The Bank is finally asking "why is structural adjustment not succeeding in Sub-Saharan Africa?"

By Ross Hammond

The growing failures of World Bank programs and policies in Africa are beginning to take their toll on the Bank. Critical reports and public statements which once emanated only from critics outside of the institution are now coming directly from it. A series of events in the past year have highlighted the growing confusion and demoralization among the Bank's Africa staff.

World Bank Vice President for Africa, Edward "Kim" Jaycox, made an extraordinary off-the-record speech to the African-American Institute's annual conference in Washington in May 1993. In his remarks, some of which were reported the next day in the Washington Post, Jaycox reflected on the failures of
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But does it really
want to know the
answer?

Bank policies and programs in
Africa. Lamenting the imposition
of Northern technical assistance,
Jaycox called it a “systematical destructive force
that is undermining the develop-
ment of capacity in Africa.” Re-
ferring to the imposition of
adjustment programs in Africa,
he was even more to the point:
“We are now insisting that the
governments generate their own
economic reform plans. We’ll
help, we’ll critique, we’ll eventu-
ally negotiate and we’ll support
financially those things which
seem to be reasonably making
sense, but we’re not going to
write these plans ... We’re not
going to do this anymore.”

With the overwhelming reac-
tion from the press and the Afri-
can diplomatic corps, Jaycox and
the Bank moved quickly to dis-
pel any doubts that it was going
to allow African countries to
jump off the adjustment band-
wagon. Jaycox even went so far
as to berate journalists for their
supposed “anti-adjustment” bias
and bemoaned the lack of cover-
age of the Bank’s adjustment
“success stories.” The inconsist-
tencies, however, remained un-
explained.

The inconsistencies are not
new. Last year Bank staff leaked
a draft review of Bank operations
in Africa entitled Why Structural
Adjustment has not Succeeded in
Sub-Saharan Africa. Contradict-
ing claims made in the Bank’s
Third Report on Adjustment
Lending, the authors of the report
concluded that World Bank ad-
justment lending in Africa has
not significantly affected eco-
nomic growth or inflation and
has contributed to a significant
drop in investment. The report
added that “the peculiar struc-
tural characteristics of African
economies may require altering
the standard Bank reform pro-
grams in fundamental ways.” Al-
though the Bank subsequently
released the report under the
bland title of World Bank Adjust-
ment Lending and Economic Per-
formance in Sub-Saharan Africa
in the 1980s: A Comparison with
other Low Income Countries, the
damage had already been done.

Yet another report on adjust-
ment in Africa, prepared by the
Bank’s Policy Research Depart-
ment is due out in October and,
if recent drafts are any indication,
it will consist of a raft of statistics
demonstrating the utter failure
of adjustment programs in Af-
rica. As if to make the point per-
fectedly clear that the Bank is lost
and confused when it comes to
Africa policy, the draft concludes
that the only way forward is for
African countries to “consolidate
and deepen” these programs.

The African press, including
business journals, have been
quick to pickup on these latest
signs of confusion and defensiv-
eness. With African governments
effectively silenced by their need
to maintain the flow of money,
Jaycox’s remarks, and the inter-
nal Bank reports, have lent
greater credibility to the NGOs,
who remain the most vocal crit-
ics of adjustment policies in Af-
rica. This April, Oxfam UK
issued a scathing critique of the
IMF and World Bank’s adjust-
ment policies in Africa. The re-
port was well received by the
British and African press, but re-
ceived almost no coverage in the
United States. Oxfam con-
demned the “fundamental fail-
ure” of adjustment programs
(241 were implemented in some
36 African countries during the
1980s) to either “create a plat-
form of sustained economic re-
covery, or to enable the poor to
benefit from market reforms.”
Oxfam also questioned the im-
portance of SAPs on democracy
in Africa, asking whether the ex-
istence of democratic systems on
the continent is “compatible
with the de facto transfer of eco-
nomic policy sovereignty to
Washington-based institutions,
which are manifestly not ac-
countable to the communities
which their policies affect.”

The Oxfam report echoed
previous charges made by
UNICEF that SAPs were partly
responsible for declining world
commodity prices by “encouraging
countries producing a nar-
row range of commodities to
expand production simulta-
neously, for already saturated
markets characterized by rela-
tively fixed levels of demand.”
UNICEF recently refuted the
Bank’s claims that the poor per-
formance of adjustment pro-
grams was due to a lack of full
compliance, citing the Bank’s
own evaluations which found
that 75 percent of all program
conditions had been “fully or
substantially” implemented in
Africa during the 1980s.

With pressure mounting both
inside and outside the Bank it is
unclear how much longer the in-
stitution can maintain the cha-
rade that adjustment is doing
anything more than further im-
poverishing an already impover-
ished continent.