

THE DEVELOPMENT GROUP FOR ALTERNATIVE POLICIES, INC.

The Development GAP

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STATEMENT OF DOUGLAS HELLINGER, MANAGING DIRECTOR
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SENATE COMMITTEE ON FOREIGN RELATIONS
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Thank you, Mr. Chairman, for the opportunity to address this body on the issue of African development and on what would be an appropriate U.S. response to the problems of that continent.

The Development GAP has had a long history of involvement in Africa, beginning in the mid-1970s, when we initiated the process that culminated in the establishment of the African Development Foundation in 1983. We were intimately involved in the conceptualization of the Foundation because we believed -- and still do -- that only through investment in the people and grassroots organizations of Africa will there be development that is sustainable and relevant to the needs and aspirations of those people.

Our organization also worked for many years with AID, demonstrating in the field how to support income-generating endeavors undertaken by organizations of poor women and men in urban areas and, in the process, created new local funding mechanisms. Our work with U.S. church-based NGOs in Africa led to the formation of a coalition which made a major input into the shaping of the Africa Famine Recovery and Development Act of 1987 in the House of Representatives; and you, Mr. Chairman, introduced a similar bill in the Senate. More recently, The Development GAP assisted the Carter Center and other interested parties in the effort to bring peace and reconciliation to the Horn of Africa, and we are currently working with grassroots groups in West Africa to challenge World Bank-promoted structural adjustment policies that are devastating the lives of their constituencies.

While we are proud of our record of responding to the needs and demands of grassroots representatives of the people of Africa, we should not be the ones sitting opposite you today. In our involvement in Africa over the past 17 years, we have had the privilege of meeting dozens of dedicated Africans working at grassroots levels who are more knowledgeable and articulate on development issues than any of us in the North who sometimes pass as "experts" on African affairs.

And herein lies the problem. All the money in the world is not going to improve the situation in Africa -- in fact, it will continue to make matters worse -- until we begin to listen to the people of Africa and heed their advice about what is good for their own societies. I understand that there are constraints to the Senate receiving oral testimony from non-U.S. citizens, but there is little excuse for our major assistance agencies -- the World Bank, AID, etc. -- not doing so. In fact, a major element of the new Africa aid legislation you sponsored, Mr. Chairman, was the requirement that AID consult with non-governmental organizations representative of a broad spectrum of local interests in its determination of the development programs and policies it will promote and support. Nonetheless, AID continues, along with the Bank, the IMF and other bilateral donors, to dictate national economic policy across Africa, utilizing Congressionally appropriated funds to leverage the policy changes it deems appropriate without local-level consultation to determine their relevance.

This, of course, is not the first time that we in the North have attempted to lay over our concept of how development should take place in Africa. The post-colonial period may have been marked in part by "poor governance" (a favorite term nowadays of the World Bank) on the part of some African elites, but Western countries have supported many of these leaders, often for decades, and have contributed hundreds of millions of dollars to development programs that have not served the interests of the people.

In the current issue of The Ecologist magazine, for example, a senior official of the UN's Food and Agriculture Organization (FAO) critiques the objectives, performance and arrogance of his agency:

...study after study reveals the farming systems being swept aside by FAO's modernization policies to be efficient and productive and well suited to their specific social and ecological contexts... Nevertheless, throughout its 45 years, FAO has done nothing to assist Third World farmers to develop alternatives to high-input systems. It has not committed a single staff member to the study of traditional agricultural practices.

Despite the emergence of a new generation of future leaders across Africa -- those who are attempting to combine what is traditionally African with what is relevant from the "modernization process" -- our own leaders are not paying attention. Instead, Treasury and State, with what I can only term "the compliance" of the Congress, have called upon World Bank, IMF and AID officials to continue to promote what have proven to be disastrous structural adjustment programs from one end of the continent to the other. There exists an arrogant belief in these institutions that we in the North know what is best for Africans, and that, in the words of an AID economist, "a revolution" is being "imposed from without" in Africa by a group of donors and international institutions.

"Imposed" is the operative word here, because there is little support and much distaste for adjustment policies in Africa. After as much as a decade of implementation in some countries, debt burdens have not diminished; growth has been uneven; export markets have not proven to be the salvation that was promised; investment has been slow; the availability of affordable food has diminished; small agricultural producers have been undercut by a lack of services and credit, higher input costs and competition from cheap imported grain; health care and education are increasingly out of reach of the poor; and women are now carrying additional burdens related to family welfare while, in the rural sector, often losing access to land for food crops for the family so their husbands can follow government incentives to grow cash crops for export.

Only in Washington and in a few other Northern capitals is the myth alive that adjustment is working in Africa, or, for that matter, elsewhere in the Third World. Any other set of development policies, after so prolonged a period of failure, would have been ridiculed and jettisoned by the assistance agencies.

Because of our extensive consulting at the World Bank in the late 1970s, our organization was in a good position to begin tracking this policy issue with our African partners some seven years ago. By the mid-'80s, the Bank was forced to admit that it had failed to calculate the social costs of adjustment and had underestimated the length of the transition period to "economic health." Yet, in 1987, the Bank Regional Vice-President for Africa was in Europe, lining up donor-government support for continued adjustment lending, and, soon after, he was in Africa, rounding up new adjustment clients.

This process was paralleled by the first and only Congressional field-based look at adjustment, undertaken by House Africa Subcommittee staff in West Africa. Subsequently, we began to work with colleagues in West Africa to monitor the impact of Bank- and Fund-inspired policy reforms in the region, particularly in Senegal and Ghana, a favorite Bank "success" story. Our findings are reflected in my comments above, although I would be glad to go into greater specificity in the question period or in a separate submission. These are views that are commonly held in the region and which are not without their supporters in the Bank itself, particularly among those who have noted the dishonesty with which the institution has promoted its policies.

How is it possible that a set of policies that had been so universally rejected in Africa by the end of last decade -- except by governments desperate for additional financing at any cost -- can continue to be applied in the 1990s? The simple answer is a lack of accountability. And, as has been the case with much of our foreign aid program through the years, this lack of accountability takes two forms. The first is the absence of sufficient analysis and oversight on the part of the Congress. The second has to do with the nature of our aid system, which is open at the top to political and commercial influence and effectively closed at the bottom to the poor of the Third World who are the "objects" of our assistance.

On the first point, the Congress, quite frankly, has not been serious in analyzing what has been the major economic issue for people over a half of our globe for the past decade, i.e., the imposition of debilitating structural and sector adjustment programs. It has been far too easy for Congress to take the word of Administration officials and to believe that the market will solve all problems. We are now learning even in Eastern Europe, where the playing field is infinitely more level than in the countries of the South, about the limitations of unregulated market mechanisms.

Mr. Chairman, when we testified before the Foreign Relations Committee two years ago you expressed an interest in seeing NGOs monitor AID performance in the field. Today there is evidence that the Agency has used the additional flexibility Congress granted it in the Development Fund for Africa to promote adjustment policies that have been detrimental to the interests of the people of that continent. Clearly it is time for both of us, in conjunction with local groups in Africa, to apply effective oversight.

As far as the accountability of our aid agencies to those they are supposed to serve is concerned, there has developed an ironic twist. The World Bank and the U.S. government have suddenly developed an obsession with the need for good governance, democracy and public accountability in Africa. These are all laudable values and goals, and there are few nowadays who would argue against the desirability of multi-party systems and fair elections. But for these advocates, democratic process and accountability appear to end on 19th Street at the doors of the Bank and the IMF. For when it comes to the making of the major economic decisions affecting everyone in African societies, there is little, if any, room for the perspectives, knowledge and priorities of the African people or even their governments. These decisions have become the prerogatives of the major international financial and aid institutions. This hypocrisy -- this arrogance -- is not lost on the people of Africa.

In 1989, we and our colleagues presented to the House Foreign Affairs Committee a proposal for the revamping of our foreign aid structure. We proposed greater institutional independence for AID, allowing it to open itself up consistently to grassroots perspectives by relating to local non-governmental organizations which promote true popular participation and democracy. The details of a suggested restructuring of AID and of other aid agencies can be found in our book, Aid for Just Development, a summary of which I would like to submit for the record with your permission, Mr. Chairman.

If we would truly open the system to voices from below, we would hear a very different perspective and a call for assistance in the spirit of true partnership and respect for African people. This assistance would not be expensive, but it would be critical to helping countries to become more self-reliant and less dependent on our capital, our markets and our so-called expertise. The process of looking outward for solutions has been crippling for Africa, for it has robbed the continent of its ability to build on its own resources and the creativity of its own people, to invest in sustainable agricultural practices and other local activities that have traditionally served the people at grassroots levels, and to more fully integrate their economies nationally and regionally.

With our adjustment policies, we are perpetuating and compounding an economic, social and environmental crisis in Africa. It is time for Congress to finally deal with this matter.

Thank you.