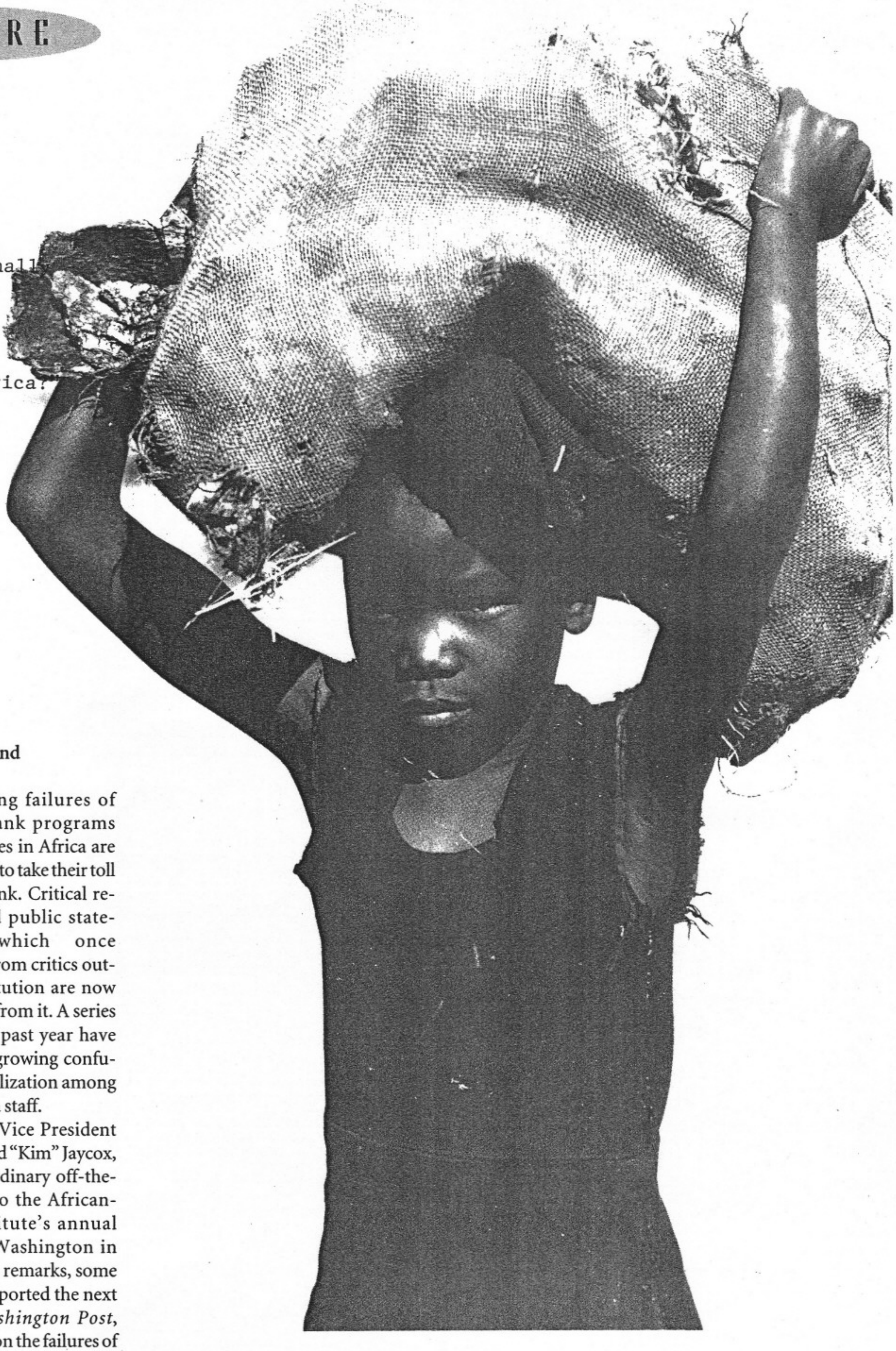
FEATURE

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 development of capacity in Africa." Referring 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 eventually 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 reaction from the press and the African diplomatic corps, Jaycox and the Bank moved quickly to dispel any doubts that it was going to allow African countries to jump off the adjustment bandwagon. Jaycox even went so far as to berate journalists for their supposed "anti-adjustment" bias and bemoaned the lack of coverage of the Bank's adjustment "success stories." The inconsistencies, however, remained unexplained.

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.* Contradicting claims made in the Bank's *Third Report on Adjustment Lending,* the authors of the report concluded that World Bank adjustment lending in Africa has not significantly affected economic growth or inflation and has contributed to a significant drop in investment. The report added that "the peculiar structural characteristics of African economies may require altering the standard Bank reform programs in fundamental ways." Although the Bank subsequently released the report under the bland title of *World Bank Adjustment Lending and Economic Performance in Sub-Saharan Africa in the 1980s: A Comparison with other Low Income Countries,* the damage had already been done.

Yet another report on adjustment in Africa, prepared by the Bank's Policy Research Department 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 Africa. As if to make the point perfectly 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 defensiveness. With African governments effectively silenced by their need to maintain the flow of money, Jaycox's remarks, and the internal Bank reports, have lent greater credibility to the NGOs, who remain the most vocal critics of adjustment policies in Africa. This April, Oxfam UK issued a scathing critique of the IMF and World Bank's adjustment policies in Africa. The report was well received by the British and African press, but received almost no coverage in the United States. Oxfam condemned the "fundamental failure" of adjustment programs (241 were implemented in some 36 African countries during the 1980s) to either "create a platform of sustained economic recovery, or to enable the poor to benefit from market reforms." Oxfam also questioned the implications of SAPs on democracy in Africa, asking whether the existence of democratic systems on the continent is "compatible with the de facto transfer of economic policy sovereignty to Washington-based institutions, which are manifestly not accountable 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 narrow range of commodities to expand production simultaneously, for already saturated markets characterized by relatively fixed levels of demand." UNICEF recently refuted the Bank's claims that the poor performance of adjustment programs 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 institution can maintain the charade that adjustment is doing anything more than further impoverishing an already impoverished continent. ■