Rising debt levels corresponded with rising debt service cost, but countries have not necessarily improved their ability to finance such obligations (Heitzig, Ordu & Senbet, 2021). The African Development Bank (AfDB) (2021) reports that the creditor base for Africa’s debt continues to shift away from traditional multilateral and bilateral Paris Club sources towards commercial creditors and non-Paris Club official lenders. The share of commercial creditors in Africa’s external debt stock has more than doubled in the last two decades, from 17% in 2000 to 40% at the end of 2019. At least 21 African countries accessed international capital markets between 2000 and 2020. What can be deciphered from the presented information above is that sub-Saharan African countries have not weaned themselves from the debt syndrome that came with the SAPs, but they have even become reckless in their borrowing by engaging commercial entities that are in the business of debt. This is not only a dangerous precedent but this phenomenon is symptomatic of the short-termism type of running national affairs in this region which is akin to a drug addict who cannot wean himself or herself off the merchandise of the drug pusher and keeps on going for more “fixes”.

In reality, failure to service debt obligations will have devastating impacts, including downgrading of credit ratings (and, hence, future higher costs), heightened pressure on foreign exchange reserves and domestic currency depreciation, and the real possibility of being rationed out of the market – and negative reputational consequences (Heitzig, Ordu & Senbet, 2021). Hence, it can be noted that even before the onset of the Covid-19 pandemic in 2020, the economic situation was foreboding. Inevitably, Africa suffered its worst recession in more than 50 years in 2020 due to the Covid-19 pandemic, as its GDP declined by 2.1%. But it was expected to increase by 3.4% in 2021 even though GDP per capita was estimated to have contracted by 10% in nominal terms in 2020. Because of the pandemic’s lower-than-expected impact on Africa, the recession in 2020 was not as severe as the Bank projected earlier (AfDB, 2021). Furthermore, about 30 million Africans were pushed into extreme poverty in 2020 as a result of the pandemic and it was estimated that about 39 million Africans could fall into extreme poverty in 2021. Those with lower levels of education, few assets, and working in informal jobs were most affected. Inequality was also set to increase, because of the disproportionate impact of the pandemic on such vulnerable groups as women, youth, and
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low-skilled informal sector workers. These groups were particularly exposed because they often worked in contact-intensive sectors with fewer opportunities to socially distance and working from home (AfDB, 2021, p. 2).

Nevertheless, the economic recovery in sub-Saharan Africa surprised on the upside in the second half of 2021, prompting a significant upward revision in estimated growth, from 3.7% to 4.5%. In 2022, however, progress has been jeopardised. The Russian invasion of Ukraine has triggered a global economic shock that is impacting the region at a time when countries’ policy space to respond is minimal to non-existent. Most notably, surging oil and food prices are straining the external and fiscal balances of commodity-importing countries and have increased food security concerns in many countries (IMF, 2022, p. vi). High food prices will disproportionately harm the most vulnerable segments of the population, especially in urban areas. Crucially, the economic recovery is expected to accelerate in 2023, with growth trending at about 4% over the medium term. But this pace of growth is not enough to make up for lost ground from the pandemic and renders the region’s SDGs significantly more difficult to achieve. The pandemic has also left deep social scars, illustrated starkly by the increase in the number of people living in extreme poverty. Prolonged school closures have also imposed severe costs on students, curtailing their education, undermining their lifetime productivity, and weighing on sub-Saharan Africa’s medium-term prospects (IMF, 2022, p. vi).

7. Where to next?

When the new Zambian president Hakainde Hichilema was criticised for overly pandering to the IMF by some segments of the Zambian society, he responded to them by asserting that the IMF had “changed”. The Zambian president who was seeking to ratify a US$1.4 billion bail-out loan from the IMF, pointed out that the controversy about borrowing from the multilateral organisation was often driven by outdated ideas of how the organisation operated. Hichilema, observed that the African continent, including Zambians, had not understood that there have been a lot of changes in the IMF (Mnyanda, 2022, January 28). Immediately thereafter, the IMF announced that its team had reached a staff-level agreement with the authorities of Zambia on a three-year programme supported by an arrangement under the Extended Credit Facility (ECF) in the amount of about SDR 980 million or US$ 1.4 billion. The economic programme aims to restore macroeconomic stability and foster higher, more resilient, and inclusive growth. The staff-level agreement is subject to IMF Management and Executive Board approval and receipt of the necessary financing assurances (IMF, 2021, December 6).

When examining Hichilema’s assertions, can we say that this is really the case? Has the leopard changed its proverbial spots or are Hichilema’s sentiments bordering on the
naivete? Only time will tell. However, the Zambian case is instructive as it underscores the lack of transparency in the whole negotiations for the stated bail-out. The old approach seems to be lingering in the nation’s affairs and has not been discarded. The IMF deal was not debated across the political divide in a clear "give and take" attitude, but almost mirrors the approach of Hichilema’s predecessor, Edgar Lungu, when his government negotiated with the IMF. This then points to less policy autonomy on the part of the Zambian government. Granted, Hichilema and his counterparts in the new government inherited a country that had practically collapsed after a decade of misrule, maladministration, corruption and malevolent leadership. However, being a keen negotiator himself, one would have thought that Hichilema and his team could have robustly engaged the IMF and briefed the Zambian citizens every step of the way, instead of allowing the process to be shrouded in secrecy as in the “bad old days” of Lungu and his Patriotic Front (PF) government.

As a matter of fact, when the negotiations for the said IMF bailout were almost completed, civil society and some opposition Members of Parliament (MPs) had noted the lack of transparency in the process and demanded openness. One opposition MP had written to the IMF asking for details pertaining to these negotiations and the IMF had basically rebuffed him. In its response, the IMF revealed that it would not disclose details of the Staff Level Agreement it entered into with the Zambian government until it had been tabled before the Executive Board. The IMF’s Mission Chief to Zambia, Allison Holland, who is based at the IMF’s Headquarters in Washington D.C said that it was not the policy of the Fund to reveal details of the Agreement ahead of a Board discussion. Holland stated that the IMF would however reveal details of the Staff Level Agreement once it was tabled and reviewed by the IMF Executive Board (Lusaka Times, 2022, March 2). This attitude from the IMF is not helpful as the country was not privy to positions which were taken by the Zambian government on the one hand and the IMF on the other. In spite of itself, the Bretton Woods Committee (2022, p. 7) rightly notes:

For decades, the international architecture for sovereign restructurings has operated without a set of generally accepted rules and procedures to promote transparency. Information opacity is widespread, and while frequent calls for greater transparency have been made, there is no consensus – even among investors – regarding what information should be disclosed, how to compel or encourage relevant participants to make such disclosures, or what the consequences should be for failing to do so. Absent a global regulatory regime designed to promote and ensure transparency, each individual sovereign debtor enjoys a great deal of discretion as to what it chooses to disclose or not disclose. In these circumstances, reaching a common understanding of what a transparent system would look like and creating the proper incentives to achieve the objective are daunting.
The problem that presents itself vis-a-vis the loan negotiations between sub-Saharan African countries and the World Bank and the IMF is that these countries come to the negotiating table when their economies and countries are in extreme dire straits, that they cannot even negotiate later on, say no to anything that the international financial lending institutions tell them to do. This situation replicates itself across sub-Saharan Africa where ordinary people do not even know why their governments are borrowing money from international lenders and if or how such overtures will change their lives for the better. As the Zambian case has shown us there is less room for inputs from local actors such as citizens or civil society organisations. After several decades, things have not changed much as can be seen from this assessment by Lancaster (1989, p. 1) more than three decades ago, who observed that the IMF and world bank wielded unprecedented power over economic policies and institutions in sub-Saharan Africa in the 1980s. Such influence, she argued, had also political implications derived from the interaction of four factors (Lancaster, 1989, p. 1):

(1) The ability of these institutions to provide trade-dependent and import-starved African governments with quick-dispensing foreign exchange to boost imports.

(2) The role of these institutions in certifying a government as eligible for a Paris Club debt rescheduling and deserving of additional resource flows. Donors increasingly require that African countries have in place a stabilisation programme with the Fund and occasionally a structural adjustment programme with the World Bank as a prerequisite for additional aid. An IMF programme is required by creditors as a prerequisite for rescheduling any debts.

(3) The practice by the international financial institutions (IFIs) of lobbying other donors for additional aid once an African government has an acceptable adjustment programme in place. In a number of African cases, the World Bank has used donor “consultative groups” as vehicles for this lobbying. These groups had periodic meetings, chaired by the Bank, at which governments’ policies and overall investment plans are reviewed and donor aid commitments are made. By calling a consultative group session, the Bank puts pressure on donors to provide more funds in support of the adjustment programme of a particular country.

(4) The fact that African governments now have virtually no source for increases in foreign exchange other than the international institutions Western donors no longer use their aid programmes to compete with each other for influence in Africa as they did in the 1960s and 1970s, and the Soviet Union too has become less inclined to engage in aid competition.

Inevitably, social policies, especially universal social policies as well as social rights would be denuded in this atmosphere of conditionalities which were imposed by the two
international financial institutions. This situation has not changed at all. Sylla (2018, August 1) is really on point when he observes that the structural adjustment process was a dark chapter in Africa’s post-colonial history. He asserts, however, that the IMF is still the main administrator of the currencies of the most vulnerable African economies, which need its approval before borrowing money in international markets. On the other hand, countries’ debt levels are again rising fast, while interest rates and the dollar exchange rate are set to increase. It seems that the scenario that led to the structural-adjustment concept in the first place is currently being replicated. We must hope that the lessons have been learned and the same mistakes will not be made again concludes Sylla (2018, August 1). The points made by the foregoing author are of critical importance because as he also rightly notes, sub-Saharan Africa has been experiencing jobless growth for quite sometime and returning to the same scenario just prior to the onset of the SAPs is a prospect that is looming.

Curiously, it can be seen that there is a strong neo-liberal agenda in matters of social policy and social rights that is being championed by the international financial institutions and donors. This is tied to the aftermath of the SAPs in the form of social protection schemes especially cash transfers for sub-Saharan Africa. As a way of strengthening social rights the international financial institutions and other donors are pushing for social protection in sub-Saharan Africa which in most cases is not driven by local actors or not funded by local treasuries, but relies on donor support. These efforts seem to be sterile because once the donor support dries up, sub-Saharan countries will be compelled to borrow more money to drive such programmes. This will not only cement the underdevelopment of sub-Saharan African countries, but also lead to the social protection agenda to become almost a business for Western donors.

8. Searching for an alternative development pathway

The foregoing issues point to a deterministic thrust in the light of sub-Saharan Africa’s development prospects after the SAPs’ supposed discontinuation. As pointed out earlier, it seems as if economies in this part of Africa are cast into an almost permanent neo-liberal mould. However, should things be this way? On the contrary, this paper argues that sub-Saharan African countries must pursue a new development pathway which will liberate them from dependency on the West on the one hand, and extricate them from the underdevelopment which was inherited from colonial rule, on the other. If there is any doubt about the failure of neo-liberal policies, we need not look any farther than Latin America. Ever since independence, Latin American governments and planners have veered between State and market in search of the elusive path to long-term development. The transformation of the
world economy in the last 30 years may have destroyed full-blown central planning as a viable economic model, but crude neo-liberal dogma also offers little hope for long-term success in the new world order argues Green (1996, p. 118). Latin American scholars and civil society actors under the umbrella of “neo-structuralism” have looked to the East and have been inspired by the Newly Industrialising Countries (NICs) of East Asia, namely South Korea, Taiwan, Singapore and Hong Kong. Despite the World Bank arguing that the NICs got things right due to “sound macro-economic management, improving the business enabling framework, and liberalising markets and prices” a closer examination reveals that, far from demonstrating the virtues of liberalisation and government non-interference, the East Asian NICs’ successes have been based on a high level of State intervention in the economy, a fascinating duet between State and private sector, and many more restrictions on foreign capital than ever existed under import substitution in Latin America (Green, 1996, pp. 118-119).

Therefore, at the heart of the neo-structuralist alternative is a re-definition of the goal of the economic model. Instead of neo-liberalism’s single-minded pursuit of growth at any cost, the neo-structuralists argue for the twin goal of combining growth with equity, a feat never achieved by any Latin American country, but a central characteristic of successful newly-industrialised economies in Asia and Europe (Green, 1996). Neo-structuralists believe that promoting equity is a pre-condition for sustainable growth, and goes well beyond mere poverty relief to include such measures as sweeping tax reform and redistribution of wealth. They argue that growth with equity can only be achieved through a radically enhanced role for the State. But this does not mean a return to the octopus State of the 1960s, owning large portions of the nation’s industries and running a large and inefficient State bureaucracy (Green, 1996, p. 119).

The foregoing accounts should serve as crucial lessons for sub-Saharan governments that seem to be in a state of policy and intellectual paralysis with no alternatives in sight in this region. This realisation brings us back to what Mkandawire and Soludo (2003, p. 49) observed:

A critical question at the heart of the crisis is whether there can be an African theory/strategy of development that is fundamentally different from other developing countries: one that is essentially African in origin and character and which can be inconsistent with the trends in the rest of the world. In other words, is there a need for an African development paradigm or should Africa strive to learn from the accumulated experiences of other countries which have managed to escape the throes of underdevelopment – in which case the framework should continue to be ad-hoc? There could be potentially many answers to these questions. Suffice it to note that one factor which could make the evolution of such a “consensus African theoretical framework” difficult is that African countries are
as diverse as they are similar. While there are several characteristics that largely define sub-Saharan Africa, there are also much in individual country features that might make them comparable to countries in other regions. Thus, the challenge of such attempt at “African unique theorising” is to cautiously distinguish between those aspects of the framework that relate to “Africa specific” issues and those that relate to the “general underdevelopment” issues.

In addition, Mkandawire and Soludo (2003, p. 49) caution that tangential to this and deriving from the apparent differences among African economies themselves, the relevant framework may not be one that provides “one general case” that applies equally to all African countries. Care might be taken to map out a few typologies of the African economies (defined by certain characteristics – economic structure, export composition, initial conditions, external debt burden, etc.) and delineate the variegated nature of the analytical framework. If one is not careful, such an attempt might end up applying to only “special cases” of the African experience.

**Conclusion**

At the outset, this paper had noted the implications of the SAPs for social policies and social rights. The reality still remains that if sub-Saharan African countries do not search for viable development models that are anchored in African realities, then social policies and social rights in Africa will continue to be attenuated. It thus becomes extremely important that sub-Saharan African countries find their own development pathways. However, at this juncture, it is safe to say that sub-Saharan Africa is caught up in a vicious cycle of economic gloom and prospects are not looking that bright. Similarly, it does not seem like sub-Saharan African countries will any time soon, go back to the period when their economies were performing well, to such an extent that they had policy autonomy and drove their own development agendas. What the SAPs have done is basically strap up these countries in an ideological straightjacket of neo-liberalism. Neo-liberalism has then made the said countries not to seek after broader and comprehensive social policies which will ultimately lead to the strengthening of social rights of ordinary people in this region.

This paper contends that there is a need for a broader and much nuanced approach from the sub-Saharan governments on the one hand, and more serious and proactive stances from their leaders in matters of development. This paper echoes the views of Mkandawire and Soludo (2003) who see the need for forging a new platform for development policy dialogue based on partnership and consensus-building in sub-Saharan Africa. In this dialogue, Africans must have the confidence and courage to take the driver’s seat. While others can help, it is
ultimately the primary responsibility of Africans to think for Africa and to develop it. This paper had re-examined the SAPs in Africa as a way of providing lessons for contemporary debates on this matter. In revisiting the period when the SAPs were introduced across sub-Saharan Africa and thereafter, the paper sought to highlight the manner in which structural adjustments were implemented across Africa without much inputs from local actors. This approach negated the idea of mutual reciprocity and respect, whereby international financial agencies engaged national governments, not as partners in a contractual relationship. However, as the discussion has shown, this approach has not changed and the IMF and other international financial institutions are the ones driving the development agenda of sub-Saharan Africa. Given the foregoing accounts, have sub-Saharan African countries learnt any lessons from past experiences with the World Bank and IMF? The answer would probably be no.

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